

**Press review:  
Mining in the South Pacific**

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**Abbreviations in common use:**

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

**Websites:**

Radio New Zealand: <http://www.radionz.co.nz/international>

PNG Post-Courier: <http://postcourier.com.pg/>

PNG National: <http://www.thenational.com.pg/>

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**MP: 10 killed, many injured in tribal violence, help needed**

December 30, 2019, The National Main Stories



MORE than 10 people have died and many others injured in the ongoing tribal violence and killings around the Porgera mine, Lagaip-Porgera MP Tomait Kapili says. “The fighting has been going on for some time, and has intensified over the past two weeks, resulting in gun battles in and around the Porgera mine,” he said. “All the fighting must stop immediately and the warring tribesmen must return to their lands. “Porgera is not the place for you to resolve your problems. “Stop behaving like criminals and destroying peace and safety. “I have heard the voices of Porgera communities loud and clear and I fully support their call for an end to this lawlessness and violence. “You need to stop what you are doing and go home peacefully.”

He said Enga Governor Sir Peter Ipatas would also be raising the urgent matter with the prime minister and Cabinet members. “I am fully supporting his call for urgent intervention to stop this senseless fighting, and to end the criminal conduct of a few people impacting public law and order in Porgera,” he said. “Let me warn everyone that justice will be served on anyone who breaks the law or harm people. “Just stop the violence now, and return home. “Porgera is not the place for you. We do have customs and traditional connection with the Tari people, specifically the Hulis of Hela, but that does not entitle you to come and flex your strength and muscle. “Fix your problem in your own land Hela has given.”

### **Alluvial mining sector has huge potential**

LOOP PNG, 24 December 2019

Over a billion kina can be generated from the Alluvial Mining Industry if small scale miners are up-skilled. The Small Scale Mining Training Centre in Wau, Morobe Province, is one such facility up-skilling small scale miners in the sector. And so far the results have been positive with more than 5000 small scale miners graduating through the program.

### **Bougainville seeks PNG's help to enforce ban on mining execs**

*Bougainville's government has asked Papua New Guinea to help enforce its travel ban on a group of foreign mining company executives and shareholders.*

Radio New Zealand, 24 December 2019



Bougainville President John Momis Photo: supplied

The president of the autonomous Papua New Guinea province, John Momis, said that despite a ban, people were continuing to disrespect Bougainville's customs and laws, and cause "disharmony". They wanted PNG officials to stop seven individuals from entering both PNG and Bougainville. The ban includes chair of RTG Mining, Michael Carrick, its chief executive, Justine Magee, and chief operating officer Mark Turner. The ban also applies to two RTG directors and lawyer Renzie Duncan, who is with associated company, Central Exploration. RTG has close links with the SMLOLA landowning group at the site of the Panguna mine, and they are hoping to re-open the mine. But the Bougainville government has separate plans for the mine, and intends [controversial changes](#) to its own Mining Act to make this happen.



Nature has gradually reclaimed the massive open pit of Bougainville Copper Limited's former lucrative mine. Photo: RNZ Pacific / Johnny Blades

The seventh person on the banned list is Nik Zuks, who is a shareholder of Kalia Group, which is looking to mine at another site on Bougainville Island. The company was castigated by the government earlier this month for continuing mineral exploration, while the province was still conducting its referendum. A Kalia geologist was [killed in a clash](#), causing Mr Momis to say the company was encroaching on disputed land but Kalia said it had permission from the landowners.

### **Mine waste left behind**

By SHIRLEY MAULUDU, December 23, 2019, The National Business

THE remains at the abandoned Sinivit gold mine in East New Britain will cost about K10 million to have them cleaned up, Mineral Resources Authority (MRA) managing director Jerry Garry says. Garry said the mine, including a few others, were abandoned by their respective operators as the country did not have proper policies and regulations in place following mine closure. The MRA boss made the statement during launching of the mining audit programmes and mine closure and rehabilitation plan in Port Moresby on Friday. "We have remaining cyanide at Sinivit and the company has gone into liquidation," he said. "The question is, who will do the clean up? "The cyanide is still there, very toxic, and it could end up in Warangoi (river) anytime. "From the figures I'm getting from people, the clean-up will cost about K10 million.

