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ENVIRONMENTAL

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## BACKGROUND INFORMATION DOCUMENT

### ENVIRONMENTAL AUTHORISATIONS FOR THE PROPOSED KLIPSPRUIT EXTENSION: WELTEVREDEN PROJECT

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#### **Project Number**

BHP2690

#### **Prepared for**

BHP Billiton Energy Coal South Africa (Pty) Limited (BECSA)

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*DEDET Ref No.: 17/2/3N-373*

**July 2014**

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## 1 BACKGROUND

BHP Billiton Energy Coal South Africa Propriety Limited (BECSA) is seeking various environmental authorisations for the extension of its existing Klipspruit Colliery: Klipspruit extension Project (KPSX: Weltevreden), which is located near the town of Ogies, within the eMalahleni Magisterial District and Nkangala District Municipalities. Klipspruit Colliery has an approved Mining Right and Environmental Management Programme (EMPr), and an Integrated Water Use License (IWUL). BECSA currently has three Prospecting Rights over various farms to the east of Klipspruit Colliery (KPS), collectively named KPSX: Weltevreden, and intends to include these farms into their existing Mining Right (Ref No. MP 30/5/1/2/2/125 MR).

Digby Wells Environmental (Digby Wells) has been appointed as the independent Environmental Assessment Practitioner (EAP) by BECSA to complete the necessary applications and undertake the environmental and social studies for the proposed Klipspruit Extension: Weltevreden Project.

## 2 PROJECT DESCRIPTION

### 2.1 Project Location

The Klipspruit Extension: Weltevreden Project area is approximately 6500 hectares (ha) in size on directly affected farms Grootpan 7 IS, Tweefontein 328 JS, Weltevreden 324 JS, Wildebeesfontein 327 JS, Hartebeestlaagte 325 JS, Prinshof 2 IS and Zaaewater 11 IS. The project is located north of the town of Ogies, within the Mpumalanga Province. Refer to the local setting in Plan 1.

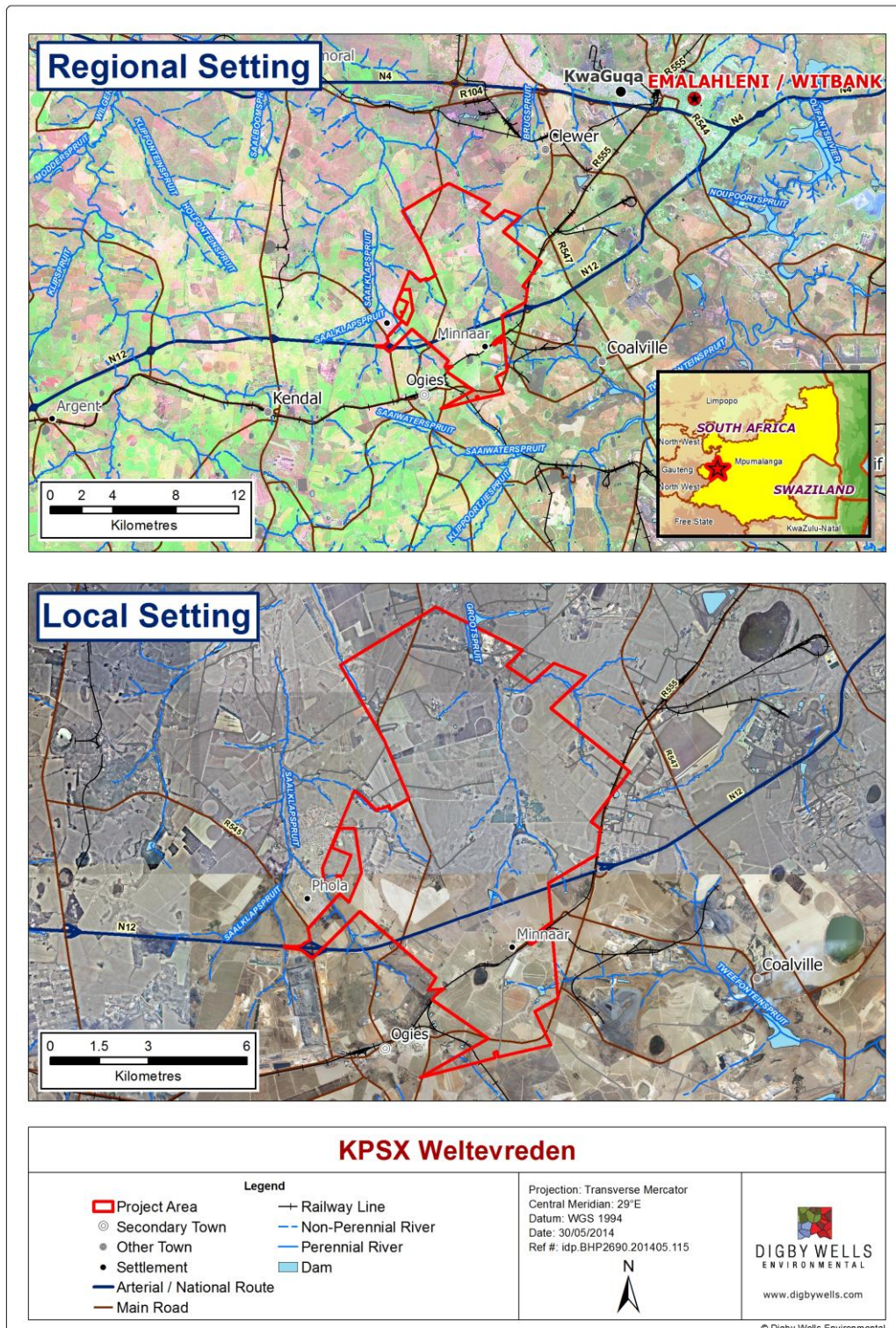
### 2.2 Mining Operation and Infrastructure

