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NEW KLEINFONTEIN GOLDMINE (PTY) LTD

ENVIRONMENTAL IMPACT ASSESSMENT FOR THE MODDER EAST TAILINGS STORAGE FACILITY (TSF) EXPANSION PROJECT, NEAR SPRINGS, GAUTENG

Summary of Comments and Responses from the Scoping Phase

24 November 2022

This document aims to:

- 1) Summarise the comments and questions raised to date by registered Interested and Affected Parties, and to
- 2) Provide responses and answers as included in the final Scoping Report that is submitted to the DMRE.

Environmental Authorisation process

How does this process work?

The Environmental Authorisation process determines the positive and negative impacts of a project on the environment (which also includes the social environment). It is governed by the National Environmental Management Act (1998) (NEMA) and its regulations, and is based on specific activities ("listed activities") that may impact on the environment.

For larger projects such as mining, NEMA requires that two phases are undertaken - Scoping and Environmental Impact Assessment (EIA) - as part of the Environmental Authorisation process. The DMRE is considered to be the Competent Authority (or decision-maker).

The purpose of the Scoping Phase is to identify any potential impacts that may be caused by the project. These are then further investigated in the EIA. Specialist studies are usually undertaken during Scoping, and may extend into the EIA phase.

For each phase there is a 30-day public participation process (PPP). The Scoping phase PPP aims to gather concerns, questions and issues from the affected communities, and consolidate these, and then to ensure that they are all investigated in the EIA phase. All concerns raised during this phase are incorporated into the final Scoping Report which is submitted to the Department of Mineral Resources and Energy (DMRE). If the DMRE is satisfied with the process followed for Scoping, as well as the information included in the Scoping Report, they will give the go ahead for the EIA phase to commence.

The 30-day EIA phase PPP aims to provide feedback to the community on the potential impacts of the project and allows IAPs to review the findings of the EIA. The timeframe (30 days) allowed for PPP in both phases is determined by legislation.

Where are you now in the process?

The Scoping Phase has just been concluded and the first public participation period has ended. The final Scoping Report is being prepared for submission to the DMRE. If the DMRE gives the go ahead for the EIA phase to commence, the EIA report will be compiled and a second round of public participation will take place around February 2023.

How can the Environmental Consultants and specialists be independent when they are appointed by the Applicant?

The Environmental Authorisation process must be undertaken in order to determine potential impacts of a project. Since the government is the decision-maker, it cannot undertake these assessments. The Applicant therefore appoints an independent environmental consultant (in this case Prime Resources) to undertake this process based on the Polluter Pays Principle - which assumes that the party responsible for causing environmental damage is responsible for paying to remedy the damage. The environmental consultants in turn appoint the relevant specialists to conduct assessments of potential project impacts and risks. Neither

the environmental consultant nor the specialists represent the Applicant. All of the appointed specialists act independently and there are legislated guidelines that cover specialist reports. All specialists sign declaration of independence in their reports. The specialist baseline studies conducted so far were attached to the Scoping Report and therefore available to be reviewed by all IAPs. The final specialist reports will be attached to the EIA report that will also be available for review by IAPs.

Public participation process (PPP) for the Scoping Phase

How did you notify the Interested and Affected Parties of the Open Day?

IAPs were notified of the Open Day through:

- Advertisements published in two local newspapers (the Springs Advertiser and the African Reporter) on 20 and 21 October 2022
- Posters at several locations within the surrounding communities
- Background Information Documents distributed in Skoonplaas and Eastvale
- Community leaders were informed in a Focus Group meeting.

I was not able to attend the Open Day

The Open Day was an informal information sharing opportunity where people could come and visit the Prime Resources stand and ask any questions or raise any issues. The purpose of the Open Day was to advise IAPs of the project, encourage people to register as IAPs, share information about the project and gather concerns. Attendees of the Open Day were encouraged to inform their neighbours and other residents in their networks of the project and encourage them to submit comments. It is understood that not all affected parties were available to attend the Open Day but it was not the only forum or platform for raising concerns or making comments. Several methods were available for communicating with the EIA consultants on this project including email, SMS and WhatsApp. All comments raised during the 30-day commenting period, regardless of the platform, are included in the Scoping Report that is submitted to the authorities.

