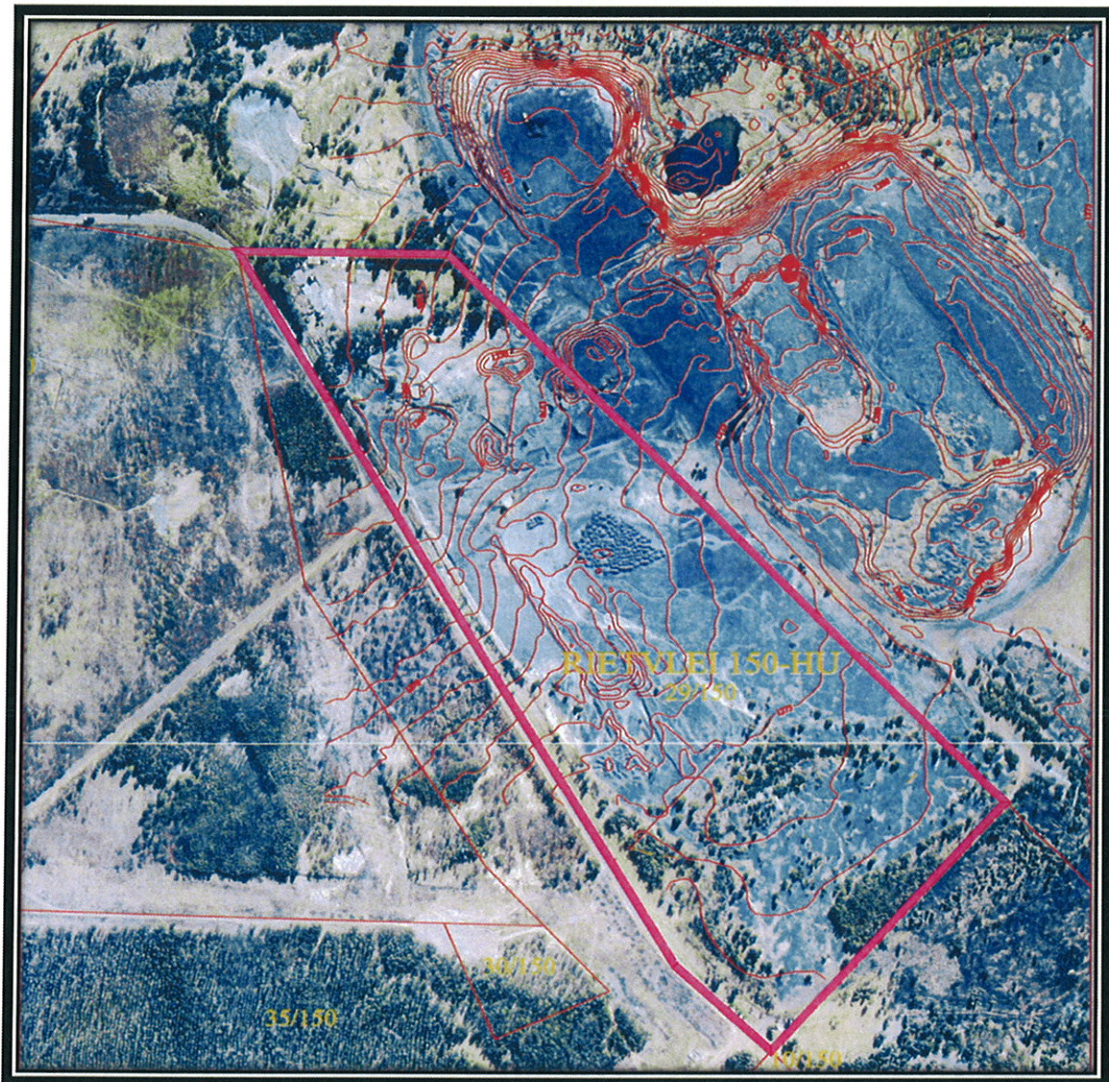


IMBABALA SUPPORT SYSTEMS (PTY.) LTD.

