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4 October 2000

Mancala Pty Ltd
P. O. Box 240
LAUNCESTON TAS 7250

Attention: Mr Martin Kyne

Dear Sir,

RE: ANCHOR TIN TAILINGS DAM REVIEW

Further to our inspection of the Anchor Tin tailings dam on 13 September 2000, we have pleasure in presenting our review comments regarding the long term stability of the dam embankment.

The tailings dam was designed by BFP Consultants (formerly Barrett Fuller & Partners) as a sand embankment constructed by the upstream method with a rockfill starter dam. Construction commenced in 1989, with the key trench and lower sections of the starter dam being constructed under the supervision of BFP. The design of the embankment required a downstream batter of 2:1 to maintain longterm stability under the most severe of anticipated conditions. However, this recommendation has clearly not been followed over the years. The storage area was also to contain a centrally located 'glory-hole' outlet for tailings water, which was to be progressively raised as the tailings level increased. This outlet is still evident and remains in operation, as indicated by the flow discharging from the outlet pipe beneath the wall.

Photographs of the sand embankment and the current surface of the storage area are attached.

Notwithstanding the steeper batters used in the downstream face of the sand wall, the latter is judged to be in excellent condition, with no evidence of past or impending instability. The cycloned sands used in wall construction are medium to coarse grained with an estimated friction angle in excess of 35 degrees, which accords with the original design assumptions. We are therefore of the view that, if the wall and storage profile is recontoured to the original design, longterm stability of the wall is assured.

We therefore recommend that the following works be conducted as part of final closure of the site:

- Reshape the downstream face of the sand wall to a 2:1 batter.
- Recontour the surface of the stored sand tailings such as to minimize the entry of runoff to the area and avoid ponding.
- Retain the central discharge structure in a form which will allow it to continue draining the stored tailing sands and act as an emergency outlet for surface runoff should changes in surfacing characteristics with time modify surface drainage patterns.

MELBOURNE, PERTH, LAUNCESTON, ULVERSTONE
Peter G Fuller, Donald R Milier, Geoffrey K Searle, Phillip M Dight

Subject to the above work being conducted, we are of the opinion that both stability and erosion aspects of the tailings dam storage facility will be satisfactory for the foreseeable future.

Should you require clarification of any aspect of this letter-report, please contact the undersigned.

Yours Faithfully
BFP CONSULTANTS PTY LTD

G. K. SEARLE