

APPLICATION FOR AN AMENDMENT OF MINING RIGHT – FUTURE COAL (PTY) LTD

CHELMSFORD COLLIERY: 30/5/1/2/2/10006MR

1. INTRODUCTION

Future Coal (Pty) Ltd: Chelmsford Colliery intends to submit an application for Amendment of their Mining Right 30/5/1/2/2/10006MR to include opencast sections on the Farms Macclesfield and Herons Court in terms of the National Environmental Management Act (Act No. 107 of 1998), the Environmental Impact Assessment Regulations, 2014 (as amended) and the Mineral and Petroleum Resources Development Act (Act No. 28 of 2002).

The coal resource will be mined via opencast methods (approximately 281Ha in extent at Macclesfield). Whilst this was correctly depicted in the recent Integrated Water Use License (IWUL) (2017), the approved Environmental Management Plan (EMP) (2012) had this area earmarked for underground mining. This constitutes a change in the approved mine plan and associated environmental impacts; thus an Amendment of the Mining Right and application for Environmental Authorisation is required.

The project area is located approximately 14 km south of Newcastle in KwaZulu-Natal (Figures 1 and 2).

Cabanga has been appointed as the independent Environmental Assessment Practitioner (EAP) to complete the necessary environmental applications and oversee the various specialist studies.

2. PURPOSE OF THIS DOCUMENT

This document (the Background Information Document or "BID") has been compiled to provide you, the Interested and Affected Party (I&AP), with information on the proposed project and the associated environmental authorisation application process.

You are hereby invited to participate freely and submit any questions or information you feel may contribute to the process. All comments received will be recorded and addressed as part of the environmental impact assessment 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.

3. PROJECT OVERVIEW

Mineral: Coal

Mining Method: Opencast truck-and-shovel & underground bord-and-pillar methods

Life of Mine: 25 + years & additional 2-5 years post-closure

Product Market: Eskom

Chelmsford Colliery is an existing, operational mine with an approved Mining Right and associated Environmental Management Plan (EMP). The operation is divided into five areas:

Ashley Section (active):

- Opencast and underground mining through highwall adits
- Security Access control
- Crushing, screening and stockpiling of coal at the plant area (and washing in future).
- Central mining support infrastructure area, including workshops, stores and washbays.
- Administrative area and central offices.
- Pollution control dams (PCDs)
- Explosives Magazine. (Lies between Ashley and Shelley)

Shelley Section (active):

- Opencast mining.
- RoM stockpile area and crushing and screening,
- Future PCD as designed in the IWUL and
- Container offices/workshops.

Macclesfield Section (the next development):

- **Currently no activities underway. This area has however been earmarked for opencast mining in future and will include a small RoM stockpile area and container offices/workshops.**
- **The new opencast area will be approximately 281Ha in extent and predominantly comprises cultivated fields.**

Mooikrantz Section:

- Currently no activities underway. This area will be mined via underground methods in future and will include a small RoM stockpile area and container offices/workshops.

Exmoor and Spectacle Spruit Sections:

- Currently no activities underway. A decline shaft plus ventilation shafts will be sunk to access the large reserve of bituminous coal.

Service Requirements:

The plant requires a water supply of 75,000m³/month which is sourced from pumping the existing voids and mine workings as these are developed.

Power is supplied to site by Eskom. Mining is and will be done with diesel driven equipment. Small generators will be established at Macclesfield Section to power the lighting requirements.

Portable chemical toilets will be established at Macclesfield Section and will be serviced by an external contractor at least once a month.

Employment:

Chelmsford Colliery provides full time employment for 66 people and contractual employment for 488 people. The existing staff compliment will be moved to Macclesfield Section. The amendment is not expected to create additional employment.

4. ENVIRONMENTAL AUTHORISATION PROCESS

The National Environmental Management Act (Act No 107 of 1998) (NEMA) and the Environmental Impact Assessment (EIA) Regulations, 2014 (as amended) provides under transitional arrangements that an EMP approved in terms of the MPRDA is deemed to be an approval under NEMA.

Mining through the wetlands as approved in the aforementioned Water Use License requires Environmental Authorisation, which is not currently granted as the Macclesfield Section was first earmarked for underground mining.

