



Gold Ridge Mining Limited (a wholly owned subsidiary of St Barbara Limited) warns that the Gold Ridge Tailings Storage Facility in the Solomon Islands is likely to overflow unless pumping commences immediately

Gold Ridge Mining Limited (GRML) advises that the Solomon Islands Government has not given GRML the approvals which GRML requires to enable it to undertake a controlled release of water from the Gold Ridge Tailings Storage Facility (TSF) by pumping directly into the Tinahulu River. This action is now urgently required to prevent the risk of water overflowing the spillway during the current high rainfall season.

GRML has been in discussion with the Solomon Islands Government and its advisors regarding the TSF since 1 September 2014, and has submitted a dewatering plan for approval. There was agreement at a meeting in late October between GRML and senior representatives of the Solomon Islands Government and its advisors that the water level in the TSF needed to be reduced before the wet season. It is the Government's responsibility to assess and approve the dewatering plan and to directly undertake the required community consultation. The Government must also provide adequate security to ensure pumping equipment is not again vandalised and that personnel undertaking the dewatering work are not attacked.

Accordingly, given the absence to date of any Government approval for dewatering, GRML has been left with no alternative but to itself issue local advertisements and post warnings to local communities alerting them to the risk of water overflow from the TSF spillway during the wet season, while GRML continues to seek the necessary approval from the Solomon Islands Government.

The TSF incorporates a spillway at a lower height than the main TSF wall. This enables any build up in water level to flow over the spillway first, and avoid pressure building up on the main TSF wall. GRML believes that reducing the water level in a controlled fashion is clearly preferable to an uncontrolled release that would likely occur when significant rainfall causes the TSF spillway to overflow. A controlled release is unlikely to cause environmental damage. However, GRML is unable to undertake the proposed controlled releases without Government approval.

GRML therefore urges the Solomon Islands Government to urgently:

- [1] approve GRML's controlled release application to lower the water levels; and
- [2] conduct the required community consultation without further delay.

Without proactive management of TSF water levels (by way of controlled release) in the immediate to short term, uncontrolled releases of water from the TSF over the spillway are likely to occur during the current high rainfall season. A sequence of uncontrolled releases of water should therefore now be anticipated over the next few months. This could erode the TSF spillway and lead to further overflow with potentially serious environmental consequences and possible damage to life and property downstream if an extreme rainfall event were to occur.

The water treatment plant at Gold Ridge was destroyed by vandals for a second time this year in August 2014. GRML has therefore recommended for Government approval a controlled release of untreated water by pumping directly into the Tinahulu River.

Recent independent laboratory water analysis demonstrated that the water which GRML proposes to release by pumping from the top of the TSF would be compliant to Australian and New Zealand Environment and Conservation Council Guidelines for Fresh and Marine Water Quality (ANZECC 2000) for irrigation, livestock and, most importantly, aquaculture.

GRML has applied to the Solomon Islands Government to urgently approve dewatering by pumping as it is the only means by which the water levels can be reduced in time, assuming this can be safely commenced without further delay. GRML again notes that the water to be released in this manner would be diluted immediately upon release to levels below the World Health Organisation (WHO) guidelines for drinking water

Because GRML has not received approval from the Government for a controlled water release, GRML intends to immediately advise local communities of the potential for uncontrolled releases from the TSF spillway to occur during the current rainy season. GRML will issue clear warnings to the communities to outline the risks associated with GRML not being granted permission by the Solomon Islands Government to undertake controlled releases of water into the nearby rivers.

Background information

Operations at Gold Ridge were suspended in April 2014 due to torrential rainfall and ensuing flooding. GRML has been unable to resume production due to a number of factors outside its control, including the loss of stable bridge access across the Tinahulu River on the public road to the site, and the continued presence of large numbers of illegal miners camped in the open pit mining areas.

Since the suspension of operations in April, GRML has spent SBD\$139 million at Gold Ridge Operations. This expenditure included preparing the processing plant for care and maintenance, repairing the water treatment plant and pumping station for the Tailings Storage Facility, securing the storage of hazardous items, and ensuring that employees and suppliers were paid in full. Construction works on an improved spillway that would provide a sustainable, long term solution for the Tailings Storage Facility were also commenced.

GRML commenced lowering the water levels in the tailings storage facility in July 2014 utilising the repaired water treatment plant and pumping station. These activities had to be suspended in mid-August when a serious escalation in security and associated safety concerns required a withdrawal of GRML staff from site.

Subsequent inspections of the site verified that wide-spread vandalism and destruction of the plant and facility extended to the water treatment plant and pumping station, rendering it inoperable once again. Earthmoving equipment necessary for the completion of the improved spillway were also extensively damaged and rendered inoperable.

Throughout the duration of these events, GRML has been in regular contact with all levels of the Solomon Islands Government in relation to the necessary actions to maintain the environmental and safety standards of the Gold Ridge site.