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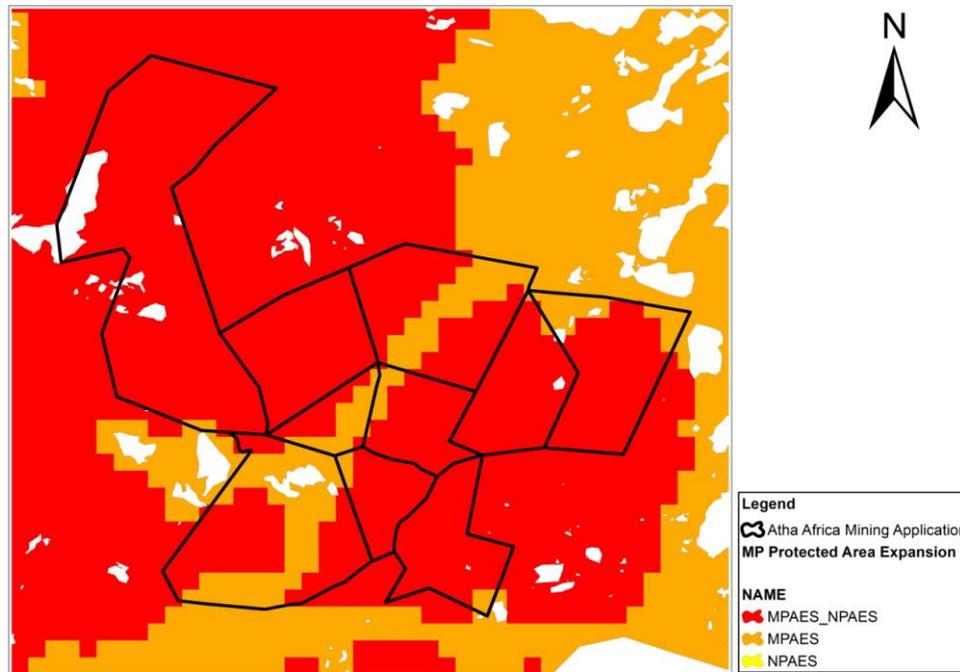
/ Lizelle.Prosch@WSPGroup.co.za

Date: 27th September 2012

Dear Lizelle and Brent,

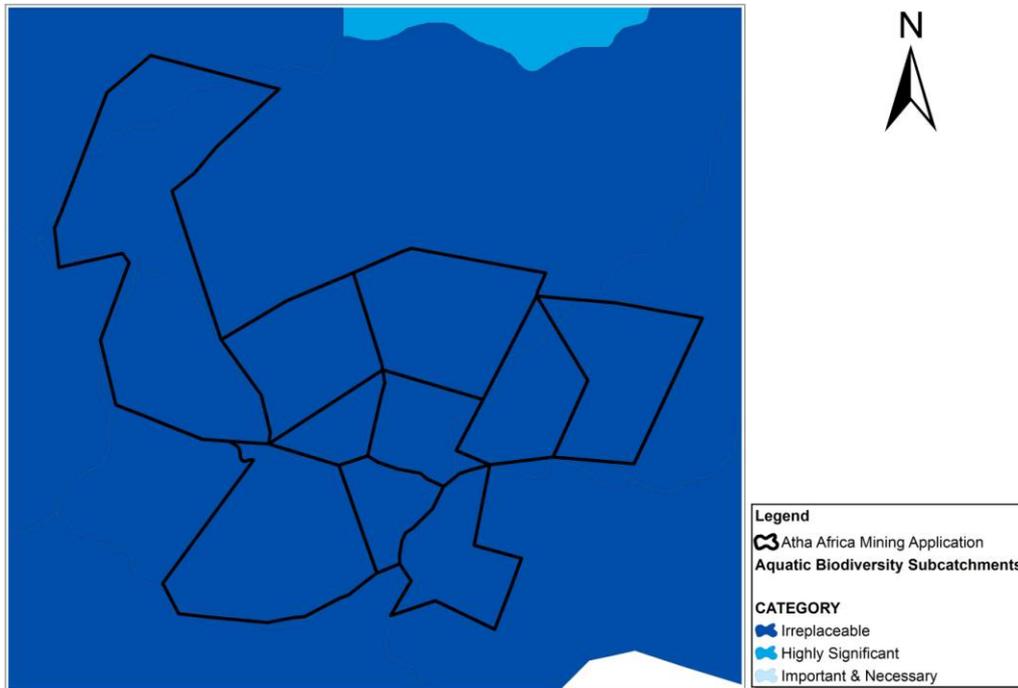
Re: Objection to Mining Rights Application by Atha Africa Ventures (PTY) LTD for proposed Yzermyn Underground coal mine located approximately 20kms from Wakkerstroom in the Pixley Ka Seme local municipality

