

SISHEN IRON ORE COMPANY (PTY) LTD

ATTENTION: INTERESTED AND/OR AFFECTED PARTY

NOTICE OF A FULL ENVIRONMENTAL IMPACT ASSESSMENT AND WATER USE LICENCE APPLICATION NEW AND EXPANDED ACTIVITIES AT KOLOMELA MINE NEAR POSTMASBURG, NORTHERN CAPE

1. Introduction

Notice is hereby given that Sishen Iron Ore Company (Pty) Ltd (SIOC) proposes to develop new activities and expand some existing activities in support of mining at the Kolomela mine located approximately 8 km south-east of the town of Postmasburg, Tsantsabane Local Municipality, in the Northern Cape.

An application will be submitted for Environmental Authorisation in terms of:

- Section 102 of the Minerals and Petroleum Resources Development Act (No. 28 of 2008) for the amendment of the Environmental Management Programme (EMPr).
- Listing Notices 1 (GN R. 327 of 2017), 2 (GN R. 325 of 2017) and 3 (GN R. 324 of 2017) of the Environmental Impact assessment (EIA) regulations published in terms of the National Environmental Management Act (No. 107 of 1998).
- Waste Management Activities published under Regulation GN. 921 of 29 November 2013, under National Environmental Management: Waste Act (No. 59 of 2008).

A full Scoping and Environmental Impact Assessment process must be undertaken in terms of the EIA regulations (GNR 326 of 2017) to obtain Environmental Authorisation (EA) for the proposed expansion project. The Northern Cape Department of Mineral Resources and Energy is the Competent Authority (CA) responsible for administration of the process.

An application will also be submitted for the licensing of water use activities in terms of Section 21 (c, g and i) of the the National Water Act (No. 36 of 1998):

A public participation process must be undertaken in terms of the regulatory requirements for both the EIA and water use licensing process. This letter serves to **notify you as a landowner, lawful occupier, interested or affected party of the EIA and WUL application processes that are being undertaken.**

EXM Environmental Advisory (Pty) Ltd ("EXM") has been appointed as the Independent Environmental Assessment Practitioners (EAP) responsible for administering the abovementioned application process:

PURPOSE:

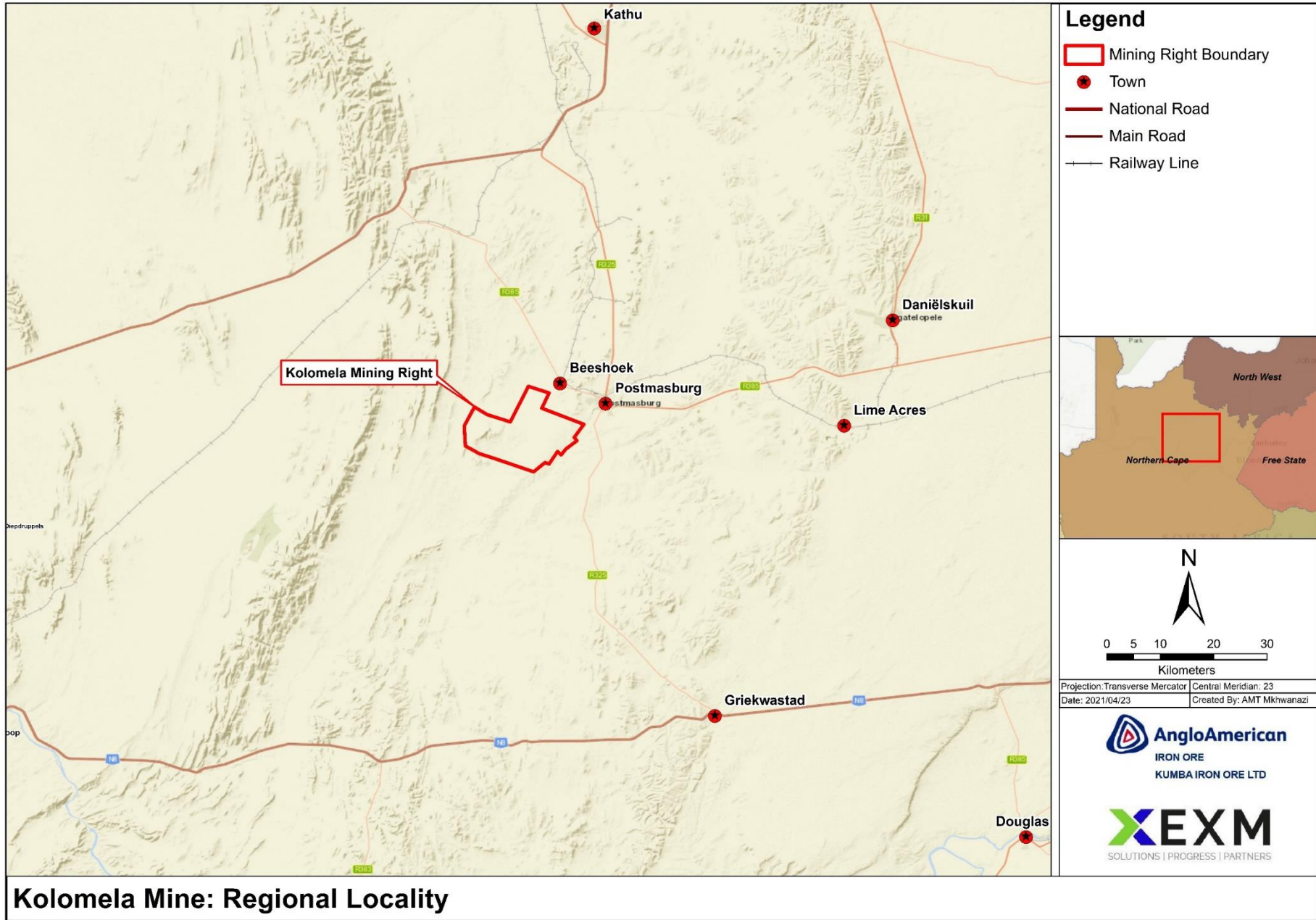
This document serves to:

