

FOR IMMEDIATE RELEASE

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KROPZ WELCOMES SALDANHA BAY MUNICIPALITY RESPONSE TO ALLEGATIONS OF COMPLICITY

Stands by its previous statements and welcomes constructive discussions on legitimate concerns

08 September 2017. Kropz Limited has noted with concern the allegations by the West Coast Environmental Protection Association (WCEPA). The allegation that Saldanha Bay Municipality (SBM) will “circumvent” the WUL by receiving water from Elandsfontein, is groundless. SBM has made it clear that the decision to take water from the Elandsfontein aquifer will be based on scientific research and the approval of the Department of Water and Sanitation (DWS).

Kropz stands by its previous statements and wishes to repeat the following key points of fact:

- Elandsfontein is the recipient of water by SBM, obviating the use of water from the aquifer for the mining process. Elandsfontein’s demand for potable water for processing amounted to 1.6 million litres (less than 2% of SBM’s total water demand).
- Elandsfontein and SBM are jointly investigating the possibility of supplying water to SBM from the Elandsfontein Aquifer to assist SBM in having sufficient water during the current drought, and possibly in the long term.
- SBM has appointed a reputable hydrogeologist to determine the sustainability of water from the aquifer during the drought and long term.
- Depending on the outcome of the investigation, SBM will obtain the necessary permissions from DWS, before the water that is currently abstracted from the aquifer is supplied to SBM.

Kropz refutes the following allegations by WCEPA that:

- *The supply of water from the aquifer by Elandsfontein to SBM would be to enable SBM to meet the terms of its water supply agreement with Elandsfontein, thus circumventing the Elandsfontein water use license.*

Kropz Elandsfontein (Pty) Ltd

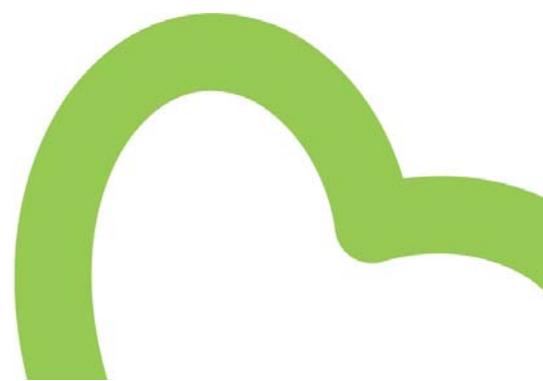
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The supply of water from Elandsfontein would assist SBM to meet the current water demands of all domestic and industrial users.

- *The de-watering and water re-injection is dysfunctional.*

In fact, the operation is exceeding expectations.

Despite unscientific concerns that the aquifer would not accept the water re-injected into it, it has done so. The process has been extremely successful. The water level for each recharge borehole is constantly monitored and all data is recorded for data purposes.

- *Elandsfontein has been established without the necessary permits and contingencies.*

All permits and contingencies are in place.

- *Elandsfontein's water use license is under appeal, is currently suspended and thus the mine is abstracting water illegally.*

Elandsfontein has not been advised by the relevant regulator, DWS, of either an appeal or a suspension. Consequently, its license is valid and its abstraction of water is legal.

- *Elandsfontein's activities will have a negative impact on the aquifer and the Langebaan lagoon.*

A number of expert and specialist studies have been done on the possible impact of Elandsfontein's activities on the aquifer and the lagoon. The studies show that no other water users will be affected by the mine's operations. Elandsfontein shared the results and outcomes of these studies and the findings from its numerical ground water model with interested and affected parties and presented the results at a number of public meetings within the local communities.

Kropz has repeatedly invited the Chairperson of the WCEPA to engage with the company and to raise her concerns. These requests have been declined. To date, WCEPA has not raised any scientifically supported concerns that rebut the findings of any of the specialists employed. Kropz maintains its open door policy and welcomes constructive discussions on any legitimate concerns raised by any party.

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