1. Thank you for all previous emails and informal communications in which you supplied us with the Background Information Document (BID) on your client's (Atha Africa Ventures (PTY) LTD – hereafter referred to as "Atha") application for a mining right within the affected area. As already indicated in our email and verbal responses to you, there are serious and substantial concerns about the sensitivity of the area in which your client proposes to mine for coal. ***We hereby lodge our strong objection to Atha's mining right application on numerous grounds as recorded below.***
2. The area affected by your clients application fall within a key protected area expansion zone for our work as the WWF-SA Enkangala Grassland Project and SANBI grassland programme in partnership with Mpumalanga Tourism and Parks Agency (MTPA) . In addition, portions of the area fall within National and Provincial Protected Area expansion zones (see Map 1 depicting the provincial and national protected area expansion zones). ***Atha's mining right application is thus opposed on the grounds that it will prevent provincial and national protected area expansion targets from being achieved should consent be granted by the DMR.***

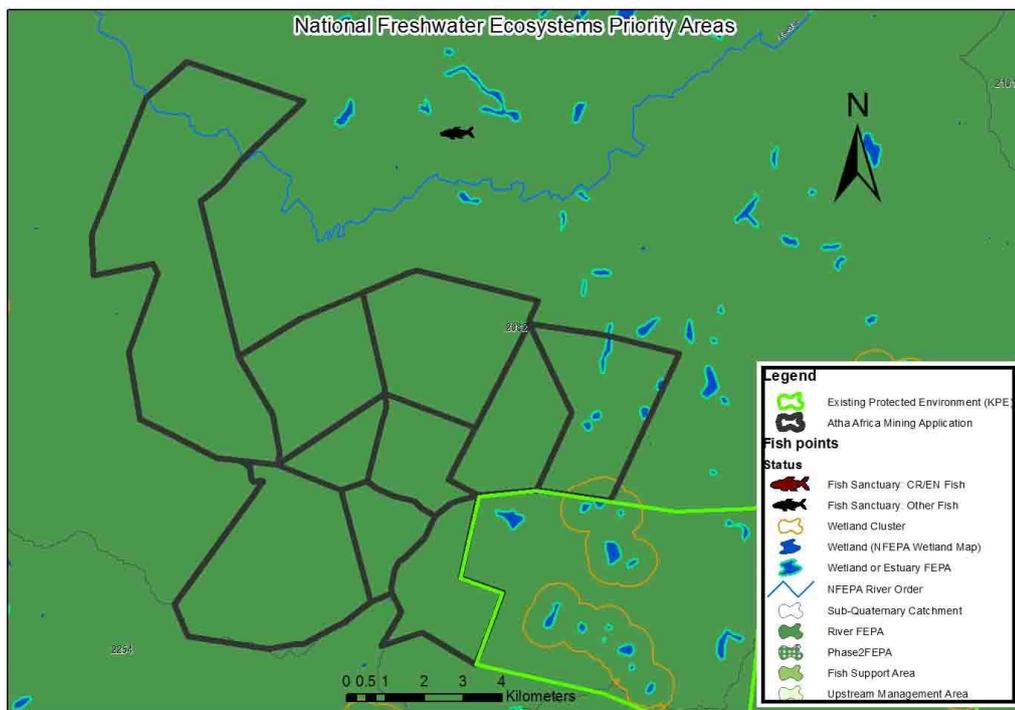


Map 1 depicting provincial and national protected area expansion zones

