

ELITHENI DOLERITE PIT



REPORT ON THE RESULTS OF CONSULTATION WITH COMMUNITIES AND INTERESTED AND AFFECTED PARTIES



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

This report is undertaken in compliance with sections 16(4)(b) or 27 (5) (b) 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. All text in *italics* within this report are quoted *verbatim* from the Standard Directive.

Ref. No. EC30/5/1/3/2/10010MP

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1 INTRODUCTION

1.1 Regional Setting

Elitheni Dolerite Pit (belonging to Elitheni Coal (Pty) Ltd) is more or less located at 31° 31' 51" S and 27° 16' 30" E within the Chris Hani District Municipal Area. The mine is situated approximately 10 km south west of the closest town : Indwe, in the Emalaheni Local Municipality, which is the Regional Services Council authority. Other communities in the area are Dordrecht about 30 km west ; Cala about 25 km South East ; and Lady Frere about 35 km South. The mine is accessible en-route the R56 Regional Road between Dordrecht and Indwe.



Figure 1 : Locality of Indwe in relation to the greater Eastern Cape Province of South Africa.

The mine’s 1½ hectares of land is situated on State Land, all situated in the Machubeni area as indicated below.

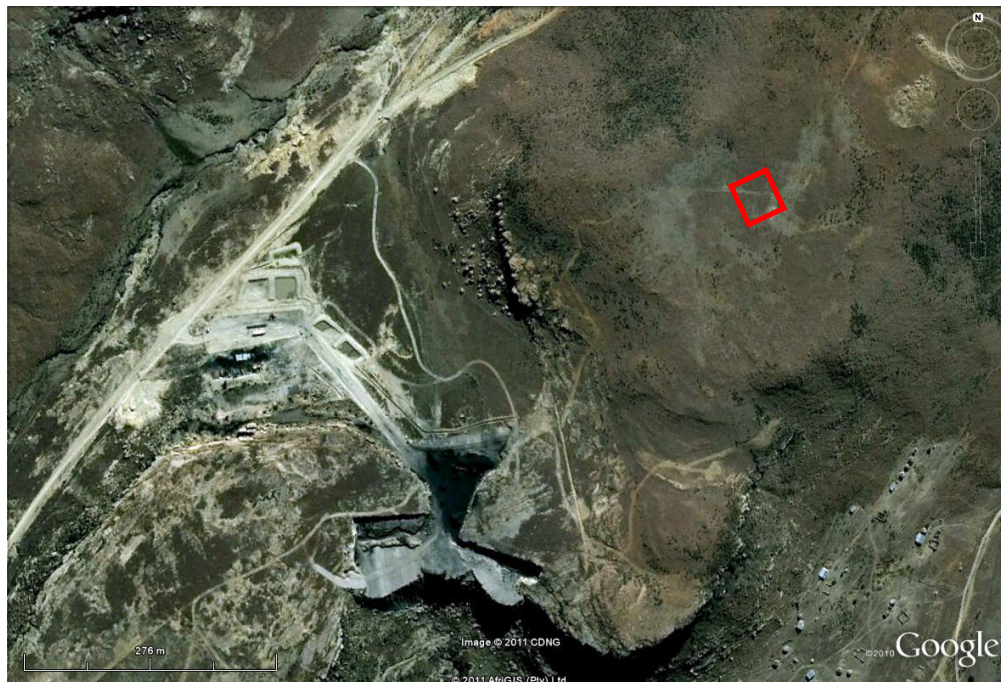


Figure 2 : Locality of Elitheni Dolerite Pit as shown on a Google Earth © image.

The surrounding area is on average between 1450m to 1500m above mean sea level. The Doringrivier Dam is located next to Indwe and has a capacity of 17.9 million cubic meters. No heavy industries are currently located in the area. Almost all of the commercial activities in the area comprise commercial and subsistence farming and related services, with Indwe serving the local community. Indwe has an unpaved landing strip (length 885m) that is able to serve small planes. No refuelling or hangar facilities are available at present.

1.2 Definitions

Term	Definition
Consultation	means a two way communication process between the applicant and the community or interested and affected party wherein the former is seeking, listening to, and considering the latter's response, which allows openness in the decision making process
Community	means a group of historically disadvantaged persons with interest or rights in a particular area of land on which the members have or exercise communal rights in terms of an agreement, custom or law: Provided that, where as a consequence of the provisions of the Act negotiations or consultations with the community are required, the community shall include the members or part of the community, directly affected by prospecting or mining, on land occupied by such members or part of the community.
DRDLR	Department of Rural Development and Land Reform was formerly known as the Department of Land Affairs
Interested and affected parties (IAP's)	include, but are not limited to : <ul style="list-style-type: none"> i. Host Communities ii. Landowners (Traditional and Title Deed owners) iii. Traditional Authority iv. Land Claimants v. Lawful land occupier vi. The Department of Rural Development & Land Reform vii. Any other person (including on adjacent and non-adjacent properties) whose socio-economic conditions may be directly affected by the proposed prospecting or mining operation viii. The Local Municipality ix. The relevant Government Departments, agencies and institutions responsible for the various aspects of the environment and for infrastructure which may be affected by the proposed project.

2 METHODOLOGY APPLIED TO CONSULTATION

2.1 Affected Communities

Name the community or communities identified, or explain why no such community was identified.

