BACKGROUND INFORMATION DOCUMENT



DMR Reference Number: KZN30/5/1/3/2/10582MP

BHEKIMUZI SHARE 1 TRUST APPLIED FOR A COAL
MINING PERMIT ON FARM RESERVE NO.20
15840GU, WHICH IS LOCATED IN THE ULUNDI
MAGISTERIAL DISTRICT, KWA-ZULU NATAL
PROVINCE.

PURPOSE OF THIS DOCUMENT

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

This document provides information about the proposed mining activity of coal on Farm Reserve No.20 15840GU on a certain portion of portion 4. It describes the following:

- Background Information regarding the planning for the project;
- Information about the site and the proposal being considered;
- An overview of the Department of Mineral Resources (DMR) application and related public participation processes; and
- Suggestions on how you can participate in the process.

1. DESCRIPTION OF THE SITE

The proposed farm that shall be mined is located within the Ulundi Magisterial District of the Kwa-Zulu Natal Province. The farm is approximately 34km north of Ulundi. The Area of Application is 4.95Ha. Refer to Figure 1: The location of the mining area is depicted on the locality map.

2. THE NEED FOR PROJECT

The proposed mineral to be mined is coal with the purpose of supplying it to local, regional and international customers. Coal dominates South Africa's indigenous energy resource base. It provides approximately 77% of South Africa's primary energy need. This is unlikely to change anytime soon because there is a lack of a suitable alternative to coal as an energy source. Many of the deposits can be exploited at relatively favourable costs and as a result, a large coal mining industry has developed. Approximately 28% of the country's coal production is exported.

This project will not only benefit the company but the community as well. The project will contribute to the economic development in the Local Municipal area. This is because:

The project has the potential to improve the living standard of people residing
within and around affected communities by offering job opportunities for the
locals and will therefore alleviate poverty. The jobs created would change their
lives for the better, they shall be given an opportunity gain mining experience
and earn an income.

3. LEGISLATIVE REQUIREMENTS

The mining permit application is subjected to the following Acts:

- The National Environmental Management Act, 1998 (Act No.107 of 1998) ("NEMA"); and,
- The Mineral and Petroleum Resources Development Act, 2002 (act no.28 of 2002) ("MPRDA").

In terms of the MPRDA, the application for a mining permit is subject to an application for an environmental authorisation in terms of NEMA.

- NEMA GN 983, Listing Notice 1, Activity Number 21: Any activity including the
 operation of that activity which requires a mining permit in terms of section 27 of the
 MPRDA (Act No. 28 of 2002), including associated infrastructure, structures and
 earthworks, directly related to the prospecting of a mineral resource, including
 activities for which an exemption has been issued in terms of section 106 of the
 MPRDA.
- NEMA GN 983, Listing Notice 1, Activity Number 27: The clearance of an area
 of 1 hectares or more, but less than 20 hectares of indigenous vegetation, except
 where such clearance of indigenous vegetation is required for:
 - (i) The undertaking of a linear activity; or
 - (ii) Maintenance purposes undertaken in accordance with a maintenance management plan.

NEMA GN 983, Listing Notice 1, Activity Number 30: Any process or activity identified in terms of section 53(1) of the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004).

GeoPoint Africa (Pty) Ltd has been appointed as the Independent public participation facilitator to undertake the public engagement aspect of the process and to co-ordinate the environmental process.

4. MINING PERMIT APPLICATION

The aim of this process is to apply to the DMR for a mining permit. The information arising out of the environmental investigation and the Public Participation Process (PPP) as listed below will be taken into account by the Environmental Assessment Practitioner and included in the Basic Assessment Report (BAR) where relevant and will be considered by the DMR in their decision-making.

BASIC ASSESSMENT PROCESS

The Basic Assessment (BA) Process is a tool used to obtain an objective view of the potential impacts of a proposed project including environmental, social and economic impacts. A BAR is compiled as part of the Mining Permit Application to ensure that potential impacts associated with the proposed mining activity are identified, considered and mitigated. 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 mining permit application.

