

Environmental Impact Assessment (EIA) for the proposed construction,
operation and decommissioning of the Saldanha Regional Marine Outfall
Project of Frontier Saldanha Utilities (Pty) Ltd. at Danger Bay
in the Saldanha Bay region

FINAL EIA REPORT

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Appendix B1: Signed Heads of Agreement

SIGNATURE VERSION: 01/11/13

HEADS OF AGREEMENT:

COMMERCIAL TERMS

AGREED TO BETWEEN

THE WEST COAST DISTRICT MUNICIPALITY
("WCDM")

and

FRONTIER SALDANHA UTILITIES (PTY) LTD
("Frontier")



HEADS OF AGREEMENT: COMMERCIAL TERMS

1. INTRODUCTION AND BASIS OF AGREEMENT

- 1.1 Frontier is in the process of investigating the viability of establishing a Rare Earth Element ("REE") Separation Plant and Chlor-Alkali Plant in the Saldanha Bay Municipal area. It is anticipated that these two (2) plants will produce brine and industrial effluent which will require disposal to the sea. Any reference to "the Plant" hereinafter shall mean the plant and related equipment and infrastructure associated with the Saldanha Regional Marine Outfall Project ("the Project"), including the transfer pipeline and/or transfer pump stations consisting of the effluent transfer tanks, transfer pumps, stand-by diesel generators and associated control, instrumentation and electrical infrastructure required to transfer industrial effluent from the industries where the effluent is generated to the brine collection tank at the WCDM's sea water desalinisation plant. For the avoidance of doubt, the Plant forms part of the aforementioned Project.
- 1.2 The WCDM has proposed the establishment of a sea water Desalination plant in respect of which Environmental Authorisation was granted on 13 August 2013 by the Western Cape Department of Environmental Affairs and Development Planning. The WCDM acknowledges that there is merit in further investigating the effluent disposal option by using the brine outfall pipeline from the Desalination plant with the stated intention of the WCDM being to collaborate with industries in an effort to provide an efficient, cost effective solution for industrial effluent disposal by means of an effluent pipeline connecting the industries with the WCDM's Desalination plant brine outfall pipeline.

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- 1.3 The Parties record that the Saldanha Municipality is investigating the viability of a regional Waste Water Treatment Works ("WWTW") and water reclamation plant to treat domestic effluent for the surrounding towns, and will require disposal of treated effluent. An option under consideration is to locate the regional WWTW and Reclamation Plant to the vicinity of Frontier's planned industrial development, thereby optimising synergies and allowing for economies of scale, which in turn could facilitate the infrastructure being used by other industrial users in due course.
- 1.4 The Environmental Impact Assessment ("EIA") performed for the WCDM's Desalination Plant indicates a preferred site in the vicinity of Danger Bay, which should necessitate the construction of an effluent pipeline exceeding 30 kilometers to connect the proposed industrial plants with the brine outfall infrastructure from the WCDM's Desalination plant. From a regional development perspective, Frontier records that it does not wish to construct an effluent pipeline in isolation from other industries, regional municipalities and the potential Industrial Development Zone ("IDZ"), which in turn creates the opportunity for Frontier and the WCDM to work together in finding a long-term, lasting solution on both a macro and micro level, to the benefit of both parties.
- 1.5 In considering the different, proposed industrial developments, for example the REE Separation, Chlor-Alkali and Desalination plants, the planned IDZ, the regional WWTW and the Reclamation Plant, the parties acknowledge that the timing is ideal to investigate and establish a regional infrastructure for disposal of effluent, ideally using the brine outfall pipe from WCDM's sea water Desalination Plant, to the benefit of both the WCDM and Frontier, and ultimately other industrial users in the future.
- 1.6 Taking the above commercial, economic and regional factors into consideration, Frontier and the WCDM have identified the need to co-



operate with one another more closely, in regard to the above matters, which the parties agree shall comprise the design, construction commissioning and operation of the Saldanha Bay Regional Marine Outfall Project ("the Project"), on the commercial terms and conditions contained in these Heads of Agreement: Commercial Terms ("these Heads").

2. STATUS OF AGREEMENT AND CONDITIONS

- 2.1 The intention of the parties is to enter into these HOA to articulate the broad principles and commercial terms identified and agreed to by them in regard to the proposed Project, for implementation purposes.
- 2.2 It is the parties' intention to agree on the terms and conditions contained herein and to sign these HOA by no later than 30 October 2013. By signing these HOA, the parties agree to negotiate and enter into such further agreements as may be necessary to create binding rights, duties and/or obligations as between them in regard to the Project and its implementation. For the avoidance of doubt, the parties intend replacing these HOA with such further, final agreements to prescribe the sum total of the commercial, financial, engineering, construction and/or any other principles or terms agreed to, along with the necessary legal provisions and clauses that are usually associated with agreements of that nature. Accordingly, and in the meanwhile, the parties agree to bind themselves to the commercial principles contained in these HOA in the interests of progressing the Project and finalising the commercial parameters of the Project, which commercial principles, in the context of the below-mentioned Phase 1, Phase 2 and Phase 3, comprise the following:
- 2.2.1 The joint use by the Parties of a brine outfall pipeline from WCDM's sea water Desalination Plant so as to jointly discharge effluent into the sea;



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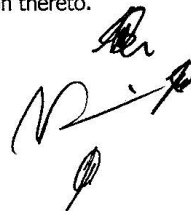
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FRONTIER SALDANHA UTILITIES (PTY) LTD / WCDM: HOA

- 2.2.2 The negotiation and registration of an enlarged servitude area over which both the WCDM and Frontier pipelines, pump station and associated infrastructure may be situated;
 - 2.2.3 Frontier shall fund all costs in respect of the design and EIA of the proposed pipeline, pump station and associated infrastructure;
 - 2.2.4 Frontier, with the approval of the WCDM, the Parties having agreed to and put in place the aforementioned final agreements, shall construct and commission the Project in its entirety, comprising the pipeline, pump station and associated infrastructure.
- 2.3 The parties agree that these HOA and any other agreement/s to be entered into between them are entirely subject to:
- 2.3.1 The WCDM's Desalination Plant and brine outfall or disposal infrastructure being fully operational, and
 - 2.3.2 Frontier and the WCDM jointly discharging effluent into the sea as contemplated in clause 2.2.1 above,
- failing which these HOA shall not be binding on or enforceable against Frontier or the WCDM in any manner whatsoever.

3. DESIGN OF PIPELINE (PHASE 1)

- 3.1 Frontier Saldanha Utilities (Pty) Ltd is a specific purpose vehicle ("Frontier") created by Frontier Rare Earths Limited to manage the Project, and to fund all costs in respect of the design and EIA of the proposed pipeline, pump station and associated infrastructure, and the rendering of the necessary services in relation thereto.

