

SANRAL



N2 WILD COAST ROAD UPDATE

02 July 2019

PRESENTATION OUTLINE



- Introduction
- Progress reports on:
 - Status of the various greenfield packages
 - Mtentu Bridge
 - Msikaba Bridge
 - Community Development Projects
 - Remaining 7 Design and Construction Packages
 - Databases
 - Legal

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Introduction

IMPORTANCE OF THE N2 ROUTE & N2 WILD COAST CORRIDOR



- The N2 is a strategic route that connects 4 provinces:
 - Western Cape
 - Eastern Cape
 - KwaZulu Natal
 - Mpumalanga
- The N2 originates in Cape Town and ends in Ermelo
- It links the towns of Cape Town, George, Port Elizabeth, East London, Mthatha, Durban and Ermelo
- The N2 Wild Coast is in the National Development Plan
- It is a Strategic Infrastructure Project (SIP 3)
- It has Presidential Infrastructure Coordinating Commission (PICC) approval as a catalytic programme

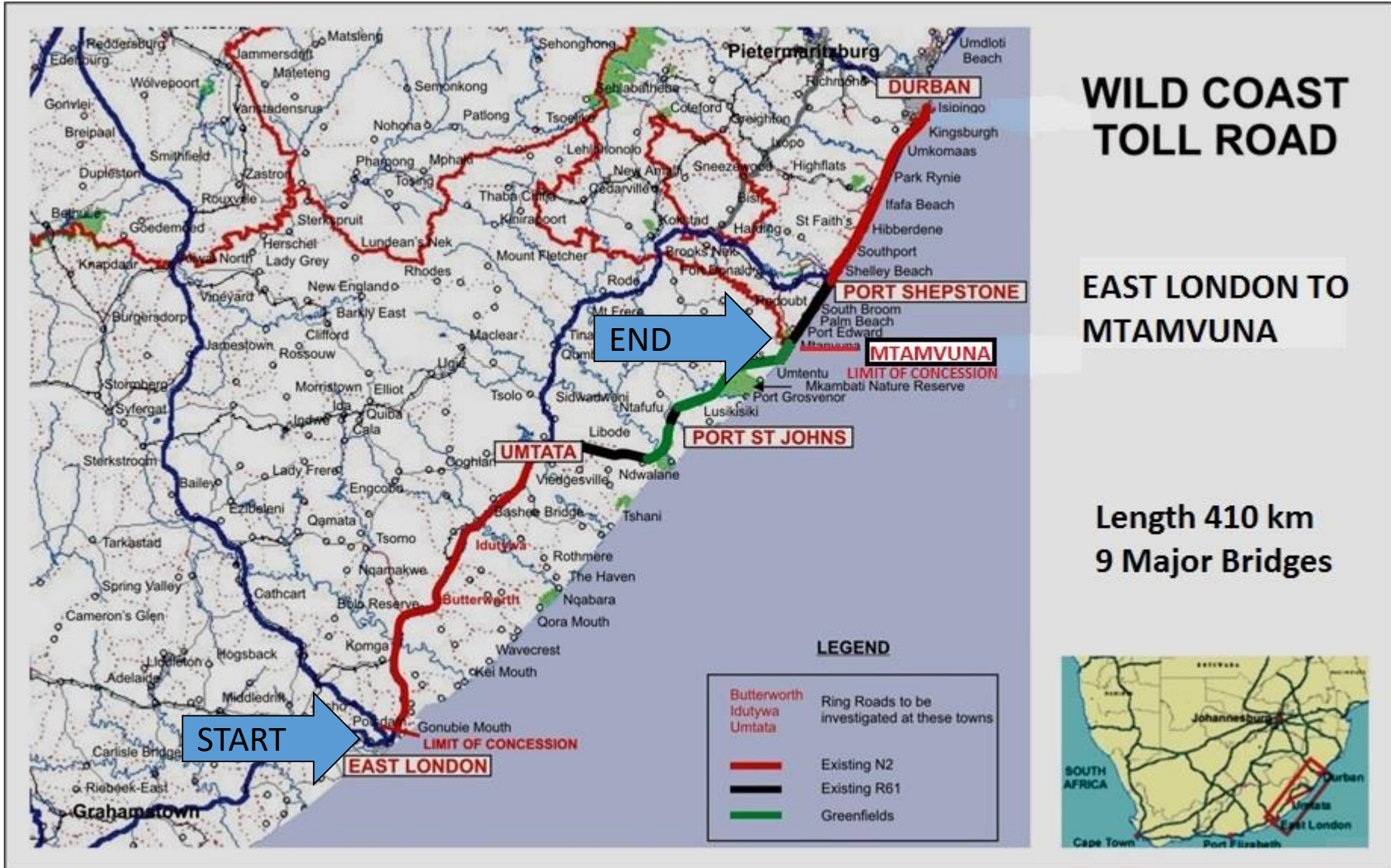
N2 WILD COAST ROAD PROJECT DESCRIPTION



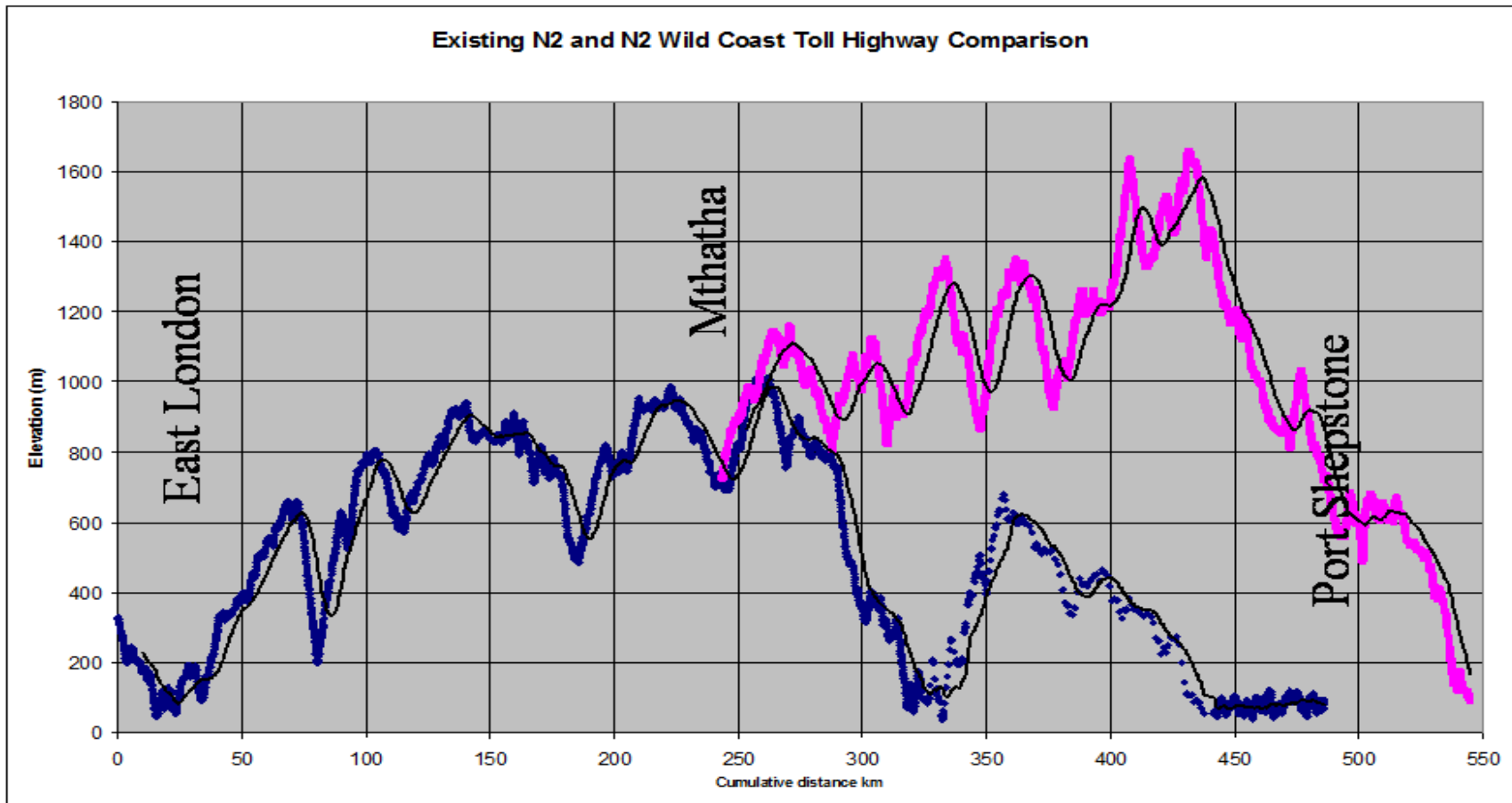
410 km stretch of road from East London to the Mtamvuna River on the border between EC & KZN

