

ZINOJU COAL (PTY) LTD

ATTENTION: INTERESTED AND/OR AFFECTED PARTY

NOTICE OF THE ENVIRONMENTAL APPROVAL PROCESSES

OLD BALGRAY COLLIERY: ADIT RECOMMISSIONING PROJECT DUNDEE, KWAZULU- NATAL

1. Introduction

Notice is hereby given that Zinoju Coal (Pty) Ltd intends to refurbish and recommission the old Balgray Colliery located within the existing Aviemore Mining Right Area (Ref: KZN 30/5/1/2/2/301 MR). The recommissioned Balgray Colliery and proposed surface infrastructure will be located on the remaining extent of Portion 71, Portion 93 and Portion 116 of the Farm Craigsides 2272 GT. The extent of the proposed underground coal extraction as part of the project will affect the remaining extent of the farm Stony Braes No. 4475 GT as well as the remaining extent and portions 2 & 3 of the farm Impati 10260 GT. These farms are located approximately 1.7 km north-west of the Dundee town's northern suburbs, KwaZulu-Natal Province (refer to Figure 1).

Application is being sought for authorisation in terms of the following:

1. Application for authorisation for activities 14, 24, 27, and 34 triggered in terms of listing Notice 1 (GNR. 983 of 2014) and activities 4 and 12 triggered in listing Notice 3 (GNR. 985 of 2014) which required environmental authorisation in terms of National Environmental Management Act, 1998 (Act No 107 of 1998). The application is to be supported by a Basic Assessment process in terms of Regulation 19 of the Environmental Impact Assessment Regulations (GN R982 of 2014, as amended by GN R326 of 2017); and
2. An application for an Integrated Water Use Licence (IWULA) in terms of section 40 of the National Water Act, 1998 (Act No. 36 of 1998) (NWA) for proposed project. The proposed project will undertake new water uses as defined in terms of Section 21 (a) (c); (g); (i); and (j) of the NWA. The application will be made in terms of the Regulations Regarding the Procedural Requirements for Water Use Licence Applications and Appeals (GN R267 of 2017).

This letter serves to **notify you as a landowner, lawful occupier, interested or affected party of the environmental approval processes that is being sought**. EXM Advisory Services (Pty) Ltd has been appointed as the Independent Environmental Assessment Practitioners responsible for administering the abovementioned applications for authorisation.

PURPOSE:

This document serves to:

- Notify you of the applications for authorisation.
- Describe the application processes.
- Inform you as to how you can provide input into the process.

YOUR ROLE:

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

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

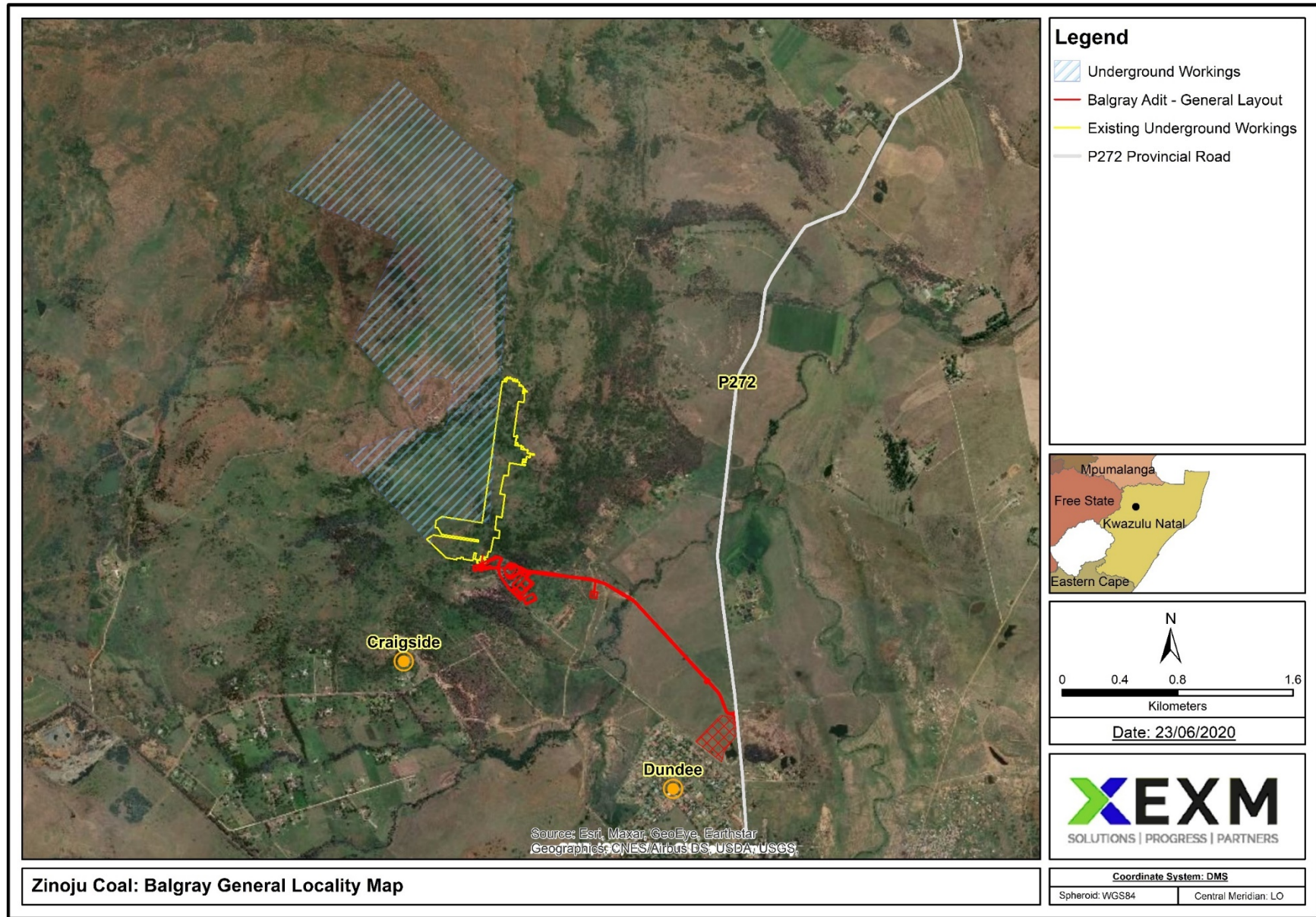


FIGURE 1: GENERAL LOCATION OF OLD BALGRAY COLLIERY - ADIT RECOMMISSIONING PROJECT

2. Preliminary Overview of the of the proposed Refurbishment of the Old Balgray Colliery Adit

2.1 Property Details

The recommissioned Balgray Colliery and proposed surface infrastructure will be located on the remaining extent of Portion 71, Portion 93 and Portion 116 of the Farm Craigside 2272 GT. The extent of the proposed underground coal extraction as part of the project will affect the remaining extent of the farm Stony Braes No. 4475 GT as well as the remaining extent and portions 2 & 3 of the Farm Impati 10260 GT.

The closest residential centre to the colliery is the town of Dundee, with the Balgray coal reserve located approximately 1.7 km north-west of the town's northern suburbs. The underground workings fall over two mining right areas namely the Aviemore MR301 and Aviemore PR258 (MR10083MR), the latter is pending execution by the Department of Mineral resources (DMR).

2.1 Mining, Coal Processing, Materials Handling and Associated Infrastructure

The proposed colliery plans to target the Gus Coal Seam which has an estimated anthracite coal reserve of 2.6 million tonnes, and once refurbished, the mine will have a production rate of approximately 45 000 tonnes per month with life-of-mine (LoM) estimated at five (5) years. A conventional drill-and-blast mining method will be used for underground coal extraction.

The old Balgray Adit, which is planned to be used for access to the underground workings, ventilation and coal extraction, is located on the steep southern slopes of the Impati Mountain. The adit has been sealed and the site is considered "partially" rehabilitated. Therefore, the adit and portals will be refurbished, and new surface infrastructure will be developed as part of the recommissioning of the mine. An adit conveyor will be used to transfer mined coal to a run-or-mine (ROM) stockpile, from where it will be loaded onto road going haul trucks for distribution to the existing Coalfields Coal Processing Plant, located to the east of Dundee. No coal processing will take place on site.

