

BACKGROUND INFORMATION DOCUMENT

NOTICE OF A BASIC ASSESSMENT PROCESS FOR THE PROPOSED INFRASTRUCTURE DEVELOPMENT AT THE GOEDEHOOP NORTH MINI-PIT, WOLVEKRANS COLLIERY

Draft Basic Assessment Report (DBAR) and Environmental Management Program Report (EMPr) available for your review from

18 August to 17 September 2015

AUGUST 2015

PURPOSE OF THIS DOCUMENT

The purpose of this document is to provide information to all Interested and Affected Parties (I&APs) regarding the proposed infrastructure development at the Goedehoop North Mini-Pit at the Wolvekrans Colliery in Mpumalanga.

You are requested to read this document carefully as it provides you with important information relating to:

- The proposed infrastructure development;
- The Basic Assessment (BA) process to be followed;
- The Public Participation Process (PPP) that will be undertaken for the project; and
- The commenting period for the Draft Basic Assessment Report and EMPr

To be registered as an I&AP and to receive further information regarding the proposed project, please complete the attached registration / comment form.

Comments and queries can be directed to:

Anelle Lötter or Sibongile Bambisa
Jones & Wagener Engineering & Environmental Consultants (Pty) Ltd
P O Box 1434, Rivonia, 2128
Tel : (012) 667 4860, Fax: (012) 667 6128
Email: anelle@jaws.co.za or sibongile@jaws.co.za



BACKGROUND INFORMATION AND PROJECT DESCRIPTION

1. Introduction

South32 SA Coal Holdings (Pty) Limited (CSA), formerly known as BHP Billiton Energy Coal South Africa (Pty) Limited (BECSA), intends to apply for a number of environmental authorisations to extend their mining operations on their Wolvekrans Colliery. The proposed extension entails a number of different proposals which are discussed below (see item 2). These proposals require different environmental authorisations and licences before commencement.

Jones & Wagener (J&W) Engineering and Environmental Engineering was appointed as the Environmental Assessment Practitioner (EAP) to undertake the applications for the required authorisations and licences.

The Wolvekrans Colliery is situated 20 km south of Middelburg in Mpumalanga Province and is owned by CSA. The mine comprises of the following sites:

- Wolvekrans North Section which is the northern operations, covering Hartbeesfontein, Bankfontein (mining now ceased), Goedehoop and Klipfontein;
- Wolvekrans South Section which is the southern operations, covering Wolvekrans, Vlaklaagte (mining ceased); Driefontein and Steenkoolspruit; and
- South32 Coal Processing Services focusing on beneficiation plants within the whole Wolvekrans Colliery.

Within Wolvekrans Colliery North Section, mining is currently taking place on the Hartbeesfontein and Klipfontein sections, with an expected life of mine to 2036.

2. Proposal

CSA intends to continue with their mining operations on the North section of their Wolvekrans Colliery. The intention is to construct all associated infrastructure required for mining the areas in their approved Environmental Management Programme (EMPR) area.

In addition, CSA also proposes to extend their mining boundaries to mine the remnants at the Hartbeesfontein and Goedehoop sections using opencast mining, as well as No. 1, No. 2 and No. 4 seam coal using underground mining on the farm Hartbeesfontein 339 JS. The three main components of this proposal are:

- Development of infrastructure in support of a proposed mini-pit on the Goedehoop North section;
- Extension of the opencast coal mining pits and a possible river diversion within Wolvekrans Colliery's Northern Operations; and
- Underground mining of the farm Hartbeesfontein 339 JS (referred to as the Dispatch Rider project).

Please note, this Background Information Document provides detailed information on the proposed development of infrastructure for the Goedehoop North Mini-pit and the information in terms of the Basic Assessment (BA) process as per the Environmental Impact Assessment (EIA) Regulations promulgated in December 2014, in terms of the National Environmental Management Act (NEMA) (Act 107 of 1998), as amended, that is required for the proposed infrastructure development.

Detailed information with regard to the application for authorisation related to the other components will be compiled and communicated to you at a later stage.

