



DEPARTMENT OF AGRICULTURE, CONSERVATION AND ENVIRONMENT

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FAX COVER SHEET

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Date:		Pages:	13 Including this cover sheet
Re:	GRANTING OF CONDITIONAL AUTHORISATION FOR PROJECT REFERENCE GAUT 002/04-05/1781		

Dear Madam

Please find attached the communication regarding the above mentioned project.

Yours sincerely

Heiko Stoelting

Cc: Environmental Resources Management
Southern Africa (Pty) Ltd

Department of Water Affairs & Forestry -
Gauteng Region

Department of Environmental Affairs and
Tourism – Chief Air Pollution Control Officer

Emfuleni Local Municipality

Attn: Mrs Sumaya Osman
Tel: (021) 701 8687
Fax: (021) 701 7900

Attn: Mr. Ephraim Matseba
Tel: (012) 392 1371
Fax: (012) 392 1453

Attn: Mr. Peter Luckey
Tel: (012) 310 3710
Fax: (012) 322 1320

Attn: Mr. Willie Louw
Tel: (016) 988 1064/5
Fax: (016) 988 1531

0113330667

DEPARTMENT OF AGRICULTURE, CONSERVATION & ENVIRONMENT

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Reference: GAUT 002/04-05/1781

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Mrs Babra Mudzanapabwe
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Mittal Steel South Africa Limited – Vanderbijlpark Steel
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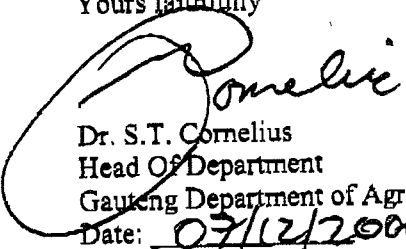
By: Facsimile & Registered Mail

Dear Madam

GRANTING OF CONDITIONAL AUTHORISATION FOR PROJECT REFERENCE GAUT 002/04-05/1781.

Please find attached the Record of Decision in respect of your application for authorisation in terms of Regulations R.1182 and R.1183 (as amended).

Yours faithfully


Dr. S.T. Cornelius
Head Of Department
Gauteng Department of Agriculture, Conservation and Environment
Date: 07/12/2006

Cc: Environmental Resources Management
Southern Africa (Pty) Ltd

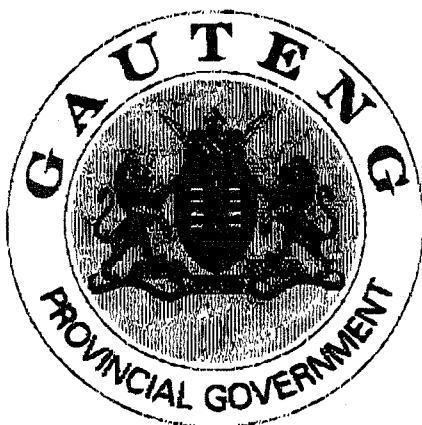
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RECORD OF DECISION FOR PROJECT REFERENCE GAUT 002/04-05/1781

By virtue of the powers delegated by the Minister, the Gauteng Department of Agriculture, Conservation and Environment ("the Department") hereby:

- Authorises Mittal Steel South Africa Limited in terms of Section 22 of the Environment Conservation Act (Act 73 of 1989) ("the Act") to undertake the activity specified below subject to the indicated conditions.

1. DESCRIPTION, EXTENT AND LOCATION OF THE ACTIVITY:

The activity, detailed in section 3.1 below, entails the construction and operation of two additional kilns number #5 and #6 for the production of direct reduced iron (DRI) at Mittal Steel Vanderbijlpark Steel.

The proposed operation at the facility includes the following scheduled process, as defined in the second schedule of the Atmospheric Pollution Prevention Act, 1965 (Act No. 45 of 1965):

Process No. 30: Iron and steel processes: That is to say, processes (a) in which iron, iron ores, steel or ferro-alloys are produced or processed so as to give rise to noxious or offensive gases.

The project falls within the ambit of sub-regulation 9 of GN R.1182 (as amended) promulgated under section 21 of the Act.

The operation of the DRI kilns #5 and #6 is proposed to take place next to the existing DRI kilns #1 to #4 in the western part of the existing Mittal Steel Vanderbijlpark Steel site. The property is located at Delfos Boulevard, Vanderbijlpark, on the remaining extent of Portion 1 of the farm Vanderbijlpark 550 IQ. The site falls within the jurisdiction of the Emfuleni Local Municipality.