Why did you have a single meeting for the Eastvale and Skoonplaas communities when these communities have different concerns?

The Open Day was intended for both the Skoonplaas and Eastvale communities so as to not create divisions within the community. It was requested that a further meeting be held with the Eastvale community. A Focus Group meeting was therefore held and a representative from Skoonplaas attended that meeting, along with the residents committee members from Eastvale. There is no separation of communities, but smaller meetings are more productive, and all questions can be answered suitably. The same information is shared between all the communities.

How have our comments been include in the Scoping Report?

The Comments and Responses Section of the Scoping Report (page 44 to 108) contains all comments raised during the Scoping phase. All comments raised by SMS, email, WhatsApp, Open Day and Focus Group meetings were included in this.

30 days is not a long time for the community to understand the project, and provide comments and feedback.

The timelines for the public commenting period are defined by legislation. The Non-Technical Summary report was provided with the specific purpose of being a shorter, less technical, summary of the Scoping Report to allow as many people as possible to have an understanding of the key findings of the Scoping Report.

Impact assessment process

Will we have an opportunity to comment on the EIA report?

There will be another 30-day commenting period during the EIA phase. A copy of the draft EIA report, all specialist studies and a Non-technical summary report of the EIA will be available at the same locations as the Scoping Report, including on the Prime Resources website and by email if requested.

Can we review and comment on the draft EIA report before the 30-day commenting period?

The timelines in the EIA process are unfortunately prescribed by the authorities and these timelines do not provide a long period after the Scoping phase starts.

Project impacts

What are the impacts that will be felt by the community?

The main potential impacts that have been identified are:

- a decrease in air quality and associated dust, pollution and community health impacts
- visual impacts on the residents of Skoonplaas and Modder East suburbs
- a minor increase in noise during construction
- the potential in-migration of job seekers and associated expansion of informal settlements
- potential traffic impacts
- a potential decline in property values in Modder East/Eastvale
- potential contamination of groundwater, and
- community health and safety risks including those from TSF failure (although unlikely).

The mine will look at a number of ways to mitigate any impacts including dust control, ensuring the TSF is designed according to legislated requirements to enhance stability and safety, and lining the TSF to prevent groundwater pollution. However, the project is still at the Scoping Phase and detailed technical studies need to be conducted to fully understand the nature and extent of the impacts and then design appropriate measures to mitigate such potential impacts. These will be included in the EIA.

This project will add to the impacts we already feel: noise, dust, poor roads, cracks in our houses, crime, rodents and snakes because of rubbish, and people being employed from other areas.

The purpose of the EIA is to consider the current baseline conditions and determine how the TSF is expected to change this. The condition of the roads has deteriorated over time, but the repairs of urban roads, as well as service provision and refuse collection are considered the responsibility of the Municipality.

Traffic, roads and road safety

There is only one access in and out of the community, which is Outeniqua and Cloverfield Road. Our roads are already bad and there are too many trucks. There will be so many more trucks on our roads, causing traffic congestion, worsening the condition of the roads and causing safety risks for residents and children.

No hauling (transporting of rocks) is currently being done by the mine but there are deliveries and support services that would create additional traffic at the mine. Development in the area has also grown significantly, which has contributed to the increase in traffic volumes through Eastvale / Modder East.

The impact of additional heavy vehicles travelling to the mine has been considered separately for the Holfontein and Cons Modder projects. However, an additional traffic study will also be undertaken during the EIA phase to determine the cumulative impact of the additional trucks on the current traffic volumes on the roads of Modder East / Eastvale. The traffic study should identify whether the roads are acceptable for use by heavy vehicles, whether there are likely to be additional pedestrian and motor safety impacts and if any road upgrades are required.

Dust, air pollution and noise

There will be dust during construction, operation and after closure. There is already a problem with air pollution; I'm worried it is going to get worse.

It is understood that the mine and surrounding communities are located in an airshed that is already degraded. The air quality specialists are currently determining the potential impacts of the TSF expansion on air quality. Recommendations from the specialist will be taken into account and information about measures to reduce the impacts will be provided in the next phase.

The project will affect our health now and in the future. Will air quality monitoring be undertaken?