3. Proposed project and required authorisations

Opencast mining in the north of the Goedehoop section has been authorised, however the infrastructure required to make the mining operations possible has not yet been authorised. The development of infrastructure is required to support the opencast mining, which is scheduled to commence early 2016.

CSA intends to mine the Goedehoop North Mini-pit which will be adjacent to the R35 road and rehabilitated/ partially rehabilitated voids of old Goedehoop mining – see Figure 1. The mini-pit is estimated to be approximately 50 hectares (ha) and will have a Life-of-mine (LOM) of 4 years. The coal mined will be trucked to the existing coal stockpile areas before being moved to the processing plant. Coal will be mined from the No. 1 coal seam at a rate of approximately 25 000 tons per month. For the proposed mining operation to start, authorisation of infrastructure required in support of the mining operation is required.

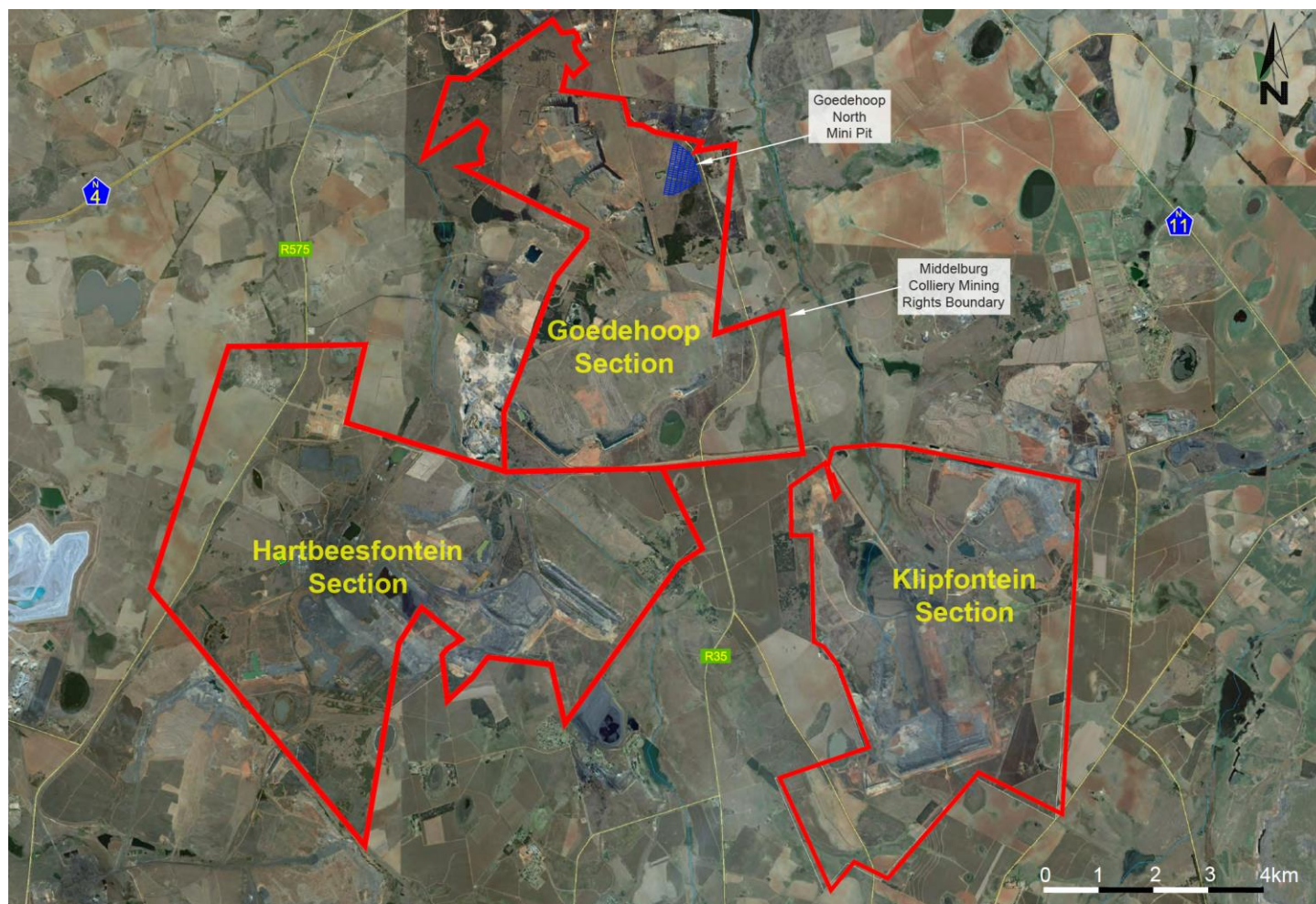


Figure 1: Locality of the existing mining boundaries where the Goedehoop Mini-pit (Blue coloured) is situated

Water uses at the mini-pit may entail dust suppression along haul roads and the dewatering of the pit to continue with mining. These uses will, however, be exercised in terms of the existing water use licence that was issued for Middelburg Mines North and South Sections in 2010.

3.1 Infrastructure required in support of the Mini-pit

The following infrastructure is required to support the mining operation at the Goedehoop North Mini-pit:

Ramps: Two new ramps will be developed as part of the mini-pit as indicated on Figure 2.

Power line: An existing power line (< 33kV) along the old Hendrina road, will be diverted to the mini-pit area.

Haul roads: A number of haul roads exist within the area, which will be used as far as possible:

- The old Hendrina road is a tar road, approximately 6m wide, with a 2m wide shoulder on both sides;
- Immediately to the west of the old Hendrina road is an existing unpaved haul road, approximately 10m wide, which was previously used as a haul road;

These two roads will not be widened or extended, but will be cleared and maintenance will be done, as required, to be used as haul roads again. New sections of haul road (25m wide) will be constructed between the ramps and the existing haul roads as indicated on Figure 2. Coal will be transported via an existing haul road (dirt road, approximately 50m wide) to the existing coal stockpile areas.