- Of the total length, some 112 km would be on a new “greenfield” alignment between the Ndwalane (near Port St Johns) and the Mtamvuna River (near Mzamba) - including
 - 2 mega-bridge structures on the Msikaba and Mtentu Rivers
 - 7 additional major river bridges and 3 interchange bridges
 - Approx. 96 km of new class 1 road + 17km of “brownfield” class 1 road
- The remainder comprises the upgrading of the existing roads (already underway) and the future construction of bypasses at Mthatha, Idutwya and Butterworth
- Once complete the route will be ~69km or ~85 km shorter than the current N2 or R61 routes respectively and be up to 3 hours faster, particularly for heavy freight vehicles.
- Only the greenfield portion is being planned as a toll road (2 plazas at Mtentu and Ndwalane no off-ramp tollgates), the remainder of the route is non-toll.

N2 WILD COAST ROAD PROJECT MAP



N2 WILD COAST ROAD ELEVATION PROFILE

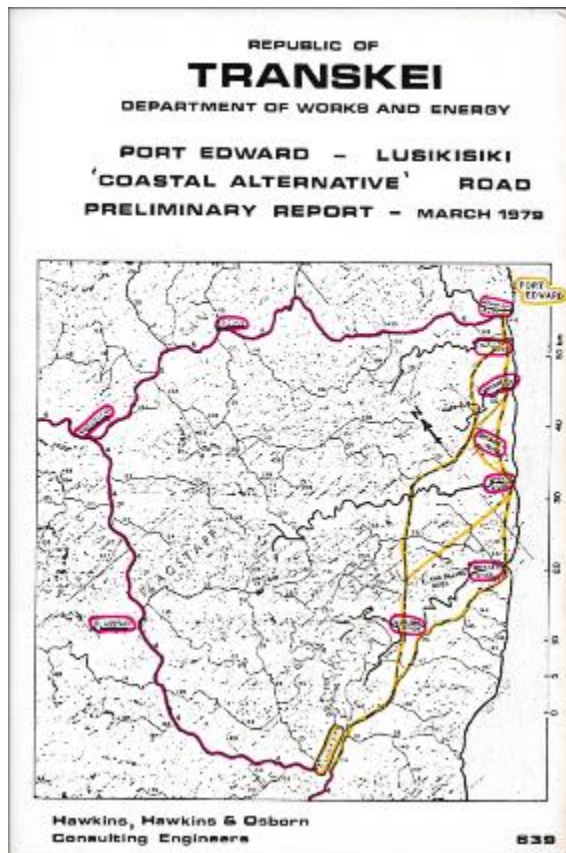


New route is shorter and flatter than existing route (pink)

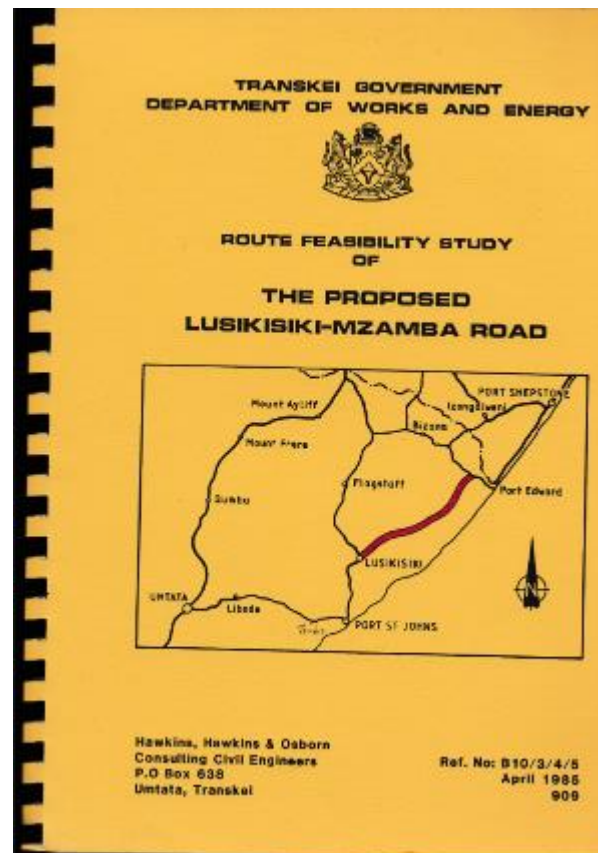
= significantly safer, quicker and less carbon emissions

= R 0,5-1,0 billion time-cost savings p.a. for traffic on the current N2 & R61

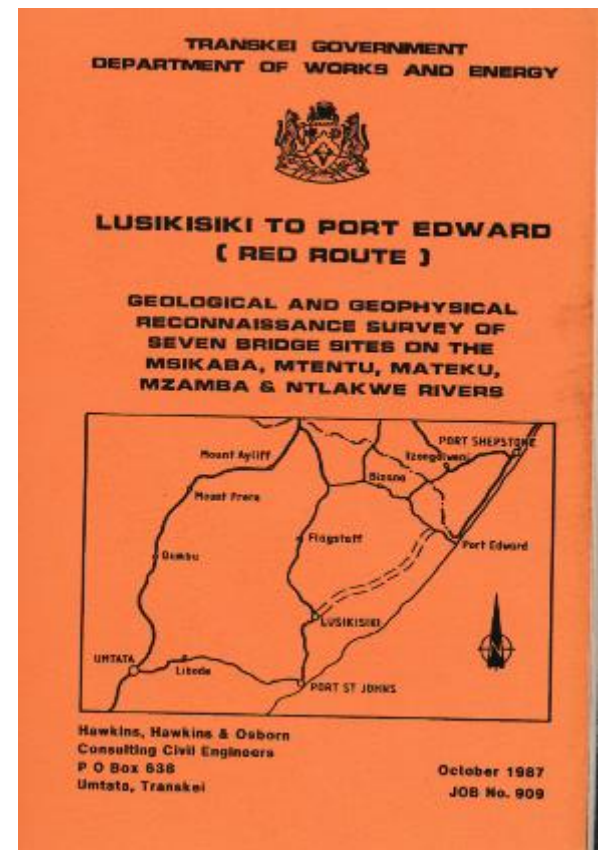
HISTORY OF THE N2 WILD COAST ROAD GREENFIELD SECTION



