



ZN Geo Services

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BACKGROUND INFORMATION DOCUMENT

APPLICATION FOR ENVIRONMENTAL AUTHORISATION AND MINING RIGHT IN THE NEWCASTLE LOCAL MUNICIPALITY IN THE KWAZULU-NATAL PROVINCE (DMRE Reference KZN 30/5/1/2/2/10119MR)

The purpose of the Background Information Document (BID) is to provide information to assist stakeholders participating in the Environmental Impact Assessment process for the proposed project. This BID has been developed to:

- Share information about the proposed project;
- Present the Scoping & Environmental Impact Assessment (EIA) process that will be followed to obtain an Environmental Authorisation (EA) according to the NEMA and MPRDA
- Provide more details about the Public Participation Process (PPP) which will be followed.

How to get involved?

All persons who wish to take part in the Public Participation Process by commenting on or raising any concerns regarding the development are invited to do so through the following means:

1. Registering as an Interested and Affected Party (in writing at the details provided below);
2. Submit any comments in writing on the response sheet attached to this document if you have any (and return to us within timeframes provided; and
3. Review the Draft Basic Assessment Report, when it becomes available, and raise any concerns or comments in writing within the timeframes provided.

Contact Details for Registering as an I&AP and Commenting on the Proposed Project

Contact: Ms Hloniphile Dlamini
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Project Description

Notice is hereby given in terms of Section 24 of the National Environmental Management Act, 1998 (107/1998) ("NEMA") read with Regulations 21 – 24, and 41 of the EIA Regulations, 2014 (as amended) and in terms of Section 22 of the Minerals and Petroleum Resources Development Act, 2002 (28/2002) ("MPRDA") (amended 2008), for an application for a Mining Right and Environmental Authorisation ("EA"). In terms of the applicable legislation, a Scoping and Environmental Impact Reporting (S&EIR) process is required. A water use licence application is also being lodged (as per the National Water Act, 36 of 1998).

The mining right application itself falls within the ambit Listing Notice 2 of the EIA Regulations, 2014 (as amended) and Category B in terms of residue stockpiles and deposits. ZN Geo Services (Pty) Ltd, an independent environmental consultant, has been appointed to undertake the above authorisation process on behalf of MSI Empire Group (Pty) Ltd.

Project Location: The Remainder of the farm Gardinia 8486, approximately 19km Southwest of the town of Newcastle, in KwaZulu-Natal Ward 21 of the Newcastle Local Municipality.

Proposed Activity: coal mining (opencast and underground).

The extent of the area applied for; under the ambit of the prospecting right is approximately 762 hectares.

The proposed coal prospecting activities will be undertaken within the following farms:

- Remainder (portion 0) of the farm Gardinia 8486, under the jurisdiction of the Newcastle Local Municipality, Kwazulu-Natal Province (refer to Figure 1).

Assessment of the geological data available has determined that the area in question may have coal mineral reserves. In order to extract or mine this coal a mining right application is thus being applied for. By means of drilling and blasting, the derived coal will be loaded, by either an excavator or front-end loader, to the primary crusher, then screened to the desired sizes and specifications. The typical primary mining fleet for this mining method consists of excavators, front-end loaders and articulated dump trucks. The typical ancillary fleet assisting the mining fleet for this mining method include: graders, water trucks and diesel bowzers.

Basic Overview of Mining Activities & the Mining Method

The typical primary mining fleet for this mining method consists of excavators, front-end loaders and articulated dump trucks. The typical ancillary fleet assisting the mining fleet for this mining method include: graders, water trucks and diesel bowzers.

Infrastructure Requirements

Power (Electricity) Requirements

Although powerlines are present within the study area, they currently do not supply any power to the workings as no mining takes place. Applications for Eskom power shall be conducted as soon as the EA is granted.

Water Requirements

Water supply requirements are estimated to be ± 2000 litres per day. This is however yet to be confirmed and will form part of the water use license application process.