"Who is going to fund that K10 million at such a time when the country does not have the money?" Garry also commented on the abandoned Tolukuma gold mine in Central. "We also have issues at Tolukuma where the mine was abandoned because of liquidation again and it's very difficult to clean up," he said. "The relics of the mines are still there. "The question is who will clean that up?"

“We also have relics of dredges up in Wau and Bulolo (Morobe). “They are still standing there. “Who will do the clean-up? “When we look at that we found out that the country over these many years of large scale mining do not have what we call, a mine closure and rehabilitation guideline. “So there was a real need to develop one. “Through the recognition from Apec and with the support of IGF (Inter Government Forum) and OECD (Organisation for Economic Co-operation), we are pleased to say that we have developed a PNG Mine Closure and Rehabilitation Guideline that will be launched today.”

### **Ok Tedi pays K100m dividend**

December 23, 2019, The National Business

SHAREHOLDERS of Ok Tedi Mining Ltd (OTML) will be receiving a final dividend of K100 million today, according to OTML. This followed an interim dividend of K100 million paid in September and a final 2018 dividend payment of K200 million which was paid in the first quarter of this year. Chairman Sir Moi Avei said: “The company is again pleased to be in a position to make a distribution to our shareholders – the State (67 per cent shareholding) and Western entities representing the Fly River provincial government, CMCA (Community Mine Continuation Agreement) and mine communities (33 per cent shareholding).” He said Ok Tedi continued to perform strongly, generating sufficient cash to enable total dividend payments of K400 million during the year whilst funding a K700 million investment to replace and relocate the mine in-pit crusher, meeting annual sustaining capital requirements of about K160 million and investing about K60 million per annum on near-mine exploration.

Sir Moi said the company remained debt free. “This result has been achieved despite several extended periods of dry weather, including the current month, during which shipments of supplies in and product out have been severely constrained,” he said. “Commencing this week, production has been reduced to 50 per cent with limited hydro power available and diminishing stocks of diesel and other vital materials. “The continuation of operations is being assessed weekly in light of rainfall. “Work on the strategically important crusher project continues and is expected to be complete by mid-2020 enabling access to the higher grade ore under the existing crusher that will see a step change in production and cash generation in 2022 and beyond. “I wish to thank management and staff for their efforts throughout 2019, and the shareholders for their continued and valued support.”

### **Expert: Mine not giving enough**

December 23, 2019, The National Business

PAPUA New Guinea is not getting enough in terms of revenue generation from the resource projects it has, an expert says. Organisation for Economic Co-operation and Development (OECD) tax adviser Vy Tran made the statement during the launch of the mining audit programmes and mine closure and rehabilitation plan in Port Moresby on Friday. “PNG has a long history of mining,” he said. “Our friends from MRA told me that mining started in the 1930s. “So that’s almost 90 years of mining in PNG. “During that time, the questions has been whether the citizens have seen the benefits from the mining sector. “Jobs come from mining. But the other question was that whether the taxation revenue has flowed from that.

“Taxation revenue is very important in terms of redistributing that wealth to other citizens.” Tran further noted that in 2007, OECD conducted a study that looked at taxation revenues as a measure against GDP. “PNG’s ratio in that respect was 13 per cent,” he said. “The question is that is that a strong percentage? “When compared to your peers in the Pacific, it ranked the lowest. “It was ranked lowest in terms of revenue collection to GDP. “At the same time, in comparison to devel-

oped countries that are resource rich like Australia, Australia was more than doubled that ratio.” Tran said in comparison to the average in Africa, PNG ranked five per cent lower than African countries.

### **Resource company worth K6 billion**

December 20, 2019, The National Business

THE Mineral Resources Development Company (MRDC) is worth K6 billion, chief secretary Isaac Lupari says. Lupari, who is also MRDC board chairman, said over the last 10 years, the company had invested in assets and businesses that had recorded solid growth, delivering sound returns to its beneficiaries and contributing to PNG’s economic growth. “MRDC invested in banking, airline, commercial properties, hotels and resorts,” Lupari said. “These investments have provided thousands of jobs and created spin off business opportunities for Papua New Guineans. “In the last 10 years, the value of our business has grown from K800 million to a massive K6 billion today.”

