

BACKGROUND INFORMATION DOCUMENT (BID)

For prospecting right for coal on portion 1, 2, 3, 6, 7, 8, 9, 13-25, 27-31, 32, 35, 36, 40, 42 and remainder of the farm Hlobane No. 506 HT, Erven 2-21, 23-26, 28-63, 66 & 67 of the Hlobane Township HT (Town code: NOht0683), portions 5, 9, 12-15, remainder of 16, 18 & 20-22 of the farm Vaalbank No. 38 HU and Erven 0-16 of the Vaalbank Township HU (Town Code: NOhu0684)
Kwa-Zulu Natal
KZN 30/5/1/1/2/10926 PR

PREPARED FOR



ATOK MINING HOUSE (PTY) LTD

REG NO: 2012 / 226428/ 07
313 Braam Pretorius Street, Magalieskruin,
Pretoria, 0182
Tel.: +27 10 072 2011
Email: ariel@atok.co.za

PREPARED BY



Office No. 16, First Floor (South Block),
Corridor Hill Crossing, 9 Langa Crescent, Corridor Hill,
eMalahleni (Witbank), 1040
Tel: 013 692 0041
Cell: 072-081-6682/078-2727-839
Fax: 086-514-4103
E-mail: kenneth@singoconsulting.co.za

Purpose

The purpose of this Background Information Document (BID) is to consult with lawful landowner(s), stakeholders and all Interested and Affected Parties (I&APs) of the proposed prospecting project and to provide them with the opportunity to receive information, provide comments, and to raise any concerns related to the prospecting right application process.

Introduction

Atok Mining House (Pty) Ltd has applied for a Prospecting Right with associated Environmental Authorisation in order to prospect Coal. The application was lodged with the KwaZulu Natal Province Department of Mineral Resources and accepted on the 25th of September 2020. In order to undertake prospecting activities, Atok Mining House (Pty) Ltd requires a granted Prospecting Right (PR) in terms of the Mineral and Petroleum Resources Development Act (MPRDA, Act No.28 of 2002). Other regulatory guidelines to be followed include: National Water Act, 1998 (Act 36 of 1998), National Air Quality Standards (GN 1210: 2009) and National Dust Control Regulations (GN 275: 2017). Atok Mining House (Pty) Ltd is also required to obtain an Environmental Authorisation (EA) in terms of the National Environmental Management Act (NEMA, Act No. 107 of 1998) which requires the submission of an Environmental Management Plan Report. Singo Consulting (Pty) Ltd has been appointed by Atok Mining House (Pty) Ltd to be the Environmental Assessment Practitioner (EAP) to assist in complying with these requirements.

Table 1: Environmental Assessment Practitioner Details

ENVIRONMENTAL ASSESSMENT PRACTITIONER	SINGO CONSULTING (PTY) LTD
Contact Person(s)	: Nokuthula Nkosi
Cell No.	: 076 607 4041 / 081 386 8589
Tel. No.	: 013 692 0041
Fax No.	: 086 5144 103
Email(s)	: nokuthula@singoconsulting.co.za
Physical Address	: Office No: 16 First Floor (South Block) Corridor Hill Crossing 09 Langa Crescent, Corridor Hill, eMalahleni, 1035.
Postal Address	: Private Bag X 7297, Postnet Suite 87, Highveld mall Witbank 1035

Table 2: Project Applicant Details

NAME OF APPLICANT	ATOK MINING HOUSE (PTY) LTD
Contact Person	: Ariel Mahlatji
Tel. No.	: 010 072 2011
Cell No.	: 083 672 3017
Email	: ariel@atok.co.za
Physical Address	: 313 Braam Pretorius Street, Magalieskruin, Pretoria, 0182
DMRE Reference No.	: KZN 30/5/1/1/2/10926 PR

Aim of the BID

This document aims to provide the following:

- To provide background information to landowners and interested and affected parties (I&APs) on the proposed prospecting activities and the legal framework;
- To give an overview of environmental baseline information and environmental impacts that may potentially occur;
- To explain the Public Participation Process (PPP) to be followed; and
- To consult stakeholders and provide them the opportunity to register as I&APs.

