

08 August 2016

BACKGROUND INFORMATION DOCUMENT

ATTENTION: INTERESTED & AFFECTED PARTIES

APPLICATION FOR ENVIRONMENTAL AUTHORISATION AND A WATER USE LICENCE FOR THE DEVELOPMENT OF AN OPENCAST AND UNDERGROUND COAL MINE NEAR BETHAL, MPUMALANGA

1. Introduction

Littlesnipe (Pty) Ltd (Littlesnipe) intends to develop the Witfontein coal mine project near Bethal in the Mpumalanga province. Littlesnipe forms part of the Canyon Group of Companies for which Canyon Coal functions as the operational division. Canyon Coal is a well-established South African mining company. Since the inception of their first operating mine in 2009, Canyon Coal has brought two additional mines online. The Witfontein project constitutes one of four future mining projects, pending environmental and other authorisations.

The Witfontein project is located on the farm Holfontein 111 IS (remaining extent) and farm Witrand 103 IS portions 11, 12, 15, 19 and 20 (see Figure 1). The proposed Witfontein project has a measured coal resource of 18.86 million tonnes and will involve the extraction by means of both opencast and underground mining methods. The coal will be processed at the mine plant complex and coal products will be transported to a railway siding for local and export sales. The mine will have a planned life of approximately 10 years.

Prior to the development of the proposed project, Littlesnipe requires a mining right and environmental authorisation, both to be granted by the Department of Mineral Resources (DMR). In addition, an application for an integrated water use licence will be required. Littlesnipe appointed EXM Advisory (Pty) Ltd (EXM) as the independent Environmental Assessment Practitioner (EAP) to manage and facilitate the environmental authorisation process and water use licence application. This background information document forms part of the public participation process.

Purpose

This document serves to:

- Notify you of the application for a mining right, environmental authorisation and water use licence (WUL).
- Describe the environmental assessment and WUL process.
- Inform you how you can provide input into the process.

Your Role

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

- Raise issues and concerns
- Review and provide comment on the Basic Impact Assessment Report
- Review and provide comment on the Environmental Rehabilitation Programme.

