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EMBASSY OF GREECE
SOFIA

Министерство на околната среда и водите

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София 20.05.2011

MOST URGENT

No.: 3280/21/AS 1472

VERBAL NOTE

The Embassy of the Hellenic Republic in Bulgaria present their compliments to the Ministry of Environment & Water of the Republic of Bulgaria and referring to their Verbal Note 3280/18/ AS 1319/9.05.2011, have the honor to attach herewith the original letter by HE the Minister for the Environment, Energy & Climate Change of the Hellenic Republic Ms K. Birbili, addressed to HE the Minister of Environment & Water of the Republic of Bulgaria Ms N. Karadjova.

It should be noted that the attached letter contains the opinion and related comments on the Environmental Impact Assessment of the project: "Investment proposal for mining and processing of auriferous ores from the Krumovgrad License, Krumovgrad Municipality, by Balkan Mineral and Mining EAD".

The Embassy of the Hellenic Republic in Bulgaria avail themselves of this opportunity to renew to the esteemed Ministry of Environment & Water the assurances of their highest consideration.

Sofia, May 20th 2011

To Ministry of Environment & Water
of the Republic of Bulgaria
-Cabinet of the Minister



- ✓ Cc Ministry of Environment and Water
of the Republic of Bulgaria
✓ -EIA/EAD Department Head
(Ms Jacqueline Metodieva)
-International Cooperation Department
(Ms Detelina Peicheva)

IN TOWN

Att. Pages No: four (4)



HELLENIC REPUBLIC
MINISTRY FOR THE ENVIRONMENT, ENERGY & CLIMATE CHANGE

Athens, 02 May 2011

Ref. Nr. Y.P.E.K.A./E.P.D. oik. 126412

To: Mrs Nona Karadjova,
Minister of Environment
& Water
Republic of Bulgaria

Subject: Opinion and comments on the EIA of the project: "Investment proposal for mining and processing of auriferous ores in "Khan Krum" area, Krumovgrad Municipality, by Balkan Mineral and Mining (BMM) EAD"

Dear Minister,

With our previous letter (ref no YPEKA/SES 129338/24.08.2010) the Hellenic Ministry of Environment, Energy and Climate Change and under the provisions of the Espoo convention, has asked to participate in the consultation process for the assessment of environmental impacts of the "investment proposal for mining and processing of auriferous ores in "Khan Krum" area, Krumovgrad Municipality, by Balkan Mineral and Mining (BMM) EAD".

Our Ministry taking into consideration:

- ✓ All data relevant to the design and implementation of the project, the potential impacts of the project and specially the trans

boundary impacts, the proposed mitigation measures, the proposed monitoring and other data, as described in the submitted folder,

- ✓ Opinions on the folder received during consultation process,
- ✓ Provisions of EU and international law, and any other available information

and within its authorities, has no objection in principle for the environmental licensing and the implementation-operation of the examined project, as long as, all environmental protection measures described in the submitted folder, Best Available Techniques for management of waste rock in mining activities listed in the relevant document of the European Commission (2009/C81/06) and presented in detail in the relevant folder and the referenced environmental monitoring program, are observed.

Specifically the following are proposed:

- The main tailings delivery pipeline and its individual sectors (delivering tailings in various cells of the Mine Waste Management Facility) will be constructed from high density polyethylene (HDPE) and will be controlled during operation to avoid malfunction due to mechanical stresses or other causes.
- For the design and construction of the Mine Waste Management Facility all relevant to the safe operation parameters shall be taken into account, such as waterproofing, geotechnical stability under static and dynamic stresses (seismic event), elimination of failures due to storm events etc.

At an early stage soils of the facility will be improved. The permeability of the basement rock must be equal or less than 10^{-9} m/sec for thickness greater or equal to 1 m. If geological formation does not provide the above, then 1m thick layer of clay material of respective permeability must be established.

The facility will be developed from the bottom up by successive raises and internal berms will be constructed by mine wastes to create cells of suitable dimensions (i.e. 5m width, 10m height), outer berms will be constructed at 2.5H:1V. To prevent tailings being carried out, a two zone lining system will be constructed, consisting of geotextile anchored to mine waste and layer of sand.