NOTE: The proposed application directly affects portions owned by: **VRYHEID NATAL RAILWAY COAL & IRON CO LTD, TRANSNET, TELKOM SA LTD, ESKOM FINANCE CO PTY LTD, MTSHALI ESTHER THOBILE, JOGI ASHANTHNLAL, HEERDEN PIETER SCHALK VAN, DLAMINI GEORGE MBEKISENI, KUHN RUDOLF HEINRICH, PROVONCIAL GOVERNMENT OF THE PROVINCE OF KWA-ZULU NATAL, IMIKHIMBI KAMKATSHWA FAMILY TRUST, KHUMALO HLABEYAKHE JOHANNES and KWASTANELLA COMMUNITY TRUST.** Please kindly contact us immediately so that a formal meeting can be arranged with you, to formally notify, discuss activities to be undertaken and conditions of accessing your land. Your assistance will be highly appreciated.

Locality

The area of interest is situated within Hlobane, Vaalbank and Pumulanga and approximately 2.73 km south of Thukuzele and roughly 15.70 km north west of Vryheid, within the AbaQulisi Local Municipality. Figure 1 below illustrates the regulation map of the proposed project while

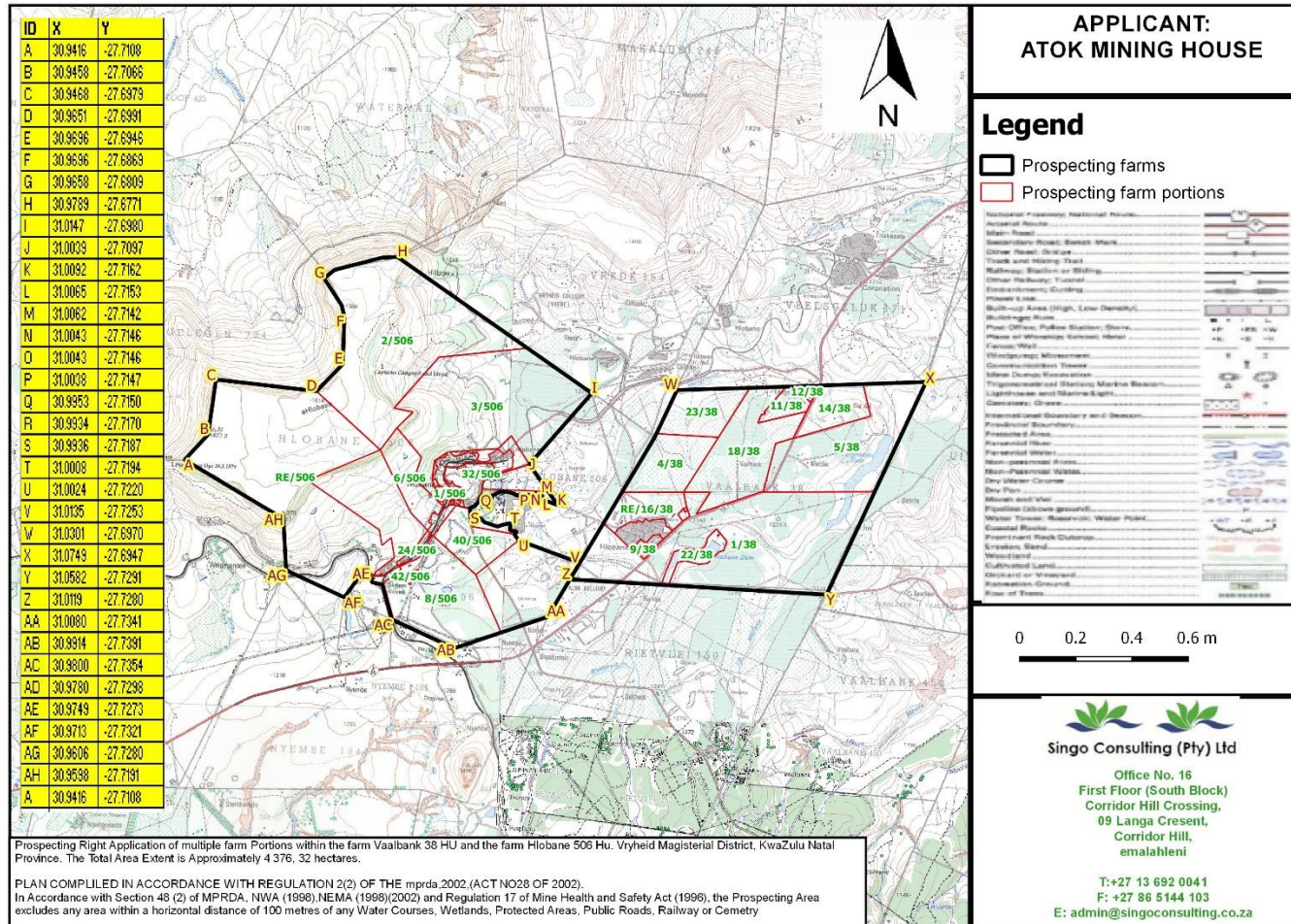


Figure 1: Location of the proposed project



Figure 2: Google earth view of project area

Need

The coal that is being prospected has the potential to supply local & regional power stations and possible international customers. Coal is crucial for the generation of electricity in South Africa, supplying more than 90% of the population. After prospecting activities, which is the thorough search of a mineral through core drilling, it will be accessed if mining coal will be viable not only for the company but also for the community. The success of the project will contribute to the economic development in the Local Municipal area

After prospecting activities, which is the thorough search of a mineral through core drilling, it will be accessed if mining the above-mentioned minerals will be viable not only for the company but also for the community. The success of the project will contribute to the economic development in the Local Municipal area.

Legislative requirements

The prospecting right application is subjected to the following Acts:

- National Environmental Management Act (Act 38 of 1998)
- Environmental Impact Assessment regulations as amended (April 2017);
- Mineral and Petroleum Resources Development Act, (Act 28 of 2002);
- National Water Act, 1998 (Act 36 of 1998);
- National Air Quality Standards (GN 1210: 2009); and
- National Dust Control Regulations (GN 275: 2017).

Basic and Environmental Impact Assessment Processes

During this process the positive and negative impacts associated with the prospecting activities are assessed; and suitable alternatives and/or management measures are proposed to reduce the environmental impacts.