A community health study is currently underway to determine the potential impacts of the TSF expansion on the health of the nearby communities. Once the study is complete, the mine will determine whether there is suitable mitigation available or whether the design of the TSF expansion will need to change to reduce the potential impacts. The mine has been monitoring dust and will continue to do so in order to determine whether the dust levels are a health concern for the community. Measures to reduce dust levels will be implemented.

There will be a lot of noise created by the project.

The process of operating the tailings dam is relatively quiet. There will be some additional noise during construction due to clearing of ground and vegetation, but the noise specialist has determined the noise impact to be low.

The noise, dust, and pollution to be created by the TSF will adversely affect the entire community as wind travels through the valleys of Eastvale every day.

The project is not expected to result in any significant increase in noise. As part of the air quality impact assessment, a model will be created to predict how dust and any pollutants will likely spread in the air. The model will take into account wind speed and direction, and will allow for an understanding of how the air quality in the areas surrounding the TSF will be impacted. This information will also be used to determine

the potential impacts on community health associated with any dust or air pollutants. The results of these studies will be presented during the EIA phase.

Groundwater, soil and vegetation

The project will cause groundwater contamination.

The mine will be required to install a thick plastic barrier or liner to reduce the potential for groundwater contamination from the tailings dam expansion. This forms part of the design of the facility. The potential impact on groundwater is currently considered to be of low significance, but this will be further assessed by the specialist.

The TSF will contaminate the soil, fresh water and surrounding environment with hazardous materials and chemicals.

The TSF will be lined with a thick plastic liner to reduce any soil or groundwater contamination from the TSF areas. Soil contamination could potentially take place via windblown dust or by rainwater running off dirty areas into the surroundings. Windblown dust will be minimised by using dust suppression measures and by vegetating the tailings dam at closure. There is one pan (wetland) approximately 500m from the TSF expansion sites. This is too far to be affected by dust and chemicals from the tailings dam, provided that appropriate dust control measures are put in place, and that a liner is installed below the tailings material. Additional measures will be included once the specialist studies are complete.

The TSF will destroy the plants and animals in the area.

The area currently being considered for the tailings dam expansion has been assessed by ecology specialists and they have determined that the site is degraded and modified and does not provide suitable habitat for any animals of conservation importance. It is also considered significantly infested with invasive plant species. The significance of the impact on plants and animals has been assessed as low.

Blasting and vibrations

The ground already shakes in Eastvale because of all the undermining and blasting. This expansion will again increase the deterioration of properties with cracks.

The TSF expansion will not result in any further underground mining at Modder East. The TSF expansion is to cater for material brought to the mine from other operations, because underground mining will stop at Modder East in 2026/2027. No additional blasting will occur at Modder East as a result of the TSF expansion.

Socio-economic

The informal settlements will grow with new job-seekers. There will be an increase of squatter camps and a great potential of higher crime rate.

It is understood that people do move into areas where it is expected that employment will be available. This is difficult to control with any development and is ultimately something that needs to be managed by a larger forum, including the mine and the Municipality. The mine applies strict employment criteria and will not hire anyone at the gate. This, and other measures, will be recommended to deter the in-migration of job seekers.

There have been break-ins in peoples' homes. Thieves hide the items behind the waste rock boulders around the mine. Why are these boulders there?

The waste rock boulders have been placed around the mine boundary as an emergency measure, in response to an armed robbery a few years ago. A palisade fence has since been installed. The mine has put in place a plan to start removing the waste rock from around the property's edge.

Will the people of Skoonplaas be relocated? Will we have to move?

No. There are no plans to relocate any members of the community. The TSF footprint does not extend over any residential areas.

Can the mine buy my house, because I don't want to live near this TSF.

The mine has no plans to purchase any properties. It is currently leasing the property where it is proposing to expand the TSF.

The mine will affect our property values and ability to sell.

A property valuation study will be undertaken to determine whether there will be an impact on property values.

The TSF will change the sense of place and the area will no longer be peaceful and quiet.