- Notify you of the environmental application processes.
- Describe the application processes.
- Inform you as to how you can provide input into the processes.

YOUR ROLE:

As an interested and affected party, your role is to:

- Ask questions, raise issues and concerns.
- Review and provide comment on environmental reports.



Kolomela Mine: Regional Locality

FIGURE 1: GENERAL LOCATION OF KOLOMELA MINE

2. Preliminary Overview of the of the proposed Kolomela expansion activities

The Sishen Iron Ore Company (Pty) Ltd, part of Kumba Iron Ore Limited (hereafter Kumba), owns and operates Kolomela mine located approximately 8 km south east of Postmasburg in the Tsantsabane Local Municipality, Northern Cape Province.

SIOC proposes to develop new and expand existing activities to facilitate mining at Kolomela mine. The following new and expanded activities are proposed at Kolomela mine:

- A new Photovoltaic Solar Facility to support electricity supply to the mine..
- New Low Grade Ore Storage Areas for the storage of ore transported for processing at Kolomela from surrounding mines.
- New infrastructure for the management of tailings from the existing DMS Plant:
 - New Tailings Storage Facility on the existing Leeuwfontein Waste Rock Dumps.
 - Paddocks for the temporary storage of tailings adjacent to the existing DMS plant.
 - A return water dam for the management of water from the TSF for re-use at the plant.
- A new Waste Tyre Management Facility.
- A new Conveyor and railway line to transfer material to and from the DMS Plant.
- A new Haul Truck Parking area at Kapstevl South Pit.
- Widening and amendment of the Kapstevl Haul roads.
- Amendment to Kapstevl DMS conveyor (to be built in the future) position to allow for expanded haul roads.
- Amendment of Kapstevl Waste Rock Dumps including new facilities to allow for disposal to accommodate changes in mine planning and protection of potential future ore reserves.
- Operational changes to existing disturbed footprints layout.
- Additional soil stockpile and park up areas.
- Stormwater management infrastructure at Kapstevl Waste Rock Dumps and Kapstevl At Pit Facility including evaporation dams and diversion berms.
- Access road to facilitate construction of infrastructure at the Kapstevl At Pit Facility.
- Expansion of waste rock dump footprint areas to allow for reshaping during rehabilitation.

