

ENVIRONMENTAL AUTHORISATION, AN AMENDMENT OF AN ENVIRONMENTAL MANAGEMENT PROGRAMME AND AN APPLICATION FOR A WATER USE LICENCE ON BEHALF OF BHP BILLITON ENERGY COAL SOUTH AFRICA (PTY) LIMITED'S PROPOSED EXTENSION OF KLIPFONTEIN OPENCAST OPERATIONS AND ASSOCIATED CLOSURE OF A SECTION OF THE D253 ROAD

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MDEDET REFERENCE NUMBER: XXXX

BACKGROUND INFORMATION DOCUMENT FEBRUARY 2014

CONTENT AND PURPOSE OF THIS DOCUMENT

This document contains background information regarding BHP Billiton Energy Coal South Africa (Pty) Limited's' (BECSA) proposed extension of opencast operations and associated closure of a section of the D253 road at the Middelburg Mine, Klipfontein Section. This document also contains information regarding the processes that will be undertaken in support of obtaining the necessary environmental authorisation required for the proposed project.

BECSA has appointed Jones & Wagener (J&W) (Pty) Ltd Engineering and Environmental consultants as the independent Environmental Assessment Practitioner (EAP) to undertake the required Scoping and Environmental Impact Reporting (S&EIR) process in order to identify and evaluate potential environmental impacts and to recommend measures to avoid or reduce negative impacts and to enhance positive impacts. The Mpumalanga Department of Economic Development, Environment and Tourism (MDEDET) is the competent authority in terms of the required environmental authorisation. The Department of Mineral Resources (DMR) will be responsible for the approval of the amendment of the Environmental Management Programme (EMPR). The Department of Water Affairs (DWA) will review the application for a Water Use Licence (WUL).

The purpose of this document is to announce the proposed project so as to assist the members of the public to:

- Register as Interested and Affected Parties (I&AP) in order to be kept informed about further opportunities to participate in the proposed project; and
- Raise any concerns they may have regarding the proposed project.

REGISTRATION AS AN I&AP

As an Interested and Affected Party (I&AP), you will be included in the stakeholder database and receive further documents for comment. Your comments will ensure that all relevant issues are incorporated. Please complete and submit the enclosed registration/comment sheet, write a letter, call or email J&W if you wish to raise any concerns regarding the proposed project. All documents will be available on the internet at www.jaws.co.za.

PUBLIC PARTICIPATION ENQUIRIES:

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PROJECT BACKGROUND

BECSA has identified mineable coal reserves at their existing Middelburg Mine, Klipfontein Section. This mine is situated approximately 25km South of Middelburg, 35km North West of eMalahleni (Witbank) in the Steve Tshwete Local Municipality and is located in the uppermost part of the Spookspruit catchment.

The identified coal reserves to be mined are predominantly the No. 2 seam with some No.4 seam which are located within the Klipfontein Far South section. In order to mine the identified reserves, BECSA proposes to extend its opencast operations on to portions 1 and 5 of the farm Wolvenfontein 471 JS, still within Steve Tshwete Local Municipality, refer to the attached locality map.

The proposed extension of the opencast mining operations at the Klipfontein South section will involve the following developments:

- A section of the D253 provincial road has to be closed as it is located within the footprint of the proposed opencast pit;
- New dewatering pipelines are required in order to ensure that dirty water accumulated during operations is diverted to the existing Rondeboschje Pollution Control dam;
- New haul roads are required to extend into the new operations;
- New overburden/waste rock stockpiles will be required;
- A new power line (33 kV) will be required in order to operate the dragline;
- Roads may need to be upgraded or new roads may be required; and
- Vegetation will be cleared.

The above mentioned developments require the necessary environmental authorisation, an amendment to the existing Environmental Management Programme (EMPR) and an application for a Water Use Licence.

LEGAL PROCESSES

National Environment Management Act (NEMA)

Prior to proceeding with the proposed extension, BECSA needs to obtain an environmental authorisation from the MDEDET. In terms of the Environmental Impact Assessment (EIA) Regulations published in Government Notices R543 to R546 of the National Environment Management Act (NEMA, Act 107 of 1998), the proposed extension of the opencast mining operations at the Klipfontein South section triggers several listed activities which are summarised below in Table 1. The triggered activities require a full Scoping and Environmental Impact Reporting (S&EIR) process to be undertaken in accordance with the NEMA.

Table 1: Applicable NEMA listed activities for the proposed extension.

