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TIGHT DEADLINE' FOR DECISIONS ON WITS BASIN ACID MINE DRAINAGE PLAN

Key role-players in resolving the environmental threat posed by acid mine drainage (AMD) in the Witwatersrand (Wits) Basin said today that there is a 'tight deadline' for decisions by the State and Rand Water if their proposed 'five-point plan' for a "cost-effective, sustainable solution" is to succeed.

The urgency, they say, rests in the fact that, currently, no cost-effective, sustainable means of dealing with the 155 Ml of AMD that could arise daily in the West Wits Basin in as little as three years is being applied. In the absence of this, the risk of uncontrolled decanting of AMD, with consequent environmental damage, is increasing.

Western Basin Environmental Corporation (WBEC) Chairman Rex Zorab and Western Utilities Corporation (WUC) Managing Director Jaco Schoeman were addressing a media gathering in Johannesburg on the work of the two organisations.

WBEC is one of three Section 21 companies formed by interested and affected mining companies to address AMD in the Wits Basin. WUC, a wholly owned subsidiary of AIM-listed Watermark Global plc, was commissioned by the Section 21 companies to develop an holistic, integrated plan.

The five-point plan developed by WUC comprises:

- securing of sufficient AMD to feed large-scale water treatment plants on an ongoing basis;
- investigation and selection of suitable technology to treat AMD to produce both drinking and industrial water;
- complying with all legal requirements;
- securing long-term, large-scale users for the drinking and industrial water produced: and
- raising funding.

"Of course, sufficient AMD isn't an issue," says Schoeman. "We have access to 155Ml a day from the Wits Basin – enough to fill 52 Olympic-size swimming pools. AMD need not be a liability; rather, we recognise that – in a water-stressed country – it is a valuable resource."

Schoeman said that, after extensive investigation of various technologies – that included the construction and operation of pilot plants – WUC has opted for the so-called Alkali-Barium-Calcium (ABC) process developed by South Africa's own Council for Scientific and Industrial Research (CSIR). WUC's intention is to treat AMD to produce both drinking (potable) and industrial water.



“Understandably, some stakeholders are concerned about the quality of the WUC product, the drinking water in particular; we are satisfied that, on the basis of our own work and exhaustive audits by third-party experts, we can and will comply with the standards of the South African National Accreditation System (SANAS) and the South African Bureau of Standards (SABS).”

To ensure compliance with all legal requirements, WUC engaged with all regulatory bodies at the outset of its work, and continues to do so on a regular basis, Schoeman said.

“Critical milestones for us are submission of our environmental impact assessment (EIA) to the Gauteng Department of Agriculture and Rural Development (GDARD) by October 2009 and authorisation of this by the Department of Water Affairs (DWA) by December 2009.”

Another ‘make or break’, he said, would be an off-take agreement with Rand Water for drinking water.

Schoeman said that, while the estimated cost of implementing the WUC solution is more than R2 billion, mining companies associated with the Section 21 companies have already committed substantial existing infrastructure – pipelines, servitudes, pumps, etc – worth more than R500 million.

“Pre-feasibility and bankable feasibility studies costing some R60 million have been funded by the Development Bank of South Africa (DBSA) and with equity raised through Watermark; for construction, we intend securing up to R1.5 billion of funding in equity through Watermark and in debt through commercial banks, the DBSA and the Industrial Development Corporation (IDC); and then to fund operations and expansions through internal cash flows and further debt- and equity-raising.

“We are very aware that, without prompt regulatory approvals and an off-take agreement with Rand Water, we are unlikely to get the investment commitments we need,” Schoeman said.

The WUC plan envisages the start of plant construction in 2010, with generation of first product early in 2011. Direct and indirect job creation in the construction phase is estimated at 3 100 jobs, and in the operational phase more than 300 jobs.

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