The following table summarises the preliminary list of activities identified in terms of NEMA. These activities will be included in the application for environmental authorisation:

LISTING NOTICE	ACTIVITY NO.:
Listing Notice: 1 of NEMA	Activity 19: the excavation, removal or moving of soil, or rock of more than 5 cubic metres from a water course.
Listing Notice: 1 of NEMA	Activity 27: The clearance of an area of 1 hectares or more but less than 20 hectares of indigenous vegetation.

LISTING NOTICE	ACTIVITY NO.:
Listing Notice 3 of NEMA	Activity 12: Clearance for more than 300m ² of indigenous vegetation in a critical biodiversity area in KZN (Biodiversity priority area 1).

Therefore, a Basic Assessment Process in terms of the EIA Regulations, 2014 (as amended) has to be followed in applying for Environmental Authorisation for the Amendment.

During this process the positive and negative impacts associated with the proposed amendment are assessed and suitable alternatives and/or management measures are proposed to reduce the environmental impacts.

The steps in this process are briefly outlined below:

- **Pre-application and PPP Phase**
 - Finalise project description;
 - Identify I&APs;
 - Circulate BIDs, place site notices and advertisements;
 - Submit amendment application form to the Department of Mineral Resources (DMR); and
 - Undertake Phase 1 Public Meeting, to gain an understanding of I&AP concerns.
- **Amendment Phase**
 - Specialist studies are finalised;
 - Impacts are rated and mitigation measures proposed where possible;
 - Monitoring programmes proposed to ensure mitigation measures are efficient;
 - Amendment EIA/EMP Report is compiled along with the Basic Assessment Report (BAR) and put out for public review for 30 days;
 - Phase 2 Public Meeting to provide feedback to I&APs and verify that concerns have been addressed; and
 - Amendment EIA/EMP Report and BAR is finalised and submitted to the DMR.
- **Decision**
 - DMR makes a decision on the application; and
 - All I&APs are notified of the outcome of application, and their right to appeal within 14 days.

WE ARE HERE

The EIA/EMP report and Basic Assessment Report will be compiled in accordance with NEMA and EIA Regulations 2014, as amended.

6. WATER USES

The lead authority for the authorisation of water uses in terms of the NWA is the Department of Water and Sanitation (DWS). In terms of Section 21 of the NWA, all water uses that are not deemed to be Schedule 1 uses must be licensed with DWS. The following water uses were licensed on the 27th March 2017, License No.: 11/V31E/ACGIJ/5164.

- 21 (a) Taking water from a water resource;
- 21 (c) Impeding or diverting the flow of water in a water resource;
- 21 (i) Altering the bed, banks course of characteristics of a watercourse;
- 21 (g) Disposing of waste in a manner which may detrimentally impact on a water resource; and
- 21 (j) Removing, discharging or disposing of water found underground if it is necessary for the efficient continuation of an activity or for the safety of people.

6. POTENTIAL ENVIRONMENTAL IMPACTS

The following potential impacts have been identified as preliminary impacts and will be assessed further during the environmental authorisation process:

- Alteration of existing topography;
- Soil erosion and compaction;
- Change in land use from farming to mining;
- Loss of biodiversity;
- Potential for alien invasive establishment;
- Reduced flow to downstream catchment;
- Potential pollution to water resources;
- Increased dust, emissions and noise;
- Alteration of Visual resource;
- Potential damage to heritage sites;
- Influx of job seekers to the area; and
- Increased traffic – coal haulage.

The following specialist studies will be undertaken or be updated (as relevant) and will form part of the Amendment application process and BAR:

- Biodiversity: Fauna, Flora & Soils, land Use and Land Capability;
- Phase 1 Heritage Impact Assessment;
- Blast and Vibration Assessment;
- Air Quality Impact Assessment;
- Traffic Impact Assessment;
- Visual Impact Assessment;
- Rehabilitation Plan and Closure Cost Assessment;
- Groundwater, Surface Water and Wetland Studies from the 2017 IWUL Application remain relevant and will be used in the Assessment.

Should you be aware of any additional impacts or should you wish to propose an alternative mitigation measure, please do so by completing the attached questionnaire.

7. PUBLIC PARTICIPATION PROCESS

Public involvement is an essential component of the application process. It addresses the right of the Interested and Affected Parties (I&APs) to be informed of the proposed activities and to be involved in decisions that may affect them. It also affords EAP the 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.