The Basic Assessment Report will encompass the following:

- Description of the local environment including environmental conditions,
 historic and cultural aspects and socio economic conditions,
- Identification and assessment of the significance of potential impacts of the proposed mining activities on the local environment,

- Evaluation of the proposed mitigation and management options available to minimise any negative impacts and to enhance any positive impacts,
- A record of any issues, comments and concerns raised by I&AP's and minutes of any meetings held with stakeholders.

The BA can be described as two interlinked processes which result in a BAR. Namely the Technical Process and the Public Participation Process:

(I) Technical process involves :

- ✓ submitting an Application form to the DMR via online portal;
- ✓ Compiling the Draft BAR
- ✓ Submit the Drat Bar to the DMR and I&APs for comment
- ✓ Incorporate comments into final Draft BAR
- ✓ Submit final BAR to the DMR

(II) Public participation:

Public input is an important legislated requirement of the mining permit 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 taxpayers association;
 - The municipality which has jurisdiction;
 - 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; and
- Public review of the BAR.
- Documenting stakeholder correspondence within the Draft BAR that will be made available for public review.
- Notifying the stakeholders when the final BAR is available for public review and the submission thereof
- Notifying stakeholders when the Environmental Authorisation is issued.

5. THE PROCESS FOR THE MINING ACTIVITY

An application for a coal mining permit was submitted to the DMR on the 4th of July 2018, but was rejected on the 7th of August 2018. An appeal was lodged by the applicant thereof and the decision to set aside the rejection was done on the 17th of March 2019.

The applicant is required to notify in writing and consult with the land owner and any other affected party and submit the results of the consultation before the 9th of May 2019. The consultation process and the compilation of the BAR which will include the comments received during this period will be done simultaneously. Meetings with key parties will be arranged as required.

The mineral to be mined is found on the surface and only the open cast mining method will be deployed. Mining is the main activity that will be done on site. Crushing and screening will be done at a registered facility within close vicinity of the proposed farm.

6. The possible Impacts of the listed activities

The majority of impacts will be associated with the construction and operational phases of the project. Impact assessment methods were developed to:

- (1) Identify the potential impacts of a proposed development on the social and natural environment;
- (2) Predict the probability of these impacts:
- (3) Evaluate the significance of the potential impacts.

The timeframe for the mining activities is approximately 2 years. The following activities will be undertaken or are associated with prosecuting activities to be undertaken:

(a) Ablution facilities (portable toilets)

Potential impacts associated with ablution facilities on site include potential contamination of soil and surface water bodies with sewage. If the appropriate

mitigation measures are adhered to, including making use of portable toilets, buffering of sensitive landscapes, using reputable contractors and disposing of sewerage at a registered sewerage facility the potential impact significance shall be low.

(b) General overall mining activities

The following impacts are potentially associated with the mining programme as a whole; potential contamination of soil with indiscriminately dumped waste or littering, potential contamination of surface water features with indiscriminately dumped waste or littering, potential contamination of groundwater through seepage from indiscriminately dumped waste or litter, alien invasive encroachment and alienation of, and disturbance to, animals. The impact significance can be reduced to low with appropriate mitigation measures, including adherence to the environmental management plan, educating all persons working on site regarding best environmental practise, and proper rehabilitation of pits on-site.

The general overall mining activities potential for temporary employment during this phase and socio-economic benefits for small business in the area, as well as the potential for further development. No mitigation measures are necessary as this is a positive impact for the area.

(c) Access roads

The applicant will require access to the site for both personnel and machinery associated with mining activities. Existing routes will be used as much as possible and new access routes will be created only when necessary. Potential impacts associated with the creation and use of access roads include soil compaction, potential hydrocarbon contamination of soil, potential disturbance to wetlands and buffer zones (in instances where prospecting activity proceeds indiscriminately), generation of dust on gravel roads, emissions into the atmosphere through the use of diesel powered equipment, machinery and vehicles, increased noise levels and potential road degradation. However, with the appropriate mitigation strategies in place, including applying buffers to sensitive landscapes and using existing roads and access tracks wherever

possible, the significance of these potential impacts can be reduced to low/moderate-low.