NEMA GN Regulation	Activity Number	Description
R544 of 18 June 2010	9	A pipeline with a diameter greater than 0.36m, a flow rate greater than 120l/s and a length of more than 1km is proposed to be constructed in order to provide dewatering services to the proposed new opencast mining sections.
	10	A 33kV power line extension is required for the dragline that will be used to mine the new opencast sections.
	11	Stormwater management canals are proposed to be constructed around overburden stockpiles and mining areas. These will need to be authorised if they are within 32m of a watercourse.
	18	Additional haul roads are proposed to be constructed to the new opencast mining sections which are proposed to be undertaken within 32m of a watercourse.
	22	The proposed haul roads to be constructed for the new mining sections will have a width of 22m.
	28	Overburden stockpiles resulting from the new sections of opencast mining may result in pollution of the land and/or surrounding watercourses and require a water use licence.
	47	As a result of the proposed closure of a section of road D253 due to the proposed mining of that area, possible road alternatives may require widening or lengthening in order to be used as appropriate alternatives.
R545 of 18 June 2010	18	It is proposed to close a section of the provincial road D253, in order to undertake opencast mining in that area.

NEMA GN Regulation	Activity Number	Description
R546 of 18 June 2010	4	Additional haul roads are proposed to be constructed to facilitate the proposed additional sections of opencast mining. With the proposed closure of provincial road D253, alternative roads need to be identified and/or upgraded, or a new road alternative needs to be constructed.
	12	The area in which the proposed project is to be undertaken constitutes vegetation of the type Eastern Highveld Grassland, which is classified as Endangered.
	14	The area in which the proposed project is to be undertaken constitutes vegetation of the type Eastern Highveld Grassland, which is classified as Endangered.
	19	As a result of the proposed closure of a section of road D253, possible road alternatives may require widening or lengthening in order to be used as appropriate alternatives.

Mineral and Petroleum Resources Development Act (MPRDA)

In addition, the existing Klipfontein EMPR will be amended to include new developments which were not included in the approved EMPR. The amendment of the existing EMPR will be undertaken in accordance with the provisions of the Mineral and Petroleum Resources Development Act, (MPRDA, Act 28 of 2002) and will be submitted to the Department of Mineral Resources for approval.

National Water Act (NWA)

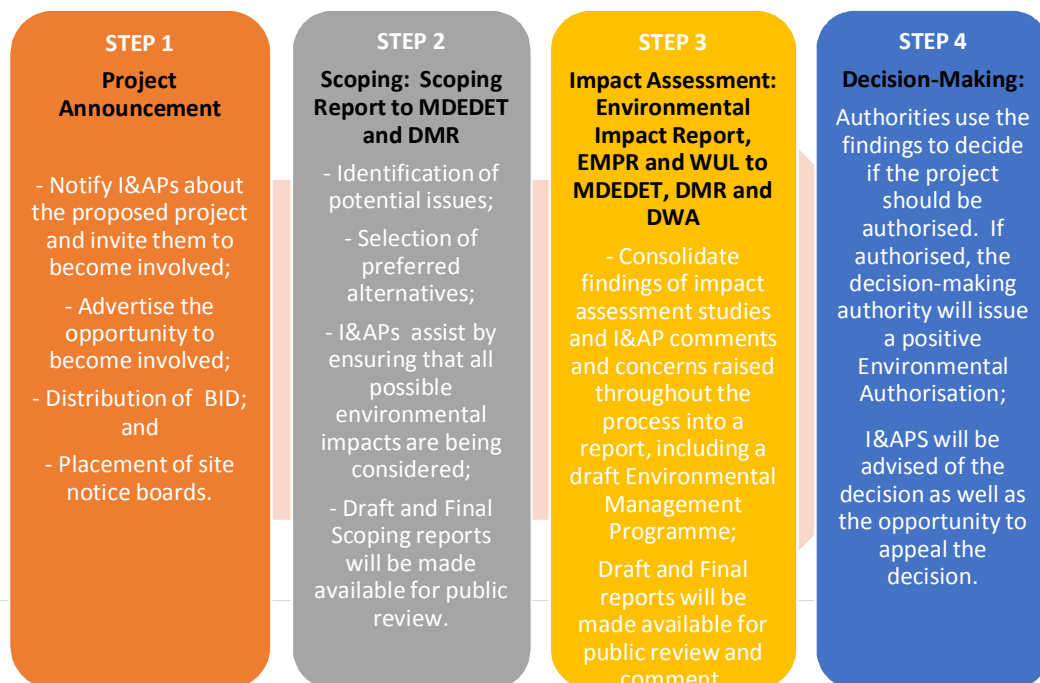
In terms of the NWA, all water uses as listed in Section 21 of the NWA require a Water Use Licence process to be followed and approved by the Department of Water Affairs. The mining area for the proposed extension contains wetlands which may be affected by the proposed operations. The DWA requires that any operations located closer than 500 metres from a watercourse, such as a pan or a wetland, be licensed in terms of Section 21 of the NWA. In terms of Section 21 of the NWA, further water uses will be identified and applied for.