2. KEY FACTORS INFORMING THE DECISION:

2.1 In reaching its decision in respect of the application, the Department has taken, *inter alia*, the following into consideration:

a) The information contained in the:

- Minutes of a pre-application meeting, dated 29 November 2004,
- Application for authorisation and supporting Background Information Document, dated 26 November 2004,
- Plan of Study for Scoping, dated 17 March 2005,
- Minutes of a meeting held on 01 April 2005, dated 05 April 2005,

- Final Scoping Report, dated 04 August 2005,
 - Plan of Study for Environmental Impact Assessment, dated 21 November 2005,
 - Environmental Impact Report, appended Specialist Reports and supporting documentation, dated 11 May 2006, and
 - Additional Information, i.e. Summary Report on Air Quality Assessment provided by ERM, comments on LRC objections provided by Mittal Steel Vanderbijlpark Steel on 21 September 2006, draft Emission Reduction Strategy document provided by Mittal Steel Vanderbijlpark Steel dated September 2006 on 31 October 2006 and the information on a proposed coal efficiency technology to be utilised in the DRI production provided by Mittal Steel Vanderbijlpark Steel on 27 November 2006.
- b) Compliance with applicable departmental, provincial and national policies and guidelines, including:
- The Department of Water Affairs and Forestry's Minimum Requirements for the Handling, Classification and Disposal of Hazardous Waste,
 - The Department of Environmental Affairs and Tourism's Guideline for the Implementation of Sections 21, 22, and 26 of the Act (April 1998),
 - The Department of Environmental Affairs and Tourism's White Paper on Integrated Pollution and Waste Management for South Africa (May 2000),
 - The Department of Environmental Affairs and Tourism's Emission Guidelines for Scheduled Processes,
 - The National Water Act No. 36 of 1998.

2.2 In reviewing this information, the Department made the following findings:

- a) The current zoning of the site is Industrial 2 and the surrounding land uses are mainly industrial.
- b) Mittal Steel Vanderbijlpark Steel, denoted MSVS hereafter intends to improve its global low cost competitive position and ensure continued growth in total output. Direct Reduced Iron (DRI) making via the rotary kiln process is an integral part of this strategy due to its cost advantage over metal scrap and the lower capital outlay compared to other alternatives.
- c) MSVS currently operates four rotary kilns for the production of DRI. The proposed construction of two new direct reduction kilns #5 and #6 will be located alongside the existing DRI facility, within the existing MSVS industrial site. The site therefore does not contain any sensitive faunal or floral species.
- d) The objective of the proposed two additional kilns is to:
 - i. Create additional production capacity of 350 000 t/a DRI, which is an input material in the electric steel making;
 - ii. Feed the DRI mainly in the existing Electric Arc Furnaces, which are currently not utilising the full capacity, to enable MSVS to increase total steel production;
 - iii. Participate in the increase of demand for steel in light of major infrastructure projects that are currently driving the South African market.
- e) A detailed technology review assessment was undertaken for the proposed Direct Reduced Iron plant. The following main findings were made:
 - i. The natural gas based "Midrex" technology would require 3.6 times more CAPEX compared to the coal based SL/RN technology; a new natural gas pipeline would have to be built from Secunda to Vanderbijlpark; the plant would have to be built on a green field site next to the Electric Arc Furnaces due to the properties of the product, which tends to ignite spontaneously; new materials handling facilities would be required; the likelihood of Dioxin / Furan formation is higher; the NO_x emissions would be higher; the SO₂ emissions would be lower; the energy efficiency is higher, albeit energy costs are higher.
 - ii. The proposed coal based SL/RN technology was found to be the most efficient technology in terms of integration into the existing infrastructure of the Vanderbijlpark site: The technology is already in use at the current DRI plant; the proposed plant can be built on a brown field site next to the existing DRI kilns #1-#4; current service points and materials handling infrastructure can be utilised; all input materials are readily available; although SO₂ emissions are much higher

