

**PAN AFRICAN RESOURCES PLC: BARBERTON MINES PTY LTD
APPLICATION FOR ENVIRONMENTAL AUTHORISATIONS for
FAIRVIEW GOLD MINE: MP/30/5/1/2/2/191MR**

1. INTRODUCTION

Barberton Mines (Pty) Ltd (BML), which forms part of Pan African Resources PLC, owns and operates the Fairview Mine, New Consort Mine, Sheba Mine and Barberton Tailings Retreatment Plant (BTRP) near the town of Barberton, Mpumalanga.

Mining in the Fairview area commenced in the 1880's. Today, Fairview Mine has an approved Mining Right (Reference Number 30/5/1/2/3/2/1/191) and Environmental Management Plan (EMP) in terms of the Mineral and Petroleum Resources Development Act (No. 28 of 2002) (MPRDA) among other authorizations.

The Mining operation comprises underground gold mining, as well as surface reclamation of Tailings material. Ore is transported to the processing facilities at the Main Infrastructure Area where it is crushed and milled, before undergoing flotation to produce gold concentrate. Concentrate is further processed at the Biox Plant and the CIL Plant. Final concentrate is smelted on site to produce gold bullion.

Flotation Tailings and CIL Tailings are produced by these processes, Tailings are currently being deposited on a Tailings Storage Facility (TSF) known as the New Bramber Tailings Dam, or BTRP TSF.

The New Bramber TSF does not have sufficient capacity to facilitate ongoing production. BML therefore proposes to construct a new TSF at the site of the original Bramber TSF which has since been reclaimed. The new TSF will be referred to as the Fairview TSF and will be adjoining the current New Bramber TSF.

Historical gold mining in the area has resulted in several waste dumps throughout the area. Many of these dumps still contain high percentages of gold.

In addition to the proposed construction of the new Fairview TSF, BML wishes to obtain the necessary authorizations to recover material from these historic dumps via mechanical methods and re-process the material in the existing Fairview Plant. This reprocessing has two main objectives, namely gold recovery from the deposits and environmental clean-up.

2. SUMMARY OF LEGAL REQUIREMENTS

To implement the proposed projects, BML is required to apply for authorisation in terms of the following mining and environmental legislation:

- Amendment of the existing EMP in terms of Section 102 of the MPRDA;
- Environmental Authorisation for Listed Activities in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA);
- A Waste Management License (WML) in terms of the National Environmental Management Waste Act, 2008 (Act No 59 of 2008) (NEMWA);
- Destruction permits for heritage resources in terms of the National Heritage Resources Act, 1999 (Act No. 25 of 1999) (NHRA);
- Relocation Permits for Protected Plant Species in terms of the National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) (NEMBA); and
- An Integrated Water Use License (IWUL) in terms of the National Water Act, 1998 (Act No. 36 of 1998) (NWA).

3. PURPOSE OF THIS DOCUMENT

Cabanga Environmental has been appointed as the independent Environmental Assessment Practitioner (EAP) to undertake an Environmental Impact Assessment (EIA) in terms of the proposed Project.

The Recipients of this document have been identified as potential Interested and Affected Parties (I&AP) in terms of the proposed Projects. This document (the Background Information Document or "BID") has been compiled to provide I&APs with information on the proposed Project and the environmental application processes.

The Reader is hereby invited to participate in the EIA process freely and submit any questions or information you feel may contribute to the process to us. All comments received will be recorded and addressed as part of the EIA process.

Please complete the attached questionnaire and return to us on Fax: 011 794 6946 or lelani@cabangaenvironmental.co.za to register as an I&AP. Alternatively call us on 011 794 7534.

4. PROJECT SCOPE

This Application relates to three interrelated aspects:

- Application for Amendment of the existing Mining Right MP30/5/1/2/2/191MR, to
 - incorporate the Fairview Surface rights areas where the existing TSFs are located and ensure the activities occurring at the Fairview Mine are all integrated under one Right, and managed under one EMP;
 - accommodate the construction of the new Fairview TSF, at the site of the reclaimed Bramber TSF; and
 - accommodate the recovery of material from historic dumps and re-processing of this material at the existing Fairview processing plants.
- Application for Environmental Authorisation for new Listed Activities associated with the new Fairview TSF, and the proposed reclamation of the historic dumps.
- Application for a WML for the new TSF and reclamation of the historic dumps.