LITTLESNIPE (Pty) Ltd

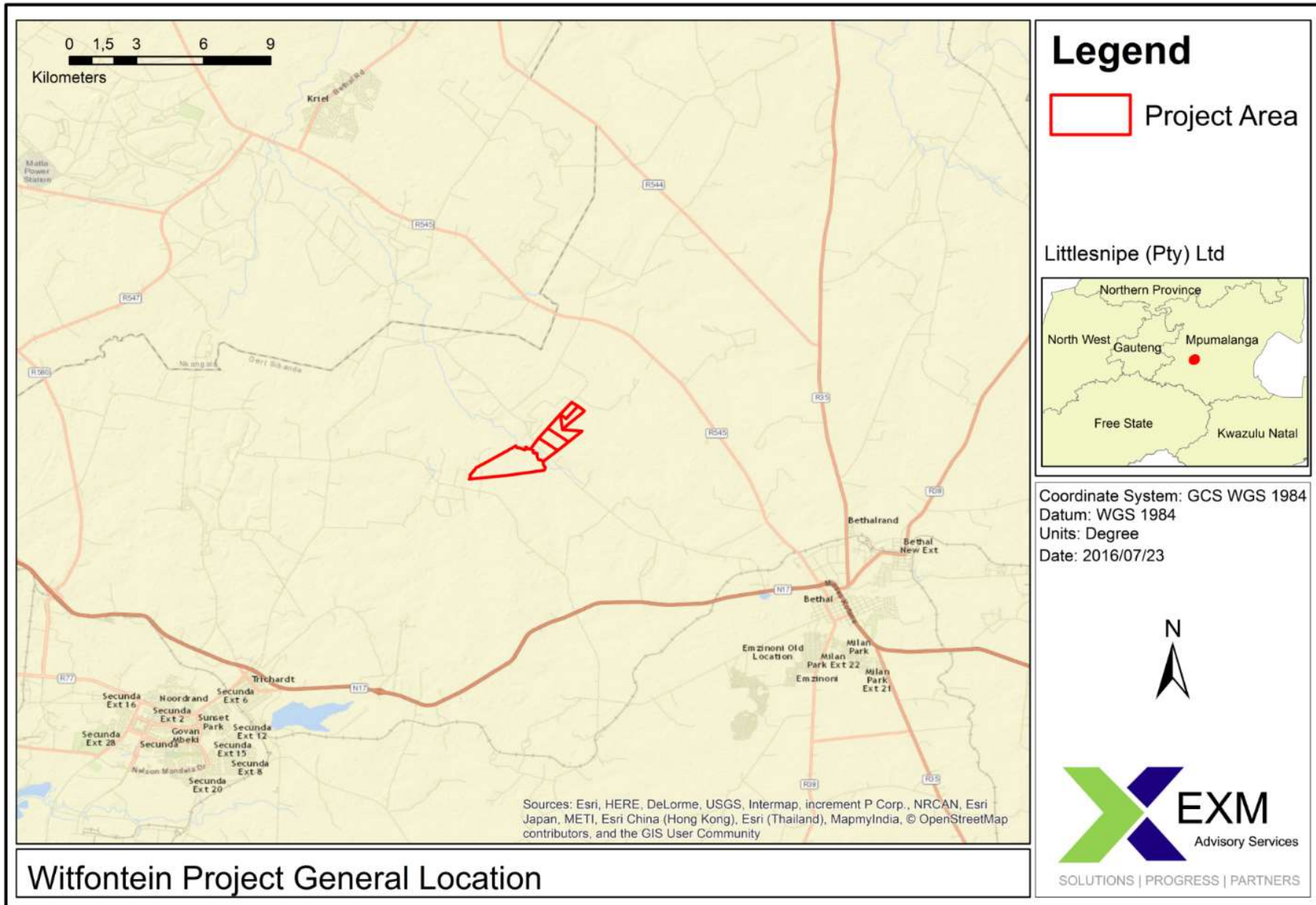


Figure 1: Location of Mining Right Application Area

Hierdie brief is ook in Afrikaans beskikbaar.

2. Project Description

2.1. Project Location

The Witfontein Mining project is located on the farm Holfontein 111 IS (RE) and farm Witrand 103 IS Portions 11, 12, 15, 19 and 20. The farms are approximately 13 km north west of the town of Bethal in the Mpumalanga province in the Govan Mbeki local municipality.

2.2. Proposed Mining Operations

The Witfontein Mining project is planning to mine 100 000 tonnes of coal per month during a life of 10 years. The Mine will initially involve a conventional truck and shovel operation from two opencast pits. The opencast sections will be developed to approximately 30 meters below natural ground level where an access from the high wall can be created to mine the coal that is located underground. Approximately 800 000 tonnes of coal will be mined from the two opencast sections for a period of 1 year. Two underground sections will be mined using bord and pillar mining methods. Underground mining will commence subsequent to opencast mining. Underground mining will form majority of the coal extraction for the mine with approximately 12 million tonnes run-of-mine (ROM) to be produced.

ROM Coal will be processed at a new coal washing plant to be constructed on the Farm Holfontein 111 IS R/E. Other infrastructure includes:

- Overburden [and Discard] Dumps
- Haul Roads
- Conveyors
- ROM stockpiles
- Pollution Control Dams
- Stormwater Management Systems
- Offices
- Fuel Storage Areas
- Sewage Management Systems

Figure 2 provides an overview of the planned mine layout and underground sections to be developed.

2.2. Logistics

Coal will be transported by truck to nearby railway sidings at either Bethal or Kriel from where it will be either exported or consumed locally.