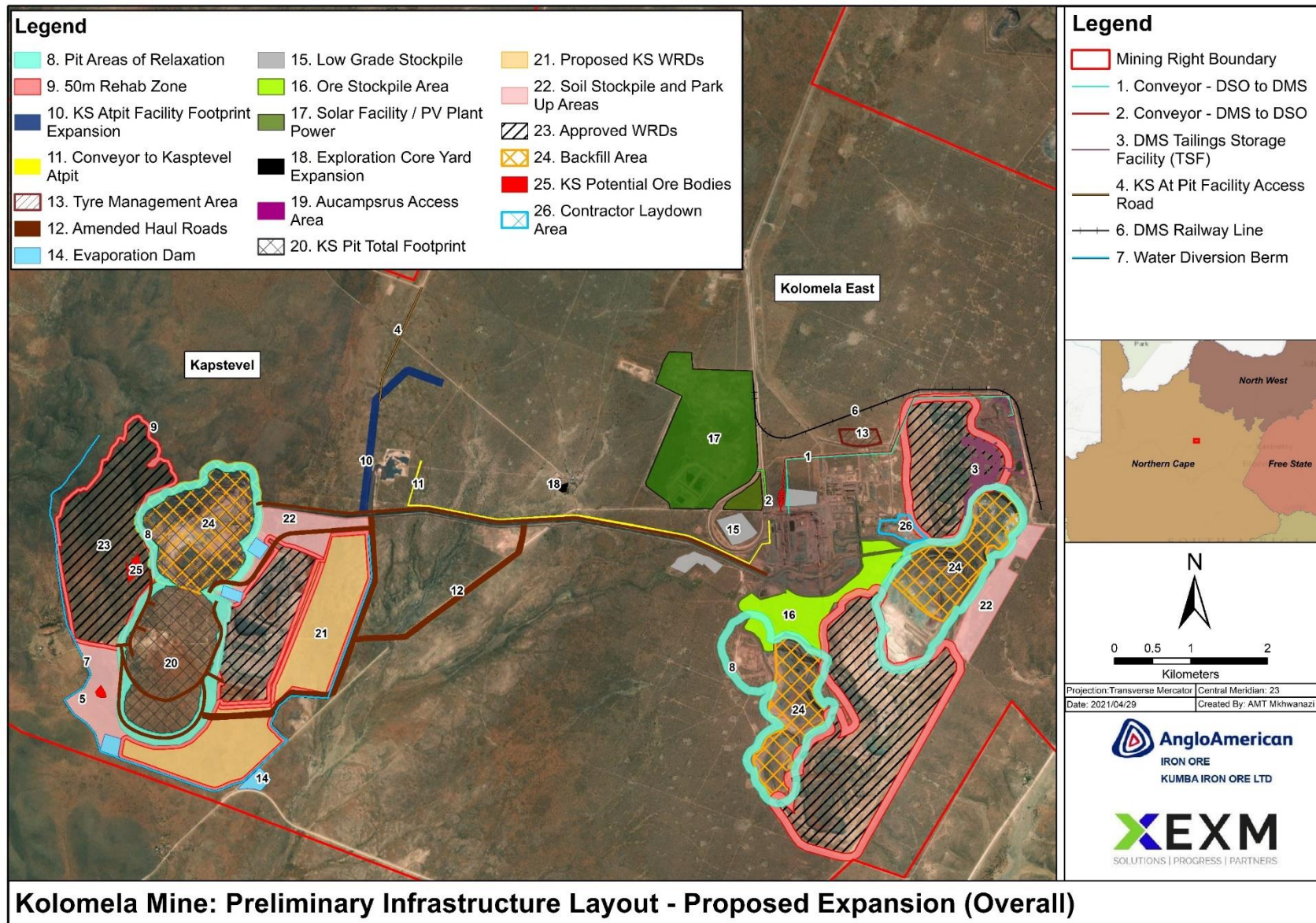


FIGURE 2: INITIAL CONCEPTUAL LAYOUT OF EXPANSION ACTIVITIES

3. Environmental Approvals Required

3.1 Minerals & Petroleum Resources Development Act (No. 28 of 2008)

Section 102 of the Minerals & Petroleum Resources Development Act (MPRDA) regulates the amendment of an EMPr due a change of activities related to a specific mining right. The proposed activities including the expansion of mining and association activities at are not included in the existing approved Kolomela EMPr or any amendment thereto. The EMPr thus requires amendment to include the new and changed infrastructure at Kolomela.

3.2 National Environmental Management Act (No. 107 of 1998) (NEMA)

The expansion of mining related activities at Kolomela mine triggers various activities listed in Listing Notices 1 (GN R. 327 of 2017), 2 (GN R. 325 of 2017) and 3 (GN R. 324 of 2017) published in terms of the National Environmental Management Act.