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- 3.2 Frontier shall undertake the initial design and establish the design criteria and parameters in respect of the pipeline, pump station and associated infrastructure comprising the Project, which initial design work (comprising any and all construction, engineering and related diagrams or plans) shall be approved by the WCDM in writing, prior to the commencement of the final, detailed design and construction stages.
- 3.3 Frontier shall, with the assistance of the WCDM, undertake an EIA with a view to obtaining a positive Record of Decision as soon as possible after completion of the EIA, on the understanding that Frontier shall present to the WCDM a draft EIA for its approval, which approval shall be given in writing as soon as possible thereafter. Frontier shall, in addition, hold such public meetings as may be necessary to discuss the Project and all issues arising, in respect of which the WCDM shall give its full support and provide all reasonable assistance, on the basis of it being akin to a joint initiative, including making available suitably skilled and qualified representatives for meetings and questions and answers purposes.
- 3.4 The parties record that Frontier shall investigate the various land rights held over the various properties comprising the area on which the Project will be situate, and that Frontier shall negotiate any and all servitudes or other access or land rights with the identified landowners, ultimately to ensure that registered, secure rights are obtained over and in respect of the Project area, whether for pipeline, pump station or any other purpose as agreed to between the parties, prior to the commencement of construction (Phase 2) contemplated in clause 4 below. In this regard, the WCDM shall furnish Frontier with a letter of support in regard to the Project generally and in particular in regard to the requirements and need for the servitudes or any other secure land rights.

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- 3.5 Frontier shall fund the costs of any rezoning application that may need to be made in regard to the status of the land for Project construction and operation purposes, with Frontier being responsible for the appointment of any townplanning or other consultants in this regard. The WCDM shall support and approve any such application for rezoning, promptly and expeditiously, and at no cost to Frontier, so as to meet the Project timelines.

4. **CONSTRUCTION (PHASE 2)**

- 4.1 Frontier shall ensure that the final, detailed design work in respect of the Project is approved by the WCDM in writing, prior to the commencement of the construction of the Project, comprising, *inter alia*, the construction of the Plant's pipeline, pump station and associated infrastructure. In particular, and prior to the date of commencement of construction, the WCDM shall be required to approve the following in writing:

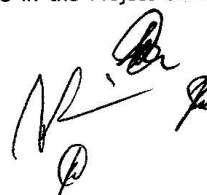
- 4.1.1 Quality Assurance / Quality Control approval of all manufactured equipment prior to installation;
- 4.1.2 Mechanical and Electrical and Instrumentation Installation and Completion;
- 4.1.3 Cold commissioning;
- 4.1.4 Hot commissioning and pressure testing before closing off the pipeline;
- 4.1.5 24 hour continuous operational test run; and
- 4.1.6 Commissioning and hand-over by way of a professional engineer's certificate to that effect.

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- 4.2 The WCDM shall supply Frontier, at no cost to Frontier, all relevant data and information obtained and collated during the design and EIA on the WCDM's proposed Desalination Plant, which data and information shall be capable of being used without any limitation or restriction by Frontier for the design, construction, commissioning and EIA phases of the Project.
- 4.3 Frontier shall appoint any and all contractors (whether main contractors, subcontractors or otherwise) in regard to any aspect or component of the work required to be undertaken in regard to the Project. Any such contractors shall be approved in writing by the WCDM and Frontier and appropriate agreements shall be entered into between the selected contractors, the WCDM and Frontier on terms and conditions agreed to by the WCDM and Frontier.

5. COMMISSIONING AND OPERATION OF THE PROJECT (PHASE 3)

- 5.1 Frontier shall appoint such professional engineers as may be necessary or required to oversee construction and commissioning of the Project and to thereby certify its readiness for operation, having conducted any and all appropriate cold and hot commissioning testing as may be necessary or required by such engineers.
- 5.2 The short, medium and long term ownership and operation of the Project shall be discussed and negotiated between the parties. The parties record the following:
- 5.2.1 the Project will be funded and owned by Frontier, in other words it shall be cost-neutral in the hands of the WCDM;
- 5.2.2 industrial users or participants will be approached in due course to contribute to or participate in the Project on an agreed basis;

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FRONTIER SALDANHA UTILITIES (PTY) LTD / WCDM: HOA

- 5.2.3 negotiations between Frontier and the WCDM shall take place to agree on the extent of the WCDM's participation in the Project;
- 5.2.4 all the Project assets and liabilities will, negotiations having been finalised, be transferred to either the WCDM or an appropriate special purpose vehicle, independent party or concern appointed to operate and maintain the assets forming part of the Project.
- 5.3 The parties anticipate that a separate **Operation, Maintenance and Services Agreement** will be negotiated and entered into with an appropriate concern to manage and operate the Plant and/or the Project assets on behalf of users, into the future. Should the Plant and/or assets comprising the Project be transferred to the WCDM, the parties agree such transfer shall be without restriction on the terms and conditions to form part of such a sale, which the parties agree to negotiate in good faith at that time.
- 5.4 As part and parcel of the transferring of the assets and liabilities as contemplated in clause 5.2.4 above, the parties agree that Frontier shall be entitled to repayment of its capital contributions, in the form of the fees expended on the Project to that date, which the parties anticipate shall be recoverable from other participants or industrial users that may require use of the Project infrastructure for an agreed fee, which the parties anticipate will form part of a separate **Capital Cost Repayment Agreement** to be negotiated in good faith between them. The parties agree that their respective capital contributions shall be determined and certified by an independent auditor if required by either party.

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6. ANCILLARY ISSUES

- 6.1 The parties agree to the appointment of a third party Operator to operate and maintain the Project, the Plant forming part of the Project and the related infrastructure for at least the first three (3) years of the life of the Project.
- 6.2 The parties agree to the establishment of an **Asset Replacement Fund** for all infrastructure comprising the Project, and which fund shall be placed at the disposal of the Operator of the pipeline, in regard to agreed expenditure concerning the replacement of equipment, which fund shall be audited, utilised and managed responsibly as agreed to and approved by the parties in consultation with the Operator.
- 6.3 The parties agree to the establishment of a **Maintenance Fund** under the same conditions as set out in clause 6.2, the sole purpose of which shall be to maintain all the infrastructure comprising the Project which the parties agree is outside the normal functions of the WCDM. Such fund shall be audited and utilised for planned, predicted maintenance, as agreed to and approved by the parties in consultation with the Operator.
- 6.4 The parties acknowledge and record that separate contracts may be required to be negotiated and entered into with third parties, for example the Operator of the Project and the industries who wish to make use of the industrial effluent disposal infrastructure, as may be necessary or required in the circumstances, which contracts shall be negotiated and drafted by Frontier at its cost with the input and assistance of the WCDM.

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7. GENERAL

- 7.1 The parties agree to firstly resolve any dispute arising between them by way of referring the dispute to the responsible Director and Municipal Manager within fourteen (14) days of the date of the declaration of the dispute. Should the parties' executives fail to resolve the dispute, the dispute shall be dealt with as provided for in clause 7.2 below.
- 7.2 The parties agree to expedited arbitration with regard to any dispute arising from the terms and conditions contained in this HOA, which dispute shall be referred to the Arbitration Foundation of Southern Africa ("AFSA") as per the rules of AFSA, which arbitration shall be conducted in Cape Town. The parties record their intention to expedite any arbitration proceedings and to finalise same as soon as possible after the declaration of any such dispute, in any event within ninety (90) days of the date the dispute is first referred to arbitration as provided for in this clause.
- 7.3 The terms and conditions contained in these HOA comprise the commercial terms and conditions discussed and agreed to between the parties, the parties reiterating their intention that the terms and conditions of this HOA be replaced and superceded by such further, final agreements as may be necessary or required in the circumstances, to give full force and effect to the imports and intents of the parties as per the terms and conditions recorded in these HOA.
- 7.4 Should the Project not be progressed and/or should such further, final agreements not have been entered into by the parties by 31 December 2016, either party shall be entitled to request a re-negotiation of the terms and conditions contained in these HOA, alternatively to give the other party three (3) month's written notice of termination of these HOA.