The Guba – Machubeni Community

2.2 Land Owner

Specifically state whether or not the Community is also the landowner.

No, the land is registered as "State Land" and is therefore under the custodianship of the Department of Rural Development and Land Reform (DRDLR).

2.3 DRDLR

State whether or not the Department of Land Affairs been identified as an interested and affected party.

Yes, the DRDLR is the custodian of the land of the Machubeni 3 Allotment area.

2.4 Land Claims

State specifically whether or not a land claim is involved.

No land claims have been lodged at the Land Claims Commissioner over an area impacted upon this mining venture. A land claim in another part of the Guba area was resolved in 2003 as per correspondence between the Land Claims Commissioner and Elitheni Coal (Pty) Ltd. This had also been confirmed by the Officials of the Department of Rural development and Land Reform, the custodians of the communal land over which the mining permit extends. The nearest title deeds now have been registered in excess of a kilometre away from the mining permit area.

2.5 Traditional Authority

Name the Traditional Authority identified

Machubeni Tribal Council in the Western Tembuland Cluster. Chief BD Vulindlela administers this area.

2.6 Land Owners

List the landowners identified by the applicant. (Traditional and Title Deed owners)

There are no Title Deeds registered over the mining permit area. The contact details of the relevant officials of the DRDLR's Regional Office in Queenstown are :

Mrs Malerato Tel. nr. : 0458392296 Office Manager : Chris Hani District

Mr Monde Sukula Tel. nr. : 0825775614 Project Manager

Elitheni Coal (Pty) Ltd do not own the 1,5 hectares of land on which the mining permit is applied for. An area of State Land (the Machubeni nr 3 Allotment Area) situated in the Guba Hoek, districts of Lady Frere and Indwe, Eastern Cape is indicated on the sketch plan marked in Annexure 1 : Machubeni 3 Allotment area in extent of approximately 18 000 hectares. Other ERF's had been registered within this Macubeni 3 -Allotment area though. This state land falls between other privately owned property. See Annexure 3 : Title Deed confirmation from Land Surveyor for a confirmation from Mr Ivan Hansen, a registered Land Surveyor from the office of Ivan Hansen Land Surveyors, that the Elitheni Dolerite Pit area does not extend over any privately owned ERF and/or title deed other than the state land mentioned.

2.7 Land Occupiers

List the lawful occupiers of the land concerned.

The Guba-Machubeni Community resides in a purported 35 villages, which are all under the administration of the traditional leader being : Chief BD Vulindlela Tel. nr. : 0781542317

2.8 Other Affected Persons

Explain whether or not other persons' (including on adjacent and non-adjacent properties) socio-economic conditions will be directly affected by the proposed prospecting or mining operation and if not, explain why not.

- a) The Emalahleni Local Municipality would gain due to the economic stimulus of the new mining project.
- b) The Elitheni Coal Mine operations close by could support this new Dolerite Pit with logistics.

- c) The Elitheni Community Trust is pivotal in the liaison between the mine and the Guba-Machubeni Community.
- d) The Emalahleni Business Forum has direct interests in the economic growth in the area and needs regular feedback and interaction to ensure there could be collaboration between local business and the mine.
- e) The Guba-Machubeni Development Trust has shown interest as they too conduct economic development projects in the area.

2.9 Local Authority

Name the Local Municipality identified by the applicant.

Emalahleni Local Municipality

Mr NJ Kwepile (Tel. Nr. 0478780020 / 0795073650) is the Municipal Manager and his office is situated in Lady Frere.

2.10 Affected State Departments

Name the relevant Government Departments, agencies and institutions responsible for the various aspects of the environment and for infrastructure which may be affected by the proposed project.

- a) The Department of Mineral Resources would regulate the mining of the minerals.
- b) The Emalahleni Local Municipality would regulate the infrastructure (roads, electricity etc.) provided to the applicant
- c) The Department of Rural Development & Land Reform would ensure that the land surface is being utilised in a responsible manner
- d) The South African Heritage Research Agency would ensure that the cultural and historical heritage of South Africa is protected
- e) The Department of Water Affairs would ensure that mining would not have negative effects on the water resources found in the area
- f) The Department of Agriculture would ensure that mining would not have negative effects on the agricultural activities in the area
- g) The Department of Economic Development & Environmental Affairs would evaluate the impact of the mining venture on the economic development and environmental conservation of the area.

2.11 Notifications

Submit evidence that the landowner or lawful occupier of the land in question, and any other interested and affected parties including all those listed above, were notified.

All IAP's contacted replied to the invitations and proof thereof can be seen in Section 6 of this report. These "Reply Forms" indicate that proper engagement and notifications were conducted.

Notifications to Interested & Affected Parties had been e-mailed and/or hand delivered with a suitable "Reply Form" for them to respond with any comments. In addition, advertisements had been placed in the Daily Dispatch and the Barley East Reporter news papers as well as hard copies of the notice have been prominently displayed at the notice boards of the Emalahleni Local Municipality and some shops in the Guba-Machubeni area. All Interested and Affected Parties (IAP's) were invited to make comments about the project.