As the application relates to prospecting activities (Listing Notice 2), an EMPR will be completed. It is intended to supply the competent authority with sufficient information to make an informed decision in granting or refusing an environmental authorisation associated with the prospecting right application.

1. Technical process involves :

- Submitting application forms to DMRE;
- Compiling the Draft Environmental Management Plan Report;
- Submit the Draft Environmental Management Plan Report to all I&APs for comments;
- Incorporate comments into final Environmental Management Plan Report; and
- Submit final Environmental Management Plan Report to the DMRE.

2. Public participation:

Public input is an important legislated requirement of the prospecting right application process. The proposed PPP for this study will include a number of steps, as listed below:

Issuing notification of this proposal to:

- Owners and occupiers of the farms as well as those adjacent to the site;
- The municipal councillor and local taxpayer's association;
- The municipality which has jurisdiction (uPhongolo Local Municipality);
- Any organ of the state having jurisdiction;
- Placing an advert in a local newspaper;
- Placing a notice on the site;
- Meetings with landowners and key I&APs, as required;

- Documenting stakeholder correspondence within the Draft Environmental Management Plan that will be made available for public review;
- Public review of the Draft Environmental Management Plan Report; and
- Notifying stakeholders when the Environmental Management Plan Report approved.

Prospecting Methodology

Prospecting activities will be undertaken over a period of five (5) years and are designed in phases, each phase conditional on the success of the previous phase. Both invasive and non-invasive methods will be implemented. Desktop study of the area has commenced, and this incorporates desktop geographical and geological mapping. This will be followed by detailed geochemical and geotechnical surveys. In turn, this is followed by detailed geophysical studies and later, a detailed drilling, sampling, assaying and mineralogical study. Diamond core drilling methods will be utilised to prospect in situ ore deposits. To ensure or minimise impacts on the receiving environment, All the activities will be guided by the project's EMP.

Develop Impacts Assessment Methods

Impact assessment methods were developed to:

- Identify the potential impacts of a proposed development on the social and natural environment;
- Predict the probability of these impacts; and
- Evaluate the significance of the potential impacts.

