

2007
PEAK ASSOCIATION INC
ANNUAL REPORT

INTRODUCTION

Porgera Environmental Advisory Komiti (PEAK) is an independent association which aims for long-term sustainable development and environmental stability in the surrounding communities and environs to be by-products of the activities of the Porgera Gold Mine.

Throughout 2007, PEAK has aimed to ensure that these activities are consistent with international best practice in social, economic and environmental terms and will remain a key focus for PEAK in future years.

During 2007, PEAK was confronted with a number of barriers in securing co-operation with PJV Management; however this has improved considerably with the recruitment of new senior personnel in the last quarter of 2007.

The Mine strike in April 2007, staff disruptions along with the non-availability of PEAK Members to perform tasks allocated became frustrating at times. However, the coordinating role and the over-arching influence of the Executive Officer kept PEAK focused on the 2007 Work Plan.

ADMINISTRATION

(a) Membership:

A number of changes were made to the Committee during the year: Mr. Roy Banka from the PNG Forest Research Institute (Forester) and Mr. Mark Ernest, Snowy Mountains Electricity Commission PNG Ltd, (Geotech Engineer), were appointed new members as per the Constitution. Mr. Craig Wilson, Executive Director of FDC replaced Mr. Paul Greener and Mr. Tim Omundsen, PJV Manager - Communities and Environment, replaced Mr. Bob Cogger. Mr. Michael Kiap also resigned to take up a full time position in another mining company. His replacement will attend his first meeting in April 2008.

(b) Office Space:

It was anticipated that a permanent office location would be secured by the middle of the year however this has proven to be a difficult task. At the time of writing, nothing suitable and reasonably priced has been identified.

(c) PEAK Website:

The 'new look' PEAK Website was completed in April 2007 and the PEAK Executive Officer has, and continues to, liaise with Barrick (PNG) Ltd to secure up to date, non-confidential information while at the same time obtaining from PJV, public documents for uploading onto the website. Links have also been established with other stakeholders.

(d) Meetings:

Two meetings were scheduled for 2007: April at Porgera Mine Site and October in Port Moresby. However, as stated in the introduction, the April meeting did not proceed due to the absence of PJV and Barrick representatives. A special meeting was held in Port Moresby in June 2007 in order for PJV Management to deliver a number of updates on social and environmental matters to the PEAK Members. The meeting was attended by only eight (8) of the seventeen (17) members.

(e) PEAK Constitution:

After two years of continuous amendments to the Constitution, the Committee was finally presented with a copy of the proposed amendments at the October meeting. The amendments will be addressed at a 'Special General Meeting' at the April 2008 PEAK Meeting, and once approved by the Committee will be lodged with the appropriate regulatory bodies.

(f) PJV Reporting:

PJV through its senior management team, continued to provide PEAK with up-to-date information on the operations of the mine, and its activities and issues associated with the surrounding communities during 2007.

PEAK Annual Work Plan - 2007

PEAK's Annual Work plans are based on the activities and issues that impact on the local communities. The 2007 Work Plan proposed to investigate, workshop, review or obtain further information on a number of activities, which are detailed as follows:

- HIV/AIDS workshops - This was deferred to 2008 to allow PEAK to assess the roles of the other stakeholders.
- Rehabilitation Strategy of Waste Dumps - An MOU between PNGFRI and PJV was signed to develop a mutually beneficial program of sustainable activities on the waste dumps.
- State of the River Assessment - Dr. Stuart Bunn from the International Water Centre, Brisbane, Australia will develop a 'Report Card' on ecosystem health of the Strickland River & Associated water bodies. This will form part of PEAK's overall sustainability assessment of PJV.
- Drinking Water Investigation Project - This project did not get off the ground and has been deferred to PEAK's 2008 work plan.

- Riverine Monitoring Review - PJV delivered a detailed response to the Riverine Monitoring Report. PEAK was impressed with PJV's intention to develop a quality environmental monitoring program. PEAK will monitor the program.
- Resettlement Action Plan - PJV was unable to provide a copy of the original Terms of Reference to the Social Impact Assessment (SIA). It is hoped that this will be provided in the near future.
- Illegal Miners - PJV outlined current and future projects to be undertaken in dealing with illegal miners. PEAK will monitor these activities.

The PEAK Annual Work Plan 2007 was received and updated at the October 2007 meeting. The final version was uploaded onto the PEAK website for general viewing.

PEAK ANNUAL WORK PLAN 2008.

The 2008 Annual Work Plan was also considered and approved by PEAK Members at the October 2007 Meeting. A copy of PEAK's 2008 Work Plan is available for general viewing on its website.

FINANCIAL SUPPORT:

Since its inception ten years ago, PEAK continues to receive financial support from PJV to enable it to perform its activities. From 2006 onwards, PEAK has sought annual budget allocations from PJV of US\$120,000 which is paid twice annually in June and October. PEAK is grateful to PJV for its support and through its activities endeavors to identify issues that affect the environment and community at large.

PEAK's Financial Statement for 2007 is located in the 2007 Annual General Meeting Report which can be found on the PEAK Website.

FUTURE:

Although there have been some difficulties encountered by PEAK in the early part of 2007, such as those mentioned above, it is hoped that 2008 will be a more productive year.

With a near full compliment of technical professionals and advisors on the Committee, PEAK will continue to focus its activities on key social and economic issues that will affect the Porgera Valley and the surrounding areas. By continuing to provide independent advisory, information and review services PEAK's activities will add value to the interests of the surrounding community, Porgera Joint Venture management and shareholders, and other stake holders.

Nigel R. Agonia, OBE

CHAIRMAN