Surface Infrastructure

The surface infrastructure of the mine includes the following:

- » Haul roads, mine and access road of the main road;
- » Stockpiles located in the plant area
- » Stores
- » Crushing Plant
- » Administration Offices
- » Ablutions
- » Trackless mobile machinery and light delivery vehicle parking bays

Needs and Desirability for the Proposed Mining Right

Coal is a resource required for the production of South Africa's electricity. It is also an exportable commodity. The applicant also seeks to employ contractors and full-time employees to dampen the scourge of unemployment in South Africa.

Potential Environmental Impacts associated with the Proposed Project

Potential impacts relate to:

- » **Air quality** - fugitive dust may occur due to excavation, crushing, movement of vehicles and trackless mobile machinery within the site. Limited gaseous or particulate emissions are also anticipated from exhaust emissions from operation's vehicles and equipment.
- » **Traffic** - movement of haulage trucks transporting the product from site into the market (off-takers).
- » **Noise** – crushing is expected to be the main source of noise. Noise associated with the movement of vehicles within the mining area is also anticipated.
- » **Soil and groundwater pollution** - soil and groundwater pollution may occur due to oil leaks from site operation equipment (e.g. crushers and trackless mobile machinery) that will be within the site. Potential for the exposed soil to be susceptible to erosion. Increase use of water could potentially impact on the available groundwater resources and water levels in the area, even during drought conditions. Mining is by underground means, so there is the potential for groundwater contamination.
- » **Socio-economic impacts** - mining may result in positive socio-economic opportunities in terms of local employment opportunities as well sourcing supplies required from local/ surrounding suppliers/ contractors (where possible). This would result in investment and growth in local economy. Negative impacts could include more dust in the area due to the mining and ancillary activities.

Environmental Impact Assessment Process

The mining right application triggers Activity 17 from GNR. 325 Listing Notice 2 (amended April 2017) in terms of the NEMA, 1998. In this regard a full scoping and EIA process needs to be undertaken (see Figure 3 for the full Scoping & EIA process diagram).

ZN Geo Services (Pty) Ltd, an independent environmental consultant, has been appointed to undertake the above authorisation process on behalf of MSI Empire Group.

For this proposed project, the competent authority is the Department of Mineral Resources & Energy ("DMRE"). MSI Empire Group can only commence with mining activities once an EA and Mining Right has been granted by the DMRE.

Public Participation Process

The aim of the Public Participation Process ("PPP") is to allow interested and affected parties ("I&APs") the opportunity to gain an understanding of the project and consider all facets of the proposed mining activities. The PPP will:

- » Provide I&APs with information about the proposed mining activities and associated potential impacts;
 - » Allow I&APs the opportunity to provide input, such as concerns or queries, on the proposed project; and
 - » Incorporate the input raised by I&APs in the study and ultimate decision-making process.
- The following activities will take place during the public participation process:
- » Advertising the EIA Process (in local press): (i) An advertisement will be placed in the local newspaper and (ii) site notices will be placed at the project site and public venues;
 - » Registering I&APs and key stakeholders on the database. A call for stakeholders to register on the project database will be made through the advertisement and site notices, as well as through letters of notification.
 - » This Background Information Document ("BID") will be distributed to I&APs (by-hand and via e-mail, or post/fax where necessary) informing stakeholders of the EA and Mining Right Application being applied for by MSI Empire Group and other pertinent information as detailed herewith.
 - » The Draft Scoping Report ("DSR") will be made available for a 30-day public and authority review period. Stakeholders will be informed of the availability of the DSR through the advertisements, site notices and letters of notification. The DSR will be made available at a public venue in close proximity to the site and online (Dropbox link).
 - » Recording all comments, issues and concerns raised by I&APs and preparation of a PPP report and Comments & Responses Report ("CRR").
 - » Updating of the Scoping Report taking into consideration all comments received; and
 - » Submission of the Final Scoping Report ("FSR") to the DMRE for acceptance so that the project can proceed to the Impact Assessment Phase.