BHP Billiton Energy Coal South Africa (Pty) Limited (BECSA) is the sole owner and operator of the Klipspruit Mine (KPS), which is a nominal 8.5 million ton per annum Run of Mine (RoM) export coal mine, with the Life of Mine (LoM) extending until 2020. The KPS is located east of the town of Ogies and is bordered by the N12 National highway to the north, and Kendal Power Station to the south west. The RoM coal from KPS is processed at the Phola Coal Processing Plant (PCPP) Joint Venture and is then exported through the PCPP rapid load out terminal and Richard's Bay Coal Terminal railway line. BECSA is a 50 % shareholder in the PCPP, along with Anglo American (Pty) Ltd.

The proposed opencast mining of KPSX: Weltevreden will form part of BECSA's Klipspruit Extension (KPSX) Project, which also incorporates the opencast mining of KPS. The KPSX: Weltevreden Project is within proximity of the existing KPS operations and contains a coal resource of approximately 600 million tonnes which would allow an extension to the Life of Mine for an estimated 20 more years.

The KPSX Project has been initiated to achieve the following:

- To extend the life of KPS beyond 2020;
- To continue the employment of current Klipspruit Colliery employees past 2020;
- To continue to support the South African economy through local procurement; and
- To invest capital into the South African coal mining industry to ensure continued coal production.



Plan 1: Regional and Local Setting of the Weltevreden Project



### 3 REGULATORY REQUIREMENTS

In order to include the KPSX: Weltevreden area into the existing Klipspruit Colliery mine plan the following regulatory requirements will be applicable for the environmental regulatory processes:

- A Section 102 Amendment to the existing EMPR, according to the MPRDA, to incorporate the proposed KPSX: Weltevreden area (where BECSA currently has Prospecting Rights) with the existing Mining Right for Klipspruit Colliery (*Mpumalanga DMR is the competent authority*);
- An authorised Environmental Impact Assessment (EIA) and Environmental Management Programme (EMP) for the triggered listed activities according to the National Environmental Management Act (Act No. 107) of 1998 as amended (NEMA) (Mpumalanga Department of Economic Development, Environment and Tourism (DEDET) is the competent authority);
- A separate application has been submitted to the National Department of Environmental Affairs (DEA) to obtain authorization for the construction of facilities or infrastructure for the transmission and distribution of electricity under Regulation 544; and
- Amendment of the existing Integrated Water and Waste Management Plan (IWWMP) and Integrated Water Use License (IWUL) in terms of the National Water Act (Act No. 36 of 1998) (NWA) (Mpumalanga Department of Water Affairs (DWA) is the competent authority).

Below are the Listed Activities according to Government Notices R544, R546, R545 Activity Numbers.

<b>R544 Activity</b>	<b>Assessment Activities description as per Listing Notice 1 (GN No. R544)</b>
10	The construction of facilities or infrastructure exceeding 1 000 metres in length for the bulk transportation of water, sewage or storm water: <ol style="list-style-type: none"> <li>i. With an internal diameter of 0.36 metres or more; or</li> <li>ii. With a peak throughput of 120 litres per second or more.</li> </ol>
12	<ol style="list-style-type: none"> <li>i. The construction of facilities or infrastructure for the off-stream storage of water including dams and reservoirs, with a combined capacity of 50 000 cubic metres or more, unless such storage falls within the ambit of activity 19 of Notice 545 of 2010.</li> </ol>
22	The construction of a road, outside urban areas: <ol style="list-style-type: none"> <li>i. With a reserve wider than 13.5 metres; or</li> <li>ii. Where no reserve exist the road is wider than 8 metres; or</li> <li>iii. For which an environmental authorization was obtained for the route determination in terms of Activity 5 in GN 387 of 2006, or Activity 18 in Notice 545 of 2010.</li> </ol>
26	Any process or activity identified in terms of Section 53(1) of the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004).
<b>R545 Activity</b>	<b>Assessment Activities description as per Listing Notice 2 (GN No. R545)</b>