A Scoping and Environmental Impact Assessment (EIA) Process is relevant to the application.

The EIA Process will focus on the proposed activities associated with the Project. While the existing impacts from current and past mining activities on the site will be informative of the baseline conditions of the site and the cumulative nature of some of the potential impacts, the existing impacts of the Fairview Mine will not be the focus of the study. The EMP will be updated as part of this process to ensure that Fairview Mine can be managed under one, consolidated EMP.

Description of the proposed new TSF: Continued gold production at Fairview Mine means that the BTRP TSF will soon reach capacity. BML intends to construct a new TSF at the footprint of the Old Bramber TSF (which is currently being reclaimed as part of the BTRP), adjoining the current BRTP/New Bramber TSF, to accommodate future tailings deposition. It is further proposed to earmark the footprints of the Moon TSF, Harper North and South TSFs (being reclaimed or planned to be reclaimed) for future TSF development. The design of the proposed new TSF is underway but not yet concluded. The proposed new TSF footprint will not exceed 30 Ha. Deposition rate onto the TSF will be 100,000 tons per month. The final height of the facility will not exceed 35 meters from the lowest ground level. The design life of the facility is approximately 5 years.

Description of proposed reclamation of material from historic dumps: Ten (10) historic waste dumps have been identified to date within the Fairview MRA, that BML wishes to recover. These dumps include waste rock and tailings material that resulted from past mining and processing activities (over the past 100 years). None of these dumps were established by the current Holder of the Mining Right (BML), and none of these dumps are licensed in terms of the current legislation (at the time they were established, no legislation requiring the licensing of these dumps existed). Accurate information about the exact dates these dumps were established is not available.

BML proposes to recover this material using mechanical methods, and transport the material to their existing processing facilities via trucks. Existing roads and tracks will be used to access the dumps, though these will require upgrades.

5. PURPOSE OF THE EIA

All South African's have a Constitutional Right to an Environment that is not harmful to our health or well-being and to have the environment protected for the benefit of present and future generations.

The EIA process is a legal requirement in terms of NEMA, to ensure that pollution and ecological degradation that may be caused by a development proposal are assessed and understood prior to a development taking place. Understanding potential impacts enables developers to implement appropriate measures to avoid or reduce environmental impacts associated with a proposed development. Such an approach is followed in the interest of ensuring ecologically sustainable development and use of natural resources, while promoting justifiable economic and social development, in line with the Constitution.

The EIA Process involves two essential phases; first, a Scoping exercise is undertaken which aims to identify potential issues, impacts and concerns surrounding a development proposal. This enables the EAP, through a consultative process with the Authorities and I&APs to define the necessary studies and assessment processes to be undertaken during the EIA phase.

The EIA phase (phase 2) further defines the potential impacts that could arise from the implementation of a Project, and attempts to define the significance of each impact. The significance of an impact directly affects the level of management that a project proponent must implement to avoid or reduce negative environmental impacts.

The ultimate decision on an application in terms of the MPRDA, NEMA and NEM:WA rests with the Competent Authority (in this case the DMR). The DMR will take all relevant project information, specialist assessments, the EIA, the EMP and public comments and inputs into consideration in making their decision regarding the application. The submission of an application and undertaking of the Scoping & EIA Process does not guarantee that authorisation will be granted.

6. WATER USE LICENSE APPLICATION

Fairview Mine has an existing approved Water Use License (WUL) issued by the Inkomati-Usutu Catchment Management Agency (IUCMA), Reference no: 04/X23F/ABEFGJ/4725.

No person is allowed to engage in a water use activity unless permissible under section 22 of the National Water Act (Act 36 of 1998).

