



25 September 2016

Re: allegations about water use at the Somkhele mine in KwaZulu-Natal

Dear Samantha and the *Amandla* editorial team

We refer to your article published in *Amandla* magazine about the use of water by Tendele Coal Mining's Somkhele mine in northern KwaZulu-Natal.

Before I address some of the specific points raised in your article, let me start by acknowledging the difficult conditions experienced by the local community as a result of a serious drought. We have made considerable efforts to alleviate some of these hardships. The supply of water to communities is a government obligation, but Tendele has provided additional support where the local authorities have not had resources or capacity to cope.

It is regretful that you did not seek comment from us while researching your article, because some of your facts are wrong and your assertions mistaken. We trust that this is an oversight and we welcome the opportunity to set the record straight.

Further, you and your team, and the community members associated with WoMin, are cordially invited to meet with me and my team at Somkhele to find ways to collaborate on water and other issues. We see benefit in addressing the situation together.

Tendele has for nearly ten years operated in full compliance with all national legislation governing mining, including the use of water in mining operations.

We have also worked hard to have an inclusive and consultative relationship with the Mpukunyoni community and its leadership, and have many channels and structures for communication. All community issues and complaints are fully investigated and remedial action taken where required.

We work closely with local NGOs and environmental groups, with which we have a largely cordial and constructive relationship.

During the past year we concluded a landmark deal by which 20% of the ownership of Tendele and the Somkhele mine was transferred to the Mpukunyoni community, with proceeds of that ownership set aside for local development projects and the local youth.

So, in effect, the mine is partly owned by the community, and that community has benefited significantly from the presence of the mine.

We have created and sustained nearly a thousand jobs in an area with very few opportunities, and under our Social and Labour Plan we have invested more than R55m in development projects including water infrastructure, roads, schools, a crèche and adult education.

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Over 10 years the mine has directly or indirectly invested some R933 million into the community, including R580 million in salaries to local employees, and R208 million in procurement from local businesses.

You say that women are a powerful and leading force in the resistance to coal mining. That may be true. But we are also proud to include 191 local women in our mining workforce at Somkhele. These are people who welcome the jobs, economic opportunities and skills development that we provide.

We prefer not to think of our legal and compliant use of water as a 'water grab' and regret that you see it as such. Rather, our use of water is a licenced arrangement in terms of national legislation, including the National Water Act of 1998; and it benefits not just the mine but also the community.

We operate our mine only with the authority of the Department of Mineral Resources (DMR), and in compliance with the requirements of the Department of Environmental Affairs and the Department of Water and Sanitation (DWS).

You make reference to water pollution. We are satisfied that Somkhele mine has no record of having polluted water, and we have a rigorous monitoring system to ensure it stays that way. This independently verified and monitored by independent environment and water consultants, and reported annually to DWS.

You are correct to state that coal mines can't operate without a guaranteed water supply. This is the case for all mines and much of SA industry. However, closing South Africa's coal mines would have a catastrophic effect on employment and the wider economy. If Somkhele were to cease operations, it would cost the local area nearly a thousand jobs and millions in annual contributions to the local economy. In a resource-rich country like SA, we should look not at whether mining should continue, but the nature of this mining, plus compliance by mining companies with legislation and a commitment to community benefits. We believe we have always been a good citizen in this regard.

You are correct that the Somkhele mine has fenced its area of operations. This is for safety reasons and to prevent people or cattle from being exposed to heavy machinery, blasting or large open pits. A small portion of the Nkolokotho River is contained within this fenced area, and this was identified during the water licencing process. It is worth noting that this river is usually dry and not historically a reliable source of water for the community. Water from this river is not used in our mining operations.

No watercourses have been altered by the mine and continuous monitoring systems are in place to ensure no discharge of water from the mine into the environment. There were no community dams within the mine's perimeter when mining operations commenced, but Tendele has constructed two dams outside of mine property for community use.