- compared to the Midrex technology part, of the sulphur is absorbed by the dolomite and not released to the atmosphere; Dioxins and Furans concentrations in the off-gas are at very low concentrations and not of concern for the proposed coal based technology; any improvement in the DRI plant would benefit all kilns.
- iii. The off-gas cooling system should comprise of a high pressure boiler in order to utilise the energy of the coal combustion. The produced electricity will reduce the energy demand of the works and will save emissions associated with the electricity production in coal fired power station; the savings are in the same order of magnitude as the emissions from the proposed development.
 - iv. The off-gas cleaning should comprise of an Electrostatic Precipitator to reduce particulates emissions to concentrations below 30 mg/Nm³. No SO₂ emission reduction was recommended due to the corrosive properties of the sludge to be produced in a wet scrubber when used for particulate mitigation. No alternative technology was reviewed for SO₂ emission reduction.
- f) A detailed Air Quality Assessment and a related Health Risk Assessment were undertaken for the proposed DRI kilns #5 and #6 and the following was reflected:
- i. Emissions will comprise mainly of PM10, SO₂, NO_x, CO and CO₂; Unmitigated SO₂ emissions will be approximately 1 500 t/a for the two additional kilns. Mitigated PM10 emissions for the two additional kilns plus related materials handling will be in the order of 85 t/a.
 - ii. Although the SL/RN and Midrex technologies differ with respect to SO₂ and NO_x emissions, the difference between the two technologies in their contribution to the ambient air at the receiving environment is minor; thus, no preferred technology could be identified with respect to ambient air concentrations.
 - iii. The increase in the ambient air concentrations would be most prominent at non-occupied land east and west of the MSVS fence line, which is owned by MSVS.
 - iv. Emissions from MSVS operations currently contribute to highest hourly SO₂ concentrations which exceed the current European Community standard at the receptors in Vanderbijlpark and Sebokeng residential areas.
 - v. When emissions from other sources like household coal burning and vehicle emissions are taken into consideration the cumulative effect results in exceedances of PM10 and SO₂ concentrations over all averaging periods at various receptor areas.
 - vi. Due to the negligible effect of the additional emissions from the *proposed development* on the ambient air quality in the residential areas, no incremental health effects are predicted.
 - vii. The DRI plant is currently emitting 3 002 t/a SO₂ and is the second largest emitter of SO₂ at the MSVS Vanderbijlpark works.
- g) The high levels of pollutants in the ambient air may impact negatively on the health of the residents in the Vanderbijlpark and Sebokeng areas due to the cumulative effect of emissions from MSVS and other sources.
- h) MSVS is currently undertaking several emission reduction projects, e.g. the Coke Oven Gas and Water Clean Gas Plant and the Sinter Off-Gas Treatment Plant. These projects once commenced will reduce the overall emissions from the site, specifically SO₂ and PM10.
- i) MSVS is committed to further reduce the emissions of the different operations at the Vanderbijlpark works as laid out in the draft Emission Reduction Strategy. It is envisaged to reduce PM10 emissions by approximately 72% and SO₂ emissions by approximately 56% by the end of 2007, compared to the baseline of 9 780 t/a PM10 and 13 630 t/a SO₂, respectively, in 2004.
- j) MSVS will be required to provide proof that these reductions were achieved before production in the new DRI kilns #5 and #6 can commence in order to ensure that additional emissions from the proposed expansion will not increase MSVS overall emissions.
- k) Effluent in the form of boiler blow down will be of relatively low volumes and will be discharged to the existing Main Treatment Plant where it will be treated accordingly. All effluent from the DRI kilns #5 and #6 will not affect the optimal functioning of the Zero Effluent Discharge system.
- l) The operation of DRI kilns #5 and #6 will increase the production of solid waste, which is currently dumped on the on-site landfill site. However, several projects are currently implemented or in the Environmental Impact Assessment phase where the solid wastes will be utilised or recycling in the future.

