

Mr Michael Rae
WWF

11th January 2004

Dear Michael,

Re: MCEP Working Paper

Following release of the MCEP Working Paper 1 for consultation, we have sought feedback from within Placer Dome. The following concerns we would like raised as issues we see as potentially un-acceptable within the MCEP and our discussion on each of these.

In general, we believe that the criteria and sub criteria have become too specific in many instances. They do not properly support the interpretation and application of sustainability principles (environment, social, economic and governance) at a particular mine site. We assert that they are "developed world centric" with limited relevance to the "developing world". The cross-reference to other international guidelines such as the ILO increases the size and complexity of the criteria beyond all reasonable application.

Some of our specific comments follow:

1. Section 6 (d) Provide for safe storage and disposal of residual wastes and process residues

Specific issue

- (iv) The MSO does not use riverine tailings

While we acknowledge that the number of cases where riverine tailing disposal can be considered and successfully applied will be rare, the section 6d should be approached using a risk based philosophy and the identification, storage, management and control mechanisms used to manage waste products must be assessed using a risk based approach. If the MSO can clearly demonstrate that during the evaluation process all options were identified, and pros and cons for each option fully evaluated and assessed, with appropriate 3rd party review etc, and it can be clearly shown that the selected option has the potential to have the lowest risk to environment and social impacts (eg health, loss of land or resource that can be farmed, fished etc), then the selected option should be considered to be acceptable by the auditor and certifying body. MSO should have also completed an EIS or equivalent that shows a sound public and regulator consultation process took place as part of the approval process.

By undertaking a full assessment and then developing a sound environmental monitoring program that clearly measures and can show if the option is causing further or long term degradation, then this should be acceptable. Further, if the results are assessed and reviewed by a 3rd party, and are openly discussed and available to the local community then this can be demonstrated to be an acceptable option.

By taking this approach, in a systematic manner, the certifying body should be able to assess if the strategy selected by the MSO is the most appropriate to cover off on the known and potential risks.

Ideally (iv) should be deleted and it should be incorporated into (v) as a technology, after the colon.

2. Section 6 e (ii) The MSO's closure plan does not rely in principle on perpetual treatment of mine waste

In reality this is an issue that may evolve over the life cycle of a mine. All mines should incorporate design elements to attempt to prevent long-term treatment of mine waters. However in some cases this is not possible and appropriate engineering and financial controls can be incorporated into the design and operation. Some operations may employ a low risk, passive water treatment system to manage contaminants.

As a mine develops it is possible that new ore zones are discovered that can emit contaminants that may, in the long term require treatment. MSO's should not be penalized for this, in fact perpetual treatment may be the most sound scientific long term option that will cause least amount of environmental harm. The other known driver for this is continuous change in regulatory requirements with stricter water quality standards. Over the past 20-30 years (life of many MSO's) the standards have become far stricter, potentially resulting in long term treatment.

Also some MSO's may take on known problem properties due to further discovery of new ore bodies, and part of the arrangement, undertake to further cleanup the existing liabilities, however, still require a perpetual treatment, albeit, the volume etc to be treated is less after further processing. This should be encouraged.

As technology advances, there may well be new technology that may solve the problem.

What the certifying body should be evaluating is if the MSO has a structure in place to fully fund the perpetual treatment, and how robust the fund is and how it will be managed post mine closure – who is going to do this and for how long. I see this as being more important than “black marking” a mine that will require perpetual treatment.

- .3 (e) 1 Prior and informed consent

Mine projects need the support of governments and local communities. Approvals for mines follow both prescribed processes and informal democratic processes. The MSO must consult with all relevant stakeholders and seek to incorporate their concerns into the project design. This includes indigenous populations.

Democratic processes can be complex particularly in indigenous populations and it is not always clear cut when consent has been obtained, who speaks for the community and what conditions are expected. In most jurisdictions, government processes provide for and incorporate community concerns. The auditor should be able to assess whether an inclusive, transparent process has been followed to advise governments and communities of the project, majority consent obtained, minority views considered to the extent feasible and comments incorporated into the project. In reality cases where the majority of communities and indigenous populations oppose a project are relatively rare and can usually be readily identified. The auditor question set should focus more on the process that the MSO followed rather than attempting to assess whether prior informed consent has been obtained directly.

Other major issues that at some point need resolution include the whole certification process and how this will look/work etc, however

This was always to be a difficult project (providing audit criteria for certification in the mining industry) given the broad geographical spread and site specific aspects of minesites. However, the task has been made more difficult by trying to incorporate all issues into the guidelines with a range of specificity. The project may be better served by being less specific in the criteria which will allow flexibility for MSO, and providing the assessor with interpretative notes to sort out process in place.

We hope that this may generate further discussion within the working group,

Yours sincerely,



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