



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

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**AEL Mining Services Limited
P O Modderfontein
Gauteng
1645
South Africa**

**South African
Designated National Authority
For the
Clean Development Mechanism
Of the
Kyoto Protocol to the United Nations
Framework Convention on Climate Change
Office of the Director General in the
Department of Energy
DNA Contact Address
Tel: +27 (0) 12 406 7786
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Attention: Mr Sean Slabbert

DESIGNATED NATIONAL AUTHORITY (DNA) FOR THE CLEAN DEVELOPMENT MECHANISM (CDM): LETTER OF APPROVAL FOR N₂O ABATEMENT AT NITRIC ACID PLANT NO. 11 AT AFRICAN EXPLOSIVES LTD. (AEL), SOUTH AFRICA.

We refer to the application for the DNA's Letter of Approval for N₂O Abatement Project at Nitric Acid Plant No. 11 at African Explosives Ltd. (AEL), South Africa, herein referred to as the project submitted by AEL Mining Services Limited. AEL Mining Services Limited was previously authorised to participate in the project named above under its former name: African Explosives Limited.

The Republic of South Africa has ratified the United Nations Framework Convention on Climate Change and is a signatory to the Kyoto Protocol and complies with its obligations under these international instruments.

The DNA is the authorised body in South Africa to issue Letters of Approval for CDM projects. South Africa participates voluntarily in the CDM and in the Project.

Based exclusively on the information contained in the Project Design Document (PDD) and subject to the conditions set out herein;

Letter of Approval

We confirm that:

- a. the Project is located in South Africa;
- b. the boundary for the CDM project is Modderfontein AEL Mining Services Limited industrial complex, Gauteng Province;
- c. the Project supports sustainable development.

We authorise:

- a. The participation of N2O Abatement Project at Nitric Acid Plant No. 11 at African Explosives Ltd. (AEL), South Africa as a CDM project;
- b. AEL Mining Services Limited as the project proponent, to participate in this CDM Project;
- c. AEL Mining Services Limited, if they are the legal owners of the Project, to sell the title and all rights to the greenhouse gas emission reductions generated by this Project.

This Letter of Approval is subject to the following conditions:

- a. AEL Mining Services Limited warrants to the DNA that it is the legal owner of the Project. The DNA does not take any responsibility for the private contractual arrangements and property rights between or among project participants. The DNA may not be held liable in the event that ownership of the Project is disputed;
- b. the Project must be developed in accordance with the PDD received by the DNA;
- c. the Project must obtain all relevant authorisations as required by national laws;
- d. the DNA retains the right to withdraw the authorisation granted in terms of the Letter of Approval in the event of non-compliance with the Project Design Document.

We will, to the extent possible, cooperate with AEL Mining Services Limited and the CDM Executive Board to facilitate the CDM project cycle. The granting of this Letter of Approval does not guarantee the registration of the Project as a CDM project by the CDM Executive Board.

By their acceptance of this Letter of Approval, AEL Mining Services Limited indemnifies the DNA against any loss that AEL Mining Services Limited may suffer as a result of project implementation.

Yours Sincerely,



Dr W Barnard

Acting Director-General: Energy

Date: 19 / 1 / 9 / 2014

Letter of Approval

DNA Letter of Approval

To: **Mr Leon Aucamp**
African Explosives Limited
PO Modderfontein
Acid House
MODDERFONTEIN 1645
South Africa
Fax: (011) 606 2426

11 June 2007

South African
Designated National Authority
for the
Clean Development Mechanism
of the
Kyoto Protocol to the United Nations Framework
Convention on Climate Change



Office of the Director General in the
Department of Minerals and Energy
Contact: L Tyant 012 317 8227

Designated National Authority (DNA) for the Clean Development Mechanism (CDM): Letter of Approval for the "Project for the catalytic reduction of N₂O emissions with a secondary catalyst inside the ammonia reactor of the No.11 Nitric Acid Plant at African Explosives Ltd ("AEL"), South Africa"

1. The DNA refers to the application for the DNA's Letter of Approval for the "Project for the catalytic reduction of N₂O emissions with a secondary catalyst inside the ammonia reactor of the No.11 nitric acid plant at African Explosives Ltd ("AEL"), South Africa", submitted on the 9th May 2007 to the DNA office by African Explosives Limited, herein referred to as the Project.
2. South Africa has ratified the United Nations Framework Convention on Climate Change and the Kyoto Protocol and is in compliance with its obligations under these international instruments.
3. The DNA is the authorised body in South Africa to issue Letters of Approval for CDM projects.
4. South Africa participates voluntarily in the CDM and in the Project.
5. The DNA confirms that:
 - a. the Project is located in Modderfontein, in the Gauteng Province.
 - b. the boundary for the project activity is the physical boundary of the African Explosives Limited Nitric Acid Plant 11 in Modderfontein, and the project objective is to reduce of nitrous oxide (N₂O) emissions by 80 - 90% from nitric acid production at the AEL's Modderfontein nitric acid Plant 11, through the installation of pelletised catalyst inside the ammonia oxidation reactor underneath the precious metal gauzes.
 - c. The Project sustainable development in South Africa.
 - d. the DNA will cooperate with African Explosives Limited and the CDM Executive Board to facilitate the CDM project cycle, to the extent possible.

6. The DNA authorises:
- a. the participation of African Explosives Limited Ltd in the CDM Project;
 - b. by virtue of South Africa's national ownership of any and all greenhouse gas emissions reductions generated in the Republic within the framework of the abovementioned international instruments and in the event that, upon generation of such greenhouse gas emissions reductions, African Explosives Limited becomes the private owner of the right title and interest in such greenhouse gas emissions reductions, and the sale of such right title and interest by African Explosives Limited.
7. The duration of validity of this Letter of Approval shall be 24 months from the date hereof.
8. The authorisation granted in terms of this Letter of Approval is conditional upon:
- Project development being in accordance with the Project Design Document as received by the DNA.
9. The DNA retains the right to withdraw the authorisation granted in terms of the Letter of Approval in the event of non-compliance with the conditions mentioned at paragraph 8, above.
10. The granting of this Letter of Approval does not guarantee the registration of the Project as a CDM project by the CDM Executive Board.
11. By its acceptance of this Letter of Approval, African Explosives Limited indemnifies the DNA against any loss that African Explosives Limited may suffer as a result of African Explosives Limited implementation of the Project.

Yours faithfully



Advocate Sandile Nogxina

Director General



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**DEPARTMENT: MINERALS AND ENERGY
REPUBLIC OF SOUTH AFRICA**

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Minerals Centre, 234 Visagie Street, Pretoria

8 July 2007

TO WHOM IT MAY CONCERN

Kindly note that the project design document (PDD) – **“Project for the catalytic reduction of N₂O emissions with a secondary catalyst Inside the ammonia reactor of the No. 11 nitric acid plant at African Explosives Ltd (AEL), South Africa”** approved by the South Africa's Designated National Authority on 11th June, 2007 and the PDD titled - **“N₂O abatement project at nitric acid plant No. 11 at African Explosives Ltd. (AEL), South Africa”** as posted on the UNFCCC website, are one and the same project.

We hope this letter clarifies the matter and paves the way for the review of the project by the CDM Executive Board as CDM project activity under the Kyoto Protocol.

Regards

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Leluma Matooane
Deputy Director – Designated National Authority
Department of Minerals & Energy

Minerals and Energy for Development and Prosperity