1979

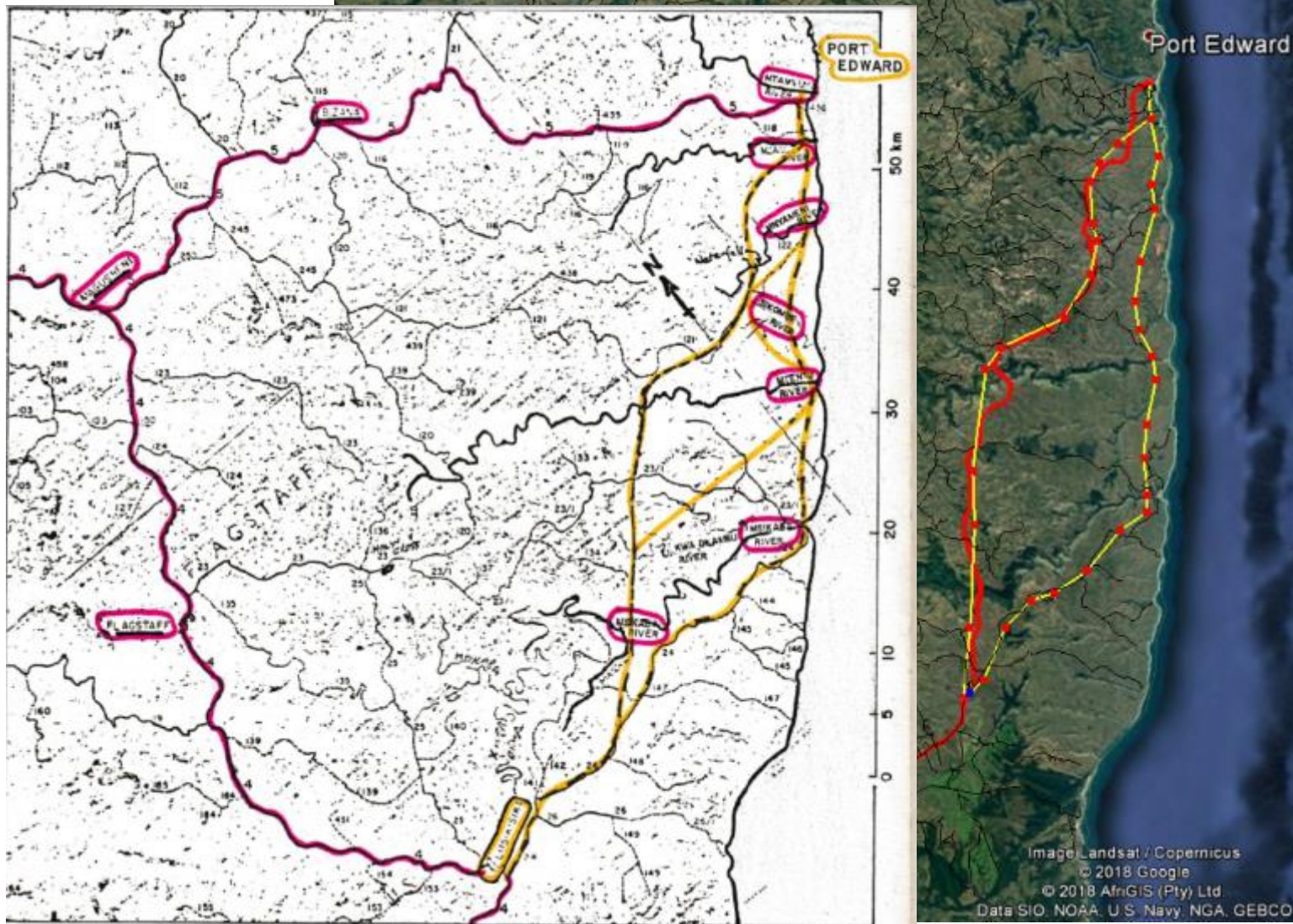


1985



1987

1979 COASTAL AND RED ROUTES VS. FINAL ROUTE APPROVED THROUGH EIA

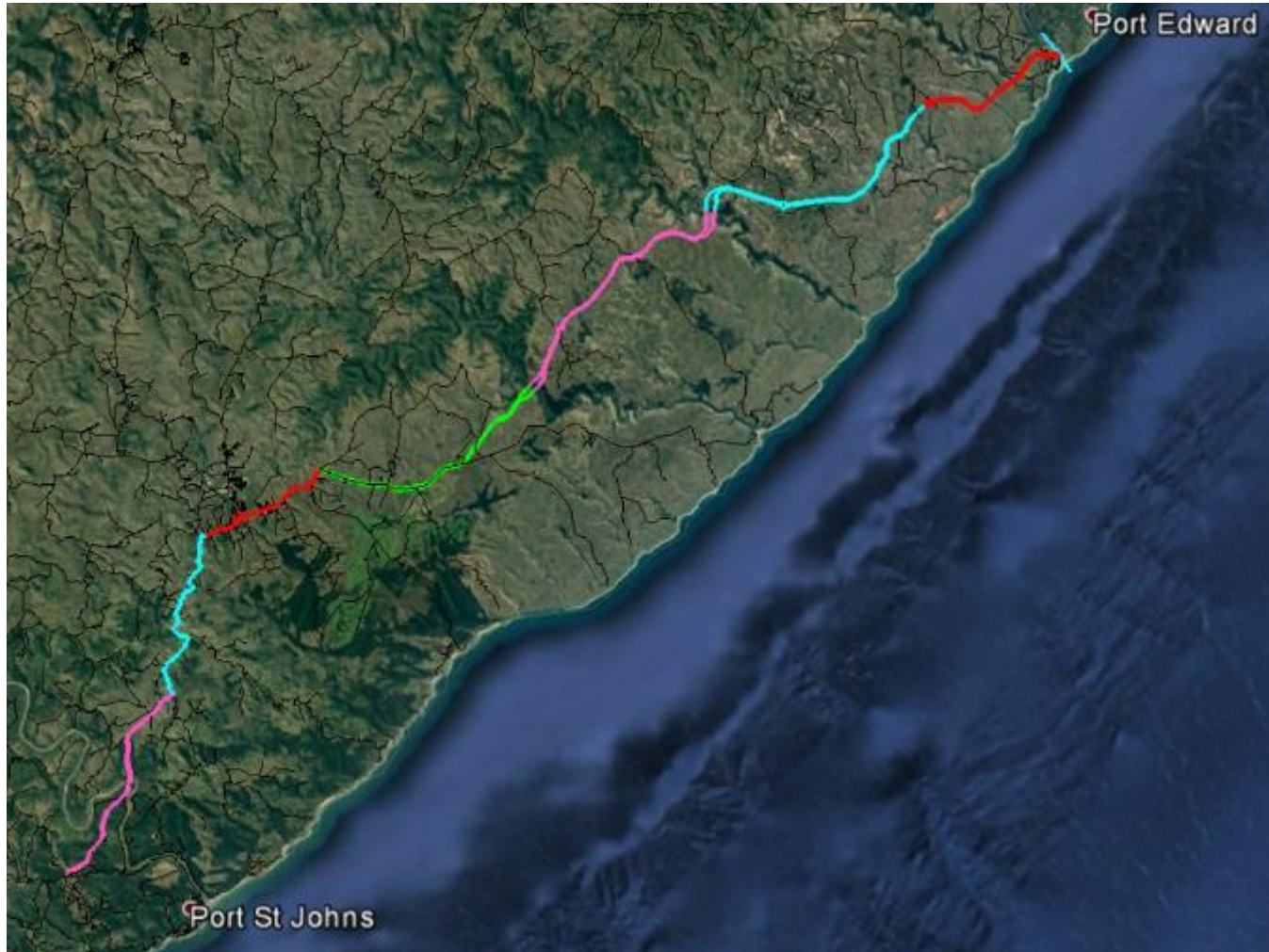


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Status of the various Greenfield Construction packages

N2 WILD COAST ROAD DESIGN AND CONSTRUCTION PACKAGES



- 112km greenfield section has been divided into 9 primary packages including the 2 mega bridges

N2 WILD COAST ROAD

REMAINING CONSTRUCTION PACKAGES

Progress

- 9 Roads Infrastructure projects
 - 2 are in Construction – (Msikaba and Mtentu bridges)
 - 2 are in Detailed Design Phase
 - 5 are in Preliminary Design Phase
- One Drilling Contract in progress (covering all packages)
- Airborne Geotechnical Survey – flying complete, now in analysis

2019/20 Goals

- 2 advanced packages
 - Initial Tenders for relocations and access roads for 2 packages planned for 2nd half 2019 (pending pro-formas)
 - First 2 main works tenders planned for September 2019
- 5 other packages
 - Additional Drilling contract 2nd half 2019 (pending pro-formas)
 - Material supply contracts tenders approx. Sep 2019
 - Relocations and access roads roll out from late 2019
 - Remaining main works tenders to roll out in 2020

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Progress: Mtentu Bridge



MTENTU BRIDGE : GOOGLE EARTH



Progress on Greenfields Mtentu Bridge Contract



Progress: Mtentu Bridge Contract



Photo - 09Oct18

Progress on Greenfields Mtentu Bridge Contract



Photos - 09Oct18

Progress on Greenfields Mtentu Bridge Contract



Photo - 09Oct18

Progress on Greenfields Mtentu Bridge Contract



Photos - 09Oct18

Progress on Greenfields Mtentu Bridge Contract



Progress on Greenfields Mtentu Bridge Contract



Photo - 09Oct18

MTENTU BRIDGE CONTRACT



Progress

- Haul Road contracts completed
 - Outstanding snags on Mtentu South (Aveng)
- Original R1.42 billion, 40 month Bridge contract terminated
 - Works suspended from 22Oct18 – 13Jan19
 - Aveng Strabag JV refused to return to site after suspension lifted
 - Contractor and SANRAL are disagreeing on legal basis for termination
 - SANRAL allege repudiation of contract
 - ASJV allege extended Force Majeure
 - Matter now following a legal course
 - Of 473 persons on site over 350 (239 local) have been retrenched
 - All 37 local SMME suppliers and sub-contractors terminated
 - Project cited to show consequences of “construction mafia” tactics
 - But by month 10 ASJV were 8 months behind baseline programme
 - SANRAL holding ASJV plant and equipment on site as Surety as well as performance and retention guarantees (>R250 million)
- A new Contractor will be appointed to complete the works
 - SANRAL has applied to National for a deviation to negotiate with unsuccessful bidders
 - If refused SANRAL will have to go out on retender (12-18 month process)