Supporting infrastructure includes the construction of a service platform to support maintenance buildings and facilities, bulk service infrastructure, operations support buildings and general logistics management areas. An access and/or haul road will connect the mine with the P727 provincial road leading into the town of Dundee. This road will cross the Sterkstroom River along its proposed route, requiring the construction of a river crossing structure. Mining will require dewatering. Water from the underground workings will be used for dust suppression during underground workings as well as surface dust suppression of the roads and materials handling areas. Excess underground water will be discharged to the PCD (if required). Mine residue will be disposed of at Magdalena Mine Discard Dump and fine coal slurry will be disposed of in existing slurry paddock facilities at the Coalfields Processing Plant and transported to Magdalena Mine Discard Dump. Both the latter being offsite facilities and not part of the project. An existing historic discard dump was constructed down-gradient of the adit portal during the early years of operation. This discard dump is, however, owned by the landowner (not Zinoju Coal) and will not form part of the Zinoju Coal's proposed Balgray

operations.

2.2 Stormwater Management Infrastructure

- Adit and Service Platform

As part of the refurbishing of the adit, a sump will be constructed down-slope of the adit, which will collect dirty storm water run-off from the adit and portals zone, as well as groundwater pumped from the underground workings. Water will be gravitated from the sump to a PCD. This PCD will also manage dirty water from the services platform. Dirty water run-off from the existing discard dump is intercepted by an existing dirty water channel that gravitates the collected water to existing evaporation ponds located to the south-east.

- Gravel Roads and Haul Roads

General storm water management infrastructure, such as culverts, vee-drains and berms will be used along the proposed roads. Safety barriers and storm water berms will also be provided along selected areas of roads at the adit.

2.3 Water-related Services

Potable water will be trucked-in from Dundee. Sewage will be managed via the operation of conservancy or septic tanks on site.

3. Environmental Approvals Required

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

The Old Balgray Adit is located within the Aviemore Mining Right Area (DMR Ref: KZN 30/5/1/2/2/301 MR). The proposed surface infrastructure will also be located within the mining right area. However, some of the Balgray coal reserves fall outside the Aviemore mining right area (301 MR) under a separate prospecting right area (PR258) which is currently undergoing final adjudication to be granted a mining right (MR10083) – i.e. Aviemore North.

The Aviemore Colliery (Phase 1) Environmental Impact Assessment (EIA); including the Environmental Management Programme (EMPr) was approved under Section 39 of the MPRDA on 20th June 2013 (DMR Ref: KZN30/5/1/2/3/2/1/301EM)). Despite the Section in the MPRDA being repealed; all future environmental authorisations are regulated under National Environmental Management Act, 1998 (Act No. 108 of 1998) (NEMA); existing authorisations in terms of the MPRDA remain valid. However, the planned activities for the Balgray Adit Refurbishment Project are not currently approved in the Aviemore EIA/EMPr and will, therefore, require amendment in terms of Section 102 of the MPRDA to include management of proposed activities at the recommissioned Balgray Adit and proposed surface infrastructure.

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

The proposed surface infrastructure associated with the refurbishment and recommissioning of the Balgray Adit involves clearance of indigenous vegetation, expansion of existing infrastructure and the development of access roads. Certain listed activities are triggered in terms of Listing Notice 1 (GN R. 983 of 2014) and Listing Notice 3 (GNR. 985 of 2014) published in terms NEMA.

The listed activities triggered in terms of these notices is provided in Table 1. Activities triggered in terms of Listing notice 1 and 3 require an environmental authorisation which needs to be supported by a basic assessment process under the NEMA EIA regulations (GNR. 982 of 2014, as amended). 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. submission to the Department of Mineral Resources (DMR). The regulated timeframes for the completion of a basic assessment process, as provided in the EIA Regulations, are provided in Figure 3.

