

Project Reference:

File Ref. Black Ridge EMP Amendment

755.01052.00004

Date: 21 November 2014

AQUILA STEEL (S AFRICA) (PTY) LTD

NOTIFICATION OF AMENDMENT
TO ENVIRONMENTAL MANAGEMENT PLAN FOR PROSPECTING
BLACKRIDGE PROJECT

1. INTRODUCTION

Aquila Steel (S Africa) (Pty) Ltd (Aquila) has the prospecting rights for base metals at the Blackridge area between Groblershoop and Griekwastad, in the Siyancuma Local Municipality of

the Pixley Ka Seme District Municipality, in the Northern Cape.

Aquila intends to amend its existing prospecting right, to include additional prospecting boreholes at the Blackridge prospecting right area. In terms of Mineral and Petroleum Resources Development Act (No. 28 of 2002), Aquila is required to amend their Environmental Management Plan (EMP) to cater for the environmental management of the additional prospecting boreholes on

site.

Synergistics Environmental Services (Pty) Ltd has been appointed as independent environmental assessment practitioners responsible for undertaking the necessary environmental processes and conducting the public participation process required in support of the application of amendment to

the EMP.

As part of this process, you are invited to comment, raise issues and concerns regarding the

proposed amendment.

2. LOCATION

The Blackridge prospecting area covers approximately 88 330 ha and includes the following properties (Figure 1):

| Portion 2 of Farm No. 218 | Farm No. 210 | R/E Farm Zaaiplaats No. 83 |
|----------------------------------|-------------------------------|-----------------------------------|
| Remaining Extent) (R/E) Farm | R/E Farm Paauwvontein No.209 | R/E, Portions 1&2 of Farm |
| Tapfontein No.212 | | Vaalwater No.84 |
| R/E & Portion 1 of Farm Klip put | R/E, Portion 1&2 of Farm Cone | R/E, Portions1&2 of Farm Dell No. |
| No.204 | No.82 | 92 |
| Farm Turnfell No.173 | Farm Hartebeeshoek No. 601 | Farm Sandridge No.191 |
| Farm Eden No. 97 | Farm Prairie No. 604 | Farm Farfell No.174 |
| R/E & Portion 1 of Farm Range | R/E & Portion 1 of Farm | R/E & Portion 1 of Farm |
| No. 93 | Blackridge No. 193 | Camelport No.186 |
| Farm Margaux No.108 | Farm Waterkloof No. 95 | Farm Bendermere No.178 |
| Farm Rudesheim No.109 | Farm Farfield No. 120 | Farm Westfield No. 175 |
| R/E & Portion 1 of Farm Bosch | Remander & Portion 1 of Farm | R/E, Portions 1&2 of Farm Eland |
| Aar No. 105 | Westbourne No. 177 | No.163 |
| R/E & Portion 1 & Farm | R/E & Portion 1 of Farm Camel | R/E & Portion 1 of Farm Cairntop |
| Koodoosdell No.162 | Thorns No.187 | No.188 |
| Portion 1 of Farm Prairie No.98 | R/E & Portion 1 o | f Farm Koodooskop No.159 |

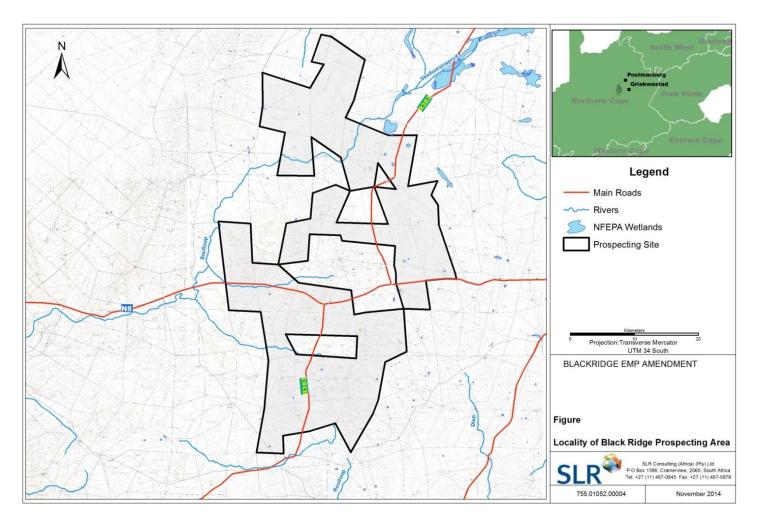


FIGURE 1. LOCALITY MAP OF BLACKRIDGE PROSPECTING AREA

3. DESCRIPTION OF THE PROSPECTING ACTIVITIES

The proposed EMP amendment is to drill additional prospecting boreholes over a period of 3 years. All prospecting activities are undertaken in consultation with, and the consent of the landowner.