With reference to the proposed Project, ESCON Consulting (Pty) Ltd has been appointed to apply for the Mine's WUL to include both existing and proposed water uses.

7. APPLICATION PROCESS

The MPRDA and its Regulations is the predominant legislation dealing with the acquisition of rights to search for, extract and process mineral resources in South Africa. The MPRDA holds that mineral resources in South Africa belong to the nation and that the State is the custodian thereof.

Section 102 of the MPRDA states that the Holder of a Right may not change their authorised activities without the consent of the Minister of Mineral Resources. Barberton Mines has to apply for consent to amend their EMP as discussed herein.

The undertaking of Listed Activities in terms of the EIA Regulations promulgated in terms of the NEMA requires Environmental Authorisation to be obtained. The Project is associated with a number of Listed Activities, and the Scoping EIA Process as described in

Regulations 21 to 24 of the EIA Regulations, 2014 (as amended) must be undertaken.

The NEMWA similarly lists in its regulations activities which require authorisation prior to being undertaken. The application process in terms of NEMWA is integrated to the MPRDA and NEMA processes. The Department of Mineral Resources (DMR) is the competent authority in respect of the applications under the MPRDA, NEMA and NEMWA.

The NWA requires any person who wishes to undertake a water use (as identified in the Act) to obtain authorisation from the Department of Water and Sanitation (DWS). This application process is being undertaken by ESCON Consulting (Pty) Ltd. They may be contacted directly on the details provided. Comments pertaining to the Water Use License Application (WULA) received by Cabanga will be provided to ESCON and addressed in the EIA as far as possible.

The relevant application processes are illustrated on the following page.

For queries and comments related to the **WULA** please contact:

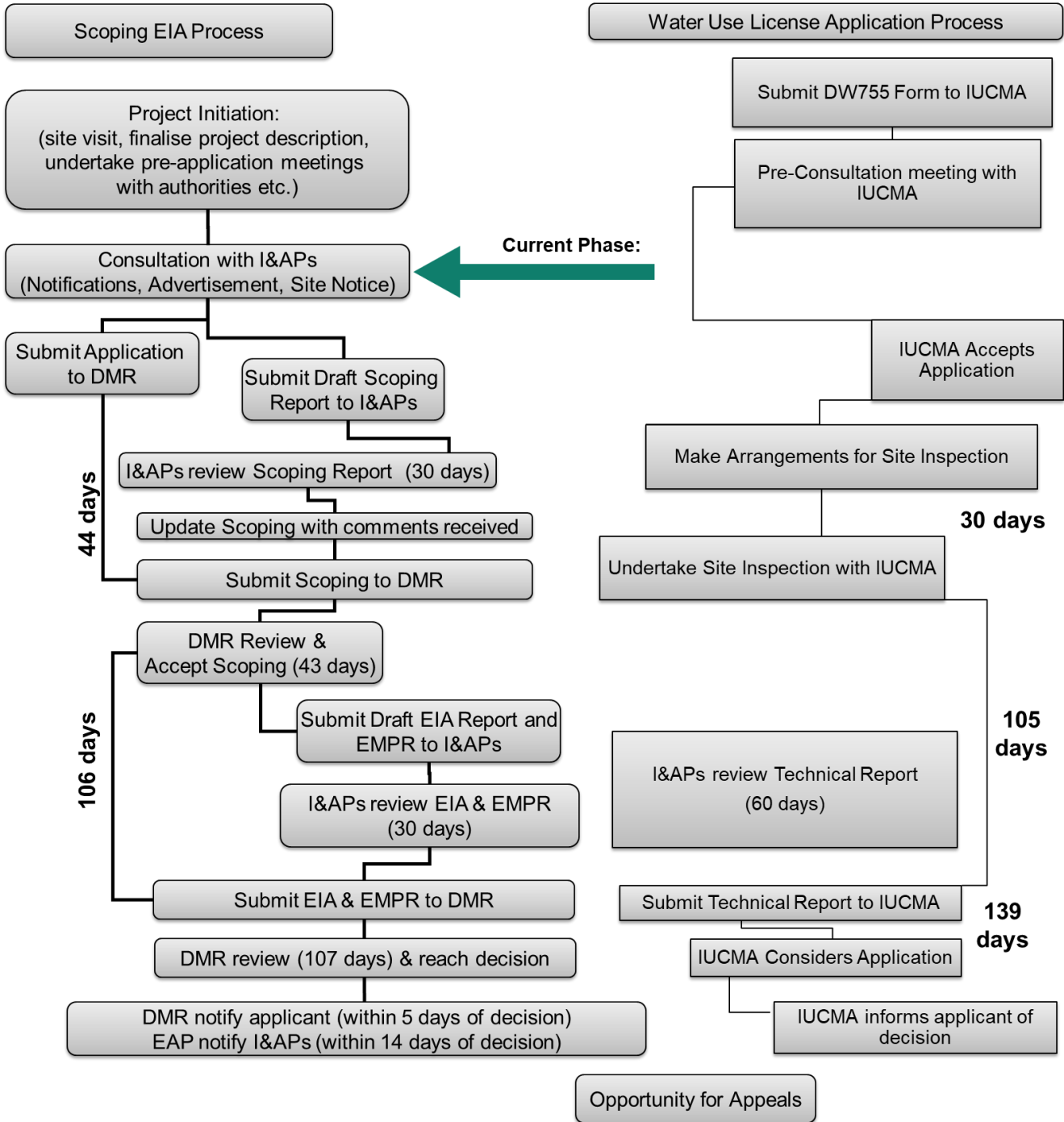
Contact: Mr Phumudzo Morris Mavhunga
Company: ESCON Consulting (Pty) Ltd
E-mail: morris@escon.org.za
Cell: 072 763 0725
081 340 3086