- All of the affected properties are located in an irreplaceable aquatic biodiversity area for Mpumalanga Province. Should any form of coal mining be pursued, it will have extremely negative impacts on this important water production area. Additionally, the Atha properties are located in a National Freshwater Ecosystem Priority Area (NFEPA) and any form of mining in such an area is considered inappropriate and of severe consequence to sustained ecosystem functioning (See map 2 depicting provincial aquatic biodiversity importance and map 3 depicting NFEPA's). ***Atha's mining right application is thus opposed due to serious aquatic and hydrological sensitivities.***



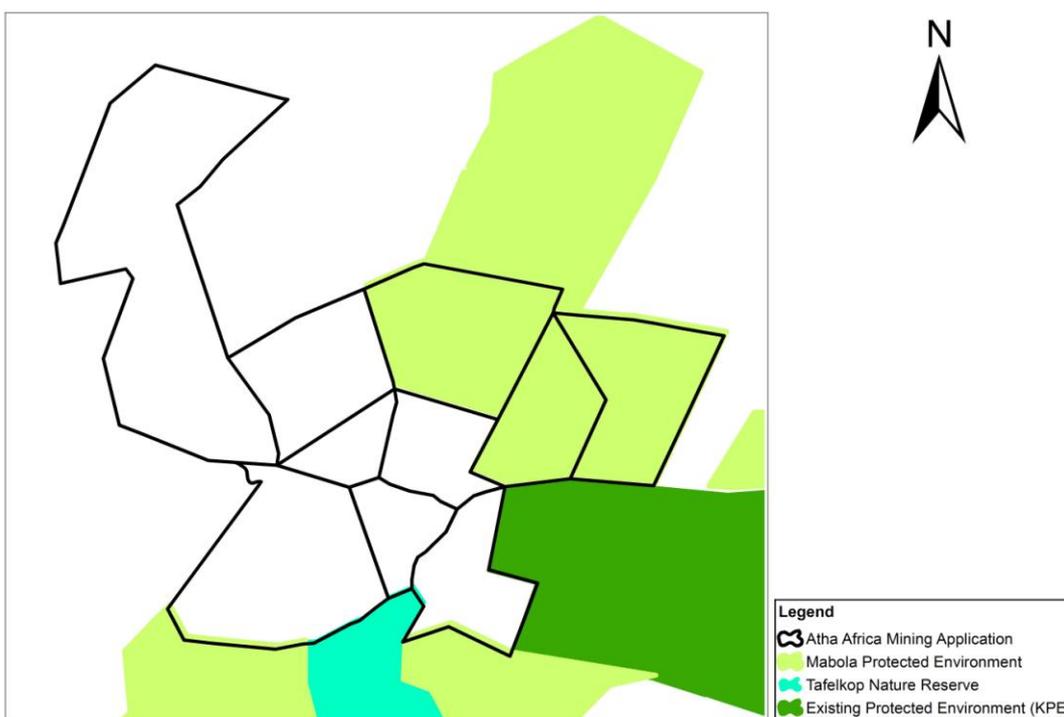
Map 2 depicting provincial aquatic biodiversity importance



Map 3 depicting NFEPA's

- Map 4 (below) depicts the position of your clients mining right application in relation to the existing and proclaimed Kwamandlangampisi Protected Environment (KPE) and also illustrates

the location of the proposed Mabola Protected Environment (MPE) and Tafelkop Nature Reserve (TNR). ***Any mining activity adjacent to the KPE is hereby opposed due to the obvious environmental impacts such activities would have on the adjacent existing and proposed protected areas.*** All documentation in this regard has been supplied to you as consultants and we request that you draw specific attention to such documentation to be included as part of this objection to the DMR.