(d) Faunal Disturbance

Animals within the mining area will move to other locations because of the disturbances if precaution is not followed. Animals may also be killed by vehicles.

(e) Air pollution

Movement of trackless mobile machinery, front-end loader and a truck to the site. Dust will be generated during the stripping of soil.

Mitigation Measure:

- Air quality will be minimised by means of the following:
 - Dust suppressions by means of water spraying will be implemented on haul roads and unpaved areas 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.
- Keeping material in the aqueous phase.
- All workers will have access to respiratory protection equipment.
- Stock piles will always be dampened.
- Speed limit of 40km/hour will be maintained at all times during the lifespan of the mining activities.
- Dust fall-out buckets will be installed within and outside the mining area in order to monitor dust emission from the mining activities. The buckets will be placed in areas where accurate result will be attained.

(f) Noise pollution

Noise will be generated by the construction 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. As a minimum, ambient noise level emanating from the mine will not exceed 82dBA at the site boundary. The company will comply with the measures for good practice with regards to management of noise related impacts during construction and operation. The management objective will be to reduce any level of noise, shock and lighting that may have an effect on persons or animals, both inside the plant and that which may migrate outside the plant area. Hearing protection will be available for all employees where attenuation cannot be implemented. If any complaints are received from the farm owner, the general public or state department regarding noise levels, the levels will be monitored at prescribed monitoring points. Appropriate measures will specifically be installed and employed at the plant to act as screen and to reflect/reduce the noise. The vehicles and the equipment will be equipped with silencers on their exhaust system. Mining will only take place during the day from 06h00AM-06h00PM. The site manager will be responsible for monitoring nose within the mine. No loud music will be allowed within the prospecting area. Workers will be inducted with regard to the measure to reduce noise pollution on site.

(g) Surface disturbance

Surface will be disturbed as a result of topsoil that will be stripped during this phase. Ground will also be compacted by the movement of vehicles within the mining area.

(h) Soil pollution

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

Mitigation measures:

Soil pollution and surface & ground water contamination:

Topsoil will be stripped and stored separate from overburden and will not be used for building or maintenance of access roads. The stored topsoil will be adequately protected from being blown away or being eroded. The topsoil will be used during the rehabilitation of any impacted areas, after sloping in order to

re-establish the same land capability. If any soil is contaminated during the life of the mine activities, it will be immediately scooped and stored in the enclosed containers or plastic to be removed with the industrial waste to a recognized facility or company for further treatment. Small spills will be treated on site using bio-sorb or oil cap.

(i) Vegetation Loss

Some of the vegetation will be disturbed on areas that topsoil will be removed. 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 mined areas will be rehabilitated and revegetation will take place naturally. If re-vegetation do not take place naturally therefore seeding of the mining area with surrounding indigenous species will be considered. Rehabilitated area will be monitored to avoid other disturbances on rehabilitated area until vegetation is fully grown. Open fire that will end up destroying the vegetation will be avoided at all times. Fire extinguisher will always be available on site through the mining period. If invader species are encountered they will be uprooted, felled or cut off and can be destroyed completely. The plants will be treated with an herbicide that is registered for use in connection therewith and in accordance with the directions for the use of such an herbicide." Valid permits from the Kwa-Zulu Natal Department of Environmental Affairs will be obtained before any protected plant species are removed.

*NB: All the possible impacts will be discussed in detail during the public meeting.

7. TIME FRAMES AND IMPORTANT DATES

The Draft BAR and EMP Report will be available as an electronic copy and will be made available for download via dropbox upon request.

I&AP's are invited to review the report and kindly submit any comments to Miss Martha Monoke by no later than the 9th of May 2019 using the contact details provided below.

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The I&APs Registration form to be used has been attached.