Activities triggered in terms of Listing notice 2 require an environmental authorisation which needs to be supported by a full EIA and Scoping process that must be conducted in terms of the NEMA EIA regulations (GNR. 982 of 2014, as amended). Activities triggered in terms of Listing notices 1 and 3 require an environmental authorisation which needs to be supported by a Basic Impact Assessment, however a full EIA will be required due to the triggering of activities in listing Notice 3.

According to the EIA Regulations, the competent authority for submission of the application for environmental authorisation is the Minister responsible for mineral resources i.e. the Northern Cape Department of Mineral Resources and Energy (DMRE). The regulated timeframes for the completion of the EIA process, as provided in the EIA Regulations, are provided in Figure 3.

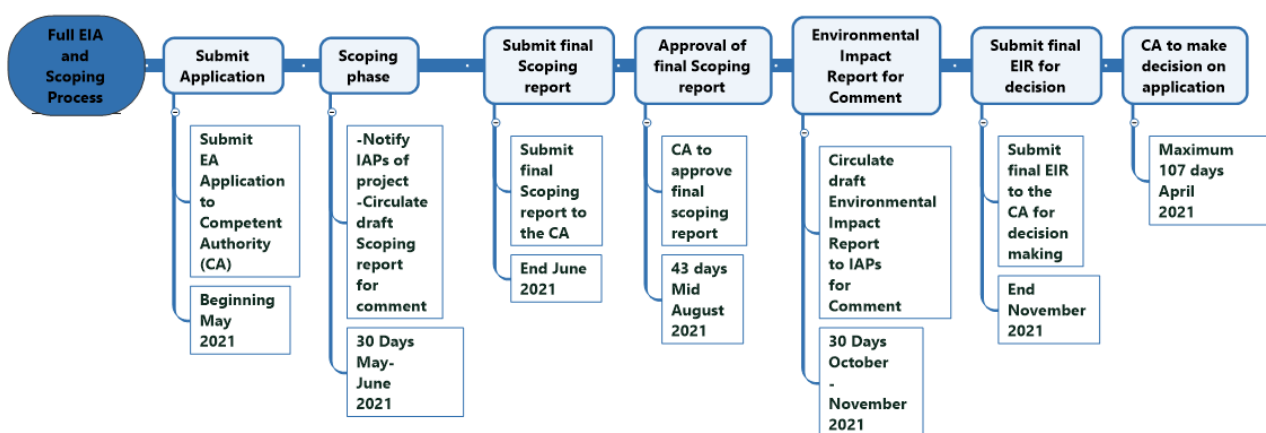


FIGURE 3: EIA Process

Table 1: NEMA Listed Activities triggered by the Project

Applicable Regulation	Project Infrastructure related to Listed Activity	
<u>Listing Notice 1 (GN R. 327 of 2017)</u>		
Activity 12	The development of— (i) dams or weirs, where the dam or weir, including infrastructure and water surface area, exceeds 100 square metres; or (ii) infrastructure or structures with a physical footprint of 100 square metres or more; where such development occurs— (a) within a watercourse; (b) in front of a development setback; or (c) if no development setback exists, within 32 metres of a watercourse, measured from the edge of a watercourse	Wetland pans (water courses) are situated in the area in which some infrastructure are to be located and will potentially be impacted by the project footprint. The amended haul roads and Kapstevél DMS conveyor will also cross the “Welgevondenspruit”. A WUL application will be submitted to obtain authorisation in terms of activities listed in Section 21 of the National Water Act (No. 36 of 1998).
Activity 13	The development of facilities or infrastructure for the off-stream storage of water, including dams and reservoirs, with a combined capacity of 50 000 cubic metres or more, unless such storage falls within the ambit of activity 16 in Listing Notice 2 of 2014.	Development of water management infrastructure, including a Return Water Dam and the Kapstevél Evaporation Dams
Activity 14	The development and related operation of facilities or infrastructure, for the storage, or for the storage and handling, of a dangerous good, where such storage occurs in containers with a combined capacity of 80 cubic metres or more but not exceeding 500 cubic metres.	The development of the park up area at the Kapstevél South pit will entail additional diesel storage.
Activity 24	The development of a road— (i) [a road] for which an environmental authorisation was obtained for the route determination in terms of activity 5 in Government Notice 387 of 2006 or activity 18 in Government Notice 545 of 2010; or (ii) [a road] with a reserve wider than 13,5 meters, or where no reserve exists where the road is wider than 8 metres; but excluding a road— (a) [roads] which [are] is identified and included in activity 27 in Listing Notice 2 of 2014; (b) [roads] where the entire road falls within an urban area; or i. (c) which is 1 kilometre or shorter.	Development of the Kapstevél Haul Roads and Kapstevél At Pit Facility Access Road
Activity 27	The clearance of an area of 1 hectares or more, but less than 20 hectares of indigenous vegetation	Infrastructure with a footprint of more than 1, but less than 20 ha