- Avoid under all circumstances (even in cases of extreme storm events, due to heavy rainfall) leakage of seepage of the Mine Waste Management Facility and direct disposal to Krumovitsa river and through this to Arda river system.
- The Mine Waste Management Facility will have a suitable dual drainage system to collect all water that infiltrates into the facility and water expelled from the tailings during consolidation. Drainage will be diverted to two sumps at the toe of the facility

and conveyed to two Water Tanks and from there it will be pumped to the Runoff Storage Pond. A surface runoff diversion system will be constructed (precipitation) upstream of the facility, control and monitoring system of the Mine Waste Management Facility will consist of 3 piezometers outside the facility (2 downstream and 1 upstream of the facility) and approximately 20 inside the facility to monitor water level within the facility. To monitor stability of the facility 25 observing points will be placed in each berm and 3 reference points on natural ground to monitor any horizontal and vertical displacement. Similarly diversion works will be constructed to all sites (mine, ROM ore pad, plant etc.) to minimize surface runoff and protect quality of surface water. Specifically diversion system (drains) will be constructed upstream of the mine and the plant.

The above drainage will be collected in the Runoff Storage Pond.

Also all appropriate measures will be taken (i.e. forming gradients, maintenance of drains to ensure flowing capacity etc) to avoid transfer of any kind of sediments from the project's facilities to the Krumovitsa river.

- In the perimeter of the fuel tanks, reagents etc. waterproof arrangements of suitable dimensions must be constructed (volume at least equal to the volume of tanks) to collect any fuel leakage, reagents etc.
- Changing of used oil must be done in a specific area, with provision to prevent pollution by concrete and network to collect any leakage.
- Water collected in the Runoff Storage Pond will be reused in the process, any excess water (in case of extreme storm events, due to heavy rainfall) will be discharged to Krumovitsa river after suitable treatment (i.e. treatment with alkaline reagents) and so the disposed water to Krumovitsa river will meet the emission requirements and the environmental standards set by EU legislation (directives 2000/60/EC, 2008/105/EC, 2009/90/EC).
- Environmental monitoring program will be implemented as in detail described in Appendix 10 of EIA. The program will be implemented for three years after the Project's closure. Description of this program (place of measurements, parameters, frequency of measurements) and results will be available (in English language) in a specific web site. Your Ministry will inform the Hellenic Ministry of Environment Energy & Climate Change about this web site, immediately after the beginning of measurements.

In addition to the above and especially regarding the water monitoring program (Chapter 8 of the above Appendix), it is proposed:

a) an additional measurement station of surface waters in Krumovitsa river, 50m after the waste water discharge. Measurements from this station and for the parameters presented in Table 8-3 of the Appendix 10 will be on daily basis (once a day) for discharge periods and for at least two days after discharge.

b) Once a year beginning from one year after the commencement of the Project, a report (in English language) will be sent to the Hellenic Ministry of Environment Energy & Climate Change with results of the water quality monitoring, with full descriptions of the sampling stations (places etc) analyzed parameters, analysis methods and any excess values in relation to statutory limits and dates when these excess values were noted. In case of such occurrences operation of the project will stop and will restart after appropriate additional measures are taken, which will be described in detail in the aforementioned report.

- After Project's closure all rehabilitation works will be completed. Especially for the Waste Management Facility all appropriate measures will be taken for geotechnical and geochemical stability, relief forming (appropriate layers of soils and suitable local vegetation), smooth drainage of rain water (suitable rain water collection and diversion system which does not cause any harm to the covering-lining system) and maintenance, monitoring and controlling of these works according to Article 12 of Dir. 2006/21/EC.

Finally the following are noted

- In case of future submission of environmental assessment for the exploitation of the other deposits of "Khan Krum" area (beyond Ada Tepe), we consider appropriate that cumulative and synergistic environmental impacts from the exploitation of all auriferous deposits must be included.
- The cost of decontamination and cost of overall compensations in cases of contamination or degradation of the Greek environment, which will be proved to be due to the operation of the project, will belong to the Investor in accordance with provisions of EC and International Law.

Yours sincerely,

THE HELLENIC MINISTER FOR
THE ENVIRONMENT, ENERGY & CLIMATE CHANGE

K. BIRBILI