For queries and comments related to the **Scoping and EIA Process**, and/or any other queries, please contact:

Contact: Lelani Claassen
Company: Cabanga Environmental
E-Mail: lelani@cabangaenvironmental.co.za
Tel: 011 794 7534

The Reader is invited to participate in the Application process, by registering as an I&AP. As a Registered I&AP you will be kept informed of the Application processes, invited to attend public meetings and review draft reports compiled in terms of the applications. Furthermore, all comments that registered I&APs submit in terms of the Applications will be included in the relevant reports, and addressed throughout the process.

TO REGISTER: please provide us with your comments and contact details as soon as possible. The Draft Scoping Report is being prepared and will be made available for public comment by 28 October 2019. Details of the availability of the Report will be communicated to Registered I&APs. You are welcome to register and provide your comments at any time throughout the application process.



8. PROJECT ENVIRONMENTAL CONTEXT

The mines that make up Barberton Mines Limited (BML) (Fairview, New Consort and Sheba) today started operations more than 100 years ago.

Almost the entirety of the Fairview, New Consort and Sheba Mining Right Areas fall within the Barberton Nature Reserve (BNR) as identified in the South Africa Protected Areas Database (SAPAD) (see Map below).

The Fairview Mining Right Area (MRA) also borders on the Barberton-Makhonjwa Mountains World Heritage Site (WHS) which was included in the List of World Heritage Sites in 2018.

Over the past 100 years of these Mine's operations, the remaining life of each has often been forecast as being only six to 10 years. The mines have consistently defied these estimates in the past and have continued to operate with new ore bodies and extensions adding to resources and reserves through proactive exploration techniques, ensuring a sustainable employment sector for the communities in and around the Barberton district.