The following are associated with the prospecting activities to be undertaken:

- **Access roads**

The applicant will require access to the site for both personnel and machinery associated with prospecting activities. Existing routes will be used such as the R69 which intersects through the project area and new access routes might be created with the agreement of the landowner, only when necessary. Potential impacts associated with the creation and use of access roads include soil compaction, generation of dust on gravel roads, machinery and vehicles and noise levels while drilling. However, with the appropriate mitigation strategies in place, including applying buffers to sensitive landscapes, notifying settlements around of the drilling times and using existing roads and access tracks wherever possible, the significance of these potential impacts can be reduced to low.

- **Faunal Disturbance**

Animals within the prospecting area will be moved to other locations because of the temporary disturbances.

- **Air pollution**

Prospecting is not as invasive as mining thus air pollution will be due to movement of mobile machinery on the site. Dust will be generated during the drilling or clearing vegetation. Mitigation Measure:

- ✓ Air quality will be minimised by means of the following:
 - Dust suppressions by means of water spraying will be implemented when there is a need.
 - Avoidance of unnecessary removal of vegetation.
 - Vehicles will be properly serviced in order for them to minimise emission of CO₂.
- ✓ Re-vegetation of rehabilitated areas not occupied by plant infrastructure to take place as soon as possible.

- **Noise pollution**

Noise will be generated by the drilling equipment and may disturb inhabitants. Mitigation measures:

- ✓ The company will comply with the Occupational Noise Regulations of the Occupational Health and Safety Act, Act 85 of 1993. The company will comply with the measures for good practice with regards to management of noise related impacts during construction and operation.
- ✓ Workers will be inducted with regard to the measure to reduce noise pollution on site.

- **Soil pollution**

Contamination of soil may occur from accidental spillages from the machineries brought to the site.

Mitigation measures:

- ✓ If any soil is contaminated during the prospecting activities, it will be immediately scooped and stored for collection in the enclosed containers or plastic and transported to a recognized facility or company for further treatment.
- ✓ Small spills will be treated on site using bio-sorb or oil cap.

- **Surface disturbance**

Only a small segment of the surface will be disturbed as a result of drilling due to prospecting activities.

- **Vegetation Loss**

Some of the vegetation will be disturbed on areas that drilling will be done. In all areas where site is going to be established vegetation will be disturbed. Mitigation measures:

- ✓ Vegetation will be protected by avoiding unnecessary clearance and by using existing roads at all times.
- ✓ All vehicles will be monitored so that they move on the existing tracks at all times. All prospected areas will be rehabilitated.
- ✓ Fire extinguisher will always be available on site through the prospecting period. If invader species are encountered, they will be uprooted or cut off and destroyed completely.

- **Water Use**

Water required for the operation and potable water for domestic use will be sourced and the details thereof will be finalised at a later stage.

- **Socio-Economic Factors**

There is minimal potential for employment due to the nature of prospecting activities. Minimal opportunities are to be expected for the affected/surrounding communities.

Decision making by competent authority (CA)

The Department of Mineral Resource and Energy (DMRE) are the competent authorities in respect of both the NEMA and the MPRDA processes. Based on the information provided in the Environmental Management Plan Report, the CA will decide regarding the continuation with phase 2 of the application. I&APs will be notified and given direction and information about the approval/rejection of the application, given an opportunity to appeal and a way forward.

Timeframes and Important Dates

I&AP's are invited to send us their comments on local knowledge or any relevant information regarding the project that we may incorporate into developing a well-informed draft Basic Assessment & Environmental Management Plan Report during the stakeholder engagement and consultation period which will call to order on the 06th of November 2020. During the review period, kindly submit any comments based on the draft BA&EMPR to Ms Nokuthula Nkosi no later than the 06th of December 2020 using the contact details provided below on the comment form. The draft report will only be made available via email and upon request.

Kindly note the following dates:

- Stakeholder engagement and consultation: **08 October 2020– 06 November 2020**
- Review of Draft EMPR: **07 November 2020 – 06 December 2020**
- Submission of the Final EMPR Report: **02 February 2021**