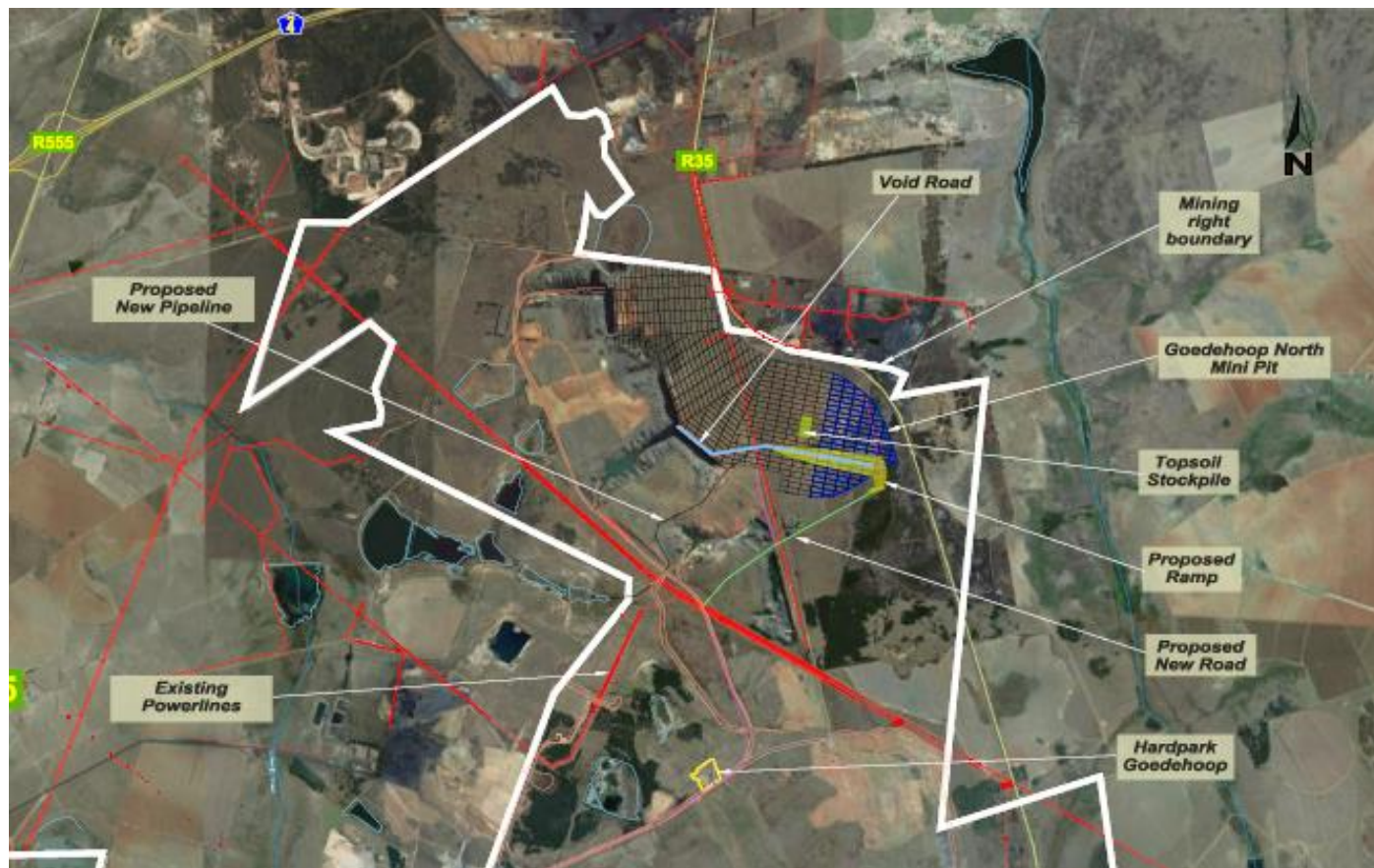


Figure 2: Goedehoop Mini-pit proposed surface infrastructure

Void road: Overburden from the mini-pit area will be used as fill in the rehabilitation of the existing voids. No overburden stockpiles will therefore be developed. A 10m wide new road will therefore be developed between the mini-pit and the existing voids for the transport of overburden.

Topsoil stockpile: An area of approximately 4ha will be cleared for the development of a topsoil stockpile. The stockpile will be approximately 11 m high and have a capacity of 180 000m³. This is sufficient for the initial need of 177 000m³, after which material will be used in the roll-over rehabilitation and further stockpiling of topsoil will not be required.

Pipeline: A 350mm High Density Polyethylene (HDPE) pipeline will be installed above ground between the mini-pit and Dam 28 (an existing pollution control dam which collects dirty runoff from the existing Goedehoop mining areas). Water will be pumped from the mini-pit to continue with mining, as required.

Storm water berms: Berms will be constructed on the upstream side of the mini-pit to divert any clean water around the pit and into the natural environment.

Hard park area: An existing hard park area, situated to the south of the mini-pit will be used for the location of site offices, a 20m³ diesel storage facility, chemical toilets and showering facilities. Grey water will be collected and a conservancy tank, and together with the sewage waste from the chemical toilets, will be emptied regularly and transported with honey-suckers to the existing sewage treatment plant.

Mineral rights owners: The mining rights are held by South32 SA Coal Holdings Proprietary Limited (6 Hollard Street, Johannesburg. P.O. Box 61075, Marshalltown, 2107) and Tavistock Collieries (Pty) Limited, with the parties at the time of submission of the 2013 consolidated Environmental Management Program Report (EMPR) , awaiting Ministerial consent so that South32 becomes a 100% holder in these mining rights.

Surface rights owners: South32 and Glencore South Africa are the surface rights owner for all properties on which the activities associated with the infrastructure development at the Goedehoop North Mini-pit will take place.

LEGAL FRAMEWORK

A Basic Assessment (BA) process will be conducted as per the Environmental Impact Assessment (EIA) Regulations promulgated in December 2014, in terms of the National Environmental Management Act (NEMA) (Act 107 of 1998), as amended for the infrastructure associated with the proposed Goedehoop North Mini-pit. The following listed activities have been identified:

ACTIVITY	DESCRIPTION
GNR 983 of 2014, Activity 24 (ii):	Construction of 25m wide haul road and 10m wide void road
GNR 983 of 2014, Activity 27:	Clearing of vegetation within topsoil stockpile footprint (< 2ha) and proposed mini-pit ramps (< 6ha).

