1.0 PROJECT BACKGROUND

1.1 PROJECT TITLE:
Proposed Mining Expansion Programme by Kagem Mining Limited

1.2 PROJECT PROPOSENENTS:
Kagem Mining Limited
P.O Box 21657
Plot 3374, Corner Dr Agrey and Kariba Roads
KITWE

Contact Details:
Mr. Marlon Zimba
Tel: +260 212 212101
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1.3 PROJECT LOCATION:
The proposed project lies in an area reserved for emerald mining, the restricted Kafubu (formerly Ndola rural) Emerald Area. This area is shared by Kafubu and Masaiti districts. The project area is located about 25 Km from Kalulushi Town. Access to the project site from Kalulushi is by a gravel road through Chief Nkana’s Farming Block.

1.4 DATE OF SUBMISSION BY PROPOSENT:
15th July 2008

1.5 DATE OF CONSIDERATION BY COUNCIL:
29th August 2008
2.0 DETAILS OF THE PROJECT:

Kagem Mining Limited holds a gemstone mining area under licence number GL 713. This licence area is located in the Kafubu emerald block in Lufwanyama and Masaiti Districts of the Copperbelt Province. The mine has three operational pits, a washing plant and an explosives magazine. Support service facilities include a workshop, clinic, offices and workers houses.

Kagem Mining Limited intends to expand its current operations by increasing the production capacity of the washing plant, merging the three open pits into one pit, construction of a workshop and construction of an explosives magazine. Support facilities to be expanded will include senior staff houses and hostels for general workers.

To accomplish the proposed expansion programme, approximately US$ 24.05 million will be invested. The mine currently employees 397 people and there are currently 92 contracted employees of which 82 employees reside at the mine.

3.0 DECISION BY COUNCIL

3.1 The project is approved subject to the conditions listed below.

3.1.1 Kagem Mining Limited shall implement the project as stated in the Environmental Project Brief.

3.1.2 Kagem Mining Limited shall develop and submit a detailed Environmental Management Plan and shall submit the same to ECZ for approval within three months following this approval.

3.1.3 No blasting activities shall be carried out during night time to avoid noise pollution to the nearby communities.

3.1.4 All the overburden dumps shall be managed in accordance with annual licence conditions that area issued to Kagem Mining Limited.

3.1.5 Kagem Mining Limited shall conduct mining activities in such a way as to minimize land degradation by progressively re-vegetating the overburden dumps, progressive backfilling of the pits and using appropriate mining methods.
3.1.6 Noise levels throughout the project life cycle shall be maintained within acceptable limits.

3.1.7 Kagem Mining Limited shall maintain the speed limit in all access roads in order not to endanger life or cause significant levels of dust emissions.

3.1.8 Dust suppression measures shall be employed throughout the project cycle.

3.1.9 An Emergency Preparedness Plan shall be prepared covering significant mining operations.

3.1.10 Kagem Mining Limited shall effectively implement the Decommissioning and Closure Plan included in the EPB.

3.1.11 Kagem Mining Limited shall obtain permits from ECZ and comply in full with the following regulations throughout the project life cycle:

   a) Water Pollution Control Regulations, SI No. 72 of 1993;
   b) Waste Management Regulations, SI No. 71 of 1993; and

3.2 The Council advises Kagem Mining Limited:

3.2.1 To obtain any other relevant authorizations such as, but not limited to:

   a) The Workers Compensation Act;
   b) The Public Health Act;
   c) The Factories Act;
   d) Explosives Act; and

3.2.2 To make available information on safety, health and environment to all its employees throughout the project life cycle.

3.3 Kagem Mining Limited shall comply with environmental standards and/or specific limits of particular pollutants as its responsibility. Thus, compliance with ECZ recommended measures does not exempt the Developer from its responsibility if such measures do not achieve compliance with environmental management standards.