Progress: Msikaba Bridge



Msikaba Bridge Site



Creating wealth through infrastructure

N2 Wild Coast Road Msikaba Bridge



N2 Wild Coast Road Msikaba Bridge



MSIKABA BRIDGE



Progress:

- Haul Roads complete
 - Snags outstanding on both North and South Bank (Aveng)
 - Remining snags to be addressed by Msikaba Bridge Contractor and costs recovered from retention
- Bridge Contract Awarded to Concor Mota-Engil Joint Venture for R 1,65 billion excl VAT and 36 month construction period
 - Site Handover was 07 Jan 2019.
 - Initial 3 month ramp up period delayed due to issues with the PLCs and local politics – approx. 2 month delay
 - Contractor has established a temporary office on Msikaba South Bank
 - Contractor busy with tenders and quotes to appoint multiple SMME suppliers and sub-contractors

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Progress: Community Development Projects

SMME DEVELOPMENT PROGRAMME



Progress

- Three projects Completed
 - Mzamba (Mbizana LMA), Lusikisiki (Ingquza Hill LMA), and Ndwalane (Port St Johns LMA)
 - 51 SMME developed from Grade 1 or 2 to Grades 2 to 5 over 2-year projects
- 2 community development (CD) projects awarded December 2017
 - Makwanteni access road (Mbizana LM)
 - Mahaha to Sigidi access road (Mbizana LM)
 - Value R90 million
 - 20 local grade 1 SMMEs have completed training and commenced construction
- 5 CD projects planned to start in 2nd half of 2019
 - Ntafufu (PSJ)
 - Bambisana (PSJ)
 - Thahle/Khayyayo (Ingquza Hill)
 - Baleni-Jama (Mbizana)
 - Mdataya-Xolobeni (Mbizana)
 - Approx. 50 SMMEs