Map 4 depicting location of Atha mining right application in relation to the Kwamandlangampisi Protected Environment (KPE) and proposed protected environments/nature reserves

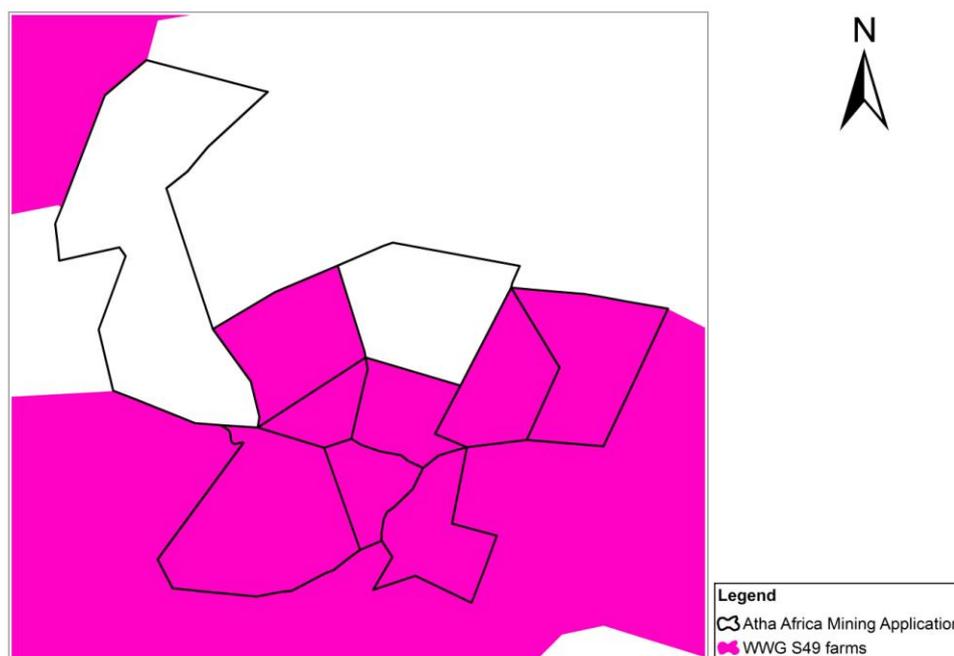
5. As mentioned in our discussions with you and your client, we indicated that the properties fall within the proposed Wakkerstroom Wet Grasslands section 49 exclusion zone which has been lodged with the DMR. See map 5 showing the exclusion zone in relation to Atha’s mining interests. A visit from the DMR regional officer earlier this year resulted in the regional manager conceding that the section 49 application was legitimate due to the obvious hydrological and environmental importance of the area. The DMR Mpumalanga regional office has thus lodged the WWG section 49 application with the Minister for processing and consideration.

The reasons for the WWG section 49 submission are numerous but in summary:

- a) The area is critically important from a water production perspective

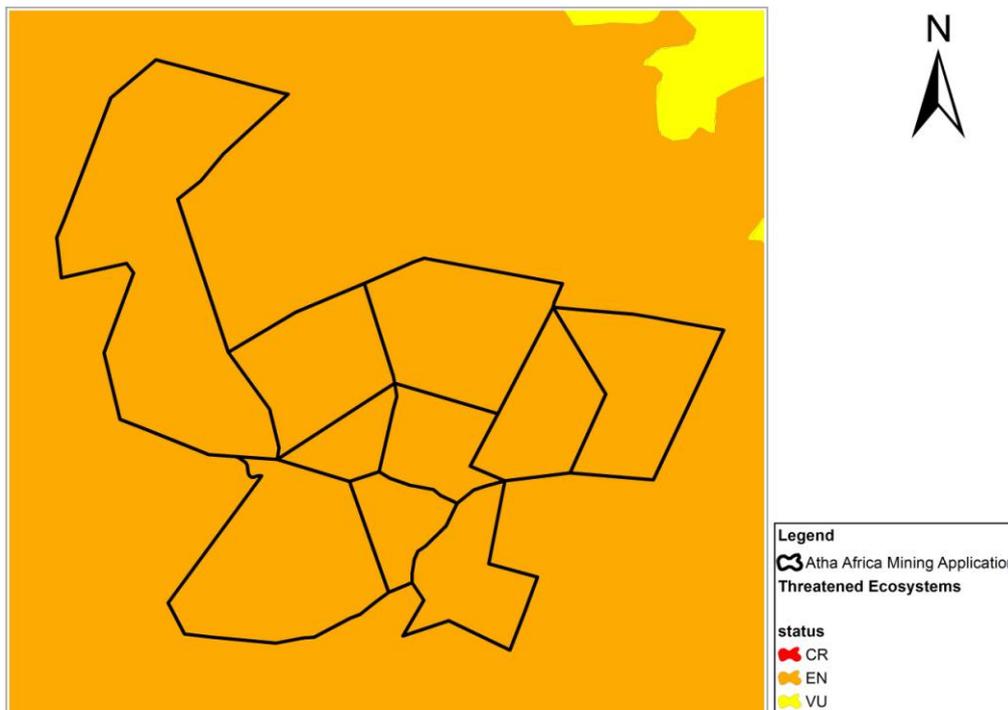
- b) The area is largely classed as irreplaceable by the MBCP and thus crucial for the achievement of provincial and national conservation targets due to the biodiversity features located there
- c) The area is located in endangered and vulnerable threatened ecosystems (in terms of NEM:BA)
- d) The area falls within provincial and national priority protected area expansion zones

We thus object to your clients application within this proposed section 49 area and remind the DMR of their acknowledgement that the area is highly sensitive from a hydrological and biodiversity perspective. All this information has been supplied to yourselves as consultants representing the interests of your client. We request that you draw the DMR's attention to the WWG S49 submission and that all documentation provided to you in this regard be included as part of this objection to the DMR.



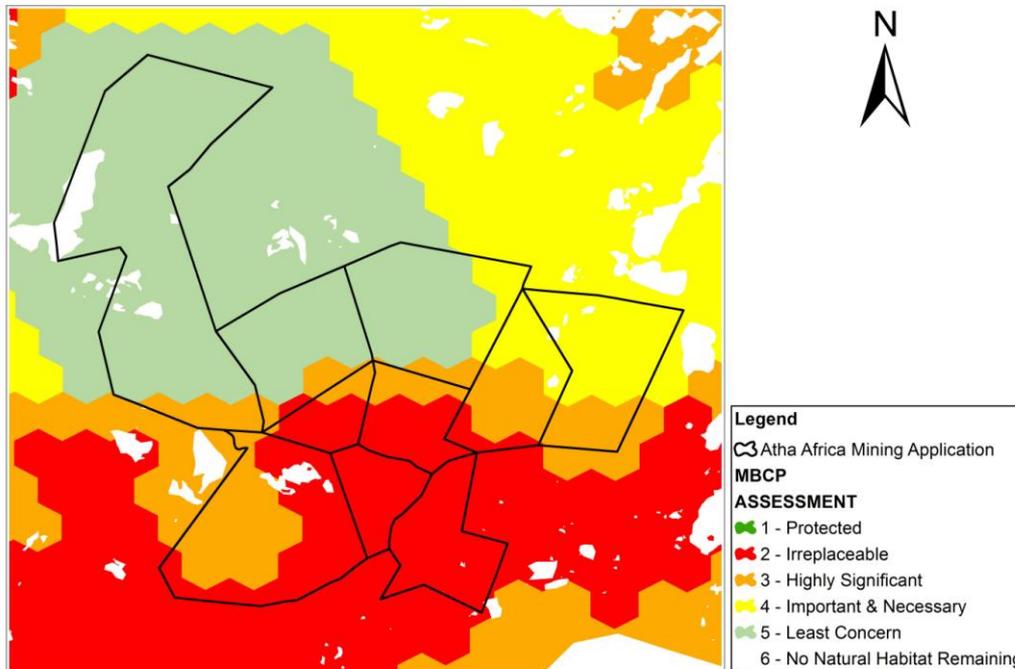
Map 5 showing portions of proposed Wakkerstroom Wetland Grass Section 49 exclusion zone in relation to Atha's mining right application

