

## WUC working “against the clock” on acid mine drainage threat

Watermark Global Plc wholly-owned subsidiary Western Utilities Corporation (WUC) – which says it is working against the clock to implement its solution to the looming threat of far-reaching environmental damage posed by underground acid mine drainage (AMD) in the Witwatersrand (Wits) Basin – has announced completion of its Definitive Feasibility Study (DFS).

WUC CEO Jaco Schoeman says the DFS validates the viability of WUC's project, which envisages the construction of a bespoke water treatment plant using South African-developed technology. The planned plant will treat 155 Mℓ of Wits Basin AMD daily to produce 67 Mℓ of industrial water and 88 Mℓ of drinking water.

The total capital cost of the project of R1,5 billion will be raised by Watermark Global Plc via a combination of debt and equity to be finalised by March 2010. This capital amount excludes R500 million worth of existing infrastructure already committed by interested and affected mining company shareholders of Western Basin Environmental Corporation (WBEC), Central Basin Environmental Corporation (CBEC) and Eastern Basin Environmental Corporation (EBEC), all Section 21 companies.

Of the R1,5 billion capital requirement, the major proportion – some R968 million – is required for construction of the treatment plant at Boksburg on the East Rand. The AMD collection system will absorb some R275 million and the treated water distribution system a further R225 million.

Schoeman says the project's tight timeline – designed specifically to head off the threat of a major decant of AMD on surface accurately pinpointed by consultants Golder Associates to occur in December 2011 – is already running nearly six weeks behind schedule due to a delay by the Gauteng Department of Agriculture and Rural Development (GDARD) in approving WUC's Final Scoping Report.

A six-week delay on the 'front end' of the project will have a knock-on effect, Schoeman says, which could delay the commissioning phase, originally planned to start in January 2011, by at least four months. Construction – originally scheduled to begin in January 2010 – is now unlikely to start before the second quarter of 2010. Any further delays could result in the race against the predicted December 2011 AMD decant being lost.

Meanwhile, Schoeman says, WUC is currently pushing ahead with negotiations on an offtake agreement with Rand Water for the drinking water it plans to produce. A full financial analysis, including expected rates of return, will be released once negotiations with Rand Water have been concluded. ●