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7.5 Each Party shall be liable for their own costs incurred during the negotiations to conclude this HOA.

SIGNED at Moorreesburg on 13 November 2013.

AS WITNESS:

For: **FRONTIER SALDANHA
UTILITIES (PTY) LTD**



JURIE WYNAND VAN DYK
HOOFSTRAAT 42 MAIN STREET
MOORREESBURG 7310
PRAKTISERENDE PROKUREUR
PRACTISING ATTORNEY
KOMMISSARIS VAN EDE - RSA
COMMISSIONER OF OATHS - RSA



DIRECTOR
(Duly authorised)

SIGNED at Moorreesburg on 20 November 2013.

AS WITNESS:

For: **THE WEST COAST DISTRICT
MUNICIPALITY**



MUNICIPAL MANAGER
(Duly authorised)

*Appendix B 2 (i): Letter from Frontier Saldanha
Utilities (Pty) Ltd to Forellendam (Pty) Ltd to register
a servitude over their property*

Frontier Saldanha Utilities (Pty) Ltd

(A subsidiary of Frontier Rare Earths Ltd)

9th Floor, Metropolitan Life Centre, 7 Walter Sisulu Avenue, PO Box 8399, Foreshore, Cape Town, 8012

Tel.: +27 21 446 6040 Fax: +27 21 446 6050 E-mail: info@frontierrareearths.co.za

Forellendam (Pty) Ltd
Kommisarisstraat 76
Welgemoed
Bellville
7530

25 February 2015

Attention: Mr H.J.P Smit

Dear Mr Smit,

FRONTIER SALDANHA UTILITIES (PTY) LTD INTENTION TO REGISTER A SERVITUDE FOR THE PROPOSED SALDANHA REGIONAL MARINE OUTFALL PROJECT'S TERRESTRIAL PIPELINE INFRASTRUCTURE OVER JACOBSBAAI PROPERTIES RE/299, 889, 890 and 892.

Frontier Saldanha Utilities (Pty) Ltd (Frontier) intends to establish a treated effluent discard pipeline known as the Saldanha Regional Marine Outfall (SRMO) project within the Saldanha Bay Municipal area. Frontier initiated an Environmental Impact Assessment (EIA) for the SRMO project during 2013 that resulted in a preferred terrestrial pipeline route, in the Jacobsbaai area, known as the Jacobsbaai Eastern Corridor. The Jacobsbaai Eastern corridor is indicated on Figure 1 below. The corridor spans from the Jacobsbaai main access road in the north to the proposed discard position within Danger bay in the south.

From Figure 1 below, it is noted that the proposed corridor crossed Jacobsbaai Properties RE/299, 889, 890 and 892 registered by Forrelendam (Pty) Ltd (Forellendam) or associated companies thereof. Frontier proposes to initiate communications with Forellendam with regards to the intention to register a servitude for the SRMO project's infrastructure.

Frontier is amenable towards cooperative negotiations with Forellendam in order to develop the SRMO project over the said properties further.

Company Registration Number : 2013/029091/07 Vat Number : 4140265457

Directors: Mr J Kenny, Mr. CV Thomas, Mr PA McGuinness

Frontier Saldanha Utilities (Pty) Ltd

(A subsidiary of Frontier Rare Earths Ltd)

9th Floor, Metropolitan Life Centre, 7 Walter Sisulu Avenue, PO Box 8399, Foreshore, Cape Town, 8012

Tel.: +27 21 446 6040 Fax: +27 21 446 6050 E-mail: info@frontierrareearths.co.za

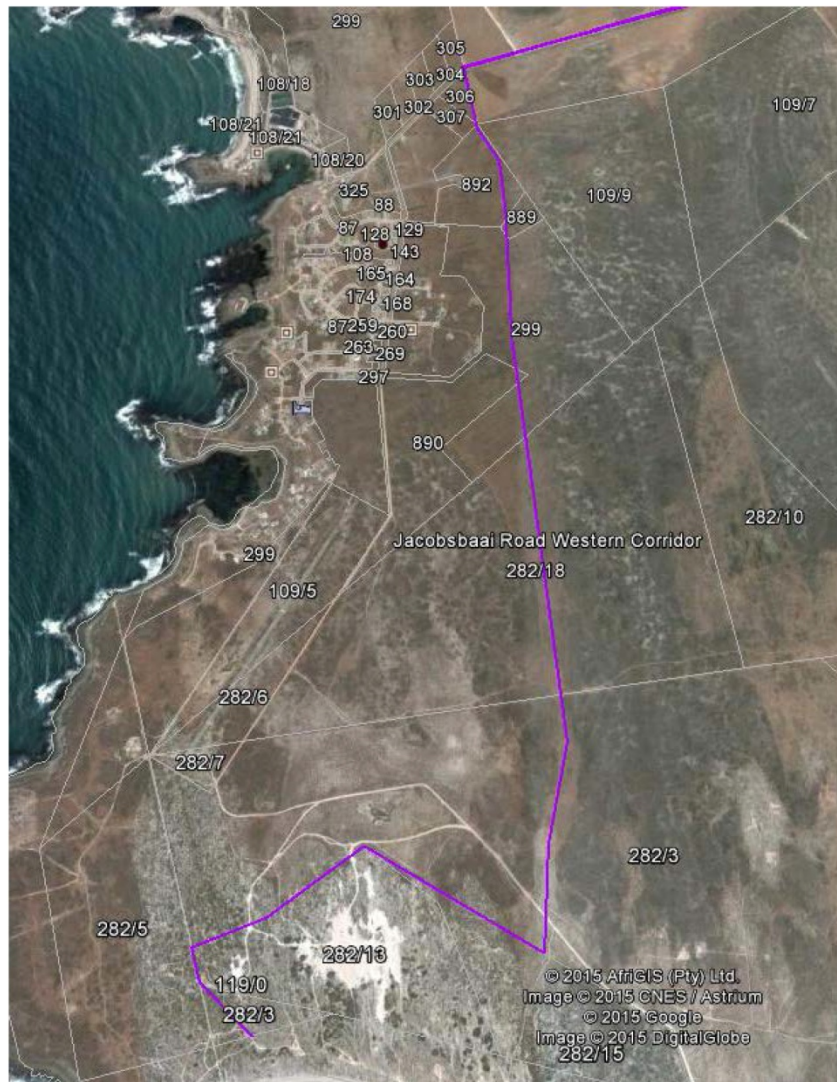


Figure 1: Purple line displaying the proposed SRMO infrastructure route known as the Jacobsbaai Eastern Corridor

Company Registration Number : 2013/029091/07 Vat Number : 4140265457

Directors: Mr J Kenny, Mr. CV Thomas, Mr PA McGuinness

Frontier Saldanha Utilities (Pty) Ltd

(A subsidiary of Frontier Rare Earths Ltd)

9th Floor, Metropolitan Life Centre, 7 Walter Sisulu Avenue, PO Box 8399, Foreshore, Cape Town, 8012

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Frontier therefore request Forellendam to indicate whether Forellendam would be amenable towards negotiations with regards to the registering of a proposed servitude, known as the Jacobsabaai Eastern corridor (Figure 1) to cross properties RE/299, 889, 890 and 892 for the SRMO Project.

