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PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

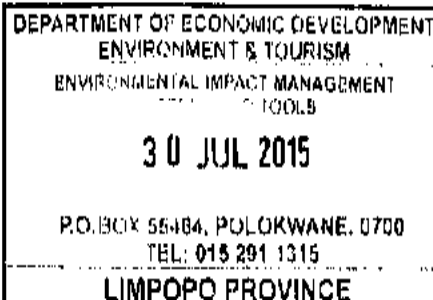
DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM

Eng: Malungeni TP Tel: 015 290 7080 Fax: 015 295 6015 E-mail: malungeni@ledet.gov.za Reference: 12/1/8/2-W32

Platreef Resources (Pty) Ltd
P O Box 782078
SANDTON
2146

Fax: 086 687 2018

Attention: Mr Gerick Mouton



AMENDMENT OF THE ENVIRONMENTAL AUTHORISATION FOR THE PROPOSED PLATREEF UNDERGROUND MINE ON THE FARMS TURFSPRUIT 241 KR, MACALACASKOP 243 KR AND RIETFontein 2 KS WITHIN MOGALAKWENA LOCAL MUNICIPALITY OF WATERBERG DISTRICT MUNICIPALITY

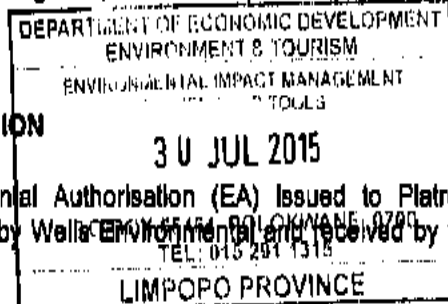
1. The above matter refers.
2. The Department has decided to grant Platreef Resources (Pty) Ltd an amendment to the approved Tailings Storage Facility (TSF) from Option 1 to Option 2. The reasons for this decision are set out below
3. The TSF Option 2 is located on the farm Rietfontein 240 KR within Mogalakwena Local Municipality on the North-eastern side of the proposed mining area.
4. The site can be accessed through the Road N11 across the Tahamahansi Village, which to the west of the TSF Option 2.
5. The site co-ordinates for TSF Option 2 are 24° 03' 42.14 South and 28° 00' 01.04" East.

REASONS FOR THE DECISION

A. BACKGROUND

1. The Department received on 07 August 2014 an application for the amendment of an Environmental Authorisation (EA) issued to Platreef Resources (Pty) Ltd on 27 June 2014, compiled by Digby Walls Environmental.
2. The Department has, on 19 September 2014, granted an amendment to the EA issued to Platreef Resources (Pty) Ltd on 27 June 2014, with the exception of Platreef Resources (Pty) Ltd's request for the Department to amend the option approved for the TSF from Option 1 to Option 2.

3. The Department, in a letter dated 21 November 2014, decided to reconsider and reassess the request for the amendment of the approved TSF options from TSF Option 1 to TSF Option 2.
4. The Department then requested Platreef Resources (Pty) Ltd to consider the potential impacts of the TSF Option 1 and Option 2 in terms of Section 24(1) of the National Environmental Management Act (Act 107 of 1998) (NEMA) as amended through the investigation, assessment, and reporting of the findings to this Department.



B. INFORMATION CONSIDERED IN MAKING THE DECISION

1. An application for the amendment of an Environmental Authorisation (EA) Issued to Platreef Resources (Pty) Ltd on 27 June 2014, compiled by Digby Wells Environmental and received by the Department on 07 August 2015.
2. A site visit conducted by Mr Mongwe VM and Ms Malungani TP of this Department on 17 October 2015.
3. The Comparative Environmental Impact Assessment Report (CEIAR) for the TSF Options 1 and 2 compiled by Tshikova Environmental & Communication Consulting and submitted to the Department on 02 June 2015, which addressed, but not limited to:
 - a) The Identification of environmental issues, potential impacts and possible mitigation measures in respect of the TSF Option 1 and Option 2 on the water resources occurring within the respective areas affected by the two TSF options.
 - b) A clear and comparative determination of the significance of impacts from each of the two (2) TSF options.
 - c) An Environmental Risk Assessment, which would comparatively identify the potential risk emanating from any potential tailings spillages from the two TSF options and measures that will be implemented to contain such spillage in a case where the either of the dams collapses and/or overflows;
 - d) A Comparative Assessment of the potential visual impacts between the two (2) TSF Options and mitigation measures that will be implemented to minimise the impacts; and
 - e) A Public Participation Process in terms of Regulation 54 of the Environmental Impact Assessment (EIA) Regulations R. 543 of 2010, which must also include consultation with the South African Heritage Resources Agency (SAHRA) in respect of the graves and archaeological features occurring on the respective areas where the TSF Options 1 and 2 are located.