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3	The construction of facilities or infrastructure for the storage, or storage and handling of dangerous goods, where such storage occurs in containers with a combined capacity of more than 500 cubic metres
16	The construction of:  (i) jetties exceeding 10 square metres in size; (ii) slipways exceeding 10 square metres in size; (iii) buildings with a footprint exceeding 10 square metres in size; or (iv) infrastructure covering 10 square metres or more where such construction occurs within a watercourse or within 32 metres of a watercourse, measured from the edge of a watercourse, excluding where such construction will occur behind the development setback line.
19	The construction of a dam, where the highest part of the dam wall, as measured from the outside toe of the wall to the highest part of the wall, is 5 metres or higher or where the high water mark of the dam covers an area of 10 hectares or more.
20	Any Activity which requires a mining right or renewal thereof as contemplated in Sections 22 and 24 respectively of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).
21	Any Activity which requires an exploration right or renewal thereof, as contemplated in Sections 79 and 81 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).
<b>R546 Activity</b>	<b>Assessment Activities description as per Listing Notice 3 (GN No. R546)</b>
2	The construction of reservoirs for bulk water supply with a capacity of more than 250 cubic metres.
5	The construction of facilities or infrastructure for any process or activity which requires a permit or license in terms of national or provincial legislation governing the generation or release of emissions, pollution or effluent and which is not identified in Notice No. 544 of 2010 or included in the list of waste management activities published in terms of section 19 of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) in which case that Act will apply.
11	The construction of:  i. Canals; ii. Channels; iii. Bridges; iv. Dams v. Weirs vi. Bulk storm water outlet structures; vii. Marinas; viii. Jetties exceeding 50 square metres in size; ix. Slipways exceeding 50 square metres in size; x. buildings exceeding 50 square meters in size; or xi. Infrastructure or structures covering 50 square metres or more where such construction occurs within a watercourse or within 32 metres of a watercourse, measured from the edge of a watercourse, excluding where such construction will occur behind the development setback line.



15	<p>Physical alteration of undeveloped, vacant or derelict land for residential, retail, commercial, recreational, industrial or institutional use where the total area to be transformed is 20 hectares or more;</p> <p>except where such physical alteration takes place for:</p> <ul style="list-style-type: none"> <li>i. linear development activities; or</li> <li>ii. agriculture or afforestation where activity 16 in this Schedule will apply</li> </ul>
19	<p>The widening of a road by more than 4 metres, or the lengthening of a road by more than 1 kilometre outside urban areas, in:</p> <ul style="list-style-type: none"> <li>i) A protected area identified in terms of NEMPAA, excluding conservancies;</li> <li>ii) National Protected Area Expansion Strategy Focus areas;</li> <li>iii) Sensitive areas as identified in an environmental management framework as contemplated in chapter 5 of the Act and as adopted by the competent authority;</li> <li>iv) Sites or areas identified in terms of an International Convention;</li> <li>v) Critical biodiversity areas as identified in systematic biodiversity plans adopted by the competent authority or in bioregional plans;</li> <li>vi) Core areas in biosphere reserves;</li> <li>vii) Areas within 10 kilometres from national parks or world heritage sites or 5 kilometres from any other protected area identified in terms of NEMPAA or from the core area of a biosphere reserve;</li> <li>viii) Areas seawards of the development setback line or within 1 kilometre from the high-water mark of the sea if no such development setback line is determined;</li> <li>ix) Areas on the watercourse side of the development setback line or within 100 metres from the edge of a watercourse where no such setback line has been determined.</li> </ul>

### 3.1 Klipspruit Colliery EMPr

A Section 102 amendment has been applied for at the Department of Mineral Resources (DMR) for inclusion of the open cast mining operation at the KPSX: Weltevreden. The Environmental Impact Assessment (EIA) and Environmental Management Programme (EMP) will be compiled to focus on the environmental and social impacts of the open cast operation and its associated activities.

### 3.2 Klipspruit Extension: Weltevreden water use authorisation

In accordance with Section 21 and Section 49 of the NWA, an amendment to Klipspruit Colliery's IWUL (Licence No. 24075037) and IWWMP will be applied for to the DWA. The amendment will be applied for to amend the IWUL and IWWMP to include Klipspruit Extension: Weltevreden as an open cast operation.