Addressing landowner leaders and directors of MRDC board at a recent end-of-year function, Lupari said the ‘Take Back PNG’ vision laid the platform for landowners to be at the forefront of national economic growth in 2020 and beyond. “As we enter the second decade of this century, I can see landowners playing a leading role in the next phase of the nation’s economic progress,” he said. Lupari said he was excited about the involvement of landowners in the power generation business through their company Dirio Gas and Power Ltd.

### **New Seabed Minerals Commissioner for Cooks**

*The Cook Islands government has appointed a new Seabed Minerals Commissioner.*

Radio New Zealand, 20 December 2019



Photo: Rafael Ben-Ari/ 123RF

Local lawyer Alexandrya Herman will take over the Seabed Minerals Authority for the next three years from January. Outgoing commissioner Paul Lynch has been in the role since 2012. The authority is charged with advancing licensed exploration activities within the Cook Islands maritime zone. Planned seabed mining activities were openly criticised in September by the prominent marine biologist and former Marae Moana marine reserve director Jacqui Evans. Her subsequent removal from the government role drew criticism.

## **Australian miner admits workers attacked in Bougainville**

Radio New Zealand, 20 December 2019

The Australian-owned miner, Kalia, has revised its account of how its geologist, Terry Wyn Kilya, died in north Bougainville. Mr Kilya, from Enga Province, was an employee of Kalia/Toremana Joint Venture Ltd, which has been conducting mineral exploration in a disputed area. Last week, the company announced he had died "in a fall", but the Bougainville government has said Mr Kilya was [killed in a clash](#) with a group it called "criminal thugs." However, Kalia yesterday advised the Australian Stock Exchange that Mr Kilya and seven other staff were attacked by "an outside group," during which the geologist had a fatal fall. It said the other staff were left with stab wounds, lacerations and soft tissue injuries. The government in the PNG autonomous region earlier said the company was out of order to be encroaching on disputed land but the company said it had the permission of the landowners.

### **'The company has miserably failed'**

Bougainville's President John Momis has linked the death to criminal elements in an area, where tensions exist due to unresolved social problems related to the mining exploration work. He said it was deeply regrettable that a talented and experienced geologist, who came to the region to share his skills and expertise, had been killed. "Bougainvilleans have spoken in the referendum vote that we want to be liberated and free to charter our new path ahead, but this sort of unnecessary incident is disheartening," Mr Momis said in a statement. Mr Momis extended an apology and his condolences to Mr Kilya's family and the people of Enga Province on behalf of the people and government of Bougainville.

A reconciliation payment or 'bel kol' of \$US28,633 has been paid to the victim's family to help with funeral arrangements. "In our Melanesian way and culture, we want to truly say sorry to the people of Enga and the family of the late Terry Win Kilya by extending our 'bel kol' assistance to late Terry's family," he said. Mr Momis had ordered the indefinite suspension of the company's exploration licence and called for it to explain why such an avoidable tragedy was allowed to occur. "The company has miserably failed to address its social issues and to fulfil its corporate social responsibility as a client of the ABG," he said.

## **New Caledonia's FLNKS welcomes UN draft resolution**

*New Caledonia's pro-independence FLNKS movement has welcomed a draft UN resolution, which affirms the indigenous peoples' right to their natural resources.*

Radio New Zealand, 17 December 2019



The FLNKS flag widely used in New Caledonia. Photo: RNZ Walter Zweifel

The UN General Assembly approved the draft prepared by the decolonisation committee, which also considered a report into last year's referendum in New Caledonia on independence from France. The Assembly approved with 178 votes the resolution, which relates to economic activities affecting the interests of the peoples of the Non-Self-Governing Territories. France, Britain and the Central African Republic abstained while Israel and the US voted against it. The movement's Mikael Forrest told local media the resolution stated in black and white that the exploitation of resources did not serve the interests of indigenous people but those of foreigners. He also said the report found shortcomings in the transfer of power and that Kanaks continued to be under represented.