<p style="text-align: center;">NOTICE OF CONSULTATION PROCESS WITH INTERESTED AND AFFECTED PARTIES</p> <p>Notice is hereby given in terms of Sections 10 and 27(5)(b) of the Mineral and Petroleum Resources Development Act 28 of 2002 of intent to carry out the following activity:</p> <p>ELITHENI COAL (PTY) LTD intend to establish a 1½ hectare mining permit to quarry dolerite on a portion of the Machubeni 3 Allotment area, in the Emalahleni Local Municipal district.</p> <p>In order that you are identified as an interested - and/or affected party, submit your name; contact information; details of your interest and your comments in the matter to Mr Rudi Gerber by 20 September 2011. Submissions should be made in writing to Algoa Consulting Mining Engineers and sent to either P.O. Box 16501, Emerald Hill, 6011; or by facsimile to 0866577703. Please quote the following reference number: ELITHENI DOLERITE - EC30/5/1/3/2/10010MP</p> <p style="text-align: right;"><small>ELITHENI/SMF</small></p>	<p style="text-align: center;">NOTICE OF CONSULTATION PROCESS WITH INTERESTED AND AFFECTED PARTIES</p> <p>Notice is hereby given in terms of Sections 10 & 27(5)(b) of the Mineral & Petroleum Resources Development Act 28 of 2002 of intent to carry out the following activity :</p> <p>ELITHENI COAL (PTY) LTD intend to establish a 1½ hectare mining permit to quarry dolerite on a portion of the Machubeni 3 Allotment area, in the Emalahleni Local Municipal district.</p> <p>In order that you are identified as an interested - and/or affected party, submit your name ; contact information ; details of your interest and your comments in the matter to Mr Rudi Gerber by 20 September 2011. Submissions should be made in writing to Algoa Consulting Mining Engineers and sent to either P.O. Box 16501; Emerald Hill; 6011; or by facsimile to 0866577703. Please quote the following reference number :</p> <p style="text-align: center;">ELITHENI DOLERITE - EC30/5/1/3/2/10010MP</p>
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Figure 3 : The advertisements that appeared in the Daily Dispatch (left) and Barkley East Reporter (right) newspapers.

3 BASE LEVEL ENVIRONMENT

Description of the existing status of the cultural, socio-economic or biophysical environment, as the case may be, prior to the proposed prospecting or mining operation.

3.1 Existing Physical Environment

Confirm that the identified and consulted interested and affected parties agree on the description of the existing status of the environment.

All IAP's are in consensus : No comments were made on the existing status of the area as described in the advertisement and notifications presented to the I&AP's. All IAP's agreed to the description of the existing physical environment as described in the "Mining Work Programme".

3.2 Existing Cultural Environment

Describe the existing status of the cultural environment that may be affected

The Xhosa speaking Guba-Machubeni community greatly concern themselves with subsistence farming. Lately some emerging farmers with greater economic motivation have come to the forefront. The site where mining is intended is elevated high above the residential areas of the communities and can be accessed only by foot as no roads exist that lead to the mining area.

3.3 Importance of Heritage

Describe the existing status of any heritage environment that may be affected

There are no sites of heritage importance that could be affected by the mining project.

3.4 Current Land Use

Describe the existing status of any current land uses and the socio-economic environment that may be directly affected

Currently the area is being used by subsistence farmers as grazing veldt for small livestock such as goats. The area has no cultivated land, no paddocks, but the natural vegetation is used as pasture & feeds.

3.5 Infrastructure

Describe the existing status of any infrastructure that may be affected.

A new access road needs to be constructed between this Elitheni Dolerite pit to the nearby coal mine : Elitheni Coal Mine. This road would provide access to this mining project. An insignificant impact is expected due to the increase in road traffic to - and from the mine.

3.6 Existing Biophysical Environment

Describe the existing status of the biophysical environment that will be affected, including the main aspects such as water resources, flora, fauna, air, soil, topography etc.

The study area contains no endangered - or vulnerable faunal - & floral species as listed in the Red Data Book. The topsoil is very shallow mispah soils and the impact is temporary and localised only for the duration of the mining project. Water resources would not be affected by the mining venture, but seeing that the quarry would be located on top of a hill, the quarry has the potential as a water reservoir catching stormwater upon mine closure. This water reservoir could be utilised either as a reservoir for human consumption, or as a waterhole for the drinking of animals. Air pollution due to fall-out dust would be temporary and localised only for the duration of the mining project. The topography would not be affected as the original ground level of the mining area is on level ground and all communities and roads in the area are located on lower elevations of the mine. Due to the height of the mine in relation to communities and the dissipation of noise upwards, no noise impact is expected created by the mining operations.

3.7 Supporting Documentation

Provide any relevant additional information.

Nil

4 **IMPACTS IDENTIFIED**

The anticipated environmental, social or cultural impacts identified : Confirm that the community and identified interested and affected parties have been consulted and that they agree that the potential impacts identified include those identified by them.

4.1 **Cultural Impacts**

Provide a list and description of potential impacts identified on the cultural environment.