Prospecting involves the drilling of narrow diameter holes to evaluate the sub-surface geology in a particular area. Drill rigs are positioned at predetermined positions where chip samples are removed to identify the underlying geology (Figure 2). A small area is cleared to allow access for the drill rig and associated infrastructure (Figure 3). A general layout for a typical prospecting site is displayed in Figure 2; this diagram gives a general indication of the type of infrastructure on a typical prospecting site and will not necessarily be duplicated exactly.

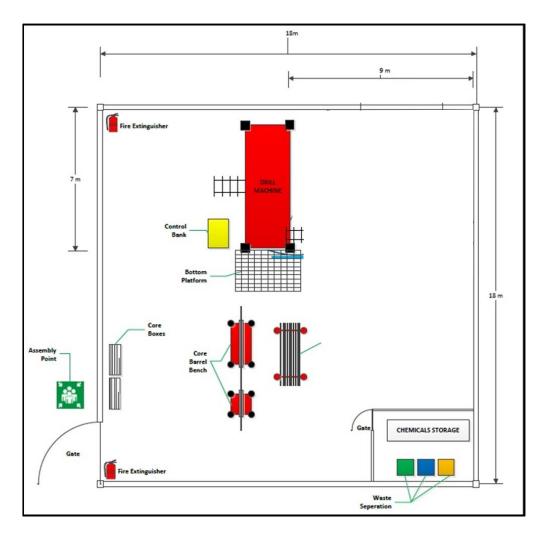


FIGURE 2. GENERAL LAYOUT OF A TYPICAL PROSPECTING SITE



FIGURE 3. SMALL AREA CLEARED FOR DRILL RIG AND ASSOCIATED INFRASTRUCTURE

Existing roads are used to access the sites as far as possible, but if necessary new road access routes may be constructed in consultation with the landowner.

Sumps are lined with plastic to prevent contamination of soils and water. Chemical toilets will be set up at each prospecting site and all household waste, including general and hazardous waste, is removed from site. Sludge is backfilled into the prospecting hole when complete.

After completion of drilling (approximately 1 week), the drill rig and all associated infrastructure is removed from site. The borehole is then sealed and capped.

The cleared footprint area is then rehabilitated. This is done by ripping or raking compacted areas to allow for natural vegetation re-establishment (Figure 4). With previous prospecting sites in Blackridge, the natural vegetation has been found to re-establish easily.



FIGURE 4. EXAMPLE OF WHAT THE AREA LOOKS LIKE AFTER THE PROSPECTING SITE IS REMOVED <u>PRIOR</u> TO REHABILITATION. THE YELLOW CIRCLE SHOWS A CAPPED AND CLOSED PROSPECTING BOREHOLE.

4. DESCRIPTION OF THE ENVIRONMENT

The prospecting area falls into the Olifantshoek Plains Thornveld and the Northern Upper Karoo. The typical setting includes undulating plains with hills of arid thorn veld and some sand dunes. Protected trees are prevalent including Camel Thorn (*Acacia erioloba*) and Shepherd's Trees (*Boscia albitrunca*). Other protected plants (such as bulbs and shrubs) can also be expected to occur in the area.

The area is used for livestock (e.g. cattle, sheep) and game farming. There are several ephemeral streams flowing through the prospecting area, with the Soutloop flowing to the north and there are also numerous depressions, pans and wetland areas.

5. PROSPECTING IMPACTS

The main environmental impacts associated with prospecting are to the landscape character as a result of vegetation removal for the roads and prospecting sites. Disturbance of existing farming activities is also of concern and consultation with landowners is key to the success of the prospecting operations.

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Waste also needs to be managed properly and removed from site in order to prevent

environmental pollution. These impacts can be mitigated through limitation of the disturbance

footprint and the management of potential pollutants.

PUBLIC PARTICIPATION 6.

You are hereby invited to submit comments, queries or concerns about the proposed Blackridge

EMP amendment, which will all be considered and included in the EMP amendment submitted to

the DMR.

To find out more about the project, or raise issues and concerns regarding, but not limited to:

The existing cultural, socio-economic or biophysical environment of the project area; and/or

The potential impacts that the proposed prospecting will have on the cultural, socio-

economic or biophysical environment,

contact Chiara Kotze on the details below. Please find the comment sheet attached.

All comments are to be submitted by 10th December 2014. Should you require additional time to

comment, a request can be sent for consideration to Chiara Kotze by 1st December 2014.

Kind regards,

Chiara Kotze

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