Table 1: NEMA Listed Activities triggered by the Project

| Applicable Regulation | Project Infrastructure triggering the Listed Activity |
|---|---|
| <u>Listing Notice 1 (GN R. 327 of 2017)</u> | |
| 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. |
| Activity 24 | The development of a road – i. "..."; or ii. with a reserve wider than 13,5 meters, or where no reserve exists where the road is wider than 8 meters; but excluding a road – a) which is identified and included in activity 27 in Listing Notice 2 of 2014; b) where the entire road falls within an urban area; or c) which is 1 kilometre or shorter. |
| Activity 27 | The clearance of an area of 1 hectare or more , but less than 20 hectares of indigenous vegetation, except 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. |
| Activity 34 | The expansion of existing facilities or infrastructure for any process or activity where such expansion will result in the need for a permit or licence or an amended permit or licence in terms of national or provincial legislation governing the release of emissions, effluent or pollution, excluding – i. where the facility, infrastructure, process or activity is included in the list of waste management activities published in terms of section 19 of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) in which case the National Environmental Management: Waste Act, 2008 applies; i. the expansion of existing facilities or infrastructure for the treatment of effluent, |
| | Development of an explosives magazine to supply material for blasting. |
| | The construction of the access road between the adit area and the P727 provincial road. The road will be longer than 1 km and wider than 8 m. |
| | The proposed activities associated with the project will result in the clearance of more than one (1) hectare indigenous vegetation for construction of required infrastructure |
| | The proposed project requires authorisation in terms of Section 40 of the National Water Act for Section 21(g) water uses. A separate water use licence will, therefore, need to be applied for, thus triggering the listed activity. |

| Applicable Regulation | | Project Infrastructure triggering the Listed Activity |
|--|--|---|
| | <p>wastewater, polluted water or sewage where the capacity will be increased by less than 15 000 cubic metres per day; or</p> <p>iii. the expansion is directly related to aquaculture facilities or infrastructure where the wastewater discharge capacity will be increased by 50 cubic meters or less per day.</p> | |
| <u>Listing Notice 3 (GN R. 985 of 2014)</u> | | |
| Activity 4 | <p>The development of a road wider than 4 meters with a reserve less than 13.5 meters:</p> <p>d. KwaZulu-Natal</p> <p>(viii) Critical biodiversity areas as identified in systematic biodiversity plans adopted by the competent authority or in bioregional plans.</p> | <p>According to the 2014 KZN Biodiversity Sector Plan of SANBI a section of the project falls within a Critical Biodiversity Area (CBA), defined as irreplaceable.</p> <p>The secondary access roads will be developed within the CBA.</p> |
| Activity 12 | <p>The clearance of an area of 300 square metres or more of indigenous vegetation except where such clearance of indigenous vegetation is required for maintenance purposes undertaken in accordance with a maintenance management plan</p> <p>d. KwaZulu-Natal</p> <p>(viii) Critical biodiversity areas as identified in systematic biodiversity plans adopted by the competent authority or in bioregional plans</p> | <p>According to the 2014 KZN Biodiversity Sector Plan of SANBI a section of the project falls within a Critical Biodiversity Area (CBA), defined as irreplaceable.</p> <p>Development of infrastructure will require clearance of vegetation within the reaches of the CBA.</p> |

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

The proposed development 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 2: Section 21 water uses to be included in the IWULA

| Water Use | Activity Description |
|------------------|---|
| Section 21 (a) | Abstraction of groundwater |
| Section 21 (c&i) | New water course crossing over the Sterkstroom River |
| | Existing/new infrastructure within 500 m regulated zone of a wetland/watercourse (specific infrastructure to include in the IWUL application will be confirmed after review of specialist findings) |
| Section 21 (g) | Construction of a new Pollution Control Dam (PCD) |
| | Temporary Product Stockpiles |
| | Underground dust suppression (associated with the Section 21(j) application) |
| | Surface dust suppression of roads (associated with the Section 21(j) application) |
| Section 21 (j) | Removal of water from underground for the safe continuation of mining |

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 an Integrated Water and Waste Management Plan (IWWMP) compiled in accordance with the requirements of Annexure D 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.

GNR. 704 Exemptions

It should also be noted that an application will be made for exemption of activities regulated in terms of regulations 4, 5, 6 and 7 of the Regulations on Use of Water for Mining and Related Activities Aimed at the Protection of Water Resources (GNR. 704 of 1999) to existing and proposed infrastructure associated with the proposed project.