- a) **Access Roads** : The mine would create a new access road up to the highest elevation on top of the mountain. This would assist shepherds and farmers to have quick access to places where livestock feeds.
- b) **Unemployment Rate** : Although agriculture and mining per se are both forming part of South Africa's primary economic sector, the people and their cultures in those industries are different. The Guba-Machubeni Community have all indicated to seek employment with Elitheni Dolerite once the project starts. Hence, their willingness to assist in the labour pool of employment Elitheni would draw from. With the high rate of unemployment Elitheni would not create a shortage of farm workers, but would contribute positively to the household income of the area.
- c) **Work Hours** : The farmers and shepherds of the Guba-Machubeni community do not work shifts, whereas Elitheni Coal would do that. Members of the community who do find employment with the mine could find themselves to work more regular timeframes than their counterparts at the farm.

4.2 **Heritage Impacts**

Provide a list and description of potential impacts identified on the heritage environment, if applicable.

There are no impacts on Heritage Conservation.

4.3 **Socio-economic Impacts**

Provide a list and description of potential impacts identified on the socio- economic conditions of any person on the property and on any adjacent or non adjacent property who may be affected by the proposed prospecting or mining operation. Provide a list

and description of potential impacts (positive & negative) identified on : employment opportunities, community health, community proximity.

- a) **Employment** : The Guba-Machubeni Community has a high unemployment rate. Many members of the community who do contribute towards the income of each household are also migrant workers finding employment outside the boundaries of the Guba-Machubeni area. With local employment to be provided by Elitheni, the social stability of households would improve.
- b) **SMME Development** : The Elitheni Dolerite mining project would afford the opportunity to emerging entrepreneurs who could deliver services and products to Elitheni Dolerite during the production phase of the mine. Some Small, Micro & Medium Entrepreneurs (SMME's) could benefit directly as a result of this project.

4.4 Biophysical Impacts

Provide a list and description of potential impacts identified on the biophysical environment including but not be limited to impacts on: flora, fauna, water resources, air, noise, soil etc.

Description of Impact	Nature	Degree of impact reversal	Mitigation/ Management measures
Geology: Extraction of dolerite	All dolerite within the 1,5 ha opencast area will be removed during mining.	None	Mitigation of this impact is not possible. Rock from the overburden of the area will be returned to the void and the area restored / rehabilitated as far as possible.
Topography: Change in landforms	Modification of the land surface will occur in the opencast mining area as a result of the removal of the sandstone overburden and the coal seam.	Low	Mitigation of this impact is not possible. Rock from the overburden of the area will be returned to the void and the area restored / rehabilitated as far as possible.
Soils: Loss of soil fertility	Due to the relatively thin topsoil layer within the mining area, and the limited extent of the mining (i.e. 1,5 ha), no significant loss of soil fertility is expected to occur.	Moderate	Any topsoil removed from the mining area will be appropriately stockpiled for use in rehabilitation activities once mining operations are complete.
Increase in soil erosion as a result of mining activities	A limited increase in soil erosion may occur in the immediate vicinity of the mining operations due to a loss of vegetation cover and increased traffic in the area	High	Loss of vegetation cover should be limited as far as possible. Steep slopes and exposed highwalls will be stabilised. Road surfaces will be stabilised and maintained.
Land capability: Reduction in the agricultural potential of the area (cultivation)	The area has very limited cultivation potential as a result of the shallow soils, elastic nature of the soil profiles, and access. No cultivation activities are currently being undertaken within the proposed mining area and it is	N/A	No action required.

Description of Impact	Nature	Degree of impact reversal	Mitigation/ Management measures
	unlikely that the area would be used for cultivation after the mining activities cease.		
Reduction in the agricultural potential of the area (grazing)	Due to being only 1,5 hectares in extent, the proposed mining operation will have a very limited impact on grazing potential of the land.	Moderate to high	The mining area will be fenced off and access by livestock restricted in order to ensure that animals are not injured through falling into any of the voids created by the mining activities.
Land use: Constraint on future land use options as a consequence of mining operations	Land is currently used for grazing only. The proposed mining operations are not expected to constrain future land use options.	High	The final void could be used as a water reservoir that could deliver a constant pressure to the lower lying communities.
Flora: Loss of indigenous vegetation cover	Vegetation cover will be lost within the 1,5 hectare open cast mining area as the overburden will have to be removed.	High	The mining area would be rehabilitated as soon as possible after the mining operations are complete within that area. This may be achieved through a combination of rock-rubble blasting, seeding with suitable grass species and/or the establishment of grass plugs.
Loss of Red Data, protected or sensitive flora species	No protected plants of conservation importance have been recorded on the proposed mining site. However, some succulent species (<i>Mesembryanthemaceae</i> & <i>Crassulaceae</i>) have been recorded on the nearby rocky outcrops and ridge lines outside of the study area. The potential for these species occurring is, however, reduced due to the area suffering past disturbance due to livestock grazing.	Low	Search and rescue efforts would be undertaken within the mining area prior to the commencement of mining activities. Red data or protected species would then be collected and kept in a nursery for use in rehabilitation efforts within the mining area.
Removal of alien species	Disturbance of an area creates opportunities for colonisation by alien plant species (as these are generally pioneer species).	High	The mining area must be monitored for the occurrence of alien plant species on a continuous basis and such species must be appropriately removed.
Fauna : Loss of habitat (grassland)	A limited loss of grassland habitat will occur within the mining area as this area is already largely disturbed as a result of grazing activities in the area.	Low	The mining area should be rehabilitated as soon as possible after the mining operations are complete within that area.
Loss of Red Data, protected or sensitive fauna species	Due to the limited extent of the opencast mining area, Red Data, protected and sensitive fauna species are unlikely to be lost as a result of the surface mining activities.	N/A	No faunal species should be collected, hunted or killed on the site.
Surface water resources : Dewatering/Decanting of the aquifer	The transfer of water from the aquifer to surface (or vice versa) may impact negatively on the receiving water body.	Low	It is not possible to mitigate this impact. The groundwater levels will recover to near pre-excitation levels once activities move away from an area and rehabilitation took place.
Contamination of the surface water through waste/grey water	Wastewater generated on site has the potential to contaminate surface water.	High	Any waste/grey water handling facilities on site will be managed appropriately to prevent spillage and prevent contamination of surface water.