Yours Sincerely



Derick de Wit

25-02-2015

Date

Vice President Project Development - Frontier Saldanha Utilities (Pty) Ltd

Company Registration Number : 2013/029091/07 Vat Number : 4140265457

Directors: Mr J Kenny, Mr. CV Thomas, Mr PA McGuinness

*Appendix B 2 (ii): Letter of objection from
Forellendam (Pty) Ltd regarding the proposed
servitude over their property (including the letter of
approval from the Saldanha Bay Municipality for
development rights on Erf 299)*

2015-03-20 11:01

HJP SMIT

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.....
Kommissarisstr.76
Welgemoed
7530
TEL 021 913 2840
FAX 021 913 4964

Forellendam (Edms) Bpk

Aan: Frontier Saldanha Utilities **Faks:** 021 4466050

Van: Hennic Smit **Datum:** 20 03 2015

I/S: Pypleiding deur Jacobsbaai **Bladsye:** 3

Vir aandag: Mnr. De Wit

Boodskap:

Hierby aangeheg vind asb. die skrywe wat nie per e-pos by u uitgekome het nie.

Die uwe,

H J P Smit
Forellendam Edms Bpk.

.....

2015-03-20 11:01

HJP SMIT

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P 2/3

.....

KOMMISSARISSTRAAT 76
WILGEMOED
BEIJVILLE
7530
TEL. 021 9132840 FAX 021 9134964

FORELLENDAM (EDMS) BPK

March 18, 2015

Frontier Saldanha Utilities (Pty) Ltd
9th Floor, Metropolitan Life Centre
7 Walter Sisulu Ave.
Cape Town, 8001
Fax: 086 721 0080

Attention: Mr Derick R de Wit

Dear Sir,

RE: PROPOSED SERVITUDE FOR THE SALDANHA REGIONAL MARINE OUTFALL PROJECT OVER SECTION 299, JACOBSBAAI.

Mr de Wit, in response to Frontier Saldanha Utilities (Pty) Ltd letter dated 25 February 2015 we wish to respond as follows.

Forelledam (Pty) Ltd, as the owner of Section 299, Jacobsbaai, cannot accommodate the servitude. We intend to develop Erf 299 as approved by the Municipal Manager of the Saldanha Bay Municipality for residential purpose (Appendix A - SALDANHA BAY LOCAL MUNICIPALITY - LAND USE PLANNING AND CONTROL: PROPOSED DEVELOPMENT PORTIONS C & D OF ERF 299, JACOBSBAAI). Forelledam (Pty) Ltd has developed Phase 1 of the development to date and plans to develop Phase 3 of the development in the near future on the said properties in Jacobsbaai.

Therefore Forelledam (Pty) Ltd unfortunately cannot approve the proposed Saldanha Regional Marine Outfall Project's intent to develop and register a servitude as proposed over the said properties in Jacobsbaai as described in Frontier Saldanha Utilities (Pty) Ltd letter dated 25 February 2015 with reference to the Jacobsbaai Eastern Corridor.

.....

2015-03-20 11:01

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Forellendam (Pty) Ltd does not see any purpose in any further negotiations in this regard and would recommend Frontier Saldanha Utilities (Pty) Ltd to consider an alternative routing of the proposed Saldanha Regional Marine Outfall Project's pipeline infrastructure.

Forellendam (Pty) Ltd main intent is to develop Erf 299 for residential use and would not consider any other financial or economic compensation for the registering of such servitude.

We need to point out that erven 889 and 892 belong to Matflor (Pty) Ltd (same address as Forellendam (Pty) Ltd) and erf 890 is the property of Jacobsbaai Developers (Pty) Ltd, address: PO Box 4725, Tygervally, 7536.

Regards



HJP Smit

Director

Forellendam (Pty) Ltd



MUNISIPALITEIT • MUNICIPALITY • uMASIPALA

MELD ASB ONS VERW NR: 299/Jacobsbaai
PLEASE QUOTE OUR REF NO:
NGESICELO BONISA INOMBOLO:

5 December 2005

Enviro Dinamik
PO Box 2470
DURBANVILLE
7551

ATTENTION: D Lombaard

Sir

**LAND USE PLANNING AND CONTROL: PROPOSED DEVELOPMENT PORTIONS C & D
OF ERF 299, JACOBSBAAI.**

Your letter, dated 21 November 2005, in respect of the abovementioned refers.

In order to adhere your concerns it is important to understand the context of the Spatial Development Framework of Saldanha Bay Municipality. The current draft Spatial Development Framework document was done with a very small and limited budget, in order to represent the spatial input forthcoming from our Integrated Development Process. No detail study or analysis was done of the different towns and specifically no study were commissioned to do an exact determination of the urban edge. Only now after the approval of the Provincial Spatial Development Framework we are in a position to go into a more detailed planning phase with our Spatial Development Framework and we believe that a lot of changes will be eminent and more specifically the position of the urban edge will be amended for all the urban areas, to be in line with the proposals of the Provincial Spatial Development Framework.

Therefore the Spatial Development Plan for Jacobsbaai, as included in the Spatial Development Framework of Saldanha Bay Municipality (Draft Document, dated November 2003, compiled by Urban Dynamics Western Cape), represented the current urban footprint and indicated spatial inputs forthcoming from our IDP processes. This plan excluded Portion D from the urban edge; however this exclusion of Portion D was probably an oversight. Due to the impact of the now closed-off runway of the SADF and the resulting restrictions it poses on development possibilities of this portion (the south western portion of Erf 299).

Portion C was included in the urban edge because of the existing residential development to the north and the planning principle of developing the hinterland (residential infill).

The rights of the existing smallholdings to the east of the main road, although excluded from the urban edge, are in place. The necessary approval was obtained on 8 December 1993 (item 31/12, Addendum A). On 9 August 1994 the approval was given for the phasing of the development, see Addendum B. Addendum C is the approved subdivisional plan, indicating the phases of development. Note that the approval date 20 November 1994 encompasses both

Municipal Manager
Munisipale Bestuurder
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7380

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HOPEFIELD • LANGEBAAN • PATERNOSTER • SALDANHA • ST HELENABAAI / BAY • VREDENBURG

Phase 1 & 3's and the 62 smallholdings. The development of Phase 1 took place; the general plan was approved on 28 September 1994. The question may be asked if approved small holdings need to be within the urban edge. If it is not in the urban edge it might assist in the retention of a low density rural feel on the edge of town.

The urban edge proposal as indicated on the Spatial Development Plan was approved by council as part of the Spatial Development Framework. However, as mentioned, council is planning the revision of the document in order to accommodate the issues to be raised by the Provincial Spatial Development Framework.