Applicable Regulation		Project Infrastructure related to Listed Activity
Activity 56	The widening of a road by more than 6 metres, or the lengthening of a road by more than 1 kilometre	Widening of mine haul roads.
<u>Listing Notice 2 (GN R. 325 of 2017)</u>		
Activity 1	The development of facilities or infrastructure for the generation of electricity from a renewable resource where the electricity output is 20 megawatts or more	Development of the Solar Photovoltaic Facility
Activity 6	The development of facilities or infrastructure for any process or activity which requires a permit or licence or an amended permit or licence in terms of national or provincial legislation governing the generation or release of emissions, pollution or effluent.	Development of the Kapstevel Evaporation Dams and Return Water Dam triggers activity g listed in terms of Section 21 of the National Water Act and will therefore require a Water Use Licence.
Activity 15	Activity 15. The clearance of an area of 20 hectares or more of indigenous vegetation, excluding where such clearance of indigenous vegetation is required for— (i) the undertaking of a linear activity; or (ii) maintenance purposes undertaken in accordance with a maintenance management plan.	Development of infrastructure with a footprint of more than 20 ha.
<u>Listing Notice 3 (GN R. 324 of 2017)</u>		
Activity 8	The development and related operation of above ground cableways and funiculars. g. Northern Cape i. All areas outside urban areas	Development of DMS and DSO conveyor
Activity 12	The clearance of an area of 300 square metres or more of indigenous vegetation g. Northern Cape ii. Within critical biodiversity areas identified in bioregional plans;	Development of infrastructure, including Kapstevel Haul Roads, Waste Rock Dumps, Solar Facility, Amended Kapstevel DMS Conveyor
Activity 14	The development of— (i) infrastructure or structures with a physical footprint of 10 square metres or more; where such development occurs— (a) within a watercourse; (b) in front of a development setback; or (c) if no development setback has been adopted, within 32 metres of a watercourse,	Amended of Kapstevel Haul Roads

3.3 National Environmental Management: Waste Act (No. 59 of 2008)

In terms of Section 19 of the National Environmental Management: Waste Act, a list of waste management activities that is likely have a detrimental effect on the environment was promulgated through Regulation GN. 921 (November 2013). The listed activities were amended by GN. 633 of 24 July 2015 to include the development of mine residue dumps. Note that in terms of Schedule 3 of the Act, all mineral residue deposits are also regarded as Hazardous Waste.

An application needs to be made to the DMRE for a Waste Management Licence to allow for the development or expansion of waste rock dumps and the development of a Tailings Storage Facility. The application is to be supported by a Scoping and EIA Process, Category B activities are triggered.

Table 2: Waste Management Activities

Activity No	Description
Category B	
2	Reuse of tailings discard and waste rock material
7	The disposal of any quantity of hazardous waste to land i.e. mineral residue (waste rock and tailings) at Kolomela
10	Construction of a waste management activity listed in Category B of this Schedule.
11	The establishment of a residue deposit resulting from mining activities at Kolomela.
13	The expansion of a residue deposit resulting from mining activities at Lylyveld

3.4 National Water Act (No. 36 of 1998) (NWA)

The proposed expansion activities will include water uses as defined in terms of Section 21 of the National Water Act (Act 36 of 1998). These proposed water uses are provided in Table 2 below.