Description of Impact	Nature	Degree of impact reversal	Mitigation/ Management measures
Contamination of surface water as a result of inappropriate management of waste	Inappropriate management of waste on site has the potential to impact on surface water resources.	High	Waste management principles should be implemented. Waste must be handled from when it is generated, be properly separated, stored, transported and disposed. Waste sorting areas must be demarcated and have a concrete floor. Waste bins must be labelled according to waste classes.
<p>Groundwater resources : Potential increase in recharge to the lower aquifer due to excavation of the pit area</p>	The upper aquifer material will be removed during open pit mining. Excavation and removal of the overlying lithology will expose the underlying sediments (Molteno Sediments) associated with the lower fractured rock aquifer. This could lead to a relatively higher recharge to the aquifer from direct rainfall into the areas and mounding of the groundwater level will be exacerbated in areas where this water is allowed to pond. In the long-term (post mining environment) increased recharge to the aquifer can be expected through rehabilitated material that will have a higher vertical permeability than natural rock, thus leading to increased infiltration rates from rainfall.	N/A	The final void could be used as a water reservoir that could deliver a constant pressure to the lower lying communities.
Potential contamination of groundwater from poor quality leachate originating from mined-out areas	Depending on the chemistry of the dolerite the lower fractured rock aquifer found in the Molteno sediments will be susceptible to contamination originating from any oxidising minerals associated with the dolerite.	Low	It is not possible to mitigate this impact. The groundwater levels will recover to near pre-excitation levels once activities move away from an area and rehabilitation took place.
Dewatering of the aquifers	This could only happen in areas where the mining activities are below the groundwater level. The mining venture would not mine lower than the water table.	Low	It is not possible to mitigate this impact. The groundwater levels will recover to near pre-excitation levels once activities move away from an area and rehabilitation took place
Contamination of the groundwater through waste/grey water	Wastewater generated on site has the potential to contaminate the underlying aquifers. Contamination would be localised.	High	Any waste/grey water handling facilities on site must be managed appropriately to prevent spillage and prevent contamination of aquifers.
Hydrocarbon contamination during mining operations	During the excavation phase large industrial trucks will be used. Spillage of hydrocarbons in this environment will lead to contamination of the underlying aquifers. This impact is unlikely to occur as no chemical or fuel storage on site is envisaged.	High	Diesel and oil stock, refill area will be done off-site at the nearby workshops of the colliery. Appropriate spill response kits and plans must be in place to react appropriately and timeously in the case of an accidental spillage.
<p>Air quality : Increase in dust emissions</p>	An increase in dust emission is likely to result from blasting activities (which could occur as often as every week) and from increased vehicular traffic on the local gravel roads.	High	Dust from gravel roads can be reduced through the introduction and enforcement of a speed limit on the access roads as well as through the use of appropriate dust suppression measures (such as watering or the use of commercial dust suppressants).

Description of Impact	Nature	Degree of impact reversal	Mitigation/ Management measures
Increase in gaseous emissions	Increased gaseous emissions may result at a local level from vehicles operating at the mining site and from those moving to and from the site.	High	Vehicles must be maintained in a road worthy condition so as to limit the emissions to air.
Noise : Increase in ambient noise levels within the surrounding areas	Mining operations, the operation of equipment on the mining site and the movement of vehicles to and from the site will increase the noise levels in the valley. As the mining venture is located higher than the communities, the noise would travel upwards away from the communities.	Medium	Equipment operating on site must be maintained in a workable condition in order to minimise noise emissions. Vehicles must be maintained in road worthy condition and must be fitted with silencers. Speed limits on the access roads in the area must be introduced and enforced.
Archaeological, cultural and heritage sites : Loss of sites of archaeological, cultural or historical importance	A Phase 1 heritage study has confirmed that there are no sites of conservation value located within the proposed mining area	None	No action required.
Socio-economic : Increase in employment/ financial status (local communities)	Temporary employment of local inhabitants may occur, increasing their financial status and social upliftment in the process	N/A	As far as possible, labour should be sourced locally.
Increase in social benefits to local inhabitants	The mining of the area will result in the improvement to the road (DR08598) to the site.	N/A	Road upgrade and maintenance is required in order to facilitate access to the site and transportation of coal.
Benefits to the local economy	The mining company, mining contractors and employees are likely to purchase goods and/or pay for services in the local area (e.g. Indwe).	N/A	As far as possible, goods and services should be sourced locally.
Hazards posed to the local inhabitants as a result of increased heavy vehicle movement in the area	The increase in heavy vehicle movement along the access roads through the local area could pose a safety hazard to the local community.	High	The local community should be made aware of the dangers associated with the increased heavy vehicle traffic and appropriate safety warning signs and traffic control measures should be implemented. Speed limits on the access roads in the area must be introduced and enforced.
Safety and security for local inhabitants	The mining area could pose a threat to humans and animals for the accidental falling into the final void.	N/A	The opencast mining area should be fenced off. The mining area should be rehabilitated as soon as possible after the mining operations are complete so as to protect the local inhabitants from potential dangers.
Vibration impacts for local inhabitants	Drilling and blasting operations, the operation of equipment on the mining site and the movement of vehicles to and from the site will increase the vibration levels to the surrounding area.	Low	Sufficient warning to affected parties must be provided prior to blasting operations commencing. Where relevant, blasting notices should be erected. Blast vibration monitoring should be implemented.
Impact on the aesthetics of the area	The opencast operations will alter the topography and landscape permanently. The proposed mining area is however located on top of a mountain out of sight.	Low	The mining area should be rehabilitated as soon as possible after the mining operations are complete.