- 6. Atha's mining application additionally falls within areas that are classed as threatened ecosystems, more specifically "endangered". See map 6 depicting the location of Atha's interests in the context of these endangered systems. ***We thus object to Atha's application within this endangered system due to the obvious negative impact their mining activities would have on such sensitive areas.***



Map 6 illustrating location of Atha's application within endangered threatened ecosystems

7. Additionally, and as mentioned in paragraph 5, the area affected by Atha's application is classed as largely irreplaceable, highly significant and important and necessary by Mpumalanga Tourism and Parks Agency (MTPA) in their Mpumalanga Biodiversity Conservation Plan (MBCP). See map 7 illustrating this fact. Such classification was confirmed during field assessments conducted for the Mabola and Tafelkop Protected Environment and Nature Reserve submission development to the MEC. The relevant documents have been provided to you as consultants in the Mabola motivation document which we request be included as part of this objection. ***We thus object to Atha's mining application which will negatively affect these sensitive terrestrial biodiversity of these areas should they be granted a mining right and thus prevent the achievement of provincial conservation targets.***



Map 7 illustrating Atha's application in the context of MTPA's MBCP

8. Finally, we draw attention to the fact that Atha's North Western portion of their application falls within an important ecological corridor. Should Atha be granted a mining right in this area, their activities could impact on the functionality of this corridor and thus have an additional negative impact over and above those already outlined in paragraphs 2 – 7. ***We thus again object to their application on the basis that it falls within an ecological corridor.*** See map 8 illustrating the proximity of Atha's interests in relation to said ecological corridor.



Map 8 depicting Atha's mining interests in relation to Ecological Corridors

9. We therefore lodge our objection over any mining right application within this sensitive area for reasons explained in paragraphs 2 – 8. We remind the regional office of the DMR that it has already indicated support for the WWG section 49 exclusion submission which affects the area targeted by Atha's application. Additionally, the regional office has visited the area and indicated that it is indeed a valid application due to environmental sensitivities. The Honourable Minister Susan Shabangu stated in her recent budget speech that sensitive areas such as Wakkerstroom should be protected from mining due to obvious environmental sensitivities. This application falls within the Wakkerstroom area and besides defying the intentions of the minister, will directly impact upon the area and the broader environment should mining be allowed to proceed. By Atha's own admission, they are a new mining concern entering the coal market. We thus have additional reservations about their ability to address our concerns and effectively implement a mining operation that will not severely impact the sensitive area in which they are seeking such rights. ***We thus object in the strongest terms to Atha's mining right application and request the following:***

- a) ***Detailed responses to each and every concern as highlighted within the body of this letter by Atha indicating how they will mitigate / address and avoid the impacts their proposed operations will have.***
- b) ***A detailed cost accounting of the financial resources that will be used for such proposed mitigation***



Once we have reviewed their responses, we request the right to respond again with our concerns should we feel that they have not been adequately addressed. We again emphasize that we are in no way supportive of any mining in the affected area and thus reiterate our strongest objection.

We request this letter be included in its entirety along with all relevant documentation as our initial objection to this mining right application.

Yours sincerely

Angus Burns

:: Manager: WWF-SA Grasslands Programme ::

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