We trust that the above is to your satisfaction; should additional information be required, please contact, Daan Visser, of the Council's offices.

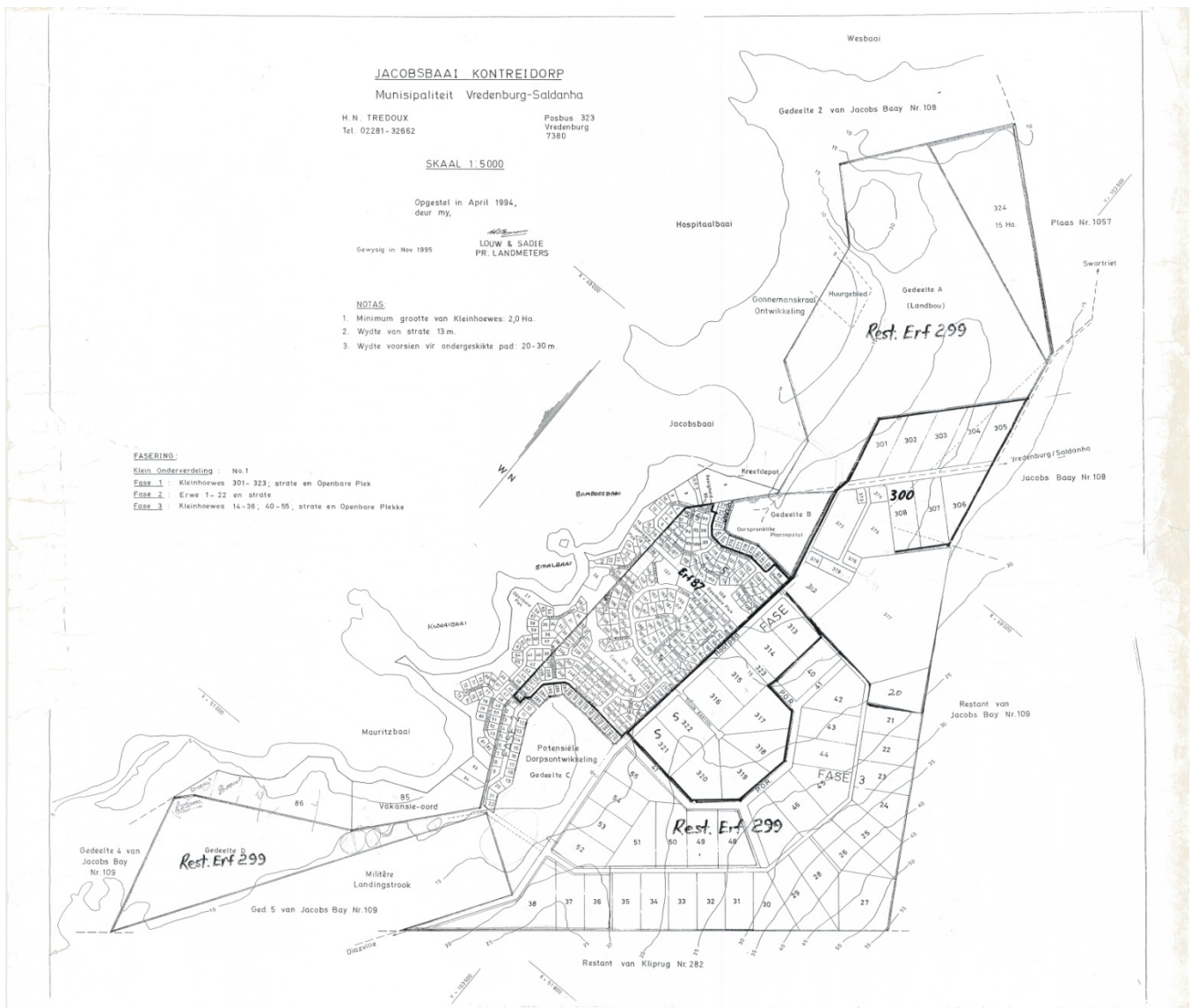
Yours faithfully
MUNICIPAL MANAGER

/nc

[10269054]

Copy to:
Department of Environmental Affairs and Development Planning
Private Bag X9086
CAPE TOWN
8000

ATTENTION: Suretha van Rooyen



Appendix B3: Letter from Afrisam

AfriSam (South Africa) (Pty) Ltd
Reg No: 2006/005910/07
PO Box 6367
Weltevredenpark 1715
South Africa
Tel: +27 (11) 670 5500
Fax: +27 (11) 670 5793
www.afrisam.com



The Vice President Project Development
Frontier Saldanha Utilities (Pty) Ltd
9th Floor, Metropolitan Life Centre
7 Walter Sisulu Avenue
Cape Town
8001

9 February 2015

Attention: Mr Derick R de Wit

Dear Sir

Pipeline Servitude Route

We refer to your EIA and the proposed routes for your pipeline to service your rare earth project in Saldanha, one of the routes proposed traversing our subsidiary company, National Portland Cement's property, which currently forms part of that company's EIA and mining application for our Saldanha cement project.

The traversing of our property in Saldanha is a no go option as the proposed route is directly through an area of sensitive granite limestone strandveld. In our own submissions we have had to go to great lengths to find suitable alternative property containing similar botany on which the jury is still out.

Aside from the botanical issues it may be necessary to occasionally blast and we are restricted in having any activity within a certain distance of our mining activities and such pipeline would prejudice our mining activities.

We wish you success with your project and thank you for your understanding of our position.

Regards

A handwritten signature in black ink, appearing to read "Q Dollman".

Quentin Dollman

cc. Mr Drikus Janse van Rensburg

Registered Office: Physical: AfriSam House, Corner 14th Avenue and Hendrik Potgieter Road, Weltevredenpark, 1709
Postal: PO Box 6367, Weltevredenpark 1715

Directors: FP Nhleko (Chairman) JHN Strydom (Deputy Chairman) SP Olivier* (CEO) L Serfontein* (CFO) F Jakoet
J Molobela M Muller (Alternate) ET Nesane TG Wagner RJ Wessels

* Executive

Appendix B4: Letter from Saldanha Bay Municipality



MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

MELD ASB ONS VERW NR:
PLEASE QUOTE OUR REF NO:
NGESICELO BONISA INOMBOLO:

16/2/7

07 July 2014

Mr Ncedo Richard Mguzulwa
Royal HaskoningDHV
Building 1, Tygerberg Office Park
163 Uys Krige Drive
Platteklouf
7500

Dear Sir

**ESSENTIAL SERVICES : AVAILABILITY OF ELECTRICITY : 3 X 250KVA
PUMP STATIONS, SALDANHA**

Your e-rail dated 4 July 2014 and points C(Spoornet feeder), D(Jacobs Bay feeder) and E(Jacobs Bay feeder – end point) refers.

Your request for capacity-availability for 3 x 250 KVA supply points, intended to be supply points for the desalination project at Saldanha, is hereby responded positively to. If however, this capacity is not secured by way of a contract and applicable payment, and any other consumer/s request this capacity, or any other spare capacity, before such contract/payment is in place, such capacity would not be automatically available in full anymore.