4.5 Cumulative Impacts

Provide a description of potential cumulative impacts that the proposed operation may contribute to considering other identified land uses which may have potential environmental linkages to the land concerned.

There are no other cumulative impacts other than the final void may be utilised as a water reservoir supplying water at a constant pressure to the local lower lying communities.

5 MINING PROJECT ALTERNATIVES

Land use or development alternatives, alternative means of carrying out the proposed operation, and the consequences of not proceeding with the proposed operation.

5.1 Other Land Uses

Provide a list of and describe any alternative land uses that exist on the property or on adjacent or non-adjacent properties that may be affected by the proposed mining operation.

Only livestock farming utilising the natural grass as pasture could be used as opposed to the mining venture.

5.2 Existing Land Developments

Provide a list of and describe any land developments identified by the community or interested and affected parties that are in progress and which may be affected by the proposed mining operation.

Nil

5.3 Needs of IAP's

Provide a list of and describe any proposals made in the consultation process to adjust the operational plans of the mine to accommodate the needs of the community, landowners and interested and affected parties.

- a) **Employment** : The Guba-Machubeni Community has a high unemployment rate. All IAP's have requested that Elitheni should give preference to members of the local Guba-Machubeni community for seeking employment. The Emalahleni

Business Forum has indicated that they will start a database that could serve as a recruitment forum for prospective job-seekers.

- b) **Community Development** : The IAP's have indicated that they wish to be continued to be informed by Elitheni so as to have a say in their future community development.

5.4 Opportunity Cost Impact

Provide information in relation to the consequences of not proceeding with proposed operation

If this Elitheni Dolerite project cannot continue, then aggregates for concretes and road building layers need to be sourced elsewhere at more expensive costs. This is a project that would benefit the Guba-Machubeni Community greatly ; and to a lesser extent the Indwe area as well.

6 ENGAGEMENT PROCESS WITH IAP's

Description of the process of engagement referred to in 3.2.1 and 3.2.2 above with identified communities, landowners and interested and affected parties.

6.1 Information Document Provided

Provide a description of the information provided to the community, landowners, and interested and affected parties to inform them in sufficient detail of what the prospecting or mining operation will entail on the land, in order for them to assess what impact the prospecting will have on them or on the use of their land;

The Interested and Affected parties were all given a copy of the "Mining Work Programme" document as submitted onto the DMR's SAMRAD system. This document described the Elitheni Dolerite project in sufficient detail for them to make comments on. Follow-up meetings were held with some of the IAP's to address a greater number of their members so that questions from the floor could be answered.

6.2 Information Distribution List

Provide a list of which of the identified communities, landowners, lawful occupiers, and other interested and affected parties were in fact consulted.

IAP Relation	Organisation	Contact Person	Comments
Local Municipality	Emalahleni Local Municipality	Mr James Kwepile	Support Project
Land Owner	DRDLR	Mr Monde Sukula	Support Project provided the Guba-Machubeni community supports the project.
Lawful Land Occupier	Guba-Machubeni Tribal Council	Chief BD Vulindlela	Support Project provided the Guba-Machubeni community is offered employment.
Adjacent mine	Elitheni Colliery	Mr David Nel	Support Project
Social Upliftment Driver	Elitheni Community Trust	Mr Mazizi Msutu	Support Project
Local Business Sector	Emalahleni Business Forum	Me Asanda Dlikilili	Support Project
Local SMME's	Guba-Machubeni Development Trust	Mr DM Makatesi	Support Project provided the Guba-Machubeni community is offered employment first.

6.3 Comments from IAP's re Existing Environment

Provide a list of their views raised in regard to the existing cultural, socio-economic or biophysical environment, as the case may be.

Everybody agreed that the area is known to them as the area where small livestock occasionally grazes on the natural grass as fodder.

6.4 Comments from IAP's re Mining Impacts

Provide a list of their views raised on how their existing cultural, socio-economic or biophysical environment potentially will be impacted on by the proposed prospecting or mining operation.