Lusikisiki Community Access Road



Port St Johns Community Development Project



Mzamba Community Access Road

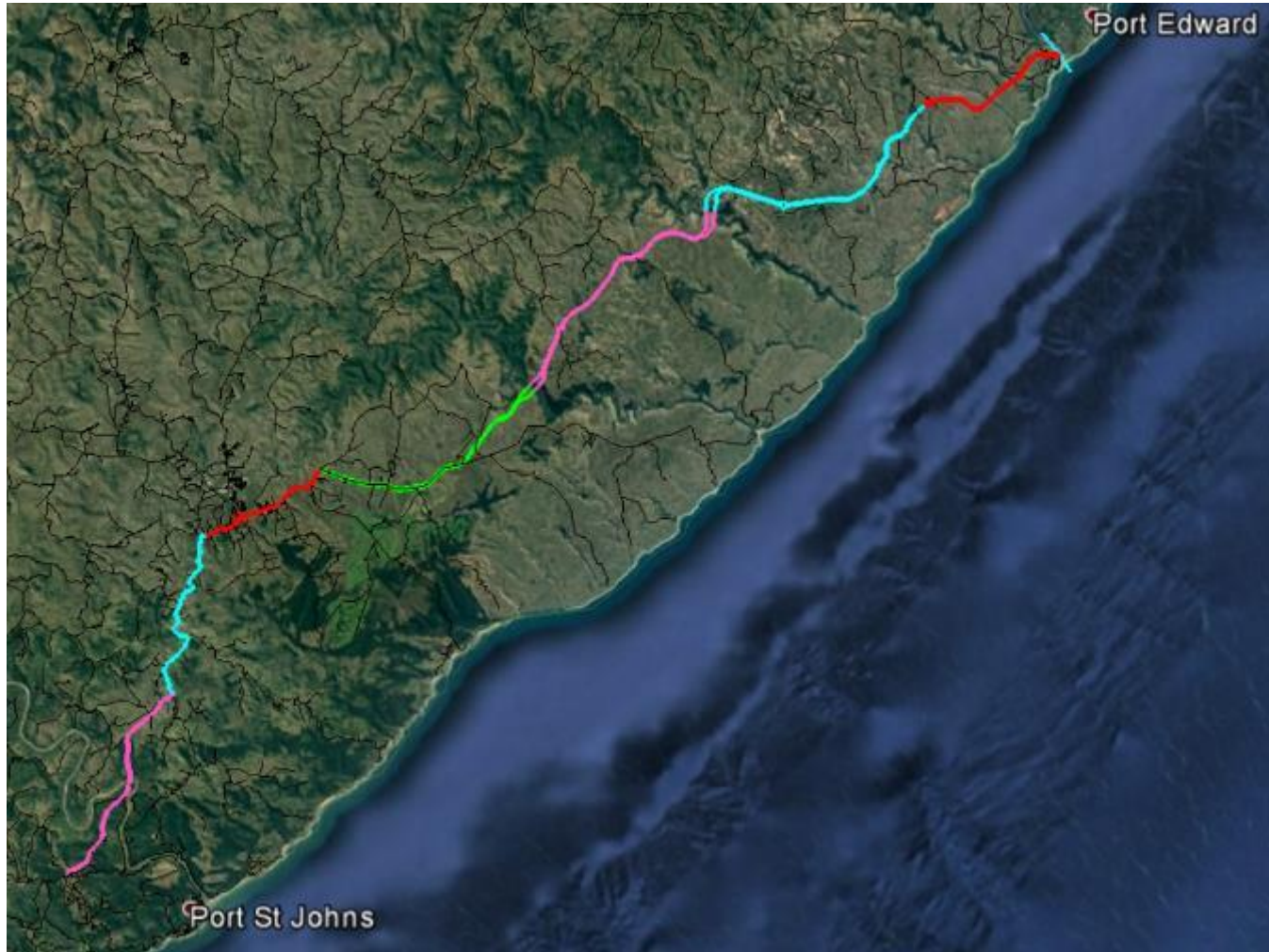


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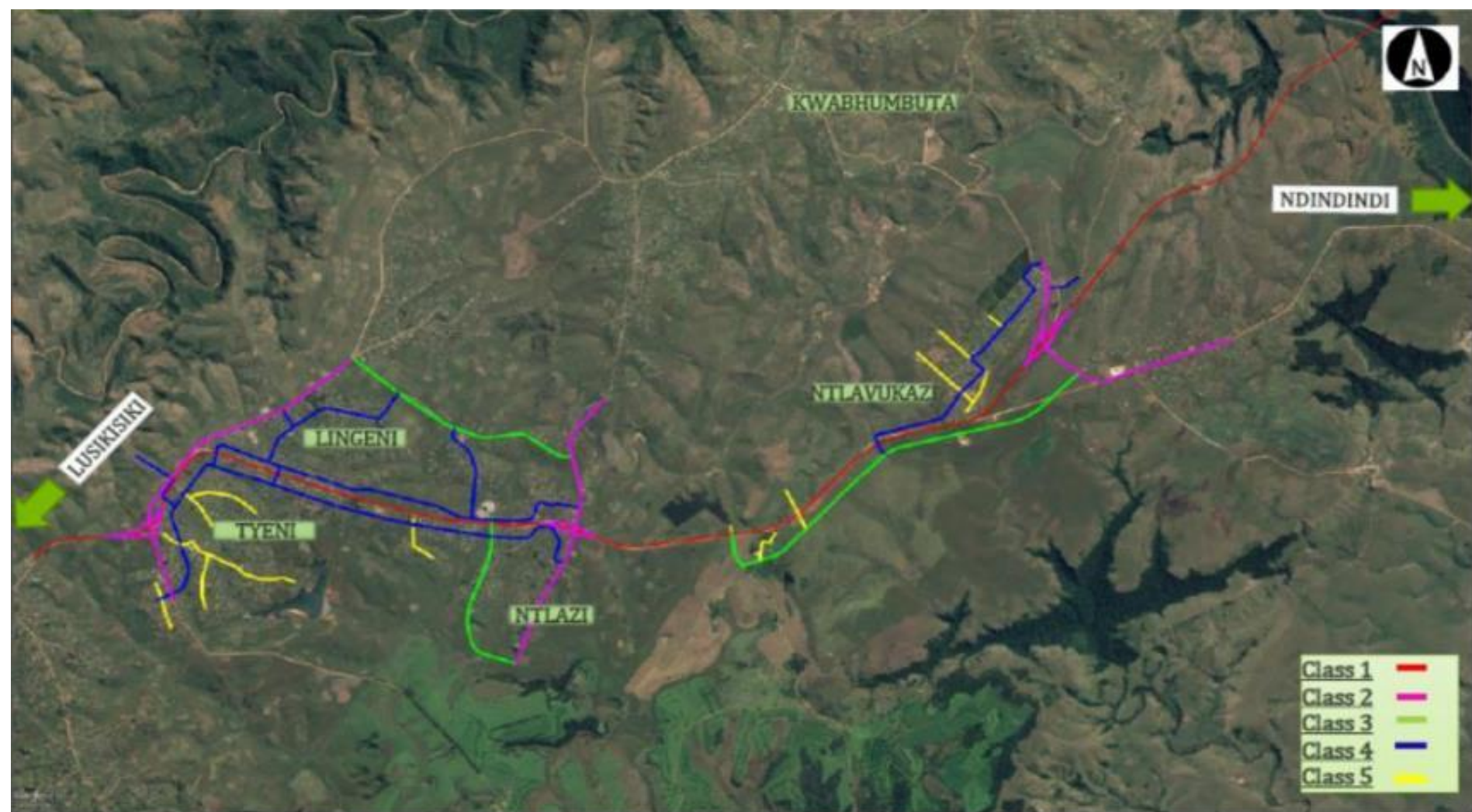
Remaining 7 Design and Construction Packages

N2 WILD COAST ROAD DESIGN AND CONSTRUCTION PACKAGES



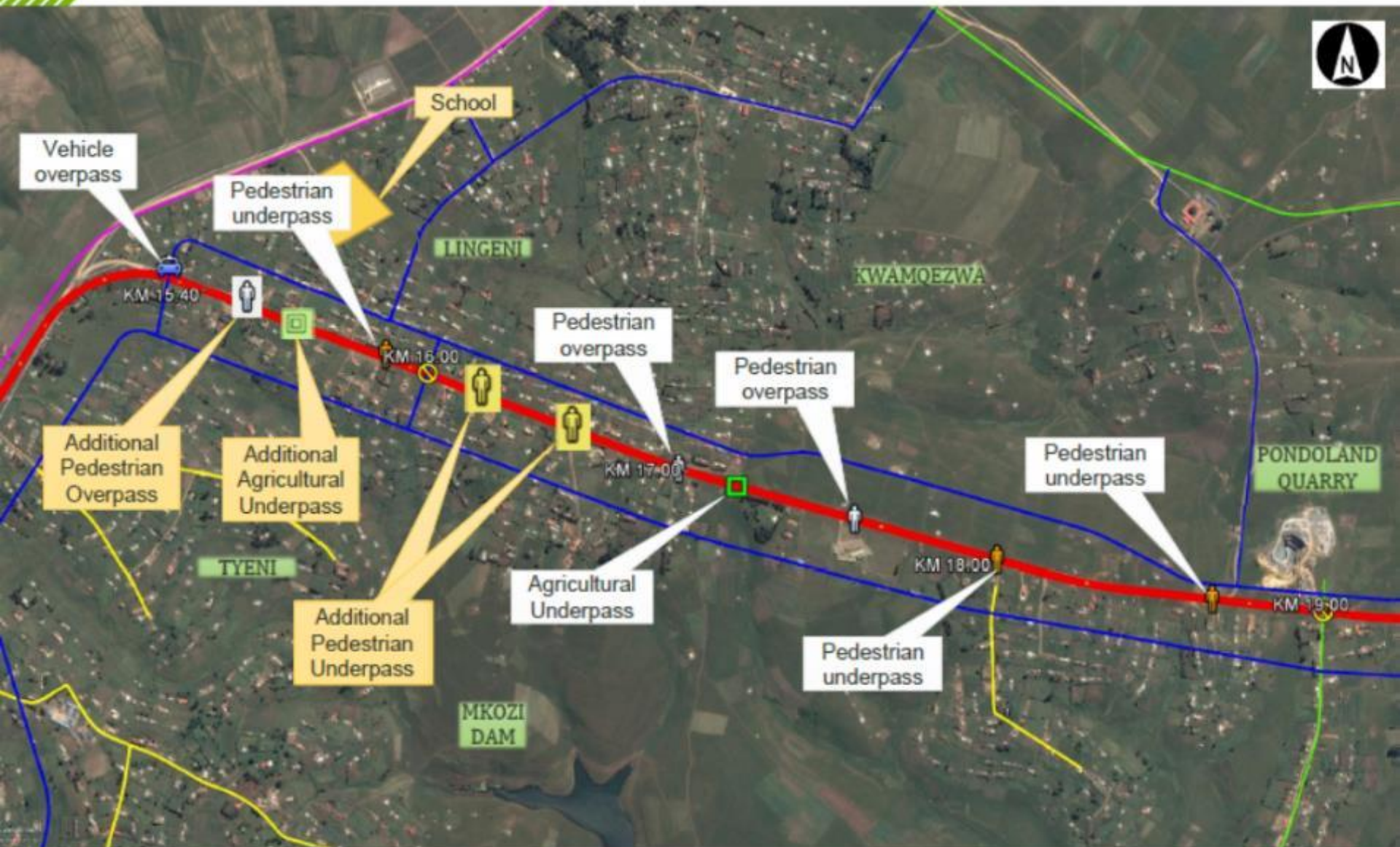
- 2 packages in Detailed Design phase
- 5 packages in Preliminary design phase