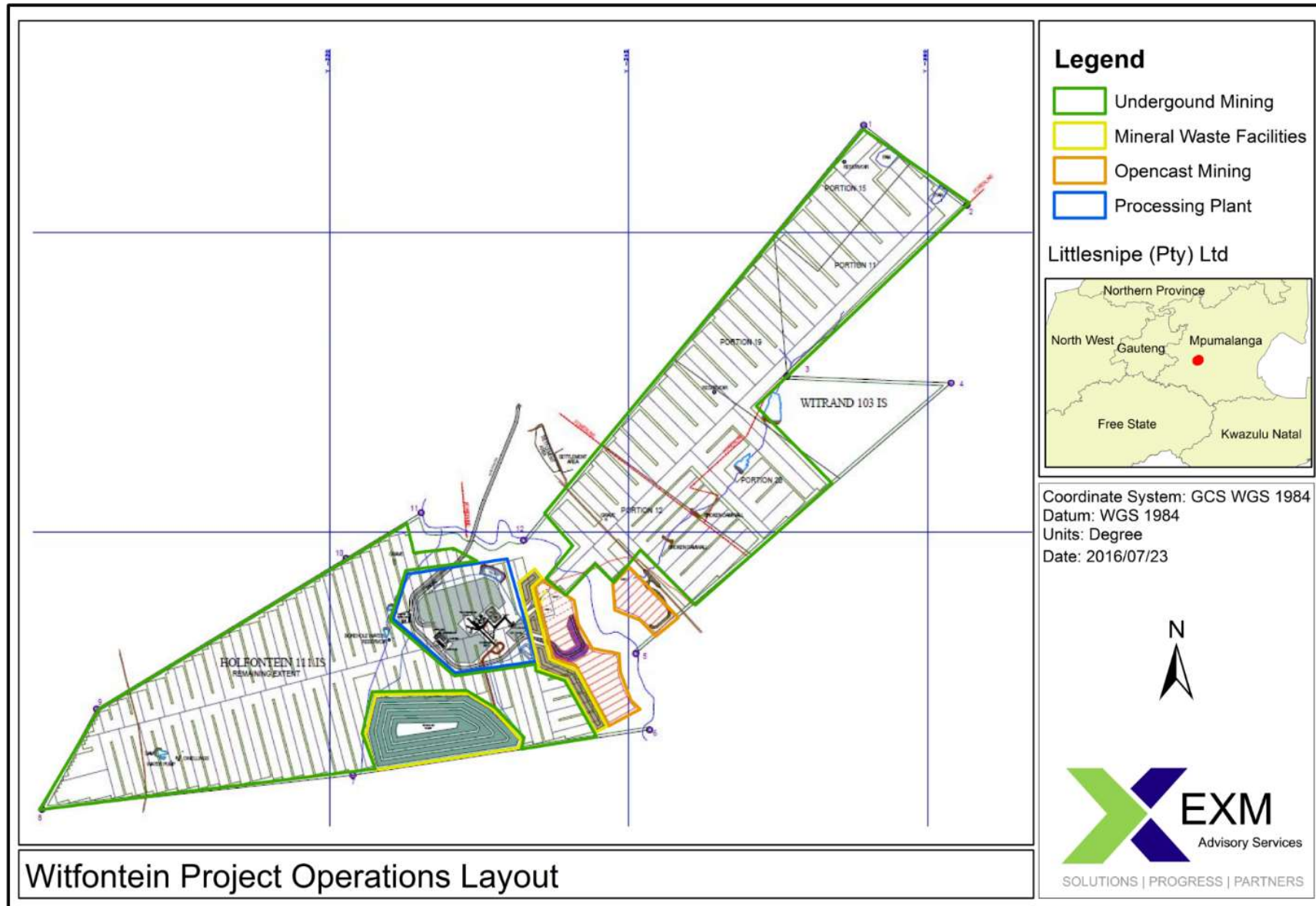


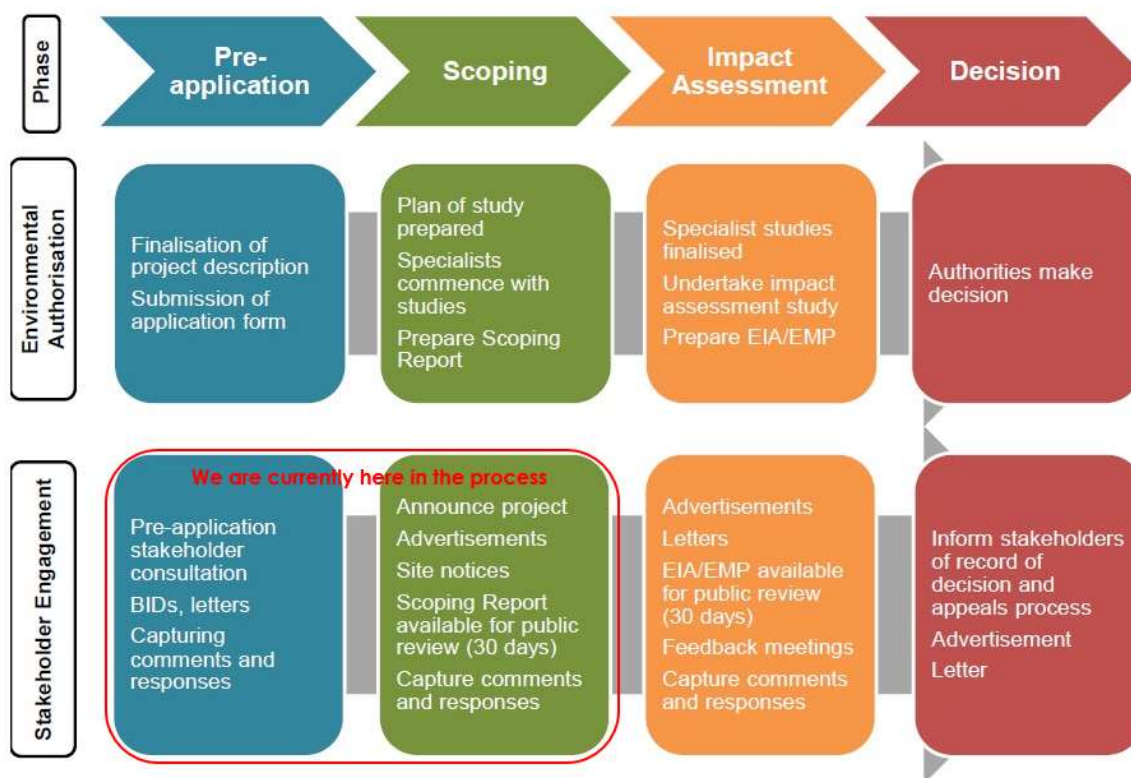
Figure 2: Proposed Witfontein Mining Project Infrastructure and Mining Layout

3. Public Participation Process

A public participation process (PPP) is being undertaken as part of the environmental authorisation process and will also include the water use licence application. The PPP is conducted in terms of Chapter 6 of the Environmental Impact Assessment Regulations (GNR 982, 2014) promulgated under the National Environmental Management Act (Act 107 of 1998). The process offers stakeholders the opportunity to be informed about the project, raise comments, issues or concerns and make suggestions for enhanced project benefits. You are therefore invited to raise issues and concerns on the proposed project and can participate in by:

- Registering as an interested and affected party
- Raising issues and concerns for consideration in the environmental process and water use licence application
- Reviewing the Scoping Report, Environmental Impact Assessment Report and Integrated Water and Waste Management Plan
- Review the Closure, Decommissioning and Latent Risk Reports

Figure 2 provides an overview of the public participation aspects (where you can be involved) related to the environmental assessment process (where EXM environmental assessment practitioner is involved). The section encircled in red shows where we are in the process.



IAPs will have the opportunity to comment and raise issue and concerns until 16 September 2016, a public meeting will also be held before this time. Concluding the initial comment period a scoping report will be developed detailings the study approach and how to adress IAP issues and concerns.

The scoping report will be available for a 30 day review period from 30 September 2016-30 October 2016.