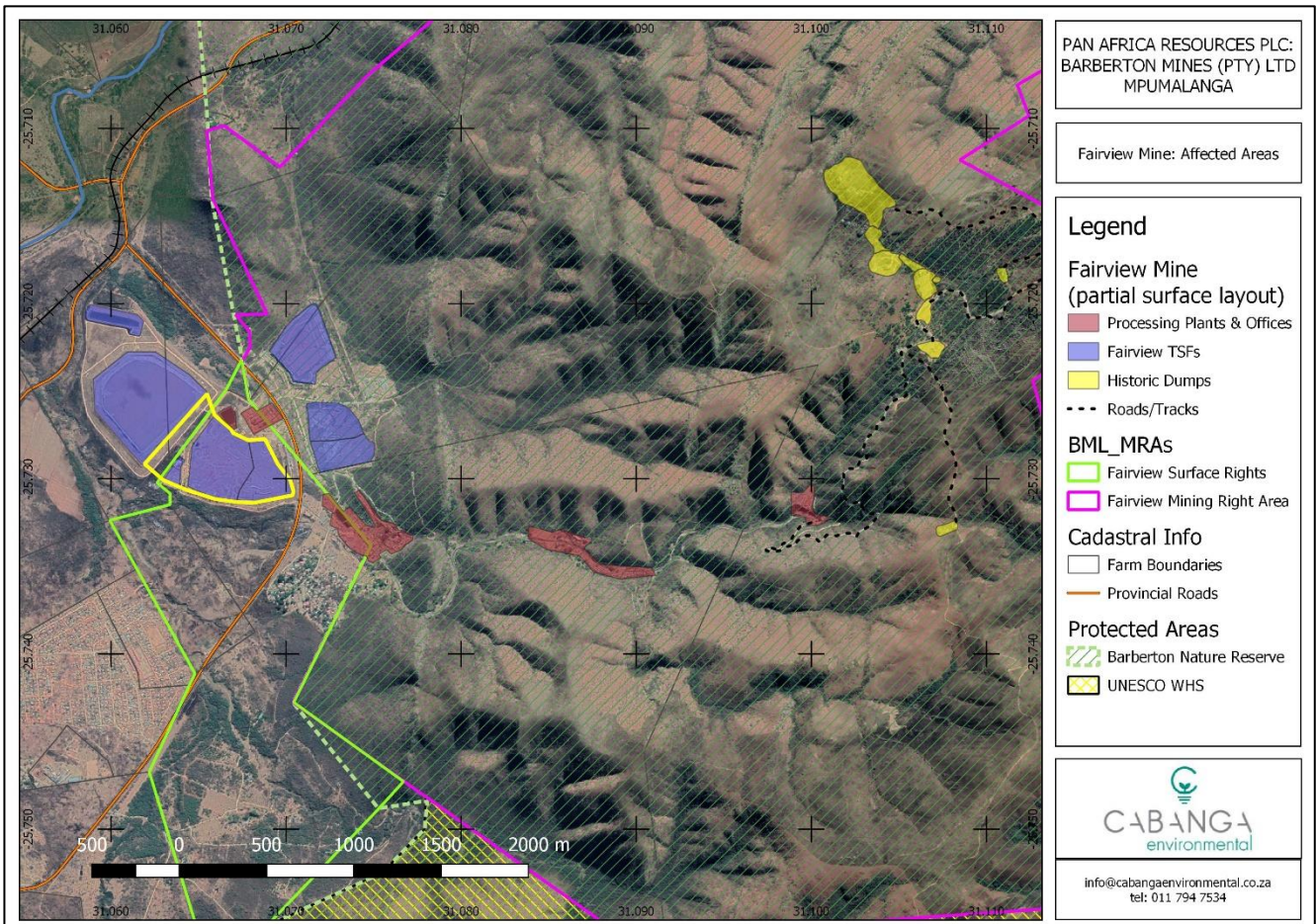
The nature of mining activities and the nature of conservation activities associated with Nature

Reserves are not, in general terms, compatible, although, Pan African Resources PLC ascribes to all environmental laws and best practices to ensure a sustainable environment and habitat preservation or re-instatement.

Considering the existence of mining in the region from the 1880's, and the proclamation in terms of the Mpumalanga Nature Conservation Act of the BNR in 2014, the co-existence of these seemingly opposing land uses is not new to the area.

The proposed new TSF site is located at the footprint of the original Bramber TSF and Bramber TSF extension. The original Bramber TSF has been reclaimed and the site is regarded as disturbed.