AMI COLLIERY MINE RESIDUE DISPOSAL SITE RE-PROCESSING PROJECT



BACKGROUND INFORMATION DOCUMENT

26th June 2013

1 Introduction

Coal mining has taken place in this area for more than 100 years and there are many sites where the remnants of those operations are still clearly visible, and the old Ami Colliery is one of those sites. Mining and its associated activities took place at Ami Colliery over a period of approximately 20 years, from the mid-1970's to the mid-1990's. Opencast and underground mining took place along with coal beneficiation, which resulted in extensive areas being used for mine residue disposal. The cover photograph is an aerial view of the site, Ptn. 29 of Rietvlei 150-HU, and the extent of the affected area can be clearly seen, extending well beyond the boundaries of the site onto the adjacent properties.

There are two major benefits to the re-processing of old mine dumps, firstly, the beneficiation process for coal has developed considerably in recent years and because of this the beneficiation of old mine residue sites has become a very lucrative business as coal that was originally thrown away as waste can now be extracted from these dumps to make a saleable product both for the local and export markets. Secondly, this re-processing of the mine residue reduces the volume of discard that is remaining on the site and at the same time requires the establishment of a new mine residue disposal site designed in accordance with legislated guidelines to minimize the risk of long-term impacts on the environment, a vast improvement on the current situation. It becomes a win-win situation for the developer and the environment.

Preliminary bulk tests have been carried out on the materials on the site by means of a portable screening plant that was bale to separate out the various size gradings of the mine residue on the site and from analysis of these "products" it was determined that saleable coal products could be produced in sufficient quantities to warrant further investment.

2. Background Information

Project applicant: Imbabala Support Systems (Pty.) Ltd.

Contact person: Mr. J. F. Verster

Postal address: P.O. Box 2138, Vryheid, KZN, 3100

Cell: 082 875 1122

E-mail: rverster@lantic.net

Owner or person in control of the land: Imbabala Support Systems (Pty.) Ltd.

Contact person: Mr. J. F. Verster

Postal address: P.O. Box 2138, Vryheid, KZN, 3100

Cell: 082 875 1122

E-mail: rverster@lantic.net

District Municipality: Zululand District Municipality

Local Municipality: Abaqulusi Local Municipality

Property description/physical address: Portion 29 of the farm Rietvlei 150-HU

Nearest town/s: Hlobane – 5kms; Vryheid – 22kms.

Directions to the physical address: From Vryheid take the R69 towards Louwsburg. After approximately 19.5kms turn right onto the tarred road towards the town of Enyati. Travel along this road for approximately 3kms and the entrance to the site is on the left hand side.

3. Project description

The project involves the establishment of a dense medium coal processing plant and a spiral fine coal handling plant on Portion 29 of the Farm Rietvlei 150-HU in the District of Vryheid, Northern KwaZulu Natal, in order to process existing mine residue material on the site that was generated by previous mining and coal processing operations in that area.

In the process a new mine residue disposal site will be formed on the same property to accommodate the remaining mine residue, constructed in accordance with the South African Standard Code of Practice for Mine Residue (SABS 0286:1998).

Rehabilitation of the site will also be carried out on final closure of the operation in accordance with accepted practices for the re-establishment of vegetation suitable for this area and the monitoring of both surface and groundwater regimes associated with the site and the implementation of mitigation measures where necessary to address any pollution issues that may arise.

4. Current Status of the Site

The site under application for an Environmental Authorisation extends for almost 20 hectares and as can be seen from the cover picture of this BID there is hardly anywhere on the site that has not been impacted upon by the previous mining operations. The site was abandoned in the late 1990s when the last owner of Ami Colliery went into liquidation. No remedial work was carried out at all on the site and it has been a continual source of pollution since then for the Rietspruit River that runs to the north of the site. Sections of the old mine residue dump have been, and in some cases still are, subjected to spontaneous combustion, which only contributes further to the pollution from the site.

Imbabala Support Systems has approached both the DMR and the DAEA with the proposal to establish the re-processing plant and this move has been welcomed as an opportunity to improve the status and to reduce the liabilities that are currently attributed to the site.

5. Proposal to AMAFA

Because of the extremely disturbed nature of the entire site the likelihood of any form of archaeological artifacts being identified or gravesites are non-existent and for this reason we would like to ask that AMAFA waive the need for a Heritage Impact assessment to be carried out on this site.

6. Site Photographs



Photo 1: View from near the centre of the site showing the surface contaminated with carbonaceous material



Photo 2: View from the eastern side of the site showing the disturbed nature of the surface



Photo 3: View from the centre of the site looking south, again showing disturbance from the old mining operations



Photo 4: Bulk sampling trials producing screened “products” for testing