An increase in noise and traffic and a change in the visual landscape can lead to a loss of a peaceful environment. Given that the neighbouring suburbs are currently adjacent to the operational Modder East mine and its existing TSF, and that the noise impacts associated with the TSF are expected to be low, the expansion of the TSF is not expected to result in a significant change to the sense of place. Specialist mitigation measures will be implemented, including enclosure of the site, maintenance of vehicles, planting of trees, and use of minimal lighting (as far as possible).

The aesthetic beauty of our view will be impacted negatively.

Mitigation measures that have been recommended to decrease the visual impact include leaving the trees along Cloverfield Road in place as much as possible to screen the tailings dam from the community. A palisade fence will be constructed and additional trees will be planted on the boundary of the tailings dam to provide additional screening for the community.

There will be an impact on food security by turning a farming area into a dumping site.

Approximately 4.7 ha of high potential agricultural land will be developed for the tailings dam expansion. It must be noted that this is the maximum area that is currently being considered, and it has been determined by specialists that although this will result in a loss of soils, this is a low overall impact as this small area does not contribute to food security in the area.

Illegal miners will come here once the mine is closed and this will increase crime.

The TSF site will be secured and fenced, and the area rehabilitated during closure. Additional safety and access control measures may be required until the post-closure end land use has been achieved.

Community health and safety

Will the mine implement Health and Safety policies to ensure the safety of employees and the community?

Gold One implements Health and Safety policies in line with legislation. The TSF expansion will also be operated under these Health and Safety policies. Community safety is being considered in the TSF design. A dam break analysis is currently being conducted to determine the safety aspects of the existing TSF and proposed TSF expansions. This information will be available next year and will be shared with the community.

The final footprint of the proposed expanded TSF will be close to existing residential areas. Is the community going to be safe, located so close to the TSF? What will happen to us if the TSF collapses like at Jagersfontein?

The TSF will be designed and operated using best practice and the Code of Practice for Mine Residue (SANS 10286) that include stringent safety precautions to prevent TSF failure. A dam break analysis is currently being undertaken on the existing tailings dam and the proposed expansion to determine the potential areas that might be affected should the dam break. The information from this study and the other specialist investigations will be used to advise whether any changes would be required to the design of the proposed TSF expansion, or if the mine needs to put in place protection measures or redesign the dam to reduce the impact. This study will identify areas of concern in case of the collapse or failure of the tailings dam. The preliminary design to date takes into account all required regulations, and the final design will incorporate international standards. All precautions will be taken to avoid emergency situations, and an Emergency Preparedness and Response Plan for the expanded TSF will be included as part of the EIA.

Proximity between the proposed expanded TSF and the dwellings poses serious health issues to the quality of life due noise pollution, water pollution and dust. If the community is affected and they have health problems, who will be responsible?

A community health study is currently underway to determine the potential impacts of the TSF expansion on the health of the nearby communities. Once the study is complete, the mine will determine whether there is suitable mitigation available or whether the design of the TSF expansion will need to change to reduce the potential impacts. The mine has been monitoring dust and will continue to do so in order to determine whether the dust levels are a health concern for the community. Measures to manage and reduce dust levels will be implemented.

What about health hazards of the mine that become evident in 15-20 years' time?

The impacts on the environment and community health are still in the process of being assessed. This includes the long term impacts after closure of the mine. These results will be made available during the next round of consultation during the EIA phase which is estimated to be around February 2023.

The community reserves their right to consent until the reports on air and water pollution are made available.

The results of the specialist studies, including the air quality impact assessment, community health impact assessment, groundwater impact assessment and dam break analysis will be incorporated into the EIA. The full specialist reports will be made available for review to all registered IAPs. The results will also be summarised in a Non-technical summary.

Other

What will the impact be on topography?

The TSF is a permanent structure and will therefore be a permanent change in topography. The plan is to vegetate and rehabilitate the TSF at closure to ensure minimal dust generation.

We object to this expansion and are completely against it.

All objections are noted in the documentation and will be submitted to the DMRE with the Scoping Report, and also included in the EIA and EMPr. Objections are not considered the same as an appeal. Appeals can be lodged after a decision has been reached by the DMRE. Prime Resources will notify all registered IAPs of the final decision taken by the DMRE as well as the appeals process to be followed.

The residents of Skoonplaas and Eastvale do not have the same impacts resulting from the project. Residents of Eastvale have come here to retire; residents of Skoonplaas may be moved at some time in the future. The residents of Eastvale have long term concerns.