It is envisaged at this stage that two public meetings will be held during the course of the application (1) before the compilation of the Amendment Report and updated EMP to gain an understanding of I&AP concerns and (2) during the EIA / EMP Phase of the application process.

You are hereby invited to the first public meeting to be held as follows:

Date: Wednesday, 9th May 2018

Time: 09:00am- 12:00pm

Venue: Town Hall, Newcastle

Further to this, please note that environmental reports will be made available for public review and comment for a minimum period of 30 Days.

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.



Contact Us:

Lelani Claassen

Tel: 011 794 7534

Fax: 011 794 6946

lelani@cabangaenvironmental.co.za

www.cabangaenvironmental.co.za

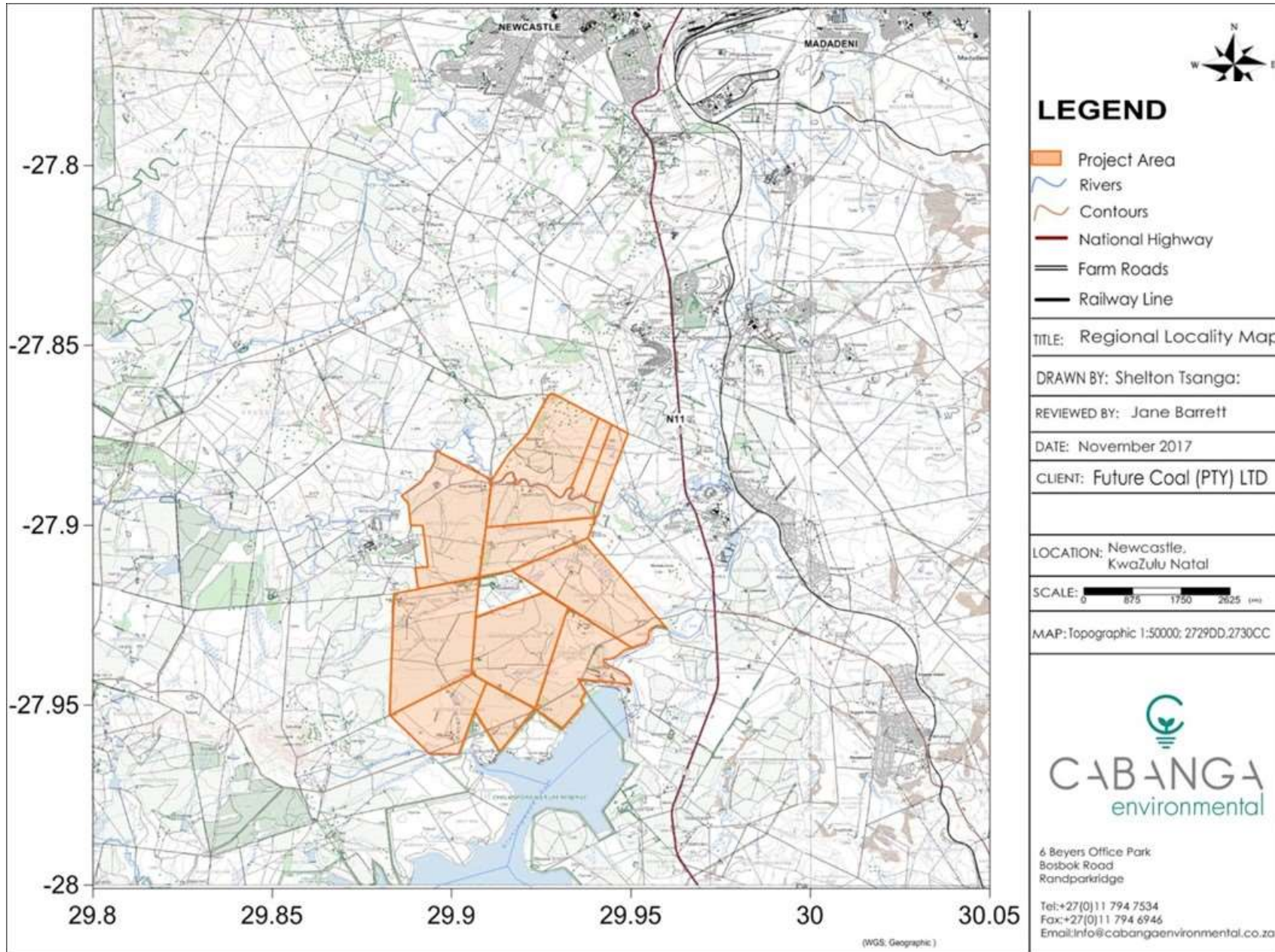


Figure 1: Regional Locality Plan

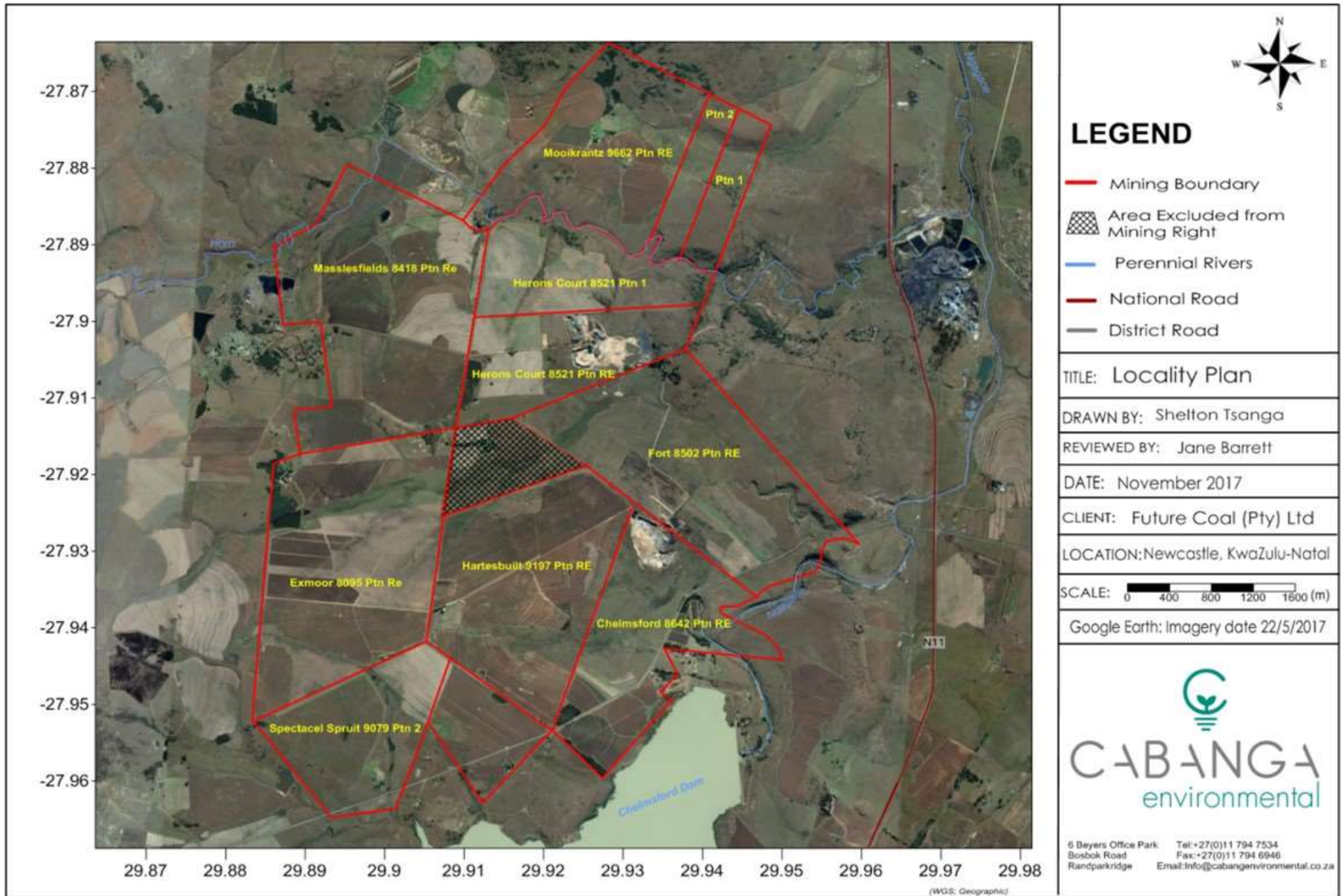


Figure 2: Locality Plan

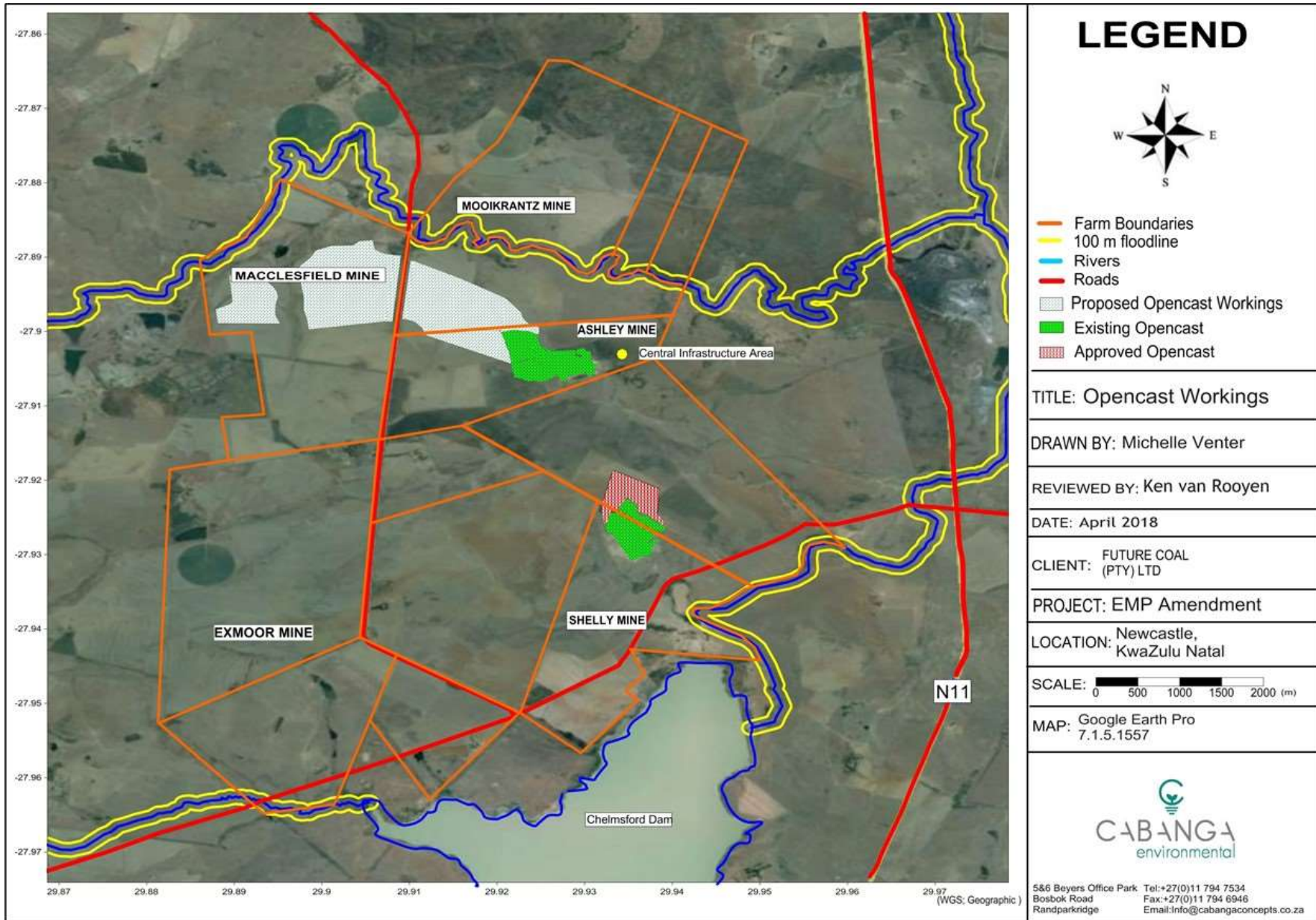


Figure 3: Proposed Opencast Areas

PUBLIC PARTICIPATION QUESTIONNAIRE: CHELMSFORD MINE: MACCLESFIELD AMENDMENT

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



lelani@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.	<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?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Are you aware of any additional impacts not yet identified?			
Are you aware of any sensitive areas that should be avoided (i.e. graves, cultural sites, endangered species, special environmental features or areas etc.)			
Do you have any alternative mitigation measures to propose?			
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?			