- m) A 100 m high combined stack for both additional kilns is required for the emissions to be released to the atmosphere. The visual impact assessment identified that this stack would not impact significantly on the receiving environment.
- n) MSVS has applied at the Department for Water Affairs and Forestry for an integrated Water Use License. The proposed development will fall under this licence.
- o) MSVS is an established industry and site emergency plans have been developed for the entire site including the DRI kilns plant.
- p) On going monitoring and reporting after operations have commenced will be required in order to provide empirical data which will verify the accuracy of the assumptions made in the report and to ensure emissions of PM₁₀, SO₂, NO_x, CO and Dioxins / Furans are within an acceptable range.
- q) The plant will provide up to 38 permanent jobs, 74 temporary jobs equal to 47 fulltime jobs pre annum and up to 330 person years of employment during construction.
- r) The public participation process was conducted in accordance with the Guidelines in terms of the EIA Regulations for the implementation of Sections 21, 22 and 26 of the Environment Conservation (DEAT, 1998). Extensive comments on the proposed project were received and satisfactorily addressed in the Stakeholder Engagement Report, the specialist studies and in the additional information received by the Department.
- s) The no-go alternative and several technical alternatives were investigated during the process and were found not to be feasible.

Based on the above, the Department's conclusion is that potential detrimental impacts resulting from this activity can be mitigated to acceptable levels, and thus that the principles contained in Section 2 of the National Environmental Management Act (Act 107 of 1998) can be upheld.

The Department has accordingly decided, in terms of Section 22 of the Act, to authorise the activity as described in 3.1 below, subject to the conditions and provisions listed in 3-5 below.

3. CONDITIONS

3.1 Description and extent of the activity

The authorisation applies in respect of the construction and operation of the two additional rotary kilns for the production of direct reduced iron (DRI) next to the existing DRI plant at Mittal Steel Vanderbijlpark Steel, as part of the project to increase total steel production of the Vanderbijlpark works. The project falls within the ambit of sub-regulation 9 of GN R.1182 (as amended) promulgated under section 21 of the Act. The extent of the project and process is summarised as follows:

- a) Mittal Steel Vanderbijlpark Steel's (MSVS) proposed DRI kilns #5 and #6 are based on the same technology as that of the existing DRI kilns #1 to #4.
- b) The erection of new DRI kilns #5 and #6 next to the existing DRI plant will provide the benefit of:
 - 1) utilising a brown field site, 2) utilising existing service points and material handling infrastructure, 3) maintenance will be integrated with the current operation, 4) improvements on the proposed plant will benefit the existing plant, and 5) providing additional work opportunities within the Vanderbijlpark works.
- c) The DRI process (entire process, from input streams to final product) will comprise of the following steps:
 - 1) Raw materials handling: Iron ore, coal and dolomite offloading from rail trucks, crushing and screening to appropriate size and storage at separate pits and bunkers;
 - 2) DRI production in rotary kilns: Feeding of iron ore and 65% of coal / dolomite mixture from the top of the kiln, injection of 35% of coal from the kiln outlet; Air injection over the length of the kiln to provide the oxygen for the coal combustion by which the kiln temperature is controlled; Under start-up conditions or wet coal use, coke oven gas will be used to provide the required initial energy to heat up the iron ore;

- 3) Product discharge: Enclosed chute and cooling in an inclined rotary cooler that is water cooled from the outside;
- 4) Off-gas treatment comprising of: a) dust settling chamber, b) after burner chamber (ABC) where all combustible gases are burned, c) gas cooling with energy recovery via a high pressure boiler and turbo generator, and d) particle removal with an electrostatic precipitator (ESP). No gaseous pollutants like SO₂, CO or NO_x will be reduced via the proposed off-gas treatment system;
- 5) Product separation: screening into various sizes of 1mm, 2mm, 25mm and >25mm, magnetic separation of metallic iron materials and non-magnetic Dolochar, and subsequent storage in bunkers;
- 6) Product use: Fraction >25mm feeds the Basic Oxygen Furnaces, magnetic materials feeds the Electric Arc Furnaces, and non-magnetic Dolochar as a waste to be dumped at the landfill site;
- 7) Waste handling: Dust and Dolochar are currently dumped on the MSVS on-site landfill site. In future Dolochar will feed the Carbon Separation plant and Brick Making plant, which were authorised by this Department (project references Gaut002/05-06/0510 and Gaut002/04-05/0569, respectively).