The dumps that are targeted for reclamation are within the nature reserve and also not in pristine ecological environments, though historic abandonment of these dumps has allowed vegetation to re-establish in these areas. Ecological and Soil studies to be undertaken as part of the EIA will shed more light on the ecological integrity of the sites, and the potential impacts of the proposed reclamation.



9. POTENTIAL ENVIRONMENTAL IMPACTS AND SPECIALIST ASSESSMENTS

The following specialist studies will be undertaken and will form part of the EIA process:

Potential aspect the project could impact upon	Specialist who will undertake the impact assessment
Groundwater	Gradient Groundwater Consulting
Surface Water	SD Hydrological Services, and SLR Consulting (engineering)
Terrestrial Biodiversity	Scientific Terrestrial Services
Aquatic Ecology and Wetlands	Scientific Aquatic Services
Soils	Digital Soils Africa, with Cabanga Environmental
Heritage and Palaeontology	Archaeos Prof A van Vollenhoven, and Prof M Bamford
Air Quality	Rayten Engineering Solutions

In addition to the Specialist studies identified above, Cabanga Environmental will complete a detailed closure and rehabilitation plan for the proposed Project, including a calculation of the financial provision that will be required for rehabilitation of affected areas.

10. PUBLIC PARTICIPATION PROCESS

Public involvement is an essential component of the application process. It addresses the right of I&APs to be informed of the proposed activities and to be involved in decisions that may affect them. It also affords the EAP an opportunity to assess and address the issues and concerns raised by I&APs thus allowing the EAP to assess all the potential impacts of the proposed project.

As a Registered I&AP you will be kept informed of the Scoping & EIA Process, invited to attend public meetings and review draft reports compiled in terms of the application. Furthermore, all comments that registered I&APs submit in terms of the Application will be included in the relevant reports, and addressed throughout the process.

HOW TO REGISTER

Please register as an I&AP to receive information on the document availability as well as the venue, date and time of the public participation meetings.

Register by completing the attached form and returning it to Cabanga Environmental at the contact details provided, or by submitting written comments in any other format to Cabanga Environmental. Please ensure that Cabanga Environmental has the required contact details so that the communication of all information regarding the EIA process can be efficient.



Contact Person: Lelani Claassen
 Tel: 011 794 7534 Fax: 011 794 6946
lelani@cabangaenvironmental.co.za
www.cabangaenvironmental.co.za

For queries and comments related to the **WULA** please contact:

Contact: Mr Phumudzo Morris Mavhunga
Company: ESCON Consulting (Pty) Ltd
E-mail: morris@escon.org.za
Cell: 072 763 0725 or 081 340 3086