It is understood that different stakeholders may have different concerns. The public participation process aimed to gather concerns from all IAPs to allow all concerns to be addressed without creating further divisions within the communities. All comments and issues are included in the Scoping Report that is presented to the DMRE. The EIA will address the potential impacts of the proposed TSF for the entire life-cycle of the project, and the EMPr will provide mitigation measures for any expected impacts throughout the life cycle of the project – construction, operation, decommissioning, closure, and post-closure.

What is the life of the mine versus the longer-term life of the residents in the area? The people at the mine will leave but we will be left with the long-term impacts after the mine closes.

Expanding the TSF will allow for Gold One to operate the processing plant for a further 10 years. The EIA and EMPr will consider the entire life cycle of the mine, and if necessary, provide mitigation measures and monitoring to manage long term impacts. The mine intends to rehabilitate the TSF at closure and funds will be allocated specifically for this.

Community benefits and employment

The mine has done nothing for this community. Why should we believe any of its promises? There are few benefits of the Mine being felt by the community and we feel side-lined and that others are taking unskilled jobs. The people of Modder East/Eastvale and Skoonplaas should be prioritised.

The mine has an existing Social and Labour Plan (SLP) that it has been implementing during the time that it has been operational. The SLP deals with employment, Local Economic Development (various investments that the mine has made into community development) and procurement procedures. The location and type of development projects were decided upon in with input from the community in the Stakeholder Engagement Forum, in collaboration with the Municipality. Should you wish to discuss these community investments, procurement and employment policies, or the implementation of the SLP further with the mine, please contact Loselo Segwe (email Loselo.Segwe@gold1.co.za).

Will local communities be given preference for employment? How do we apply for jobs?

The mine has an approved SLP in place and they employ people from all areas around the mine, particularly for unskilled positions. There will be limited additional employment created during the construction phase of

the TSF expansion. There will also be those individuals at the mine whose employment will be extended due to the delay in closure of the processing plant (once the underground mining ceases).

Gold One is open to discussing employment opportunities directly with the leadership of Skoonplaas and Eastvale. It was suggested that an Employment Desk be created in Skoonplaas. It was confirmed that currently the Gold One website is not set up for a recruitment portal. Employment opportunities and policies will need to be further discussed with the mine.

How will the mine support small businesses?

According to the SLP, Modder East assisted and developed several SMME's in the Supplier Development Strategy. Further discussions regarding investments and potential support of small business should be directed to the mine; please contact Loselo.Segwe@gold1.co.za.

What about the promises for service delivery that you promised?

There are no plans for the mine to provide services such as electricity to the community.

This project doesn't result in any financial gain for the community.

The benefits of the mine would be described in the Social and Labour Plan. Alternative forums / platforms are available for information regarding the investments in community development that have already been made by Gold One. The relevant contact person is Loselo Segwe, Loselo.Segwe@gold1.co.za.

The mine must engage more with the local community.

Gold One has noted that they would be happy to engage on the community development and investment aspects of the SLP. The existing Stakeholder Engagement Forum and grievance mechanisms will need to be extended to ensure that community members feel that they can engage on any issues with the mine. Ongoing transparent communication between the mine and neighbouring communities is required.

Project design

Is the TSF expansion being developed over historically undermined areas?

The western TSF expansion has been designed to avoid a historical shaft. There is historical undermining in the area but at great depths of 600 to 900 metres below surface.

How far is the TSF from the Skoonplaas community?

Currently, the closest houses in Skoonplaas are approximately 160 metres from northern corner of the existing TSF. The current preliminary design means that the TSF will be 110 to 140 m from the community. This is not the final design or layout but rather a preliminary proposal. The completed technical and specialist studies will guide any decisions to amend the layout or design to reduce the impacts on the communities.

Will ICMM Guidelines for Tailings Management be considered?

The International Council on Mining and Metals (ICMM): Global Industry Standard on Tailings Management (GISTM) guidelines will be incorporated into the TSF design.

What liner will used under the TSF?

The TSF is required to be lined with an appropriate HDPE (thick plastic) liner to prevent seepage into the groundwater.

Why is this project needed?