We recognise that the Imfolozi River is a critical source of water for many people. Our use of water from that source has always taken account of this. Tendele's water licence entitles it to pump 750,000 cubic metres of surface water from the river each year, or 62,500 cubic metres a month. We have never come close to using our full allocation. Our maximum use was two years ago when we pumped about 28,000 cubic metres in a month. In some years, rain water fills up the mine dams and provides sufficient supply for mining operations.

For the last two years we have had limited access to surface water from the Imfolozi river due to the drought and a decreased water flow, particularly in the past 12 months. The mine has instead sunk boreholes to access a local aquifer, from which we are currently using water at quantities considerably less than our quota.

Diligent water engineering and storage ensures that our water is recirculated and recovered (used more than once); and the mine has never discharged any water into the environment. This too is carefully monitored.

You allege that Tendele operated without a water licence for 'at least its first three years of operation'. This is not the case. We would never have been able to operate without a water licence.

Tendele first submitted an Integrated Water Use Licence Application (IWULA) to the Department of Water Affairs and Forestry in KZN in May 2002, with another application in 2006. These licences were still pending when we commenced operations in 2007, and our initial period of operation was with the approved use of water under a licence held by another lawful user.

We wholly agree with you about the severity of the drought and its impact on communities. But the mine has helped in many ways to reduce this impact. The water tankers which bring water to the community are not provided by the municipality and private water companies, as you suggest, but by Tendele. We have been doing this since 2014 as a voluntary service to the community that we operate in.

We currently bring in 12 tanker loads with 16,000 litres of water each, every week, and have established water filling points for the community (as illustrated in your article's accompanying photo). We buy the water from our own budget as a service to the community.

Your article quotes a community member saying some local water taps are not functional. Tendele has during the past two years provided the community with seven boreholes equipped with hand pumps, and has repaired other boreholes within the community, on behalf of the municipality. The drought has caused some of them to dry up, which is one of the reasons we are bringing water to the area in tankers. The mine has also cleared three old community dams to ensure sufficient catchment and storage of water when it rains.

It is incorrect to state that families were 'forcibly relocated' when we scaled up our operations. Yes, some people have moved to make way for the mine, but this has been done through consultation and negotiation, leading to consent (signed individual agreements) and compensation. We commenced the relocation (after two years of consultation) in the KwaQubuka area in December 2015. This followed discussions with the community and local leaders since 2009.

A total of 72 households have moved from the KwaQubuka area, with compensation totalling around R43 million or between R500,000 and R800,000 per household. This is calculated based on the size of dwellings and crops under cultivation. Families can take either a cash payment or have a new home built from bricks and mortar, with modern facilities including plumbing and electricity.

We do not compensate people for the land because it is owned by the King and managed by the Ingonyama Trust Board (ITB), to which we pay a surface lease.

You say community members are blaming the 'erosion of local farming' on coal dust from the mine. This is not accurate. We are obliged to operate in terms of the National Environmental Management Act (NEMA) and have extensive dust monitoring systems within and surrounding the mine. We do not exceed the legal limits for dust, and this is regularly audited by the DMR. Some of our water is used to suppress dust on the mine haul roads to ensure that fall out dust is within acceptable limits.

Your article refers to 'rising intimidation, threats and attacks on community members who oppose the mine'. We request that any such incidents be reported both to the police and to the mine through established

structures. There is no room for intimidation or violence in our dealings with the community, and our sustained attempts to ensure local people benefit from mining.

You report that 'mine security is permitting women to fetch water from the slimes dam for general cleaning and washing' and that 'this results in significant exposure to highly toxic chemicals'.

Under no circumstances would any member of the community be granted access to these dams as the water is not fit for drinking. Any reports or claims to the contrary should immediately be reported to mine management, and we will immediately investigate and take the necessary action.

I trust that this will help to set the record straight and request that you seek our input for future articles which refer to Tendele or its operations. I also hope that you will consider taking up our offer to meet with you and your colleagues, and the community members organised within WoMin.

Yours faithfully

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