EXM is currently identifying all the potentially interested and affected parties (IAPs) and providing opportunities to register for the project. As part of this process all IAPs are provided with a background information document and response sheet to provide comments, issues and concerns. Newspaper advert and site notices will also be erected to notify the general public or other person of the project and grant them the opportunity to register as IAPs. On completion of the registration process a public information meeting will be held where IAPs will also have the opportunity to gather more information on the project and provide issues, concerns, questions and comments that will be considered and addressed in the Environmental Impact Assessment report. The date of the public meeting will be communicated after completion and public review of the scoping report in order to ensure that sufficient information is available to IAPs.

Who is EXM Advisory

- EXM is an independent environmental consultancy with four offices in South Africa and Namibia
- The EXM project manager and EAP appointed for this project has over 30 years combined experience
- EXM is committed to maintaining independence and objectivity throughout the process

Should you wish to provide any comments, raise issues or concerns or request further information on the project you can complete and submit the attached comments sheet.

All correspondence and written submissions can be made to:

Delano Smith – Project Assistant
EXM Advisory Services (Pty) Ltd
Tel: 010 007 3617
Fax: 086 407 9911
Post: PO Box 1822, Rivonia, 2128
Email: delano@exm.co.za



Kerry Fairley

Pr.Sci. Nat.

Environmental Assessment Practitioner
EXM Advisory Services (Pty) Ltd