C. KEY FACTORS CONSIDERED IN MAKING THE DECISION

All information presented to the Department was taken into account in the Department's consideration of the application. A summary of the issues which, in the Department's view, were of the most significance is set out below.

- f) A sufficient Public Participation Process (PPP) was undertaken and the applicant has satisfied the minimum requirements as prescribed in the EIA Regulations R. 543 of 2010 for public involvement; and
- g) The environmental impacts and risks associated with TSF Option 2 will be addressed by the implementation of proposed mitigation measures outlined in the CEIAR compiled by Mpho Ramalivhana of Tshikova Environmental & Communication Consulting.

D. FINDINGS

After consideration of the information and factors listed above, the Department has made the following findings:

1. All environmental issues identified and commitments to sound environmental management which are incorporated in the EMP compiled by Lucy Koozing of Digby Walls Environmental can be used to avoid potential negative impacts.
2. The potential impacts of the two (2) TSF Options were clearly investigated and mitigation measures outlined.
3. The CEIAR made the following conclusions and recommendation:
 - a) Economic Aspects
 - i. The capital cost and the operating cost for constructing the tailing storage facility at site 1 (TSF Option 1) is cheaper than site 2 (TSF Option 2), based on the economic parameters in respect of the position of the TSF.
 - ii. Site two is situated furthest from the mine and as such it is more expensive to construct the pipes to transport sludge including return water than site 1, which is closer to the mine
 - b) Risk Assessment
 - i. The risk assessment indicates that site 2 (TSF Option 2) is more suitable than site 1 (TSF Option 1) for the construction of TSF in terms of the physical environment (geology, hydrology and geohydrology).
 - ii. Site 2 (TSF Option 2) is situated on soil that has thin colluvium which leads to stable foundation, the water table being highest due to the presence of Karoo underlying and also the site (2) is far from water sources.
 - iii. With the exception of the topography, site 1 (TSF Option 1) is better than site 2 (TSF Option 2) as it is flat and generally that is the preferred area for construction of the TSF.
 - iv. Site 2 (TSF Option 2) has low risks as compared to site 1 (TSF Option 1) in terms of social and cultural risk.
 - v. Site 2 (TSF Option 2) is located approximately 200 meters away from heritage site the impacts can be minimised or totally avoided on the heritage site as compared to the health and safety issues on the community nearby if TSF is located at site 1 (TSF Option 1).

DEPARTMENT OF ECONOMIC DEVELOPMENT
ENVIRONMENT & TOURISM
ENVIRONMENTAL IMPACT MANAGEMENT
CONSULTANTS AND TOOLS

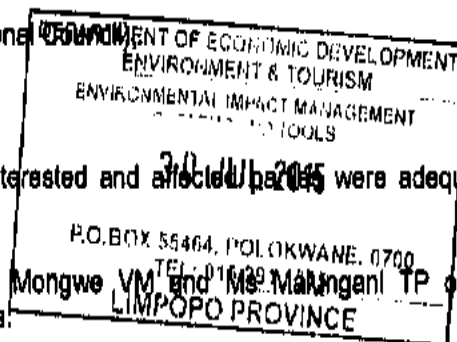
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TEL: 015 294 1315

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- vi. The overall risk assessment indicates that TSF Option 2 scored a total of 380 points as compared to TSF Option 1 which scored a total of 345 points. This means that TSF option 2 is more suitable for the construction of the TSF.
- a) The public participation process undertaken confirms that the applicant has satisfied the minimum requirements as prescribed in the EIA Regulations of 2010 for the involvement of interested and affected parties for the proposed development as follows:
- A newspaper advertisement was placed in the local newspaper "Noordelike Nuus" on the 14 May 2015, attached as Appendix B to the CEIAR;
 - A list of stakeholders is attached to the CEIAR;
 - Personalised letters were sent to all the stakeholders in the letters attached as Appendix C to the CEIAR;
 - Notices and documents were placed at the following public places on 07 May 2015.
 - Baloyi (Mafanala Driving School),
 - Matjeka (Hlamalani Stadium),
 - Hlongwani (Dumazi Primary School) and (Makgalane Shop-Vice),
 - Mzombane (Mobile clinic),
 - Kgobudi (CLO Office),
 - Masehlaneng (Taxi rank and Traditional Council),
 - Masodi (Taxi Rank),
 - Madiba (Community Office), and
 - Magongoa (The Pulse).
 - The comments and issues raised by interested and affected parties were adequately addressed.
- b) Findings of the site visit conducted by Mr Mongwe VM and Ms. Makungeni TP of this Department on 17 October 2014 are as follows:



TSF Option 1 – The farm Turfpruit 241 KR within Mogalakwena

- The proposed development area can be accessed through Road R518 to Marken and there is a single-lane gravel road through the proposed development site;
- The Marula, Sickle bush and Leadwood trees were observed on site;
- The Rooisloot River exists to the south of the proposed development area;
- The proposed development site is currently used for grazing and was previously used for crop farming;
- A residential area (Masodi Village) exists to the north of the proposed development area; and
- No fauna species and heritage features were observed on site.

TSF Option 2 – The farm Rietfontein 240 KR within Mogalakwena

- The proposed development area can be accessed through Road N11 to Groblers Bridge through the internal streets at Tehamahansi Village;
- The Sickle bush and Leadwood trees were observed on site;
- Borrow pits and Dithokeng Stream were observed to the west of the proposed development area;
- Drainage lines from the mountain to the east of the proposed development area were observed;
- A dam was also observed to the west of the proposed development area;

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- The other surrounding areas currently used for grazing and crop farming;
 - A residential area (Tshamahansi Village) exists and is expanding to the west of the proposed development area;
 - Signs of an old smelting site, clay pots making and a wall were observed approximately 200 meters away from the south-eastern side; and
 - No fauna species were observed on site.
4. Platreef Resources (Pty) Ltd must contribute to the development of Strategic Environmental tools, programmes and projects within the Province. This contribution could be in different forms e.g.: financial, technical and provision of information as will be agreed upon with the Department
 5. All the other conditions contained in the EA granted to Platreef Resources (Pty) Ltd on 27 June 2014 are still legitimate and must be adhered to.
 6. In view of the above, the Department is satisfied that, subject to compliance with the conditions contained in this letter, the Environmental Authorisation granted to Platreef Resources (Pty) Ltd on 27 June 2014 and the amendment to the EA issued on 17 September 2014; the proposed activity will not conflict with the general objectives of the Integrated environmental management laid down in Chapter 5 of the National Environmental Management Act (Act 107 of 1998), as amended (NEMA) and that any potentially detrimental environmental impacts resulting from the proposed activity can be mitigated to acceptable levels. The amendment request is accordingly granted.
 7. In terms of Regulation 10(2) of the Environmental Impact Assessment Regulations of 2010, you are instructed to notify all registered interested and affected parties, in writing and within 12 (twelve) calendar days, of the date of the Department's decision in respect of your application as well as the provisions regarding the making of appeals that are provided for in the Regulations.
 8. Should you wish to appeal any aspect of the decision, you must, *inter alia*, lodge a notice of intention to appeal with the MEC for Economic Development, Environment and Tourism, within 20 days of receiving this letter, by means of one of the following methods:

By facsimile: (015) 295 5015

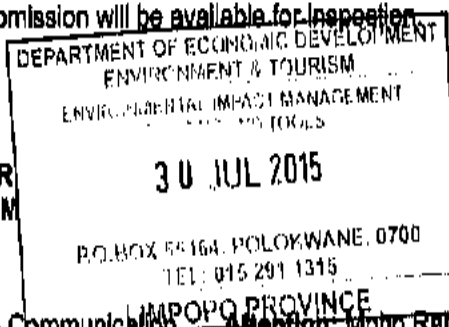
By post: Private Bag X9484, POLOKWANE, 0700

By hand: Environmental Affairs Office, Corner Suid and Dorp Streets, POLOKWANE, 0699

9. Should you decide to appeal, you must serve a copy of your notice on intention to appeal on all registered interested and affected parties as well as a notice indicating where, and for what period, the appeal submission will be available for inspection.

[Signature]
**SENIOR GENERAL MANAGER
ENVIRONMENT AND TOURISM**

DATE: 30/7/2015



Cc: Tshikova Environmental & Communication — Attention: Mpho Ramalivhana

Fax: 086 800 1016

BCc: Digby Wells Environmental

Attention: Lucy Koeslag

Fax: 011 789 9488