3.2 Specific conditions

- a) This Department will hold Mittal Steel Vanderbijlpark Steel liable for any damages that may be caused to the environment as a result of any activity related to the proposed project.
- b) Authorisation is only granted for 2 (two) additional kilns based on the SL/RN coal based technology with a maximum combined DRI production capacity of 350 000 t/a.
- c) A project schedule with time-frames must be submitted to the Department 30 (thirty) calendar days prior to the commencement of construction activities. The schedule must clearly indicate the different phases of construction (as applicable), commissioning and start-up of production.
- d) The Department must be informed at least 30 (thirty) calendar days prior to the commissioning of the proposed DRI kilns #5 and #6.
- e) Final design plans for the site layout must be provided 30 (thirty) calendar days prior to the commencement of construction.
 - i. The design is subject to provisions for optional retrofitting further pollution abatement technology should that be required to further reduce emissions from the proposed development.
 - ii. The above design plans must include information on specific pollution prevention measures (e.g. after-burner-chamber, high pressure boiler, electrostatic precipitators etc.) and compliance with relevant SANS standard, as applicable.
- f) An auditable Preventative Maintenance Plan must be developed to ensure that all environmentally critical equipment such as fume extraction, off-gas treatment equipment, energy recycling systems, seals of feed inlet and output outlets, stack monitoring equipment etc. are maintained as required. A discussion on the implementation of and compliance with the maintenance plan must be included in the annual audit reports.
- g) A detailed Environmental Management Plan (EMP) for the implementation of the project must be submitted to the Department for approval 30 (thirty) calendar days prior to the commencement of construction activities. The EMP must specifically include, *inter alia*:
 - i. An auditable plan for monitoring all facets of the DRI kiln #5 and #6 project implementation and operation, including compliance monitoring with the conditions of this authorisation and recommendations of the Environmental Impact Report;
 - ii. Procedures for the monitoring of noise to ensure compliance with Gauteng Noise Control Regulations and relevant requirements of the Occupational Health and Safety Act.
- h) MSVS will ensure compliance with conditions of the permit for operation of Schedule Process No 30 ("APPA permit") to be issued by the Department of Environmental Affairs and Tourism (DEAT). A copy of such authorisation must be submitted to this Department 30 (thirty) days prior to the commencement of the facility.
- i) Effluent from the DRI plant must be directed to the Main Treatment Plant and pre-treated if required for the Zero Effluent Discharge system to function optimally.

- j) MSVS must investigate how to minimise water demand of the DRI plant in order to reduce freshwater intake from the Vaal Dam and Vaal River. A discussion on the implementation of water recycling and reduction technologies must be included in the annual audit report.
- k) The cumulative SO₂ emissions must not exceed:
- 300 t/a for the combined emissions of the proposed additional kilns #5 and #6; or alternatively
 - 3 300 t/a for the combined emissions of kilns #1 to #6.
 - The emission limit must not be exceeded on a quarterly *pro rata* basis, i.e. non-exceedance of 75 t per quarter for option 3.2.(k)(i) or 825 t per quarter for 3.2.(k)(ii), respectively.
 - The Department must be notified 30 (thirty) days prior to construction of the kilns #5 and #6 can commence, about which of the options in 3.2.(k)(i) and 3.2.(k)(ii) has been chosen by MSVS and how MSVS will ensure the compliance therewith. This must include details on the technology used to achieve the SO₂ emission reduction as well as monitoring and reporting procedures.
 - The annual audit must include an independent verification of the compliance with this condition.
- l) An online stack monitoring system must be installed for the continuous measurement of PM₁₀, SO₂ and CO on all stacks according to condition 3.2.(k) (i) or (ii), i.e. kilns #5 and #6 or #1 to #6, respectively.
- The data must be recorded as a mass concentration at the following reference conditions: 11% O₂; 273 Kelvin, 101.3 KPa.
 - Mass concentrations and daily mass flows must be graphically presented in the annual audit report.
 - Details on the monitoring equipment, i.e. detection limit, drift, span and accuracy must be submitted to this Department 30 (thirty) day prior to commissioning of the proposed development.
 - The monitoring equipment must be maintained and calibrated according to the manufactures specification. A maintenance register must be kept updated. These records must be made available to the Department within 14 (fourteen) calendar days upon written request by the Department.
 - A quality assurance and quality control plan for the operation of the monitoring equipment must be implemented and submitted to this Department with the first annual audit report.
 - This is notwithstanding any additional conditions the Department of Environmental Affairs and Tourism might set in the permit for the operation of the scheduled process no 30. Reports on the results of this monitoring must also be submitted to this Department with the annual audit report.
- m) A bi-annual isokinetic stack monitoring campaign must be conducted for measuring NO_x and Dioxins / Furans emissions on all stacks according to condition 3.2.(k) (i) or (ii), i.e. kilns #5 and #6 or #1 to #6, respectively. The results must be submitted with the annual audit report.
- n) An Emission Reduction Strategy (ERS) for all operations on the Vanderbijlpark works must be developed in order to significantly decrease the contribution of MSVS to ambient air concentrations in the receiving environment.
- An updated emission inventory of all point, mobile and fugitive sources of emissions must be developed and updated bi-annually.
 - The ERS must include timeframes and committed reduction targets for all priority pollutants, i.e. PM₁₀, SO₂, NO_x, CO according to an implementation plan with milestones and deliverables over the short (6 months), medium (2 years) and long term (5 years).
 - The ERS must specify how the reduction in emissions will be measured and recorded.
 - The ERS must be submitted to the Department for approval within 6 (six) months after signature of this authorisation.
 - A minimum of 75% of the proposed emission reductions, i.e. 56% reduction of PM₁₀ emissions and 42% of SO₂ emissions of the MSVS operations compared to the baseline of 9 780 t/a PM₁₀ and 13 630 t/a SO₂ in the year 2004 must be achieved before start-up of production of the proposed DRI kilns #5 and #6 can commence.