The diameter / voltage of the other intended infrastructure, such as the proposed pipeline and power line, is below the thresholds in the Listing Notices and therefore does not require environmental authorisation.

Environmental Authorisation is required from the Department of Mineral Resources (DMR) – the Competent Authority (CA). Other authorities such as the Mpumalanga Department of Roads, (DPWRT) the Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs (MDARDLEA) ,and the local and district municipalities will be asked for their comments.

BASIC ASSESSMENT AND THE PUBLIC PARTICIPATION PROCESS

During a BA process, potential impacts associated with the development of the required infrastructure for the mini-pit will be identified and assessed. As part of the BA process, the public has the opportunity to participate in the study. Interested and Affected Parties (I&APs) will receive project information for review and comments. Comments will be considered and responded to as the study unfolds.

The diagram (Figure 3) provides the steps to be taken in the application for environmental authorisation for the infrastructure associated with the Goedehoop North Mini-pit. To date newspaper advertisements have been placed in newspapers inviting I&APs to become involved in the BA process. Site notices have been placed along conspicuous places to inform all potentially directly affected, neighbouring and surrounding communities of the proposed development of infrastructure to support the mining operation.

The Draft Basic Assessment Report, including the Environmental Management Programme (EMPr) will be available for public review until 17 September 2015. An EMPr, in the context of the Regulations, is a tool that takes a project from a high level consideration of issues down to detailed workable mitigation measures that can be implemented in a cohesive and controlled manner. The objectives of an EMPr are to minimise disturbance to the environment, present mitigation measures for identified impacts, maximise potential environmental benefits, assign responsibility for actions to ensure that the pre-determined aims are met, and to act as a “cradle to grave” document. An EMPr will be drafted according to the findings in the BA Report.

