

Yayasan Tambuhak Sinta

The Chief PSM / OOS /PRC UNIDO Wagramer Strasse 5, A-1220 Vienna, Austria

Monday, July 3rd, 2006

Attention: Soeren Bro

Re: GEF/ UNDP/UNIDO Global Mercury Project, in Central Kalimantan.

Removal of barriers to the introduction of cleaner gold mining and extraction technologies

REPORT OF ACTIVITIES FOR JUNE 2006

Dear Mr Bro,

We are pleased to provide you with a June report on the activities of the Global Mercury Project in Central Kalimantan, Indonesia. The project commenced with the notification of award of contract which was received from UNIDO on 5 June 2006, and our confirmation which was sent on 6 June 2006.

Activities commenced immediately in our Palangkaraya office and the project began to compile staff and other resources. The project manager obtained a work visa from Bangkok in the first week, and arrived in Jakarta on Monday 12 June.

On Tuesday 13 June, a coordination meeting was held at the UNIDO office in Jakarta. UNIDO representatives Masayoshi Matsushita and Budi Susilorini, met with Bardolf Paul (Project Supervisor) and Sumali Agrawal (Project Manager). Also in Jakarta, Bardolf Paul met with the director of a reliable creative design agency that have been entrusted with the conceptual work for the project's advertising media campaign.

Substantial rescheduling has been undertaken in our office over the last four weeks to match the Working Calendar to the new June 2006 to February 2007 schedule, as the nine project months were initially proposed to run from April until December 2006. The revised Working Calendar is attached to this report as a separate file.

The project manager has also been concerned with the definition of the approach and methodology for an initial field survey, to establish a baseline of current levels of awareness and behaviours, in both the township of Kereng Pangi and the goldfields. Our intention is to approach miners, their families, gold shop owners and residents directly and to obtain first-hand information from them, prior to commencing with the awareness-raising and training programs.

A team of four have created a set of evaluation tools for use in gathering baseline data and the survey will commence in the first week of July. Mapping tools have also been obtained so that GPS points can be obtained in the field for future reference. The baseline survey will bring us up-to-date with recent changes in the field, and will also provide more background information on the socio-economic profile of the mining community.

The TDU operator has investigated the procurement and fabrication of all the tools and equipment necessary for supply to the Transportable Demonstration Unit as well as the logistics of supply of personnel and equipment into the goldfield locations. He has also been the physical communication link with the offices of the District Head, Mining Dept. and Environment Dept. which have no telephone services as they are in the process of consolidating and relocating to a new, centralized office. Meetings with heads of all of these departments will take place in the first week of July, to inform them the project has commenced and to seek their cooperation and participation. We expect that ongoing meetings will take place as the UNIDO country representatives shall be present here during the second week of July. In the past week we have received and returned a finalized contract with UNIDO and have now begun to implement office management systems to track the monthly expenses for the project. However, as no monies have yet been received, the expenses

have yet to be allocated to the Global Mercury Project. Thus a detailed breakdown of

expenses shall remain pending until the month of July.

Yours sincerely.

Bardolf PaulProject Supervisor