Integration of the requirements: The requirements in terms of the NEMA, the MPRDA and the NWA will be undertaken in an integrated process with a combined public participation process that will ensure I&APs are involved throughout the project.

S&EIR AND PUBLIC PARTICIPATION

An environmental authorisation process will be undertaken to ensure that the potential impacts posed by the proposed project are either avoided or mitigated. As part of the S&EIR process, the requirements for the MPRDA will be met when an amended EMPR will be submitted to the Department of Mineral Resources (DMR) whilst the documents for the S&EIR will be submitted to the MDEDET. A public participation process will be followed to ensure that the process is conducted in a manner that is fair and transparent and that I&APs are afforded an opportunity to participate in a meaningful way. I&APs will receive project information for review and comment. Figure 1 below provides an overview of the integrated process to be conducted.

Figure 1: Steps in the integrated process that will be conducted.



Investigating alternatives: During the Scoping and Impact Assessment phases, alternatives will be investigated to ensure that the best possible solutions are found. The 2010 EIA Regulations require that all S&EIR processes must identify and describe “alternatives to the proposed activity that are feasible and reasonable”. The no development or “No Go” alternative must also be considered. For the closure of the section of the D253 Provincial Road several alternatives will be identified and investigated. The alternatives will consider amongst others the following criteria:

- **Length:** A shorter length is preferred as this would involve lower construction and road user costs (e.g.travel times) as well as a much smaller development footprint and associated environmental scar;
- **Land acquisition:** Less land acquisition requirements means lower costs and less impact on landowners owning private land;
- **Vertical alignment:** Less cut and fill would result in lower construction costs, a narrower road reserve and less disturbance during construction;
- **River / wetland crossings:** Fewer crossings over rivers and other wetland features would equate to a lower ecological impact;
- **Other:** Proximity to existing infrastructure (e.g. houses).

I&APs are invited to participate in the process of identifying alternatives. All feasible and reasonable alternatives will be investigated in the impact assessment phase. Please refer to Figure 2 (map) for an overview of the area and also the highlighted area in which alternatives will be identified.

Specialist studies: Specialist studies will be undertaken in support of the environmental authorisation process to identify the potential impacts that the proposed project may pose on the environment. The following specialist studies are proposed to be undertaken:

- Geohydrological and surface water assessment;
- Phase 1 Heritage Impact Assessment;
- Paleontological Assessment;
- Terrestrial Ecology Assessment;
- Air Quality Impact Assessment;
- Noise Impact Assessment;
- Soils and Land capability Assessment;
- Vibration Assessment;
- Social Impact Assessment;
- Visual Impact Assessment;
- Mine Water Balance update; and
- Traffic Impact Assessment

During Step 2 (Figure 1) I&APs will have the opportunity to review the plan of study for the EIA. During Step 3 (Figure 1) the findings of the assessments will be made available for I&APs to review and to comment on.

Your comments and registration as an interested and affected party are important

You are invited to participate and to submit any comments or information you feel may benefit the process. Registered I&APs are entitled to comment, in writing, on all written submissions to the competent authority (MDEDET, the DMR and DWA) and to bring to the attention of the competent authority, any issues which the party believes may be of significance to the consideration of the application.

Register as an I&AP to receive further details on the public review of reports produced in the consolidated S&EIR, EMPR and WUL process.

Your comments made during the consolidated S&EIR, EMPR and WUL process will be recorded in a Comments and Response Report (CRR) which will form part of the Environmental Impact Report. The purpose of an EIA is to provide the decision-making authorities with sufficient information on which to base their decision to grant or refuse an environmental authorisation and if, granted to define conditions for the development. The contributions made by stakeholders from all sectors of society will ensure informed decision-making.