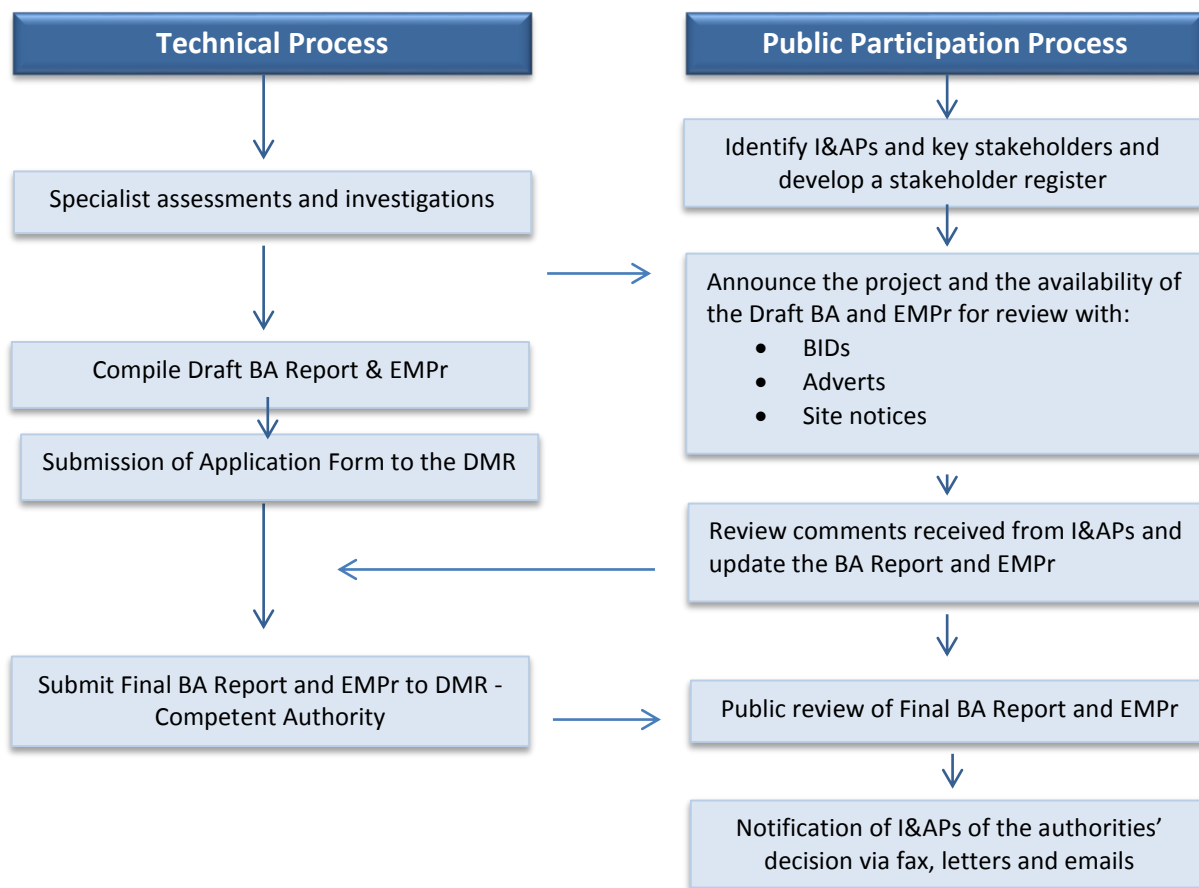


Figure 3: Overview of the Basic Assessment Process followed

YOUR COMMENTS ARE IMPORTANT

The Draft Basic Assessment Report and EMPr will be available for public review from 18 August to 17 September 2015 – a period of 30 days. Your comments on the report will assist us to finalise the report before submission to the DMR. The report will be available for review from 18 August 2015 at the following locations:

Person	Location	Contact
Printed Copies		
Ms Shirley Xulu	Middelburg (Gerhard Sekoto) Public Library	013 249 7314
Ms J Rozmairek	eMalahleni Library	013 699 1057
Electronic Copies		
Anelle Lötter / Sibongile Bambisa	www.jaws.co.za	
	Phone and request a CD copy	012 667 4860

You are requested to comment on the DBAR in any of the following ways:

- Completing a comment sheet (attached); or writing a letter, sending an email or phoning the public participation office (Anelle Lötter or Sibongile Bambisa).

Your comments made during the Basic Assessment process will be recorded in a Comments and Response Report which will form part of the Final Basic Assessment Report and EMPr. The purpose of a BA is to provide the decision-making authorities with sufficient information on which to base their decision to grant or refuse an environmental authorisation and if granted, to define conditions for the project. You are invited to participate freely and to submit any comments or information you feel may be useful to the process. To ensure that you are registered as an I&AP and that you receive updated project information please complete the attached registration and comment form.



REGISTRATION AND COMMENT FORM

Please complete this form and return it to Jones and Wagener to ensure that you are registered as an Interested and Affected Party. By answering the questions below you will help us to develop a better understanding of your information requirements and concerns regarding the proposed project. Additional pages may be attached to the registration form should this be required.

Personal information			
First Name and Surname:			
Please indicate whether you are registering as a Community / Organisation / Farm or Business and provide the name:			
Physical address:			
Telephone:		Cell:	
Email:			
General interest in the project			
Do you have any comments regarding the proposed development of infrastructure for the Goedehoop North Mini-pit?			
Do you have any specific concerns associated with this project (for example: water, soil, pollution, cultural or historical)?			
If you know of anyone who should be informed about the project please provide their contact details:			
First Name and Surname:			
Community / Organisation / Farm:			
Address:			
		Telephone:	
		Fax:	
		Cell:	
		Email:	
Method of correspondence			
What is your preferred method of correspondence			
Email <input type="checkbox"/> Post <input type="checkbox"/> Fax <input type="checkbox"/>			

Kindly complete this form and return to:

Anelle Lötter / Sibongile Bambisa, Jones & Wagener Engineering & Environmental Consultants (Pty) Ltd
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