LINGENI TO MSIKABA BRIDGE ANCILLARY/ACCESS NETWORK






Lingeni - Access and Crossings

*Bringing ideas
to life*



MSIKABA TO MTENTU ANCILLARY & ACCESS ROADS



Class 2	
Class 3	
Class 4	

Road Lengths

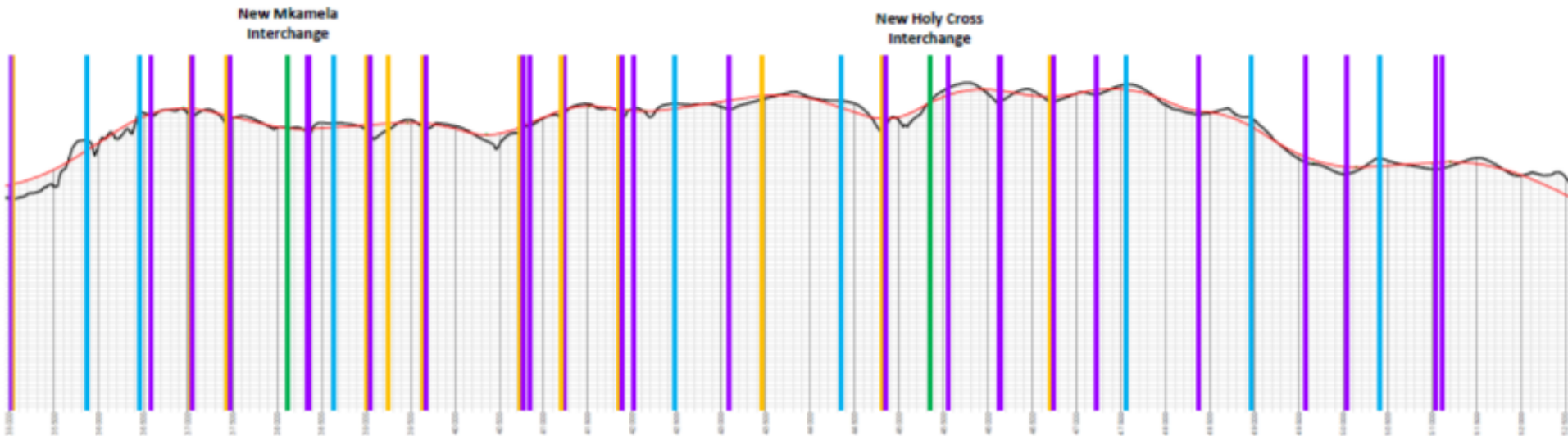
Class 2 = 6.000 km




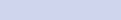
Class 3 = 6.829 km

Class 4/5 = 21.581 km

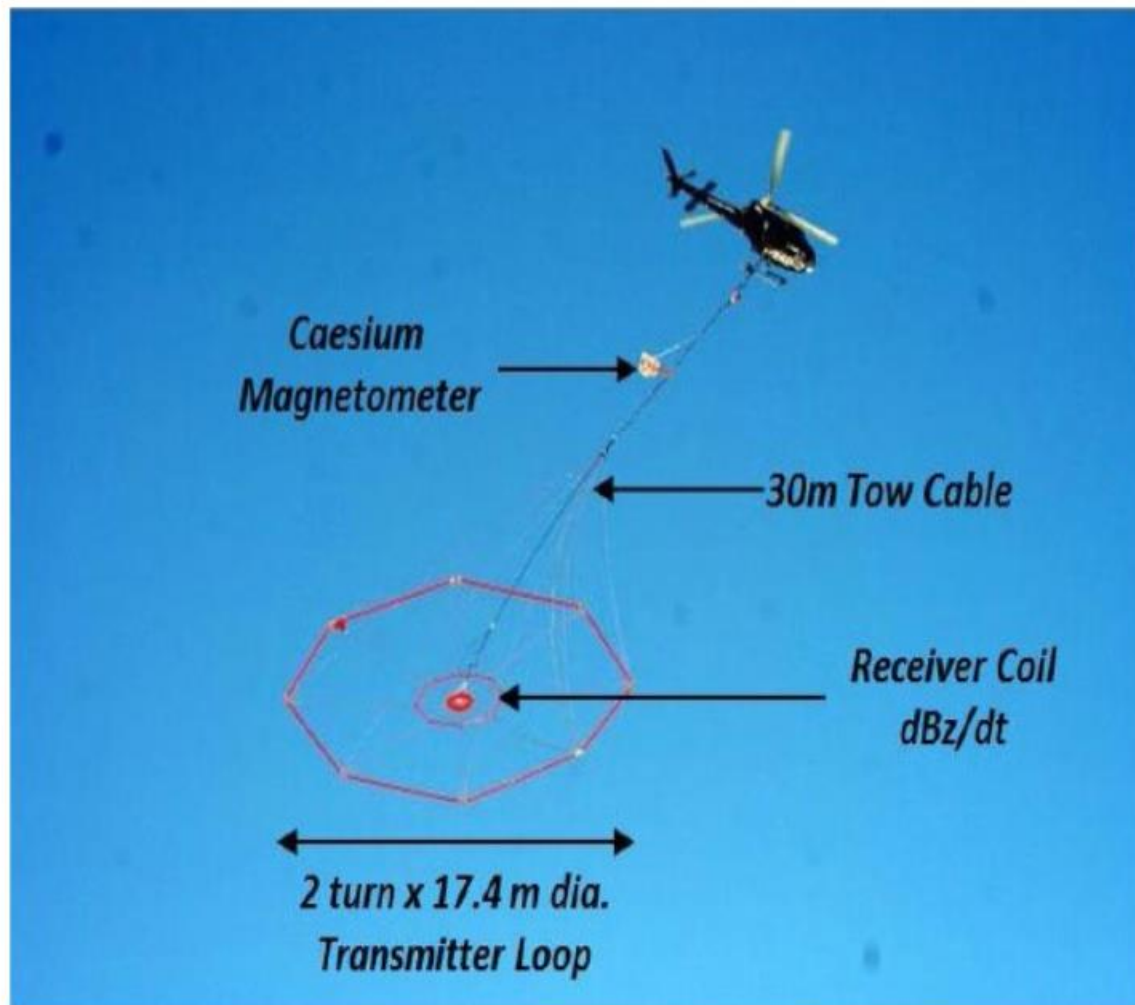
Total length = 34.410 km

MSIKABA TO MTENTU PROFILE AND STRUCTURES

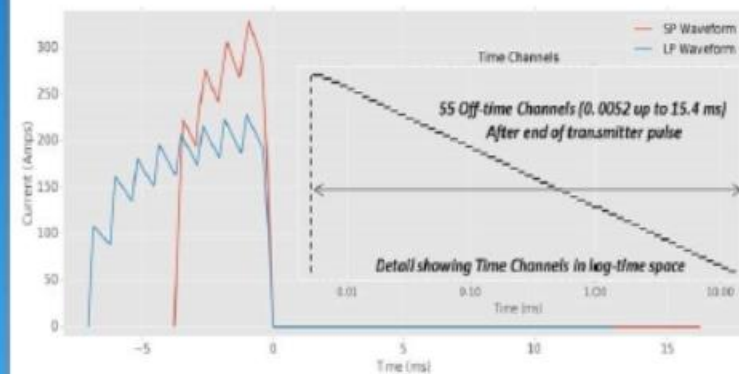


Element	Symbol	Count of Elements
Interchange		2
Agricultural Overpass		8
Agricultural Underpass		12
Large Drainage Structure		23

Description of VTEM **ET** system



VTEM ET Transmitter Waveforms and Receiver Time Channels







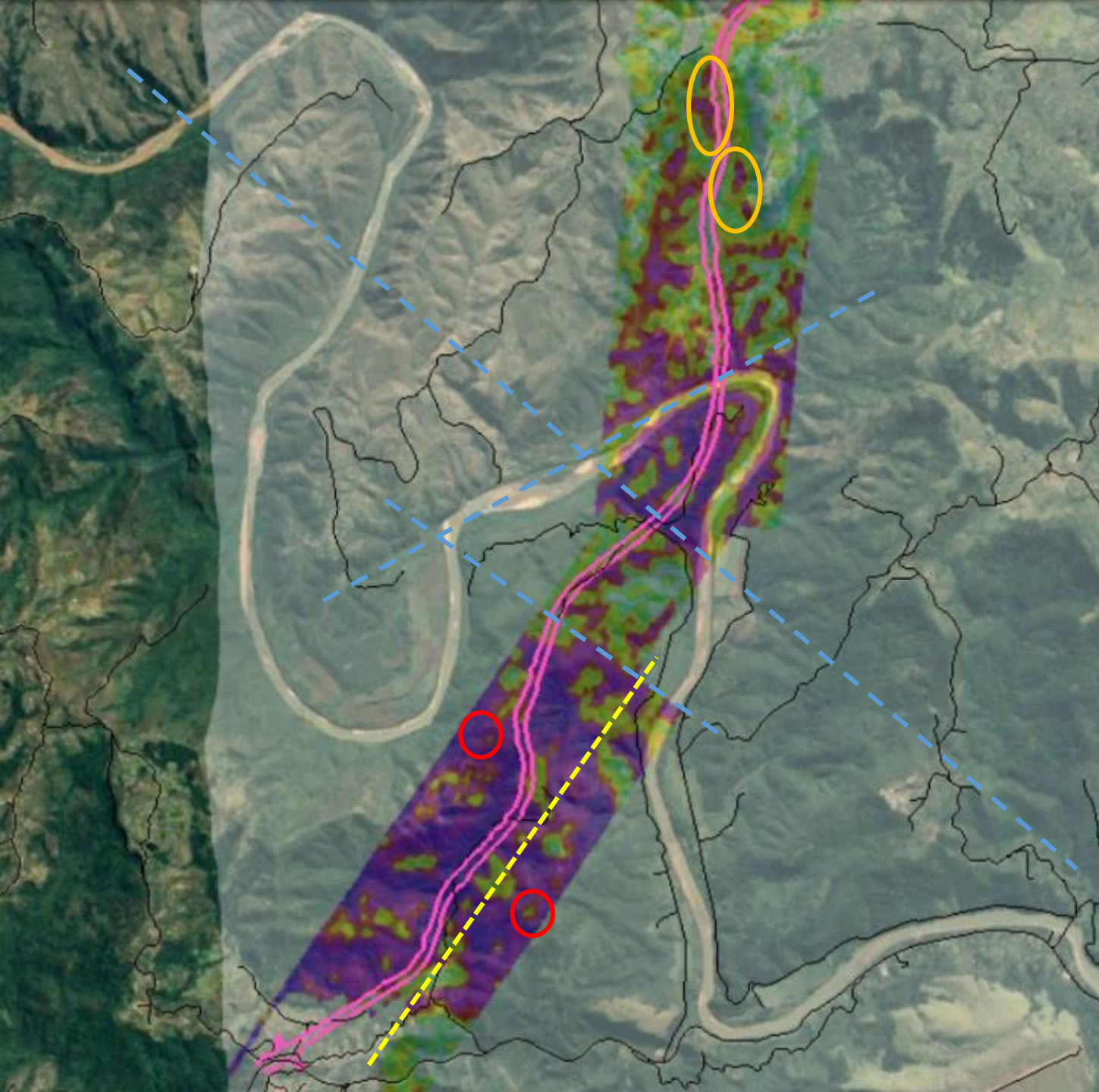
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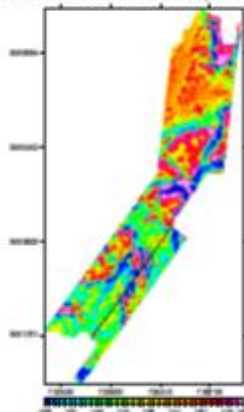
Numerous geological features can be discerned:

- Fault lines
- Dykes
- Sills
- Areas of potential instability
- Homogeneous areas
- High potential borehole locations
- Ideal test drilling locations

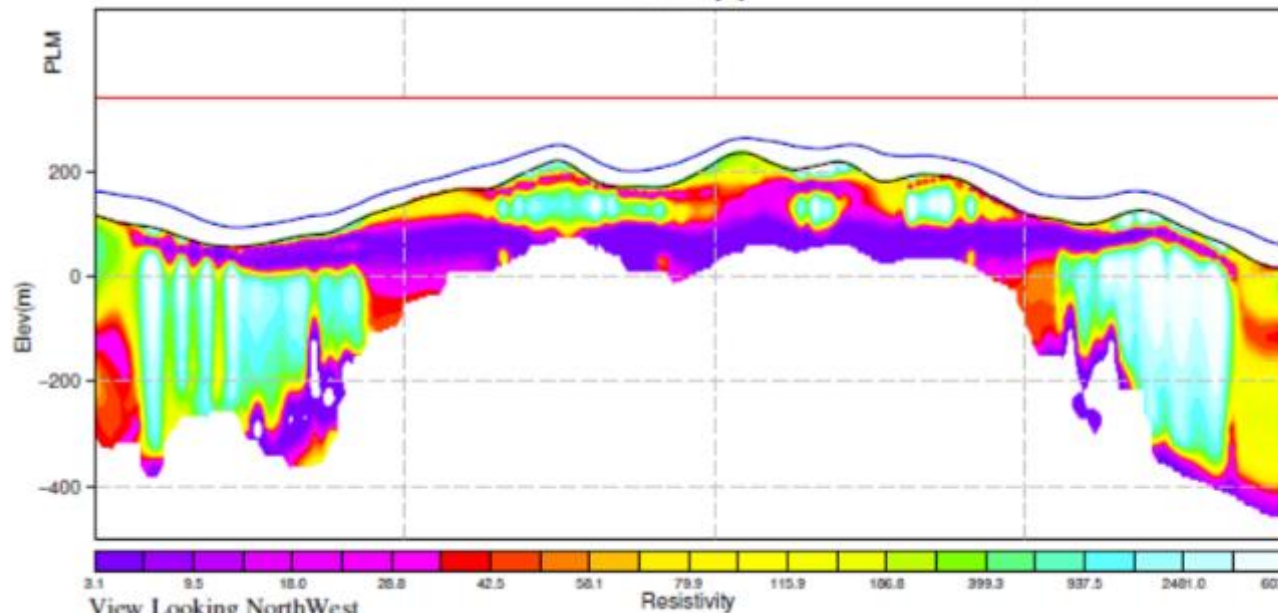
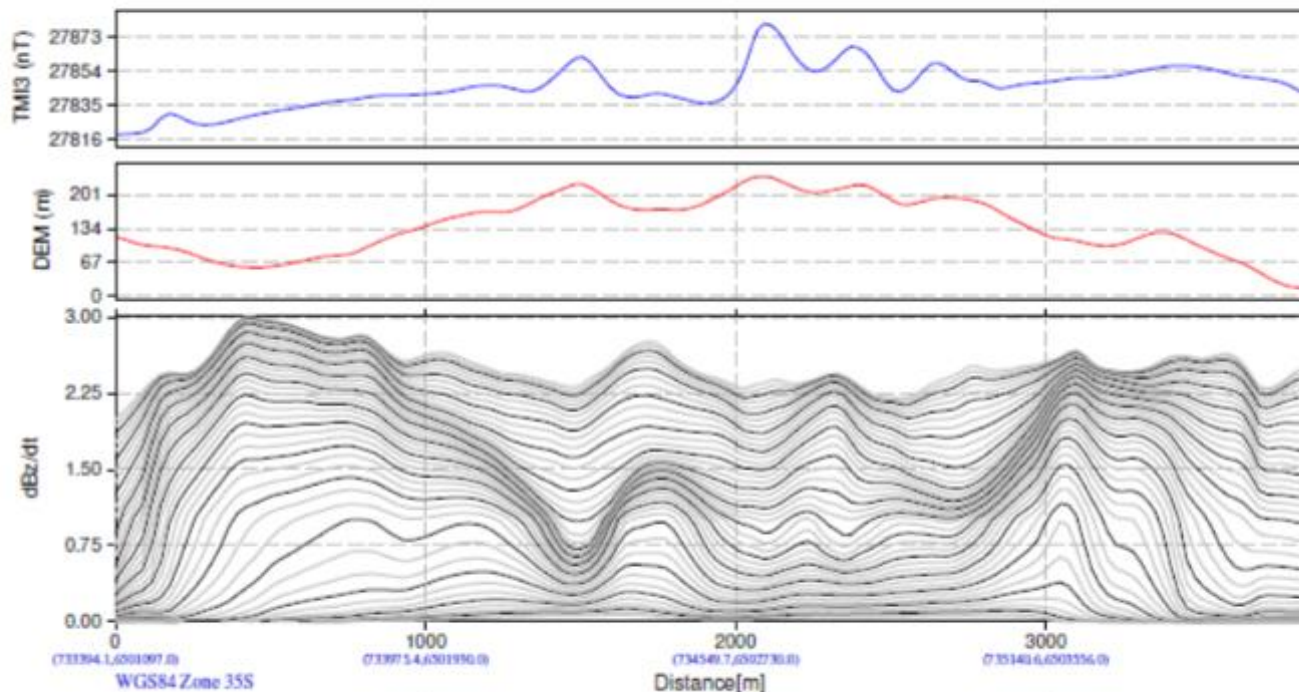
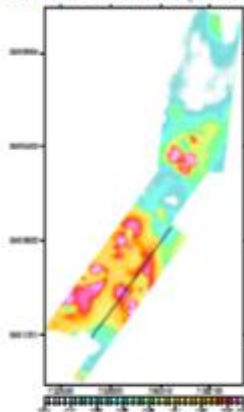
-  Potential slip failure areas
-  Ring dykes
-  Fault lines
-  Cross section (next slide)



Calculated Vertical Gradient (CVG_RTP)



dB/dt Time Constant (TauSF)



Sanral
N2 Wild Coast
Eastern Cape Province, South Africa

VTEM System: VTEM Plus
Job Number: AS160242
VTEM 1D Inversion
Flown by GASA - Geotech Ltd.
Processed by GASA - Geotech Ltd.
245 Industrial Parkway North
Aurora, Ontario, Canada L4G 4C4
www.geotech.ca

2019/ 5/ 8

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Progress: Databases

- Progress
 - Initial database of Suppliers and Contractors compiled for Ingquza Hill Municipal complete
 - Quarries, Gravel and Sand Suppliers
 - Expression of Interest advertised 28 September and soft closed 26 October 2018
 - Geotechnical assessment of sources completed
 - Website <http://sanralwci.com> established (next slides)
 - Workshop held 20 June 2019 for prospective quarry operators and to help them meet and team up with investors and equipment suppliers.
- 2019/2020 goals
 - Port St Johns and Mbizana SMME database
 - Databases will be advertised and compiled once consultants have appointed PLO's and PLC's are all formed
 - Materials
 - Tenders for Material Supply Aug/Sep 2019