The existing gold plant at Modder East will still be able to process material far beyond 2026, when underground mining at Modder East is expected to end. There are other Gold One projects such as Holfontein, Modder North, Gedex and Cons Modder that will be able to provide material to the existing plant. It is not financially viable to erect a new plant and TSF at each of these nearby projects, and so the plan is to transport the material from these operations to Modder East and process it there.

The existing TSF is reaching capacity so it will need to be expanded to accommodate the waste that will be generated by the processing plant. The current proposal will allow for another 10 years' worth of tailings to be deposited at Modder East.

Will a 500m buffer zone between the TSF and houses still be in place with the TSF expansion?

Although the Gauteng Pollution Control Guideline recommends a maximum buffer of 500m, it is not a legislated requirement. Due to the close proximity of residential areas, several specialist studies are being conducted. The outcomes of the specialist studies in the EIA Phase will be used to recommend a buffer as necessary. It is understood that the buffer is largely related to air quality impacts, specifically PM₁₀. A detailed dam break analysis is also being conducted during the EIA phase, and will further guide any buffer zones being applied to the project.

Why is the TSF so close to Skoonplaas and Eastvale? Why can't the TSF be expanded in other directions instead of towards the community?

The current proposed footprint is restricted to the property that is currently being leased by the mine, so that it does not directly affect any adjacent properties. The mine has considered all areas immediately next to the current lease area as potential possibilities for the location of the TSF. The area to the south was considered, but this falls outside of the mine's lease area and there is a planned solar park that is being developed privately on that property. The mine has also considered the option of expanding to the east, but that land is restricted by a railway line.

What mitigation measures have already been considered in the report?

There are several measures recommended in the documents to mitigate the impacts, for example, dust suppression and vegetating of the tailings dam have been recommended. Additional measures will be included once we have received the final reports from specialists. As part of the EIA, an Environmental Management Programme (EMPr) will be compiled which will include detailed mitigation measures to minimise any social, economic and biophysical impacts that might arise during all phases, including post-closure. The purpose of the EMPr is to ensure negative impacts are managed, mitigated and to some extent, avoided. Commitments in the EMPr are legally binding and enforceable under law.

Closure and rehabilitation

What will happen to the TSF when the mine closes? Will it be rehabilitated or when the mine closes does it become a problem for the government to fix? Will it be left for other people to reprocess?

When the TSF has reached capacity, it will be decommissioned, rehabilitated and closed according to an approved Closure Plan. The EIA will contain provisions for closure and will state that the TSF will have to be rehabilitated to an end land use that will be self-sustaining in the long term. The Financial Provision for

closure and rehabilitation costs will be updated annually by an independent party to ensure there are sufficient funds available for rehabilitation. The amount stated in the annual report is set aside in a separate fund that is managed by a financial company, specifically for rehabilitation and closure purposes. This is not paid to the government. At closure, the funds from this account are used to remove all mine infrastructure and rehabilitate the area, including the TSF.

Rehabilitation will include grassing and vegetating of the TSF. Another option that may materialise after closure is that the tailings could be reprocessed by a third party. This is not being considered in this application. The current application deals with depositing the tailings on the expanded tailings dam over a 10 year period and then rehabilitating the TSF when it has reached capacity. During rehabilitation, grass will be planted on the surface of the TSF. The vegetation will bind the tailings material and prevent the spread of dust. This can only be done after the mine stops depositing tailings, so only at closure.

Legislation

What about the Gauteng Pollution Control Buffer Zone Guidelines that indicate that a buffer of 1 km should be maintained from tailings dams? The Mine Health and Safety Regulations prescribe 100 m buffer zones, but there are some proposals that it should be 2 000 m?

The GDARD buffer zone guidelines are guidelines rather than legislated requirements but any comments from the authorities are welcomed. Specialist studies including air quality, radiation and community health are being conducted, and safety is being considered in the TSF design. Air quality is the main driver of these guidelines, and once the air quality impact assessment has been completed, the findings (and recommended buffer zones) will be incorporated into the project.

It is hoped that the guidelines will be introduced into legislation. Have the future changes in legislation that may require implementation of these guidelines been included?

All current legislation is being considered, but future legislative changes cannot be predicted.