IAP Relation	Organisation	Comments	Mitigating Response
Lawful Land Occupier	Guba-Machubeni Tribal Council	This development needs to happen in order to upgrade the roads of the Guba-Machubeni area with its own material.	The Elitheni Dolerite pit would endeavour to supply all the road layering materials to the contractor required to upgrade the roads.
Adjacent mine	Elitheni Colliery	This dolerite pit should match, or exceed, the high mining standards already set by the adjacent colliery.	The mining work programme of the development is in line with the standards set in the adjacent colliery. Any future contractor would also be inducted to meet these standards.
Social Upliftment Driver	Elitheni Community Trust	There is already an initiative to conduct social upliftment of the Guba-Machubeni Communities and request this project also to contribute to its funding.	This development does not form part of the adjacent colliery's Social & Labour Plan and therefore is not obliged to make contributions. However, as both mines have common shareholders, it undertakes to contribute towards the fund.

IAP Relation	Organisation	Comments	Mitigating Response
Local Business Sector	Emalahleni Business Forum	<p>Could the mine please give local employment preference, provided that the local people do meet the requirements of the job.</p> <p>Could the mine please give preference to local suppliers of services and goods?</p>	<p>Yes, the mine would start its recruitment process by advertising for local labour, by which the Emalahleni Business Forum should have a database ready describing the local employment skills base to draw from. The mine would need unskilled- & semi-skilled labour. Technical skilled labour would be outsourced if not available locally.</p> <p>Yes, the mine call for entrepreneurs to come forward and present their services so that the mine could identify which SMME's could participate.</p>
Local SMME's	Guba-Machubeni Development Trust	<p>Local employment should get preference, provided that the local people do meet the requirements.</p> <p>Would there be other opportunities for SMME's doing business with the mine?</p>	<p>The mine would start its recruitment process by advertising for local labour. Those job-seekers from the local communities must prepare in the meantime.</p> <p>Yes, the mine would need possible SMME's to present what they could offer in terms of delivery of services and goods.</p>

6.5 Other Comments from IAP's

Provide list of any other concerns raised by the aforesaid parties.

Nil

6.6 Minutes of Meetings with IAP's

Provide the applicable minutes and records of the consultations as appendices.

Each advertisement had a "Reply Form" attached to ease the correspondence between the mine and the IAP. Follow-up meetings were also held on separate occasions with the DRDLR, the Emalahleni Business Forum and the Guba-Machubeni Development Trust. The comments had been documented as follows :

ALGOA CONSULTING MINING ENGINEERS cc



Office 1 : Moffat on Main Lifestyle Centre : c/o Main Rd. & William Moffat, Walmer, P.E. 6001
 PO Box 18801, Emerald Hill, 6011
 Republic of South Africa
 Telephone : +27 (0) 41 367 5501
 Facsimile : +27 (0) 88 887 7703
 e-mail : rud@alcoacna.co.za

Ref. nr. : ELITHENI DOLERITE - EC30/5/1/3/2/10010MP

PLEASE RETURN BY E-MAIL ; FAX OR REGISTERED MAIL TO THE ABOVE CONTACTS.


Contact details of interested & Affected Party:

Name : NKOSINATHI KURUPU
 Community/Organisation : EMALAHLENI MUNICIPALITY
 Postal Address : P/BAG X 1161 LADY FERRIS STR
 Telephone : 047 8780022 Fax No. : 047 8780112
 Mobile Tel. No : 0795093650 E-mail : kurupin@emalahleni.gov.za

Please list your comments on the project. Should you require more space, use additional page :

1.	
2.	
3.	
4.	
5.	

or

I have no comments on the proposed project.	Signed : 
---	---

I, NKOSINATHI KURUPU confirm that I have received the Public Consultation Notice.

 Signature 65000792027 I.D. Number 05/09/2011 Date

Name and contact details of alternate / nominated person to be contacted instead :

Name : NTONDIKASO MCHUNDA
 Property / Organisation : EMALAHLENI MUNICIPALITY
 Postal Address : P/BAG X 1161 LADY FERRIS STR
 Telephone : 0478780022 Fax No. : 047 8780112
 Mobile No : 083 2076722 E-mail : ntondikaso@emalahleni.gov.za

Figure 4 : The "Reply Form" from the Emalahleni Local Municipality.

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Office 9; Moffet on Main Lifestyle Centre; c/o Main Rd. & William Moffet; Welmer, P.E., 6001
 PO Box 18501, Emerald Hill, 6011
 Republic of South Africa
 Telephone : +27 (0) 41 367 5501
 Facsimile : +27 (0) 08 657 7703
 e-mail : rud@algocme.co.za

Ref. nr. : ELITHENI DOLERITE - EC30/5/1/3/2/10010MP

PLEASE RETURN BY E-MAIL ; FAX OR REGISTERED MAIL TO THE ABOVE CONTACTS.

Contact details of Interested & Affected Party :

Name : B.D. Vundlela
 Community/Organisation : 35 Villages Guba Machubeni
 Postal Address : Machubeni Traditional Council Gabya 5410
 Telephone : _____ Fax No. : _____
 Mobile Tel. No : 0781542317 E-mail : _____

Please list your comments on the project. Should you require more space, use additional page :

1.	<u>In support of the project.</u>
2.	<u>Wish the people of guba Machubeni to be employed</u>
3.	
4.	
5.	

or

I have no comments on the proposed project. Signed: B.D. Vundlela

I, B.D. Vundlela confirm that I have received the Public Consultation Notice.