DATABASES



Legend

N2 Wild Coast Construction

- Package 1
- Package 2
- Package 3
- Package 4
- Package 5
- Package 6
- Package 7

SANRAL_MSD

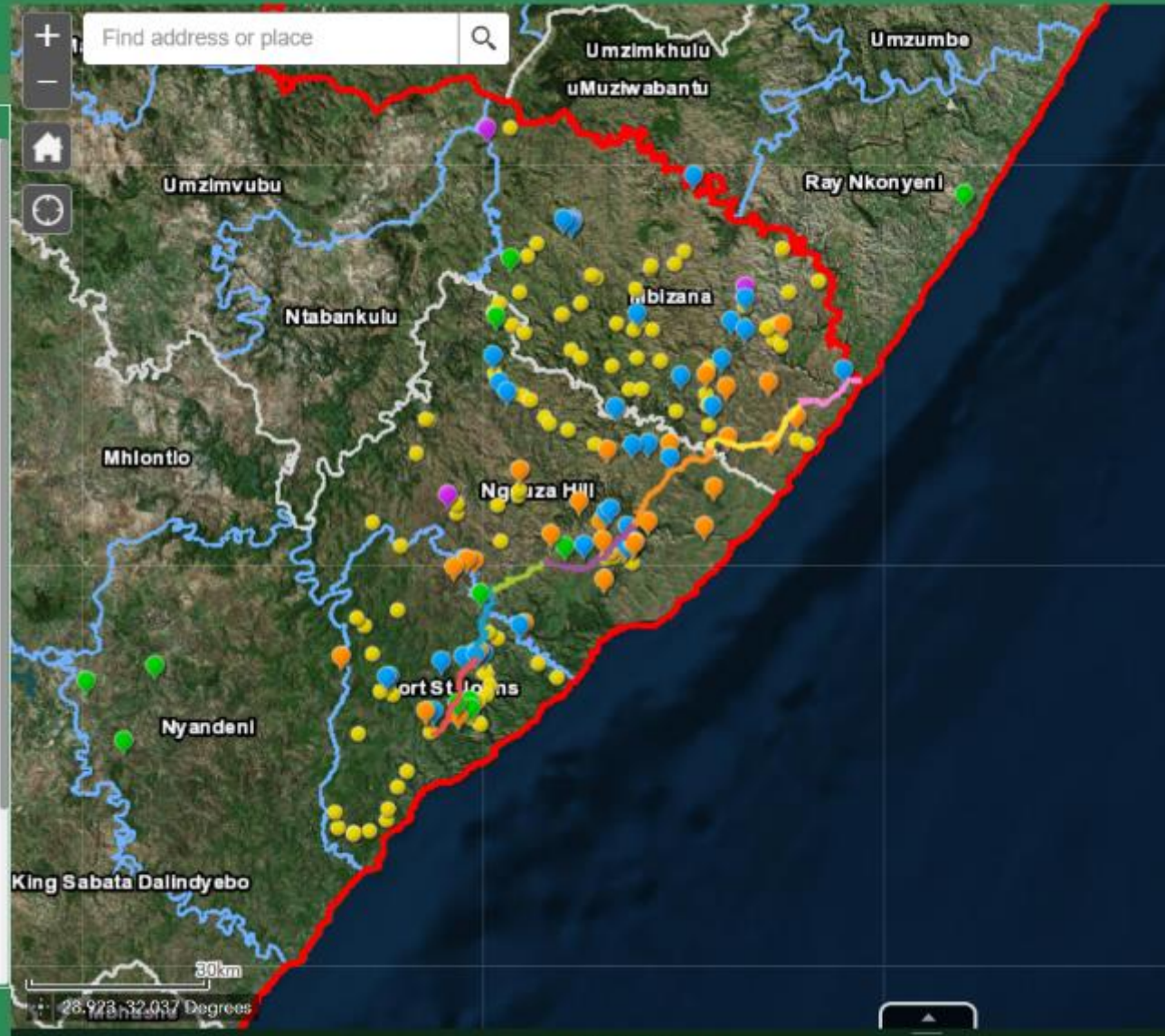
- Commercial Quarry
- Confirmed Mine
- Unconfirmed Mine
- Potential Mine

Provincial Borrow Pits



Demarcation

Provinces



DATABASES



SANRAL - Material Database					
Borrow Pit ID	PSJ02	Type of Pit	Commercial	Volume Sand (m³)	-
Municipality	PSJ	Material Group	Stone / Gravel	Volume Gravel (m³)	80k +
Type of Ownership	Private	TRH 14	G2,G3,G4,G5,G6	Volume Stone (m³)	80k +
Mzintlava Quarries					
Owner Name	Agnes Tenjiwe Mzoboshi	Owner Email	mzintlavaquarry@gmail.com	Material Processing	1 Crusher
Owner Contact 1	0710597177	Active	Yes	Boulders Visible (m)	Yes
Owner Contact 2	-	Expiry (If Active)	10/30/2038	Overburden (m)	2
Geology Comments:		Go - No-Go Comments:			
Dolerite		Commercial site			

SANRAL - Material Database					
Borrow Pit ID	PSJ03	Type of Pit	Potential Mine	Volume Sand (m³)	-
Municipality	PSJ	Material Group	Stone / Gravel	Volume Gravel (m³)	80k +
Type of Ownership	Private	TRH 14	G1,G2,G3,G4,G5	Volume Stone (m³)	80k +
Ngqopheni Location					
Owner Name	Chief Mheki Sigcau	Owner Email	-	Material Processing	None
Owner Contact 1	0734433235	Active	No	Boulders Visible (m)	0 - 0.5
Owner Contact 2	-	Expiry (If Active)	N/A	Overburden (m)	0.5
Geology Comments:		Go - No-Go Comments: This is A Go But With Possible Problems			
Unweathered dolerite.		Applying for license, close houses and watercourse.			

DATABASES



Wild Coast Material Supply Database N2 Wild Coast Toll Highway Initiative

Find address or place

Legend

N2 Wild Coast Construction

- Package 1
- Package 2
- Package 3
- Package 4
- Package 5
- Package 6
- Package 7

SANRAL_MSD

- Commercial Quarry
- Confirmed Mine
- Unconfirmed Mine
- Potential Mine

Provincial Borrow Pits

-

Demarcation

Provinces

Material Processing

Site Representative Present	yes
Contact Name and Surname	Sidney Lawrence
Contact Position	Owner
Contact Number	0727746610
Located Adjacent to Public Road or is it on Private Road?	public_road
Comment on the Geology	silty sand alluvium pumped from river, availability of 100m3 per dredge, currently 2 dredges

Zoom to

DATABASES



SANRAL_MSD

Options Filter by map extent Zoom to Clear selection Refresh

capturer	Data Capturer	Registration Number [ECSA / SciNat]	Borrow Pit ID	QA Status	QA Comments	Please Select A Scenario	Farm Name / Quarry Name	Owner Name and Surname / Quarry Contact Person	Owner Contact Number / Quarry Contact Number [Mobile]	Owner Contact Number / Quarry Contact Number [Landline]	Own Qua
Richard.Barnard@	Richard.Barnard@	Unknown	PSJ-005-RG	Not Approved		unconfirmed_min	mkhazini	simthembile ndabeni	0785540012		ndabe

80 features 0 selected

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Legal

Progress

- Sinegugu Zukulu vs Min. DEA et al
 - Case brought by Zukulu, Amadiba Traditional Authority, Kimbili property Association, Baleni, Madatya and Sigidi communities
 - Sought to overturn Environmental Approval for N2WCTH
 - All applicants except Zukulu withdrew
 - Case was heard in Pretoria High Court in December 2018
 - Application was dismissed on all grounds 07 March 2019
 - Application for Leave to Appeal to High Court denied on 23 April 2019
 - Application for Leave to Appeal made to SCA in June 2019
- ASJV vs SANRAL
 - Urgent application to prevent SANRAL calling in the Performance and Retention Guarantees
 - Heard on 20 February in Pretoria High Court
 - 22 March 2019 ruling given finding in favour of SANRAL and also ruling that no Force Majeure was in effect and ASJV disobeyed a legitimate instruction to return to work
 - Leave to Appeal directly to SCA granted by High Court – 15 month wait for date
 - SANRAL obtained urgent interdict in Mthatha High Court to prevent ASJV removing plant and equipment from Mtentu Site

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THANK YOU