Should you require any further information, please contact the writer.

Yours faithfully

MANAGER: ELECTROTECHNICAL SERVICES
/rr

Municipal Manager
Munisipale Bestuurder
Umphati-kaMasipala
Privaatsak / Private Bag x12
VREDENBURG
7380

☎ (022) 701 7000 📠 (022) 715 1518

mun@saldanhabay.co.za
www.saldanhabay.co.za

Navrae: **Andre Mostert**
Enquiries: ☎ **022 - 701 7054**
iMibuzo:

HOPEFIELD • LANGEBAAN • PATERNOSTER • SALDANHA • ST HELENABAAI/BAY • VREDENBURG

Appendix B5: Letter from Eskom



Mr NR Mguzulwa
Royal Haskoningdhv (PTY) Ltd
PO Box 5195
TYGER VALLEY
7536

Date:

27 August 2014

Enquiries:

G du Toit
022 4871531

Dear Mr Mguzulwa

**PROPOSED SUPPLY OF ELECTRICITY: 250 KVA PUMP STATION SITE B
LANGEBAAN AREA**

With reference to your email request dated 24 July 2014, I have to advise you that Eskom is prepared to make electricity supply available to the abovementioned property subject to the following:

This letter is only in support of the Environmental Impact Assessment to continue to obtain the required Environmental Approval for development. Any formal capacity allocation will be finally subjected to EA and negotiations with Eskom to make supply available.

You have requested that the proposed pump station at Langebaan be supplied from the Eskom network and the planned load requirement is 250 kVA. Eskom Distribution will provide supply from our network in the area and currently have spare capacity at our Langebaan substation for the pump station.

If needed, the Developer/Owner must ensure that, without compensation, Eskom is allowed to convey electricity across land unit/s concerned within the subdivision, so as to allow all the land units access to electricity. This also includes the installation of an overhead line, a transformer and meter kiosk, in such a manner and position as may from time to time be reasonably required, this shall include the right of access to the land unit/s at any reasonable time for the purpose of constructing, altering, removing or inspecting any works connected with the above. The above is in line with the Land Use Planning Ordinance 15 of 1985 (Section 3.5) and should either be included in the title deeds, or granted by way of a servitude.

The electrical network must be according to Eskom's standards and specifications and will only be connected once approved by Eskom. The Developers electrical Consultants must liaise with Eskom's Project Engineering staff to ensure an acceptable network is installed.

The formal quote process will confirm spare capacity available and proposal to supply such development. Execution of making supply available will only be initiated on acceptance of a formal budget quote. The date to make point of supply available will also be confirmed during this process.

Western Cape Operating Unit
Group Customer Service
18 Municipal Street Malmesbury 7300
Private Bag X72 Malmesbury 7299 SA
Tel +27 22 48711531 Fax +27 22 487 22940 www.eskom.co.za
Eskom Holdings SOC Limited Reg No 2002/015527/06



The individual customers will have to apply for electricity where after they will enter into an agreement with Eskom and pay the standard connection fee and deposit.

Please direct a formal application to:

Eskom, Private Bag X72, Malmesbury for attention: Gielie du Toit

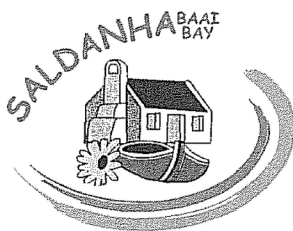
Yours sincerely



Gielie du Toit

Customer Executive – West Coast Area

Appendix B6: Letter from Saldanha Bay Municipality in support of the SRMO Project



MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

MELD ASB ONS VERW NR:
PLEASE QUOTE OUR REF NO:
NGESICELO BONISA INOMBOLO:

16/4/1/1

Municipal Manager
Munisipale Bestuurder
Umphati kaMasipala
Privaatsak / Private Bag x12
VREDENBURG
7380

(022) 701 7000 (022) 715 1518

mun@sbm.gov.za
www.sbm.gov.za

Navrae:
Enquiries:
iMibuzo: G Smith

10 February 2015

Frontier Saldanha Utilities [Pty] Ltd
9th Floor, Metropolitan Life Centre
7 Walter Sisulu Avenue
CAPE TOWN
8001 ATTENTION : Mr Derick R de Wit

Dear Mr de Wit

SALDANHA BAY LOCAL MUNICIPALITY : ACKNOWLEDGEMENT THAT THE SALDANHA REGIONAL MARINE OUTFALL [SRMO] PROJECT IS KEY TO THE DEVELOPMENT OF THE SALDANHA BAY INDUSTRIAL AREA

The Saldanha Bay Local Municipality (SBLM) acknowledges that the Saldanha Regional Marine Outfall (SRMO) project, by Frontier Saldanha Utilities Pty (Ltd), will contribute to the development of the Greater Saldanha industrial and commercial areas. The SRMO project would offer both existing and new industries an effluent disposal system to discard of treated effluent at a single location in Danger bay, compared to the current various disposal sites in and around Saldanha Bay.

The SRMO project is a commitment to investment in infrastructure necessary to ensure any future industrial and economic development.

The SRMO Project would be a pre-requisite for the proposed new Regional Waste Water Treatment Works (WWTW) by the Saldanha Bay Local Municipality that will further assist the development of the Saldanha Bay industrial development area.

In summary, the Saldanha Bay Local Municipality supports the SRMO project as it believes it will add valuable required infrastructure to the area without which further industries and economic development will be hampered and as such the project is seen as vital to ensure economic growth, for Saldanha Bay and the surrounding areas.

Yours faithfully


MUNICIPAL MANAGER

HOPEFIELD • LANGEBAAN • PATERNOSTER • SALDANHA • ST HELENABAAI/BAY • VREDENBURG

Appendix B7: Letter from Salanha Bay Water Quality Forum Trust in support of SRMO Project

**SALDANHA BAY WATER QUALITY FORUM TRUST
SALDANHABAAI WATERGEHALTE FORUM TRUST**

DIE VOORSITTER: THE CHAIRMAN MANAGER
POSBUS: 446 P.O. BOX 446
LANGEBAAAN
7357



Frontier Saldanha Utilities (Pty) Ltd
9th Floor, Metropolitan Life Centre
7 Walter Sisulu Ave.
Cape Town, 8001
Tel: +27 (0)21 446 6040
Fax: +27 (0)86 721 0080

23 February 2015

Attention: Mr. Derick R de Wit

Dear Mr. de Wit

**SALDANHA BAY WATER QUALITY FORUM TRUST IN SUPPORT OF THE DEVELOPMENT OF THE
PROPOSED SALDANHA REGIONAL MARINE OUTFALL PROJECT**

The Saldanha Bay Water Quality Forum Trust ("SBWQFT") was established in 1996 to promote water quality and ecosystems for the benefit of the local communities. In addition, there is an interface between industry and conservation within the greater Saldanha Bay/Langebaan Lagoon ecosystem.

The SBWQFT acknowledge that both industry and the natural environment are capable of generating much-needed sustainable employment opportunities for the region if these are correctly monitored, controlled and managed.