B.D. Vundlela Signature 4301205405085 I.D. Number 21-9-2011 Date

Name and contact details of alternate / nominated person to be contacted instead :

Name : _____
 Property / Organisation : _____
 Postal Address : _____
 Telephone : _____ Fax No. : _____
 Mobile No : _____ E-mail : _____

Figure 6 : The "Reply Form" from the Guba-Machubeni Tribal Council representing the 35 Villages of Guba-Machubeni.

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Office 9 ; Moffett on Main Lifestyle Centre ; c/o Main Rd. & William Moffat ; Walmer, P.E., 6001
 PO Box 16501, Emerald Hill, 6011
 Republic of South Africa
 Telephone : +27 (0) 41 367 5501
 Facsimile : +27 (0) 86 657 7703
 e-mail : rudi@algoacme.co.za

Ref. nr. : ELITHENI DOLERITE - EC30/5/1/3/2/10010MP

PLEASE RETURN BY E-MAIL ; FAX OR REGISTERED MAIL TO THE ABOVE CONTACTS.

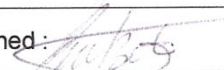
Contact details of Interested & Affected Party :

Name : Asanda Dzikili
 Community/Organisation : Emalahleni Local business Forum
 Postal Address : P.O. Box 37; Lady Frere ; 5410
 Telephone : 047 878 0020 Fax No.: 047 878 0112
 Mobile Tel. No : 084 0319 757 E-mail : dzikiliasanda@yahoo.com

Please list your comments on the project. Should you require more space, use additional page :

1.	
2.	
3.	
4.	
5.	

or

I have no comments on the proposed project.	Signed: 
---	--

I, Asanda Dzikili confirm that I have received the Public Consultation Notice.



Signature

8507 11075908

I.D. Number

20/09/2011

Date

Name and contact details of alternate / nominated person to be contacted instead :

Name :
 Property / Organisation :
 Postal Address :
 Telephone : Fax No.:
 Mobile No : E-mail :

Figure 9 : The "Reply Form" from the Emalahleni Business Forum.

ALGOA CONSULTING MINING ENGINEERS cc



Office 9 ; Moffett on Main Lifestyle Centre ; c/o Main Rd. & William Moffat ; Walmer, P.E., 6001
 PO Box 16501, Emerald Hill, 6011
 Republic of South Africa
 Telephone : +27 (0) 41 367 5501
 Facsimile : +27 (0) 86 657 7703
 e-mail : rudi@algoacme.co.za

Ref. nr. : ELITHENI DOLERITE - EC30/5/1/3/2/10010MP

PLEASE RETURN BY E-MAIL ; FAX OR REGISTERED MAIL TO THE ABOVE CONTACTS.

Contact details of Interested & Affected Party :

Name : GUBA - MACHUBENI DEVELOPMENT TRUST
 Community/Organisation :
 Postal Address : P.O. Box 78; INDWE ; 5445
 Telephone : 084641070 Fax No. : 0459521023
 Mobile Tel. No : E-mail :

Please list your comments on the project. Should you require more space, use additional page :

1.	<u>GUBA - MACHUBENI DEVELOPMENT TRUST represents the community directly affected and wish to see its community being employed first. A follow-up meeting will be announced where a quorum will be reached by the Trust</u>
2.	
3.	
4.	
5.	

or

I have no comments on the proposed project. Signed :

I, DM MAKATESI confirm that I have received the Public Consultation Notice.

(Signature) _____ I.D. Number _____ Date 20/09/2011

Name and contact details of alternate / nominated person to be contacted instead :

Name :
 Property / Organisation :
 Postal Address :
 Telephone : Fax No. :
 Mobile No : E-mail :

Figure 10 : The Initial "Reply Form" from the Guba-Machubeni Development Trust.

The follow-up meeting with the Trust was scheduled for the 28th of September 2011.

6.7 Objections & Mitigating Actions

Provide information with regard to any objections received.

Nil

7 PROPOSED MINING PROCESS

Describe the most appropriate means to carry out the proposed operation with due accommodation of the issues raised in the consultation process.

- The mining work programme of this project describes in detail how the practical mining activities should be conducted.
- The Environmental Management Plan of this project describes in detail all the measures to be put in place to mitigate the impacts identified.
- The recruitment of personnel for the mine should be done as a collaboration effort between the mine and the Emalahleni Business Forum.
- The Guba-Machubeni Development Trust should participate in the employment skills database of the area, by assisting the members of the Guba-Machubeni Community to register first.

8 REPORT IDENTIFICATION

The report on the results of consultation must, at the end of the report include a certificate of identification as follows :

Herewith I, the person whose name and identity number is stated below, confirm that I am the person authorised to act as representative of the applicant in terms of the resolution submitted with the application, and confirm that the above report comprises the results of consultation as contemplated in Section 16 (4) (b) or 27 (5) (b) of the Act, as the case may be.

Full Names & Surname	Mr David John Nel
Identity Number	750524 5108 08 7

Annexure 1 : Machubeni 3 Allotment area

Lodged electronically via the SAMRAD System

Annexure 2 : Mine Scheduling and Mining Work Programme

Lodged electronically as part of the Mining Work Programme via the SAMRAD System

Annexure 3 : Title Deed confirmation from Land Surveyor

Lodged electronically as part of the Mining Work Programme via the SAMRAD System