

SITE SURVEY

A site survey was conducted on 22 September 2006, including a reconnaissance of the open pits, waste dumps and the subcontractor workshop. The overall environmental performance is adequate and the following observations were made:

- ✎ Dust suppression measures on mining roads are being trailed and a sustainable, environmentally sound practice will be decided on and implemented across the entire operation shortly. This will facilitate a significant water saving.
- ✎ In-pit stability of some of the opencast workings need to be addressed through the implementation of an adequate ground water control management system in order to ensure a long term solution to open pit slumping.
- ✎ Erosion on the waste dumps are prevalent, however, it has to be noted that most of this material will be used to complete the backfill of the opencast pits. Backfilling is expected to be complete in the next three (3) years.

LEGAL COMPLIANCE

- ✎ A detailed Environmental Management Programme Report (EMPR) Performance Assessment was conducted in May 2006. As a result of those findings and various expansions, process upgrades and changes at MPM, the existing EMPR no longer adequately address the environmental aspects of the operation. To rectify this situation, MPM has prioritised the upgrade of their EMPR and will be submitting this to the Department of Minerals and Energy within the next two months. This will ensure legal compliance with the Mineral and Petroleum Resources Act (Act 20 of 2002) (MPRDA).
- ✎ MPM's Social and Labour Plan was submitted to DME in September 2006 ensuring steps to comply with Section 2 of the MPRDA.
- ✎ MPM has twice submitted Water Use Licence Applications (WULA) to the Department of Water Affairs and Forestry (DWAF) and is now in possession of a Concept Licence. A complete Integrated Water Use Licence Application (IWULA), reflecting the current mining operation, will be transmitted by end October 2006, ensuring legal compliance to the National Water Act (Act 36 of 1998).

MANAGEMENT SYSTEMS

- ✎ The Environmental Management System comprises a system of annual audits against a legal register, the EMPR and the WULA conditions. The development of the Health and Safety component of the Integrated Management System (IMS) has been completed and will be implemented over the next few months. The environmental component of the IMS will commence development and implementation within the next financial year, enabling the mine to conform to industry Best Practice Standards.
- ✎ Environmental incidents are recorded by contractors separately across the site. A centralised procedure for recording incidents needs to be formalised.

COMMUNITY FEEDBACK

- ✎ No formal complaints or concerns were raised by Interested and Affected Parties (I&AP's). Minutes of the last years' I&AP meetings were reviewed.
- ✎ Concerns, however, were expressed to MES by neighbouring farmers with regards to the longterm effects of water draw down on the local groundwater supply. The mine has instituted a program of negotiating alternative water supplies with the affected farmers, and it is MES' opinion that these efforts are sufficient to comply with the requirements imposed on the mine by the Water Use licenses as imposed by the Department of Water Affairs and Forestry.

REHABILITATION PROVISION

At present, the rehabilitation provision is not available for assessment by MES. This will need to be assessed according to current market valuation and to achieve compliance with Section 41(3) of the Minerals Petroleum Resources and Development Act.

Action - Year end June	Cost 2005 (ZAR)	Cost 2006 (ZAR)
Open cast rehab		
Tailings dam rehab	<i>to</i>	<i>to</i>
Return Water rehab	<i>be</i>	<i>be</i>
Removal of surface equipment	<i>completed</i>	<i>completed</i>
Plant & office area rehab		
Continuity costs / annum		
Total		

SUSTAINABILITY PROJECTION

As part of the revision of the EMP, MPM has a strong focus on developing sustainable solutions to rehabilitation and environmental management in general.

The mine is currently in negotiations with the relevant government departments to decide on final use of the open cast pits. Some proposals from the mine include sustainable aquaculture and / or recreational use of the pits. This will result in beneficial use of the rehabilitated area for the surrounding communities.

With the current review and upgrade of their existing environmental monitoring process, environmental impacts can be detected, managed and mitigated more timeously and effectively.

No further liabilities against MPM were identified as impacting in the life of mine that cannot be managed within the normal operational budget cycle.