It is likely that the amendment of the IWUL for Klipspruit Extension: Weltevreden will include water uses as defined in terms of section 21 of the NWA:

- Section 21 (c): Impeding or diverting the flow of water in a water course;
- Section 21 (g): Disposing of waste in a manner which may detrimentally impact on a water resource;
- Section 21 (i): altering the bed, banks, course or characteristics of a watercourse; and

- Section 21 (j): Removing, discharging or disposing of water found underground if it is necessary for the effective continuation of an activity.

## 4 ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

### 4.1 Environmental Impact Assessment (EIA) process

Digby Wells will compile the various environmental reports which will form part of the EIA process. The process will aim to identify environmental and social concerns that will also yield mitigation measures. During the Scoping Phase all persons interested or affected by the project will be informed of the proposed specialist studies to be undertaken as well as the project overview which will enable them to provide inputs. The following is a list of the specialist studies to be undertaken and a more detailed description on the individual terms of references which will be outlined in the Scoping Reports.

<ul style="list-style-type: none"> <li>Topography Assessment</li> <li>Soil and Land Capability Assessment</li> <li>Land Use and Land Use Plan</li> <li>Biodiversity Plan</li> <li>Rehabilitation Plan</li> <li>Heritage Assessment</li> <li>Socio-economic Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Surface Water Assessment</li> <li>Groundwater Assessment</li> <li>Climate and Air Quality Assessment</li> <li>Noise Assessment</li> <li>Blasting and Vibration Assessment</li> <li>Closure Cost Assessment</li> <li>GIS and Mapping</li> </ul>
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These Scoping Reports will address the requirements for NEMA, and the MPRDA. The environmental regulatory process is divided into the Scoping, Impact Assessment and Decision Making phases as seen in Figure 1 below:

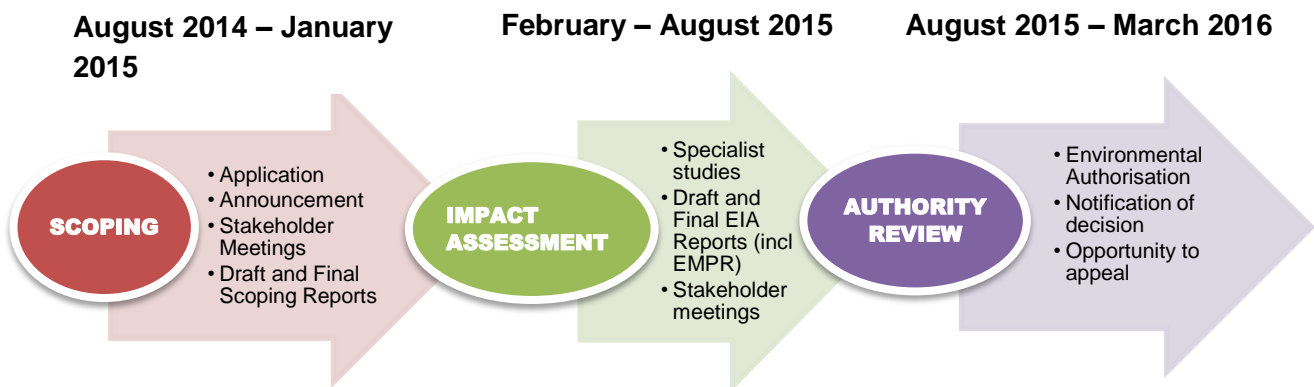


Figure 1: EIA/PPP Process to be followed

## 5 PUBLIC PARTICIPATION PROCESS

In an effort to maximise stakeholder participation an integrated Public Participation Process (PPP) will be implemented in terms of MPRDA, NEMA and NWA. As part of the PPP, Interested and Affected Parties (I&APs) will have the opportunity to participate in the environmental regulatory processes. Below are the proposed dates for the EIA process phases during which I&APs can partake.



- **Project Announcement phase:** August 2014, I&APs to be given background information on the proposed project and will be requested to register as an I&AP.
- **Scoping phase:** August 2014 – January 2015, a detailed project description and terms of reference for specialist studies is included in the Scoping report and made available to I&APs for comment. Stakeholder meetings will be held during this phase.
- **Environmental Impact Assessment phase:** Specialist studies will be conducted and the Draft and Final EIA / EMP reports will be made available to I&APs for comment. It is anticipated that stakeholder meetings will be undertaken during April / May 2015.
- **Decision-making phase:** The authorities' decisions about the proposed project will be communicated to I&APs once received.

Stakeholders can register as I&APs by submitting Comment and Registration Sheet, formal comments or relevant contact details to the Stakeholder Engagement Office. I&APs will be informed about the availability of reports and scheduled stakeholder meetings via their preferred means of communication (email, post or fax). Contributions from stakeholders will assist in informed decision-making for authorities and provides information to be considered by the project team and specialists conducting studies. All comments can be submitted using the contact details which appear on the cover page or as part of the Comment and Registration Sheet.

**Stakeholder Engagement Office**

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