Copy 29-30 July site visit. Prof Bell & Dr Miller.

BARRICK
COWAL

BARRICK AUSTRALIA LTD
A.B.N. 75 007 857 598
PO Box 210
WEST WYALONG NSW 2671
AUSTRALIA

Tel: (02) 69 75 4700
Fax: (02) 69 75 4740

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29 April 2008

The Director-General
c/- Director of Major Development Assessment
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Attention: David Kitto / Rohan Tayler

RE: Cowal Gold Project Environment – 2007 IMP SOE Report Recommendations Response

Dear David,

In accordance with the e-mail from Paul Weiner (24 Oct 2007), please accept my apology for late delivery of the following. I spoke with Rohan about this matter some weeks ago. The matter is already covered in the first draft of the 2007 AEMR (extended deadline of 31 May 2008, H Reed).

The 2007 Independent Monitoring Panel (IMP) Lake Cowal State-of-the-Environment report (SOE) made seven (7) Recommendations. These were as follows:

1. Continue annual Independent Environmental Audits (IEAs) in similar to current format rather than the triennial frequency of the CGP Development Consent;
2. That the whole water management system is summarised in one section of the AEMR and that a water balance is established to track flows at CGP;
3. To develop a conceptual understanding for understanding the interactions between the mine and Lake Cowal ecosystems as they undergo inevitable major changes when the lakebed finally floods again;
4. The proposed amendments for CGP Cyanide Management Plan be accepted (Barrick, 1st December 2006);
5. That the Mine Geologist and Environmental Manager continue to monitor the waste rock being removed from the pit to ensure that pockets of potentially acid-generating material, which may not have been identified in previous core sampling, are managed appropriately;
6. That consideration should be given, at this early stage of mine operation, to options for thickening the tailings stream to:
    1) Ensure recycling efficiency of water is improved and the area of exposed water is reduced for bird attraction; and
    2) Reduce the possibility of tailings volume, over the predicted life of the mine, exceeding the volume of the two constructed tailings storage facilities; and
7. That Section data for groundwater (SWL) be plotted against distance from pit, and that the same scale is used on the axis of any future groundwater star plots (to enhance plot comparisons).

Barrick CGP has addressed these seven 2007 IMP Recommendations since the October 2007 receipt as follows:

1. Barrick, upon receipt of the IMP report, immediately scheduled the 7th IEA by amec's Trevor Brown and Robert Drury for 28 April to 2 May 2008. Barrick had advised the CEMCC several times during the previous year that it was Barrick's intention to maintain annual IEAs;
2. Restructuring of the AEMR has not occurred, however, a water use balance for 2007 stocks and flows is included in Section 2.8 at Chart 1. There has been considerable indication that the AEMR report is about to be substantially re-defined after Mine Act amendment in 2008;
3. Barrick and Resource Strategies representatives met with IMP (Allen Kearns) at CSIRO in Canberra in June 2007 to progress the matter of the review of the biological component of the CGP "Programme". Considerable time was expended after that meeting locating an approved, independent reviewer for the process of Program review. Professor David Fox (University Melbourne, and Environmetrics) commenced work on the project in January 2008. A first round review report has been produced in recent weeks. Two members of the IMP visited CGP on 3-4 July 2007
4. Barrick has updated the CGP Cyanide Management Plan to reflect approval of the use of Picric Acid for 'quick' determination of WAD cyanide and the removal of reference to a V-notch cut-off drain at perimeter of TSFs (groundwater monitoring bores already installed and adequate)
5. As per the first draft 2007 AEMR, "the results of detailed geochemical investigations of waste rock and tailings were reported in the 1998 EIS for the Cowal Gold Project. The more recent drilling and metallurgical testing carried out by Barrick provided the opportunity to update the geochemical database for the project and to verify the findings of previous studies by Environmental Geochemistry International (EGi, 2004).

   Overall, the EGi results indicated a very low likelihood of ARD generation from waste rock, CIL tailings and combined primary tailings represented by the samples included in the testing programs. Therefore, no special handling requirements were indicated for ARD control at Cowal. However, operational monitoring and testing was recommended to be a carried out on an occasional and as needed basis to confirm the low ARD potential of all waste types with particular focus on any unexpected rock types or alteration types which may be exposed during mining.

   Barrick commissioned O'Kane-MESH in late 2007 to conduct repeat test work of the Waste (rock) Emplacement and the contents of actual TSFs. O'Kane-MESH representatives visited site to obtain samples on 29 January 2008. Site visit close-out discussions with the consultants did not indicate any visually-based concerns on the solids collected for further analysis. Preliminary report results were still unknown at the time of writing the 2007 AEMR due to some laboratory related delays." The 7th IEA is occurring 28 April – 2 May 2008 and will review the status of this and the IMP's other recommendations (2007 Lake Cowal SOE Report).
6. Barrick engaged the services of RMDSTEM and has conducted in-house workshopping of water savings options during the reporting period. Maximising water recovery (re-use) from flotation tailings and leach feed density were key targets, as was maximised recovery (re-use or recycle) of water after leaching. Maximising water recovery (re-use or recycle) after cyanide destruction was of interest. The preliminary costing and technical risk evaluation for the Easy, Medium and Major Process Changes has been undertaken. No expenditure is currently planned for the 2008 year. The 3-4 July 2007 IMP visit coincided with a period of the sulphide circuit start-up and some minor rainfall activity. There has not been enough NTSF Decant water to sustain normal ore treatment tonnage since late 2007 until the time of writing this report. There has been regular withdrawal of water stock from Pond D9 to meet operational needs. The E42 Modification approval process has taken the ultimate disposal density of tailings into account and one of the RMDSTEM options to be evaluated at a later date was for the Major cost change to paste tailings with other circuit changes.

7. A transect has been developed in draft form for the groundwater SWL in relation to distance from the pit by CGP's Environmental Monitoring and Reporting Scientist. This work is now being independently reviewed by Parsons Brinkerhoff (PB), WA-NSW as a portion of the 2007 AEMP works for independent review of Sections 3.3. and 3.4, Surface Water and Groundwater, respectively. The IMP's recommendation was for time-based cross-sections, this is being assessed by PB as part of their overall 2007 AEMR independent review works.

Should you require additional information, I can be contacted by email at gpearson@barrick.com or by telephone on 0400 235 735.

Yours sincerely,
Barrick Australia Limited

Garry Pearson
Environmental Manager