Table 3: Section 21 water uses to be included in the Water Use Licence Application

Section 21 Listed Activity	Related activities
c&i (water courses – pans and stream)	Construction/amendment of infrastructure <ul style="list-style-type: none"> • Haul roads (widening and new) • Conveyors to and from DMS plant. • Railway from DMS plant. • Kapstevl Waste Rock Dump • Waste Tyre Storage Area
g (waste disposal)	Construction/amendment of infrastructure <ul style="list-style-type: none"> • Kapstevl Evaporation Dams • Kapstevl Waste Rock Dumps • TSF on Leeuwfontein WRD • Paddock facility • Return Water Dam for TSF

Authorisation of the abovementioned water uses will require an application for an Integrated Water Use Licence (IWUL) in terms of the Regulations Regarding the Procedural Requirements for Water Use Licence Applications and Appeals (GNR. 267 of 2017).

The IWUL application will be supported by a Technical Report compiled in accordance with the

requirements of the relevant Annexures of the Regulations Regarding the Procedural Requirements for Water Use Licence Applications and Appeals (GNR. 267 of 2017). The regulated timeframes for an Integrated Water Use Licence Application process in terms of GN R. 267 of 2017 are provided in Figure 4.

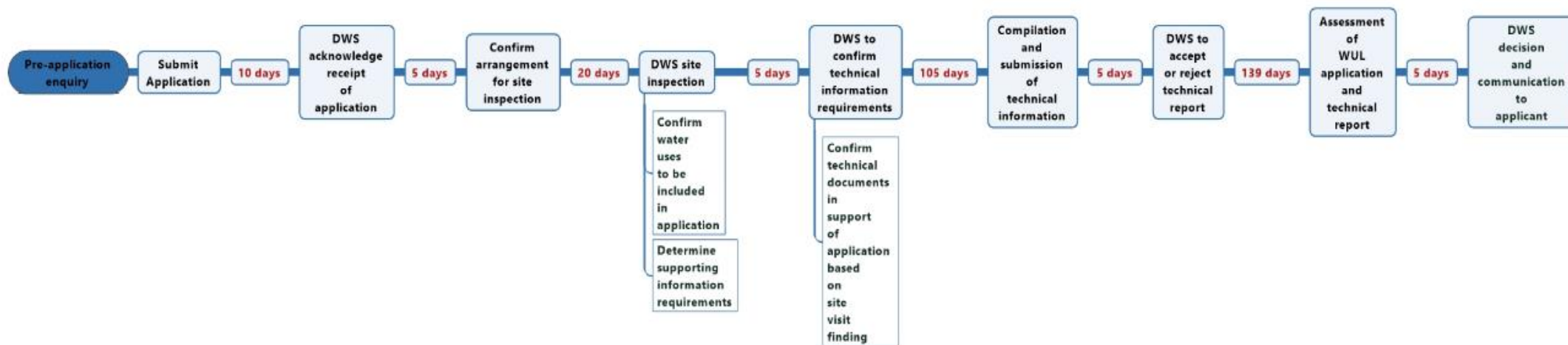


FIGURE 4: INTEGRATED WATER USE LICENCE APPLICATION PROCESS

4. Public Participation Process

A public participation process is being undertaken as part of the applications. The process is conducted in terms of the NEMA EIA regulations (GNR. 326 of 2017) and the Regulations Regarding the Procedural Requirements for Water Use Licence Applications and Appeals (GNR 267 of 2017) promulgated under the National Water Act, 1998 (Act No.36 of 1998). Stakeholders are offered the opportunity to be informed about the application, raise comments, issues or concerns and provide input into the application and reports.

Interested & affected parties (I&APs) are invited to participate in the environmental process. You can provide input by:

- Registering as an interested & affected party (IAP);
- Asking questions and raising initial concerns by completing and returning the response sheet (attached);
- Reviewing and providing comment on reports.

I&APs will be informed when all the documents will be available for review.

Should you have questions or require more information, **please contact:**

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Yours sincerely

Trevor Hallatt

Environmental Assessment Practitioner

EXM Environmental Advisory (Pty) Ltd

SISHEN IRON ORE COMPANY (PTY) LTD
ENVIRONMENTAL IMPACT ASSESSMENT AND WATER USE LICENCE APPLICATION: EXPANSION OF
ACTIVITIES AT KOLOMELA MINE

Name:	
Address:	
Telephone/cell phone:	
Fax:	
E-mail:	
Date:	
Signature:	

If you know of others who should be informed of this application, please provide us with their contact details:

Name:	
Address:	
Telephone/cell phone:	
Fax:	
E-mail:	

ISSUES, CONCERNS AND QUESTIONS