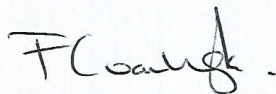
Currently a number of industries are discarding land-derived wastewater into various locations within the greater Saldanha Bay. It is furthermore believe with the growth of industry and residential developments these might increase over time.

The SBWQFT has been registered as an interested and affected party to Frontier Saldanha Utilities (Pty) Ltd's ("Frontier") marine outfall project, and is aware of Frontier's plans to dispose of treated industrial effluent at a centralised position into Danger Bay.

Due to the limited sea water circulation within the greater Saldanha Bay/Langebaan Lagoon ecosystem it is the opinion of the SBWQFT that it would be beneficial for improved sea water quality if the disposal of wastewater within the greater Saldanha Bay can be phased out, and as such the Saldanha Regional Marine Outfall Project (SRMOP) provides a suitable solution. In this manner waste water and treated

effluent could be disposed of in one centralized location, Danger Bay, outside the bay and lagoon ecosystem, at a location with improved circulation and much less environmental impact than inside the bay system. In addition monitoring, control and enforcement should be simplified to a single coastal discharge permit.

It is for the abovementioned reasons the SBWQFT supports the Saldanha Regional Marine Outfall Project (SRMOP) as the SBWQFT is of the opinion the centralised disposal this project will offer in an area having better water circulation, removed from the sensitive Langebaan ecosystem will lead to improve sea water quality, monitoring and enforcement.



Christo van Wyk

SBWQFT

Chairman

metsal@imagnet.co.za

022 - 714 3367 (Ph)

022 - 714 1156 (Fax)

082-376 8529 (cell)

Appendix B8: Letter from Arceormittal in support of the the SRMO Project

ArcelorMittal South Africa
Corporate Office



19 February 2015

Vice President of Project Development
Frontier Utilities (Pty) Ltd
9th Floor, Metropolitan Life Centre
Walter Sisulu Ave.
Cape Town
8001

For attention: Mr Derick R de Wit
E-mail: ddewit@frontierrareearths.co.za

Dear Sir

Planned Sea Outfall Pipeline

It has come to the attention of ArcelorMittal South Limited ("AMSA") that your company is planning a Sea Outfall pipeline into the open ocean in the Saldanha Region. AMSA is fully supportive of such proposed infrastructure as it could be a trigger and environmental solution for future development in the area.

The proposed infrastructure could also be of benefit to a company such as AMSA in future and we would appreciate an opportunity to have more detailed discussions with you around your proposed project.

Yours sincerely

Siegfried Spänig
Group Manager: Environment

ArcelorMittal South Africa Limited T +27 (0) 16 889 2060
Delfos Boulevard F +27 (0) 16 889 2022
Vanderbijlpark, 1911 www.arcelormittal.com/southafrica/
PO Box 2
Vanderbijlpark 1900
South Africa
Reg. No. 1989/002164/06

Directors:
PM Makwana* (Chairman)
PS O'Flaherty (Chief Executive Officer)
Dr HL Rosenstock (Chief Operating Officer)*
M Wellhausen (Chief Financial Officer)*
DK Chugh*
FA Du Plessis*
S Maheshwari*
NP Mxasana*
JRD Modise*