During the Impact Assessment phase, a similar process will be followed (i.e. an advertisement will be placed in the local newspaper, letters of notification will be sent out, the draft Environmental Impact Report (EIR) and Environmental Management Programme (EMPr), inclusive of specialist studies, will be made available for a 30-day public and authority review period, all written comments will be addressed and a PPP Report inclusive of a CRR will be prepared, the EIR & EMPr will be updated following the closure of the comment period and a Final EIR & EMPr (inclusive of specialist studies) will be submitted to the DMR for consideration of granting an EA and a Mining Right.

Getting Involved

Surrounding communities, government and other stakeholders such as traditional authorities, community leaders, Non-Governmental Organisations (NGOs) and others are invited to register as I&APs.

Stakeholders are encouraged to provide written comment on the draft reports as it is made available, and these comments will be incorporated into the final reports submitted to the DMRE. Attached herewith is a Comments and Registration form, and you as a stakeholder is welcome to complete the form and return it to ZN Geo Services. Registration on the project database also means that your details may be shared in the public domain as our reports will contain a project I&AP database and the CRR which records written comments received from stakeholders.

As a registered stakeholder, you will also be notified as the project progress; up to and including when a decision has been made by the DMRE on the EA and Mining Right application.

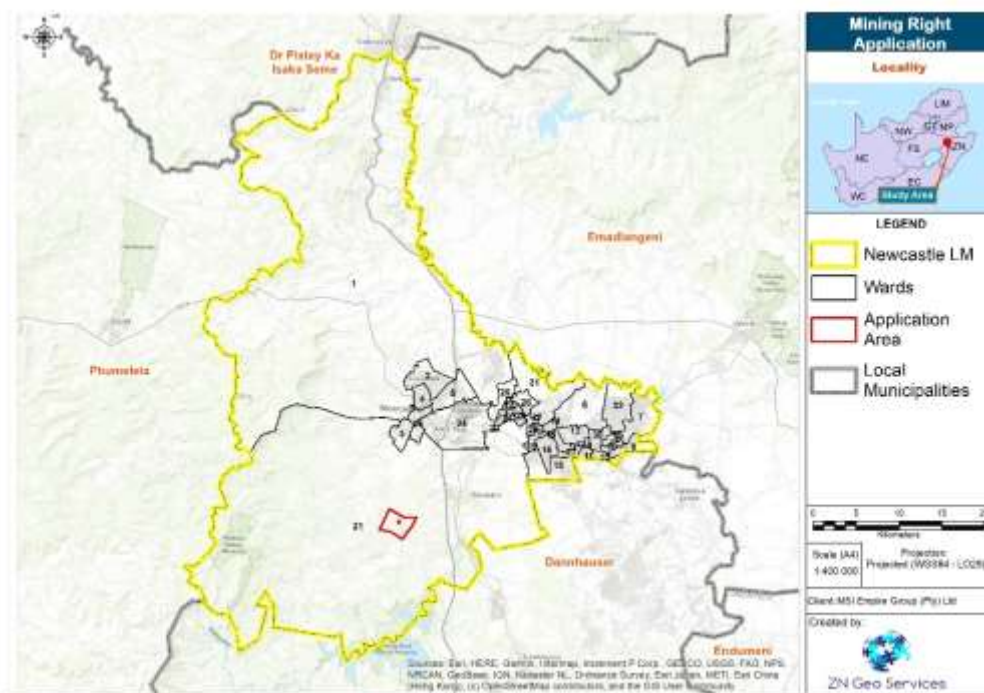


Figure 1: Locality Map

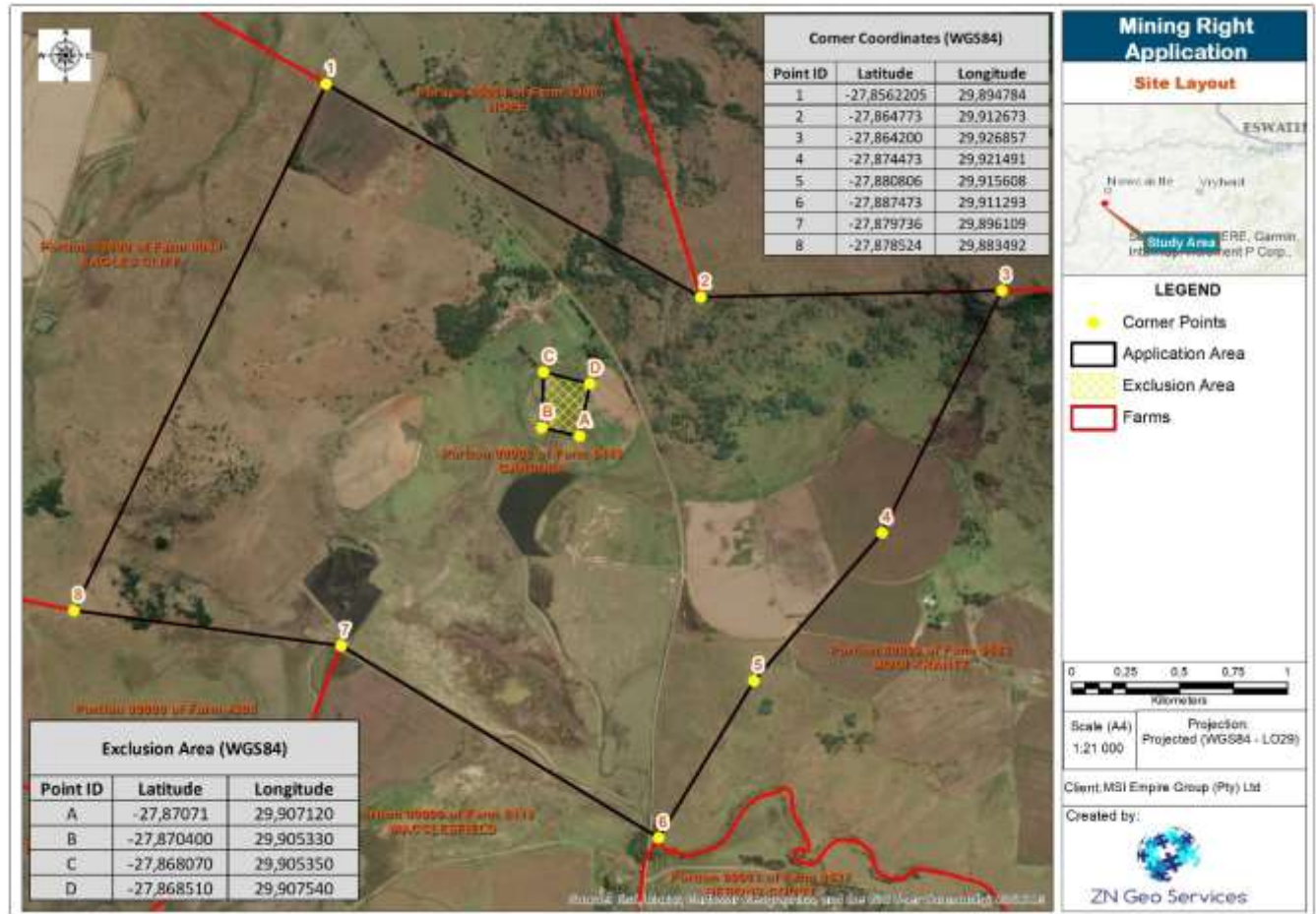


Figure 2: Site Overview

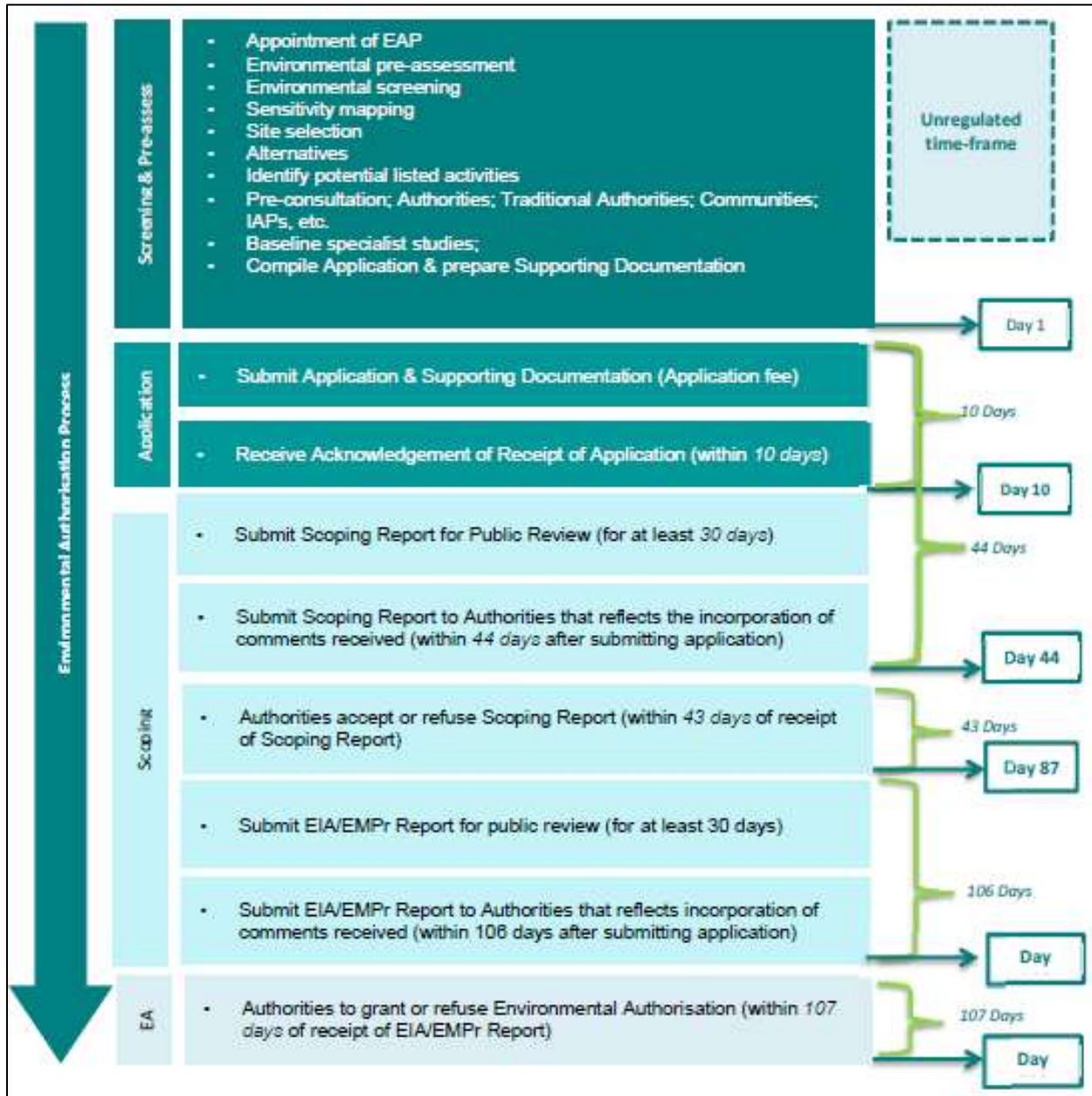


Figure 3: Scoping and EIA process

COMMENTS AND REGISTRATION FORM

Please provide your complete contact details:

Name and Surname:	
Organisation and Designation:	
Physical Address:	
Postal Address (if differ to the Physical Address):	
Contact Number (Landline and/or Mobile/Cell):	
E-mail Address:	

Would you like to register as an interested and affected party (I&AP)?	YES		NO	
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Please Note: Once registered on the project database, your details may be included in public documentation.

Please state your interest in the Proposed Project (insert additional pages if necessary):

Please list your questions, views or concerns regarding the Proposed Project (insert additional pages if necessary):

Please provide contact details of other persons who you may regard as a potential I&AP:

(Include Name & surname, contact number, email, etc.)

Contact Details for Registering as an I&AP and commenting on the proposed project
 Hloniphile Dlamini (Environmental Assessment Practitioner)
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