- vi. The annual audit must include the review of the ERS implementation (targets, achieved emission reduction per pollutant, next implementation steps and remediation measures should a target not have been met within the proposed timeframe). The audit results must be submitted to the Department 30 (thirty) days prior to start-up of production of the DRI kilns #5 and #6 and with the annual audit reports thereafter.
- o) The operation of the DRI kilns #5 and #6 and the DRI plant as a whole must comply with the Occupational Health and Safety Act (No. 85 of 1993) and sound occupational hygiene procedures. Engineering control measures must be implemented as first choice of mitigation.
- p) The recommendations contained in the specialist studies submitted in support of the application for authorisation of the DRI kilns #5 and #6 project are regarded as an extension of the conditions of this authorisation. Implementation of or compliance with these recommendations must be discussed as part of annual environmental performance audits.
- q) The Department of Water Affairs and Forestry's and Department of Environmental Affairs and Tourism requirements and/or conditions pertinent to the proposed project must be complied with.
- r) All potential emergencies that can be expected from the DRI kilns #5 and 6 project must be anticipated and the reaction thereto must be incorporated in the existing Mittal Steel emergency response procedures.
- s) Detailed and up to date records must be kept of all incidents and complaints pertaining to the DRI kilns #5 and #6 project, how these were managed, and the recurrence thereof prevented. These records must be made available to the Department within 14 (fourteen) calendar days upon written request by the Department.
- t) This Department, the Department of Environmental Affairs and Tourism and the Department of Water Affairs and Forestry must be informed of any environmental and pollution incidents relating to the DRI kilns #5 and #6 project within 24 (twenty four) hours of such incidents occurring.
- u) An environmental control officer (ECO) to be appointed must ensure that regular audits are performed before, during and after construction and commissioning of the facility as stipulated in the EMP to ensure implementation of mitigation and management measures. Furthermore, an ECO must monitor the applicant's compliance with all the conditions of this authorisation.

3.3 General conditions

- a) Any changes to, or deviations from, the project description set out in this letter must be approved, in writing, by the Department before such changes or deviations may be effected. In assessing whether to grant such approval or not, the Department may request such information as it deems necessary to evaluate the significance and impacts of such changes or deviations.
- b) This Department may review the conditions contained in this letter from time to time and may, by notice in writing to the applicant, amend, add or remove a condition.
- c) The applicant must notify the Department, in writing, at least 10 (ten) days prior to the change of ownership, project developer or the alienation of any similar rights for the activity described in this letter. The applicant must furnish a copy of this document to the new owner, developer or person to whom the rights accrue and inform the new owner, developer or person to whom the rights accrue that the conditions contained herein are binding on them.
- d) Where any of the applicant's contact details change, including the name of the responsible person, the physical or postal address and/ or telephonic details, the applicant must notify the Department as soon as the new details become known to the applicant.
- e) Authorisation for the activity is granted in terms of the Environment Conservation Act, 1989 (Act 73 of 1989) only and does not exempt the holder from compliance with other relevant legislation.
- f) The applicant shall be responsible for ensuring compliance with the conditions contained in this letter by any person acting on his behalf, including but not limited to, an agent, servant, or employee or any person rendering a service to the applicant in respect the activity, including but not limited to, contractors and consultants.
- g) Departmental officials shall be given access to the property referred to in 1 above for the purpose of assessing and/ or monitoring compliance with the conditions contained in this document at all reasonable times.