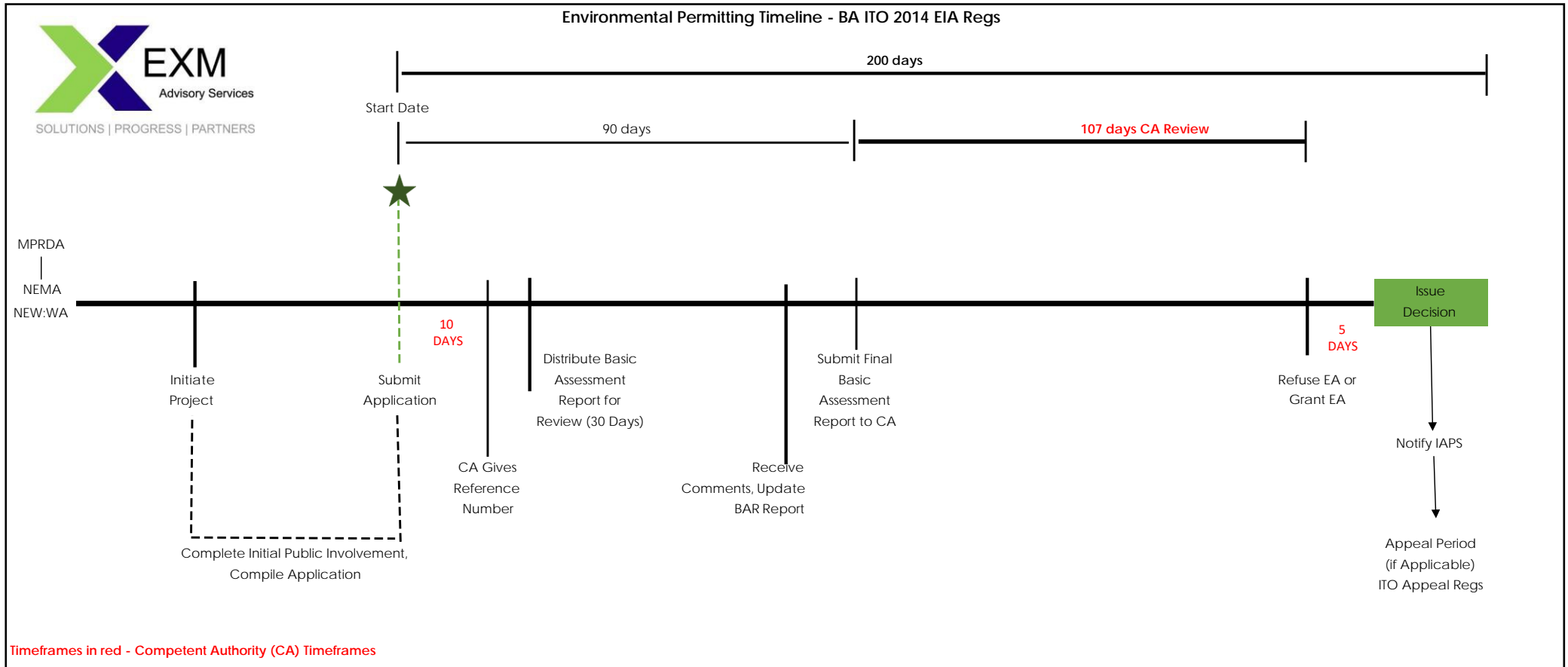


FIGURE 3: BASIC ASSESSMENT PROCESS

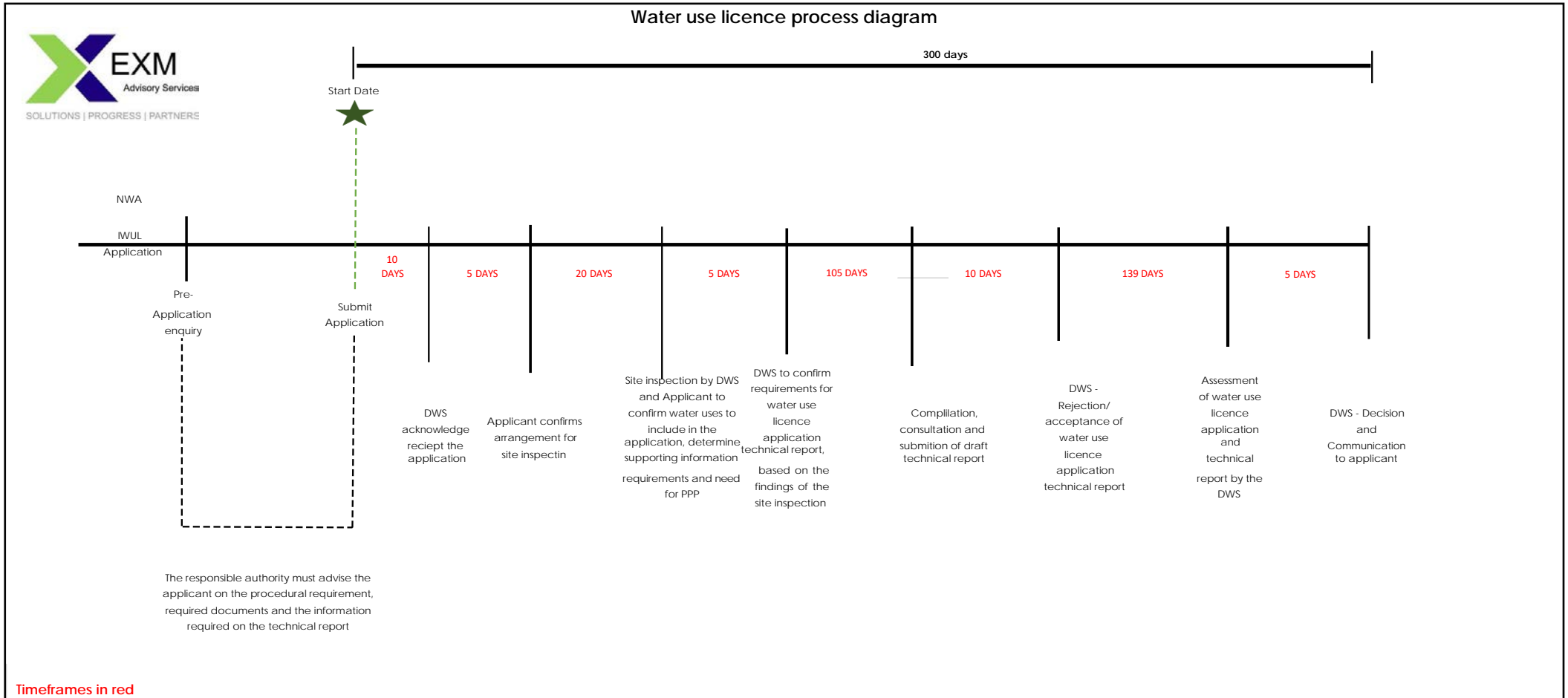


FIGURE 4: INTEGRATED WATER USE LICENCE APPLICATION PROCESS

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. 982 of 2014, as amended) 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 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);
- Attending public meeting (The date, time and venue of this meeting will be communicated well in advance to all registered interested and affected parties);
- Reviewing and providing comment on reports.

Public meeting:

Due to the national lockdown in terms of the Disaster Management Act and subsequent directions issued by the Department of Environment, Forestry and Fisheries (DEFF), physical meetings with external parties are prohibited and meetings must be conducted on electronic platforms. The prohibition on meetings have been mandated to mitigate risks related to potential exposure to ensure that the health and safety of the public are protected.

Please send your contact details to the contact person below if you would like to have a personal engagement session via telephone discussion or on alternative platform such as Zoom or Microsoft Teams. A date and time will then be arranged.

Availability of documents for review

