

Overall Project Components

Transnet considers the three main components of the proposed project (emerging miners facility, rail and port terminal) interdependent for the success and sustainability of the objectives of the overall project.

However, for practical reasons, Transnet is submitting separate applications for environmental authorisation and have committed to undertaking an Environmental Impact Assessment (EIA) for each of the main project components.

GIBB will provide opportunities for Interested and Affected Parties to gain information and participate as part of each EIA.

This page serves to provide a brief overview of the project components.

1

Mine-side Ore Loading – Proposed New Facility for Emerging Miners

While the larger mines owned and operated by Kumba Iron Ore and Assmang have designated facilities at which trains are loaded, 'smaller' mines are currently not connected directly to rail. Emerging / entrant miners therefore resort to trucking their ore over long distances.

Transnet proposes to provide a separate new consolidation and loading yard for emerging/entrant iron ore miners. A proposed site along the Kolomela rail line close to the Postmasburg mining area is envisaged.

In concept this proposed facility will provide for a consolidation yard for off-loading, blending and stockpiling of various grades of iron ore to be loaded onto the trains for export via the Port of Saldanha.

Note: *This project component is at an early pre-feasibility stage and for this reason further background information will only be available at a later stage.*

2

Iron Ore Rail Expansion

The existing Sishen – Saldanha Ore Line is a single rail track with 19 crossing loops ('stoppage tracks / bays'). The loop facilities are strategically placed to allow for fully loaded and empty ore trains to pass each other efficiently. The rail line is also used for other freight known as General Freight Business (GFB). GFB trains make use of loops to allow trains to pass each other. Some loops also house the rail service/maintenance trams and/or facilities for train drivers accommodation and rail operation. Systematic scheduling and a sophisticated signalling system are in place to regulate the rail traffic.

Transnet's Project Team (and their consultants) are using sophisticated modelling studies to establish and optimise the upgrade needed to increase the tonnage of iron ore transported from the mines to the port. These studies showed that a single line would still suffice to fit in all the train schedules, but that some existing loop rail sections would need to be lengthened. There is also the need for additional GFB and maintenance loops.

In addition, a new link between the Upington rail line and the ore line is proposed to facilitate easier access to the ore line for material trains and GFB traffic. The existing Salkor Yard at Saldanha at which full and empty trains are staged and decoupled or coupled for shunting to or from the Port Iron Ore Terminal also requires expansion.

3

Port Iron Ore Terminal Expansion

To facilitate the growth in iron ore export, expansion of the Iron Ore Terminal and associated infrastructure is needed at the Port of Saldanha. Details of the proposed expansion are provided on Pages 6 to 9 of this Background Information Document.

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