

Applicant: Aquarius Platinum (South Africa)

**ENVIRONMENTAL SCOPING REPORT FOR
THE PROPOSED HOOGLAND EXTENSION
PROJECT AT EVEREST PLATINUM MINE**

SCOPING REPORT

Submitted with due regard to

**consultation with communities and interested and
affected parties**

as required in terms of Regulation 49 of the Mineral and Petroleum Resources
Development Act (Act 28 of 2002), and in accordance with the standard directive
for the compilation thereof as published on the official website of the Department
of Mineral Resources

and

as required in terms of Regulation 28 of the National Environmental Management
Act (Act 107 of 1998).

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I. INTRODUCTION

Introduction to the proposed project

Aquarius Platinum (South Africa) (Pty) Ltd (AQPSA) is the South African operating subsidiary of Aquarius Platinum Limited (AQP). AQP is currently listed on the Australian, London and Johannesburg stock exchanges. The South African subsidiary has a number of mining and exploration-related interests in the Mpumalanga Province; with Everest Platinum Mine (Everest Platinum) being one of its operations (Figure 1-1).

Everest Platinum is located in the Thaba Chewu Local Municipality within the Ehlanzeni District Municipality. The nearest towns are Roossenekal, approximately forty (40) kilometres to the west, Lydenburg (Mashishing) thirty (30) kilometres to the east and Dullstroom approximately forty (40) kilometres to the south (see Figure 1-2).

Everest Platinum mines Platinum Group Metals (PGMs) and its expected remaining life of Everest Platinum is ten (10) years (i.e. from 9 March 2011- 8 March 2021). Both opencast and underground mining methods are being employed, with the mined ore being processed at the on-site metallurgical plant to produce a concentrate which is transported to Impala Refining Services (IRS) in Rustenburg.

AQPSA is planning to extend its current operations at Everest Platinum to include an open cast mining section on the farm Hoogland 38JT. The proposed project area lies to the south of the existing mine infrastructure. AQPSA currently holds a prospecting right for the farm Hoogland 38JT and the remaining extent of portion 1 of the farm de Kafferskraal 53 JT. This prospecting right was renewed until 12th December 2012.

In broad terms, the proposed Hoogland mining operation will comprise two open pit mining areas, an overburden stockpile, storm water management facilities, a haul road and various support infrastructure and services. The activities/ facilities will be temporary for the duration of the mines operations. No permanent infrastructure will be established in the Hoogland area.

The environmental assessment process comprises three phases: an application phase, scoping phase and environmental impact assessment (EIA)/environmental management programme (EMP) phase. This report describes the scoping phase for the proposed project. The main purpose of this scoping report is to set out all project-related environmental issues; to identify and outline what investigations need to be conducted; and to detail how these investigations will be performed. The terms of reference generated for the EIA will enable the meaningful assessment of all relevant environmental and social issue.

Brief project motivation (need and desirability)

Based on the exploration work conducted at the Hoogland site, AQPSA believes there is a feasible ore body worth developing using open cast methods. The proposed ore body has an expected life of mine (LoM) of 5.5 years. The mining of these ore reserves will not extend the current 10 year LoM forecast, but will instead contribute to current run of mine (ROM) ore being fed into the underutilised plant. The current and anticipated market prices in the medium and long-term favour the establishment of the proposed open cast pits to access and extract the platinum ore. Direct economic benefits will be derived from wages, taxes and profits. Indirect economic benefits will be derived from the procurement of goods and services and spending power of the current employees.

Legal Framework

Prior to the commencement of the project, environmental authorisations are required from key government departments and these are detailed below.

- Environmental authorisation from the Mpumalanga Department of Economic Development, Environment and Tourism (MDEDET) in terms of the National Environmental Management Act, 107 of 1998 (NEMA). The project incorporates several listed environmental activities as identified below. The “identified environmental activities” in terms of National Environmental Management Act, 107 of 1998 (NEMA), include:
 1. Activities in terms of Regulation 386;
 - a. activities 1
 - b. (b), 1(k), 1(l), 1(m), 1(u),
 - c. activity 4,
 - d. activity 7,
 - e. activity 12,
 - f. activity 14,
 - g. activity 15,
 - h. activity 20,
 - i. activity 25, and
 - j. or any relevant expansions,
 2. Activities in terms of Regulation 387;
 - a. activities 1(e), 1(h), 1(j), and
 - b. activity 2. (details of these activities can be reviewed in the MDEDET application in Appendix A.
- An environmental decision from the Department of Mineral Resources (DMR) in terms of the Mineral and Petroleum Resources Development Act (MPRDA), 28 of 2002 for the change in surface infrastructure at the mine needed to develop the Hoogland project and inclusion of the AQPSA prospecting right areas (Hoogland 38JT and the remaining extent of portion 1 of the farm de Kafferskraal 53 JT) into its mining authorisation area as part of their Section 102 application.

Although the 2006 EIA regulations were revised in 1 July 2010, the 2006 regulations still apply as this application was initiated in March 2006 – prior to the 2010 environmental impact assessment regulations coming into effect. This scoping report has been compiled to comply with the requirements of both NEMA and the regulations there under (Regulation 385 of 21/04/2006) as well as the MPRDA and the regulations there under (Regulation 527 of 23/04/2004). An overview of the combined legal framework is provided in below.

This document has been prepared strictly in accordance with the Department of Mineral Resources (DMR) Scoping Report template format, and was informed by the guidelines posted on the official DMR website. This is in accordance with the requirements of the Mineral and Petroleum Resources Development Act (MPRDA), (Act 28 of 2002). In addition, this report complies with the requirements of the National Environmental Management Act (NEMA) (Act 107 of 1998).

TABLE 1-1: COMBINED LEGAL FRAMEWORK

Reference in scoping report	Mining Regulation 49 of Regulation 527 of 23 April 2004	NEMA Regulation 29 of Regulation 385 of 21 April 2006
Provided below this table		Details of the environmental practitioner who prepared the report, including relevant expertise to carry out scoping procedures.
As per this legal framework section		Identify all legislation and guidelines that have been considered in preparing the scoping report.
Section I	Describe the methodology applied to conduct scoping.	Details of the public participation process conducted in terms of Regulation 28(a), including: notification of IAPs, proof of notification, IAP register/database, and summary of issues raised by IAPs.
Section 1	Describe the process of engagement of identified interested and affected parties (IAPs), including their views and concerns.	Description of the environment that may be affected by the activities.
Section 2	Describe the existing status of the environment prior to the mining operation.	A description of the proposed activities, a description of the property on which the activity is to be undertaken, and the location of the activity on the property.
Section 4.1	Describe the most appropriate procedure to plan and develop the proposed operation.	A description of any feasible and reasonable alternatives that have been identified.
Section 5	Identify and describe reasonable land use or development alternatives to the proposed operation. Describe the consequences of not proceeding.	A description of the manner in which the physical, biological, social, economic and cultural aspects of the environment may be affected by the proposed activities. A description of environmental issues and potential impacts, including cumulative impacts.
Section 4	Identify and describe the anticipated environmental, social and cultural impacts, including cumulative effects where applicable.	Information on the methodology that will be adopted in assessing the potential impacts that have been identified. A plan of study for EIA, including: tasks to be undertaken, specialist reports and processes, consultation of authorities, method of assessing environmental issues and alternatives, the