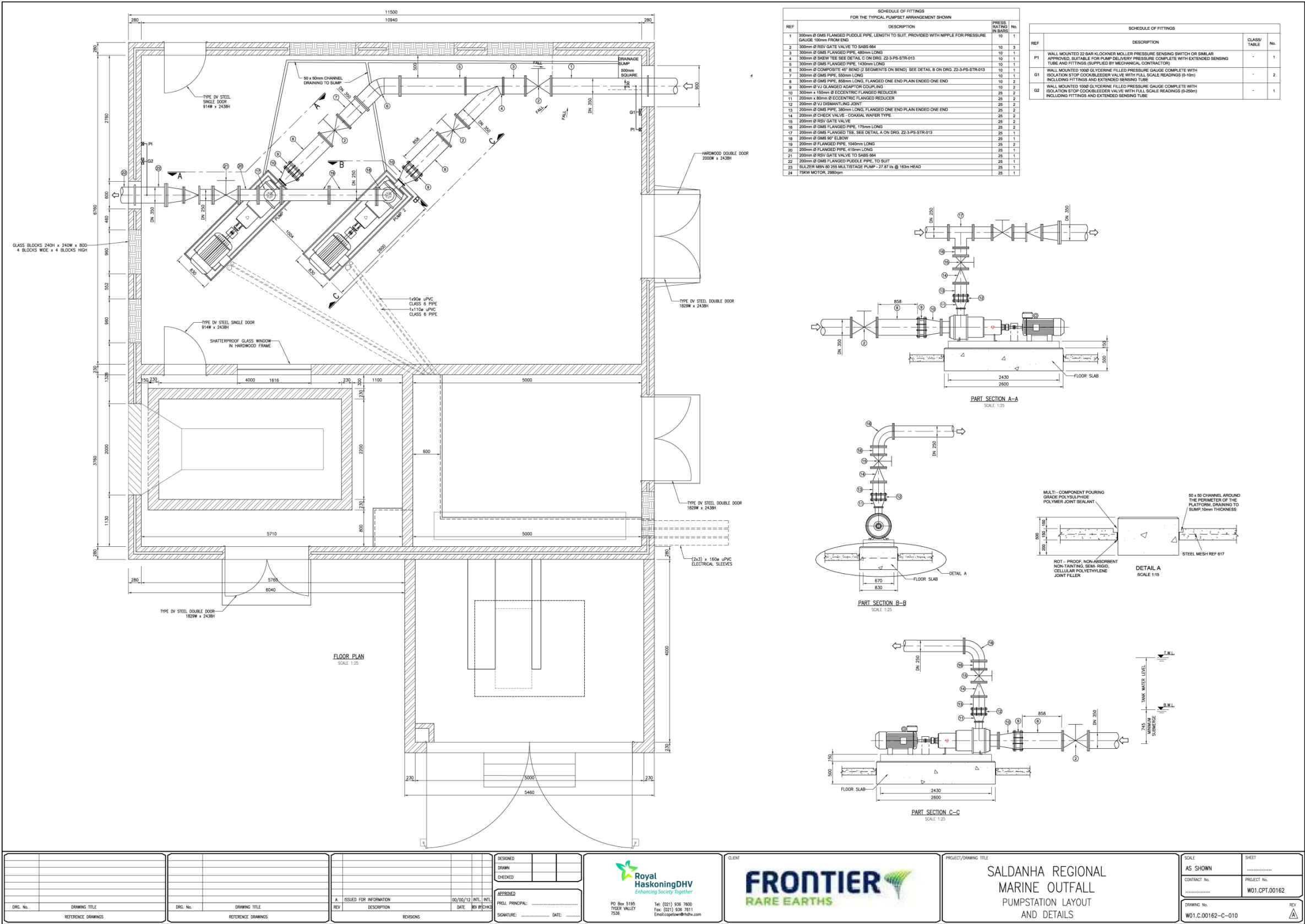
LP Mondl*
DCG Murray*
GP Urquijo**

Company secretary:
Premium Corporate Consulting
Services (Pty) Ltd

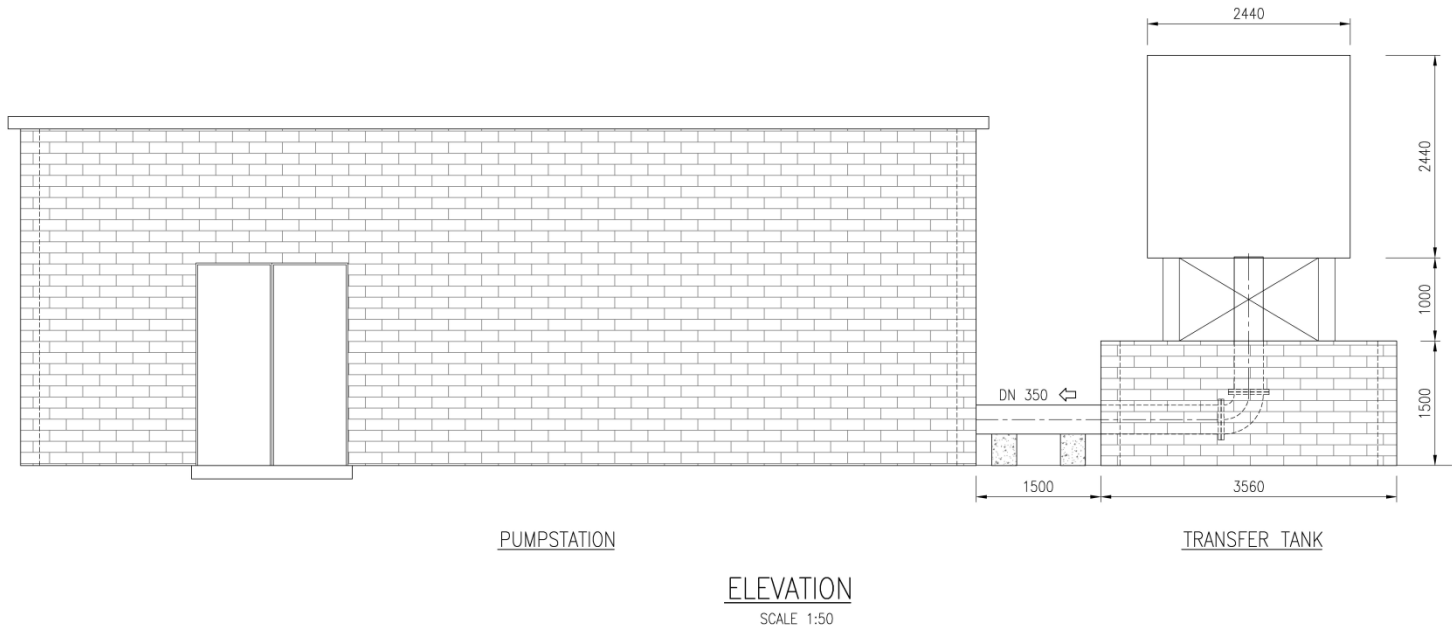
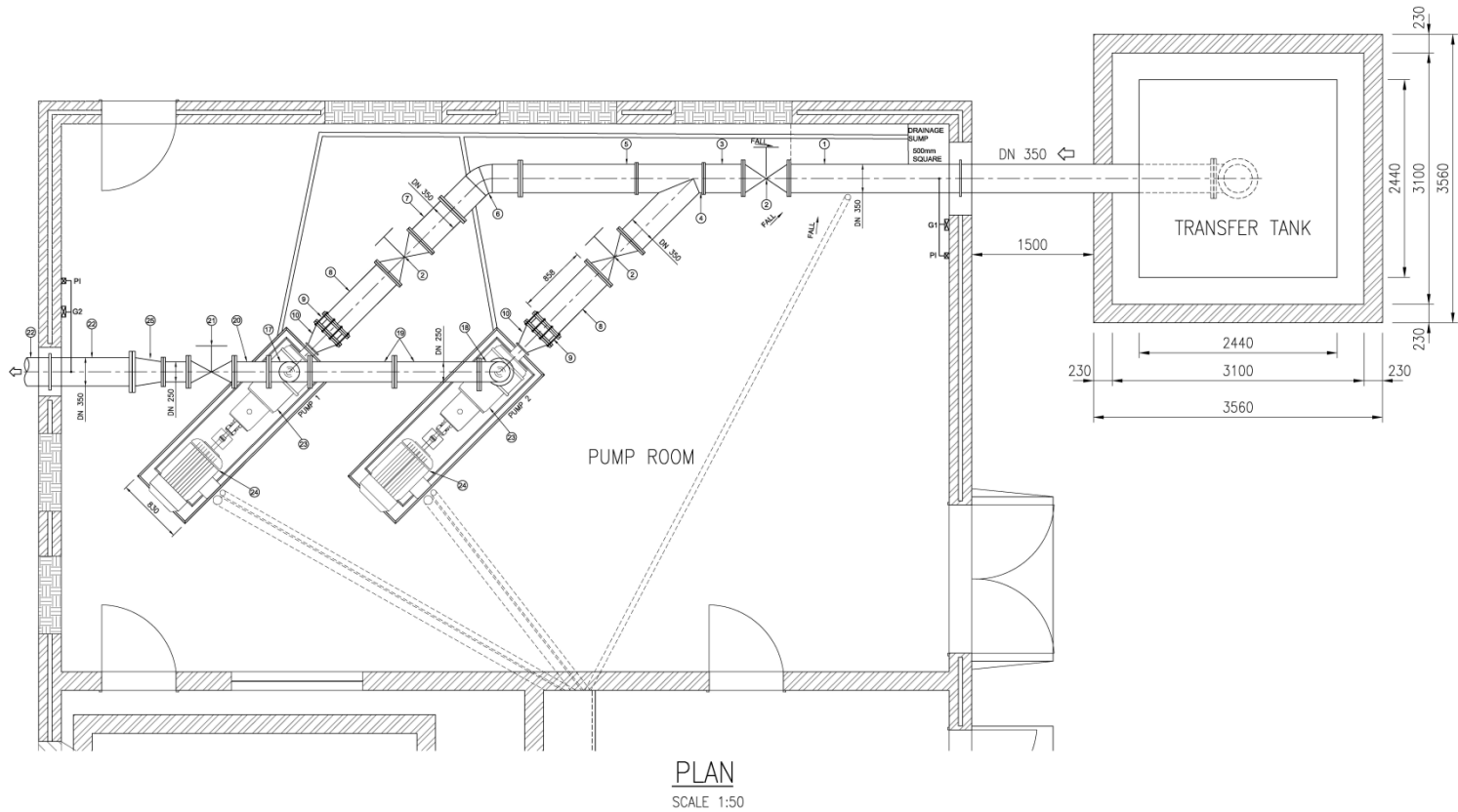
*Non-executive, *Citizen of India,
■ Citizen of Spain, *Citizen of Germany

Appendix B9: Proposed layout and dimensions of a pump station and a transfer tank

PROPOSED LAYOUT AND DIMENSIONS OF A PUMP STATION.



PROPOSED LAYOUT AND DIMENSIONS OF A TRANSFER TANK.

[illegible]