A hard copy of the Water Use Licence (WUL) Technical Report and Basic Assessment report (BAR) documents will be available for review at the venue stipulated below:

Address: Umzinyathi Community Education Centre
33 Tatham Street
Dundee

Times: Monday- Friday
10am-3pm

Available of electronic copies for review

Electronic copies are available for review at the electronic links below. A USB containing the documents can also be obtained from Dineo Nyambose. Please call 034 212 1455 for arrangements to collect the USB (**this contact is only for collecting the USB not for comments**).

- Sharepoint electronic Link: https://exmadvisoryservices-my.sharepoint.com/:f/g/personal/trevor_exm_co_za/Er3kV8t3uV5MgXERoT7-EfEBA7nve2exzOs9rSeOIW9Jdw?e=5udj2c

- Dropbox electronic Link:

<https://www.dropbox.com/sh/zt8r9lyavahcee2/AABv4pGDBxsKuA1TZw8p7YNra?dl=0>

Review timeframe:

The BAR will be available **until 14 August**) for review. All comments must be submitted before the expiry of these timeframes. Comments must be communicated to the contact details below. You can fill in the attached commenting sheet and send it to the contact information.

Please submit all comments to the contact details below:

Trevor Hallatt

EXM Advisory Services

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Yours sincerely

Trevor Hallatt

EXM Advisory Services (Pty) Ltd