- h) The applicant must notify the Department within 24 (twenty four) hours if any condition of this authorisation cannot, or is not, adhered to. The notification must be supplemented with reasons for non-compliance.

3.4 Reporting requirements

- a) A summarised bi-annually progress report on the implementation of DRI kilns #5 and #6 project must be submitted to the Department, the first report being due 3 (three) months after construction commences, and every 6 (six) months thereafter, until commissioning of the DRI kilns #5 and #6 including associated infrastructure has been finalised. These progress reports must address, *inter alia*, the following:
- A summary of the implementation of the Emission Reduction Strategy up to then (see 3.2.(n)),
 - Records of any major incidents (see 3.2(t)),
 - Commissioning and decommissioning of infrastructure (if any), including associated infrastructure for materials handling,
 - Monitoring of activities in terms of the environmental management plan,
 - Any steps taken to rectify areas of non-compliance with environmental requirements.
- b) An annual Environmental Performance Audit conducted by an independent, accredited auditor must be submitted to the Department for review, the first audit being due 12 (twelve) months after start-up of production of the DRI kilns #5 and #6 project. The annual audit must include, *inter alia*, the following (results in graph format as applicable):
- i. All information as required in 3.2, 3.3. and 3.4(a),
 - ii. Log of the wastes that were generated and where they were disposed of or recycled on-site,
 - iii. A summary of all findings above,
 - iv. Recommendations for improvements of the environmental performance of the DRI kilns #5 and #6 project, including timeframes and responsibilities.

3.5 Duration of authorisation

If the construction of the activity authorised by this letter does not commence within 2 (two) years from the date of signature of this letter, the authorisation will lapse and the applicant will need to re-apply for authorisation in terms of the above legislation or any amendments thereto.

4. CONSEQUENCES OF NON-COMPLIANCE

The applicant must comply with the conditions set out in this letter. Failure to comply with any of the above conditions may result in, *inter alia*, the Department withdrawing the authorisation, issuing directives to address the non-compliance – including an order to cease the activity – as well as instituting criminal and/or civil proceedings to enforce compliance.

5. APPEALS:

Appeals in respect of this decision must be directed to the MEC, Mr K. Mosunkutu, Department of Agriculture, Conservation and Environment, Gauteng Provincial Government within thirty (30) days of the date of this decision. Appeals can be submitted utilizing one of the following methods:

By facsimile:	(011) 333 0620;
By post:	P.O. Box 8769, Johannesburg 2000;
By hand:	11 th Floor, Diamond Corner Building, 68 Eloff Street, Johannesburg.

0113330667

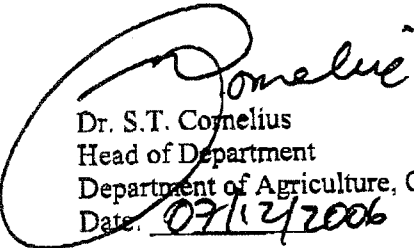
Please note that all appeals must comply with Section 35 of the Environment Conservation Act, Act No 73 of 1989, read together with Regulations R1182 and R1183 of 5 September 1997. In terms of the above section and regulations, an appeal must set out all the facts as well as the grounds of appeal. Furthermore, all the relevant documents or copies thereof must accompany the appeal and a commissioner of oaths must certify them as true.

The applicant is required to inform all registered interested and affected parties of the decision contained in this Record of Decision as well as the process for appeal described above within seven (7) calendar days of the date of signature of this Record of Decision.

Should the applicant wish to appeal any aspect of this decision, the applicant must notify and furnish copies of the appeal, which will be submitted, to the MEC to all registered interested and affected parties. Proof of such notification must be submitted to the MEC with the appeal. Failure to comply with this provision may result in the MEC refusing to consider the appeal.

Please note that no development may commence prior to the expiry of the time period allowed for the submission of an appeal, or in the event of an appeal being lodged, before the MEC has reached a decision on the appeal

Yours faithfully



Dr. S.T. Cornelius
Head of Department
Department of Agriculture, Conservation and Environment
Date: 07/12/2006