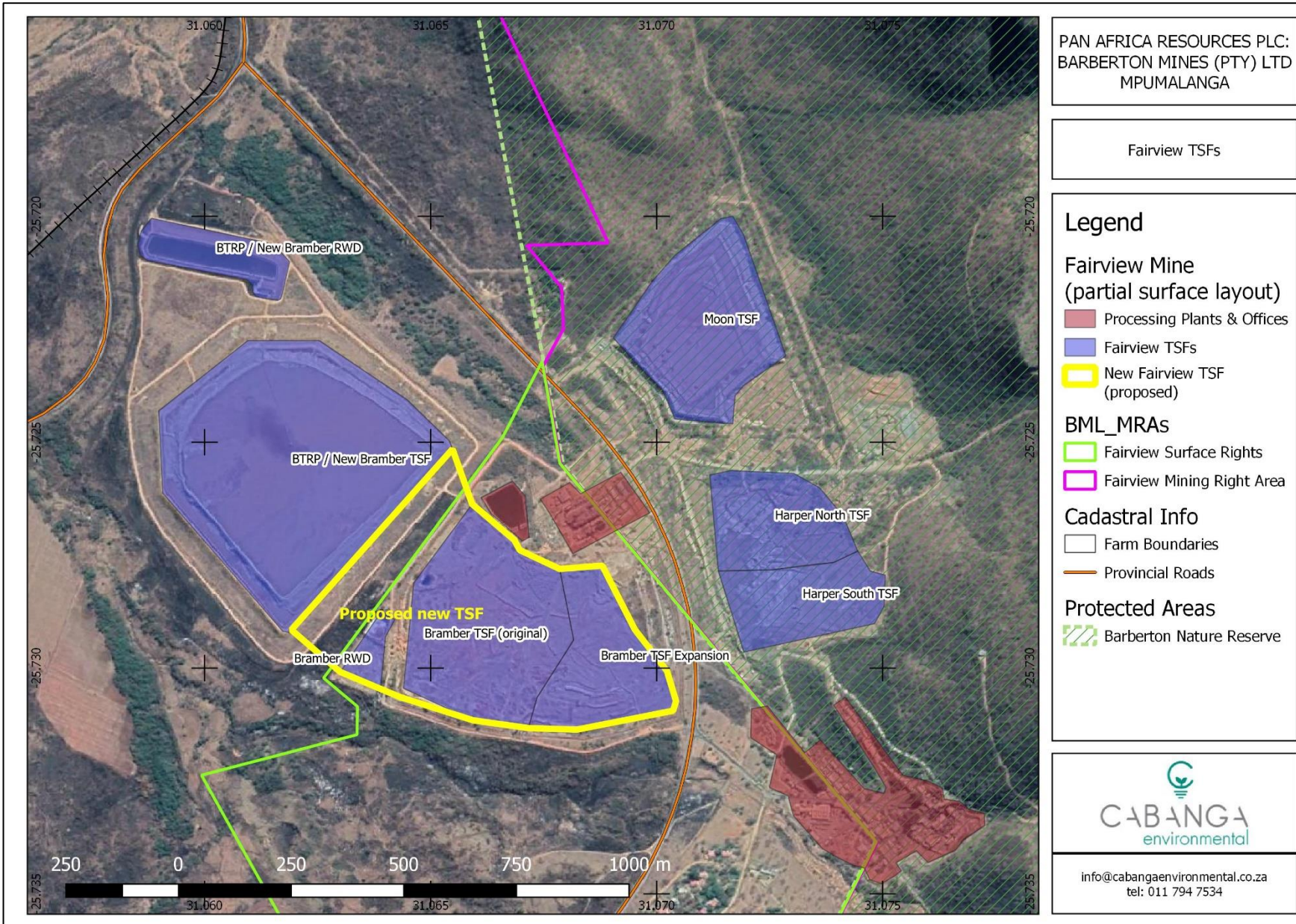


Figure 1: Location of TSFs at Fairview Mine

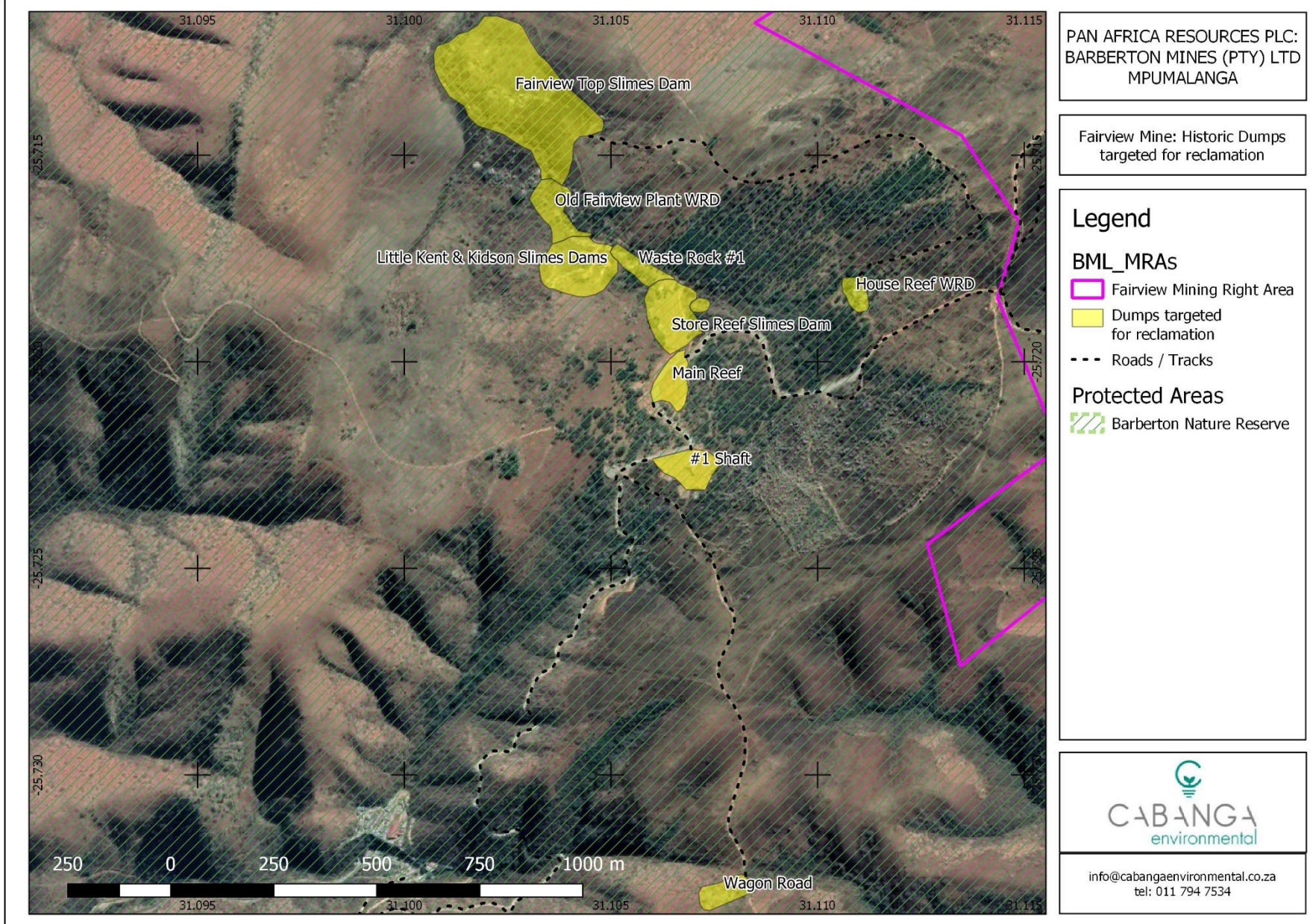


Figure 2: Location of historic dumps targeted for reclamation at Fairview Mine

PUBLIC PARTICIPATION QUESTIONNAIRE: FAIRVIEW MINE – NEW TSF AND DUMP RECLAMATION

To register as an I&AP, please complete and return to Cabanga via e-mail, fax or post:



lalani@cabangaenvironmental.co.za; Fax: (011) 794 6946

Postnet Suite 470, P/Bag X3, Northriding, 2162

Alternatively, please register on www.cabangaenvironmental.co.za click on “Public Participation”

Name:		Surname:	
Telephone No.:		Fax No.:	
Post:			
E-mail:			
How would you prefer to be contacted:	<input type="checkbox"/> E-mail <input type="checkbox"/> Fax <input type="checkbox"/> Post <input type="checkbox"/> Telephone <input type="checkbox"/> SMS		
Are you an immediately affected or adjacent land owner or user? If no, what is your interest in the project? If yes, please indicate your farm / property name as well as details on the current land use.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you have any vested interest in the approval or refusal of this project? If yes, please elaborate (feel free to attach separate pages).	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you feel that the proposed activities will impact on you and / or your socio-economic conditions? How? (feel free to attach pages).	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Are you aware of any additional impacts not yet identified? (feel free to attach pages).			
Are you aware of any sensitive areas that should be avoided (i.e. graves, cultural sites, endangered species, special environmental features or areas etc.) (feel free to attach separate pages)			
Do you have any alternative mitigation measures to propose? (feel free to attach separate pages).			
Do you know of any other persons, organisations or parties that should be notified? Please provide contact details.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you have any additional comments, concerns or queries? (feel free to attach pages).			