### **Mine ready to work with authority on investigation**

December 18, 2019, The National Business



THE Ramu NiCo Management (MCC) Ltd is willing to work with the State-sanctioned investigation into the Aug 24 slurry spill, an official says. Community affairs deputy general manager Albert Tobe said “the unfortunate spill” at the Basamuk refinery was due to the malfunctioning computer server – known as the decentralised control system – which triggered a chain of events lasting about 48 minutes. “Currently, we are ready and looking forward to working with the state-sanctioned investigation into the spill and the general environment condition of Basamuk as announced by the Environment, Conservation and Climate Change Minister Wera Mori,” he said.

“We welcome the investigation which is the legally correct way and comes from the recognised authority. “The findings of this investigation will put to rest all the allegations. “A total of 200,000 litres of slurry overflowed from the neutralisation surge tank. “Around 120,000 litres were contained in the area and an emergency reserve pond and only 80,000 litres reached the sea.” Tobe said the slurry did not pose any immediate threat to the environment. “Our initial scientific investigation, with Ceba (Conservation and Environment Protection Authority) indicated no harm to marine life,” he said. “The company has immediately responded during the slurry spill by identifying the cause.”

### **Interview: Emmanuel Peni, Coordinator of Project Sepik, Papua New Guinea**

Business and Human Rights Resource Centre, By PNG Mine Watch 18 December 2019

Emmanuel Peni is the coordinator of Project Sepik (PS), the organisation of people fighting to stop the mining project called 'Frieda River Project' by the Australia-based and Chinese government

owned company PanAust. The 'Frieda River Project' submitted an application for a mining license - the mine is planned to be developed in the Frieda river area. The mine's tailings will be dammed and dumped into the Sepik River.



Emmanuel Peni says he has received death threats and been shot at for leading opposition to the Frieda river mine

**BHRC: What is your name and what is your role as a business and human rights activist working to protect human rights in Sepik River, Papua New Guinea?**

My name is Emmanuel Peni; everyone calls me Manu. I provide support to local leaders along the Sepik River and in Wewak—the voices behind the campaign to stop the mining.

**BHRC: Could you explain what business and human rights issues you are working on in connection with the Frieda River Project?**

The Sepik River copper and gold mine is a project of PanAust, a Chinese company registered in Australia. The main issue for us is that we are not informed; we're denied the facts. We have difficulty understanding the Environmental Impact Statement (EIS), which is a very technical document with significant implications for the human rights of people in the Sepik River area. How can they say we have an informed consent? They can't.

We just learned that the EIS doesn't state that they were dumping arsenic into the river. With the new information, people are fearful. To put this in perspective, consider the case of the Chinese mining company, MSG, which mines nickel in Madang. 10 years ago, our communities along the river rose up and said no to the mine. The project went ahead anyway. This year there was a leakage in the deep sea bed waste disposal, and contaminants were discharged into the sea. In October, the provincial governor invited a Swiss company to come in and do independent testing; they said it's so polluted, people should not eat anything from the sea. One person has died already from eating polluted fish.

After this happened, the PNG Environmental Protection Agency came with their own scientists, did tests and claimed there was no contamination. It was apparent for us then that the central authority is compromised. Nobody is standing up for the people along the coastline in Papua New Guinea. The fact that we cannot trust our own government is making the people become very angry; they're just about ready to take the law into their own hands.

**BHRC: Why are local communities concerned about mining happening along the Sepik River?**

Number one, we've looked around at mining in Papua New Guinea and in the world. We have heard, seen and read enough to know that no mining is safe, period. This is even truer again given our location. The Sepik River mine is situated in Zone One and Zone Two of the Ring of Fire. It's a highly volatile zone. Every day there is movement in the Earth. You simply cannot safely build a mine on Zone One and Zone Two of the Ring of Fire.

Number two, there is land instability in the region, which is problematic. It will not hold a structure, but they're proposing to build a dam on it—and then within the Ring of Fire on top of that. The area



has very high rainfall on top of that again. People are afraid that PanAust will build a very bad dam, it will break, and there will be a big flood. It's our view that they have been cutting corners.

Many mining companies promise roads, schools, bridges and other infrastructure projects. In the past we didn't know much, so we said, 'Yeah, that's great.' Now communities are saying, wait a minute, that's not your responsibility. You need to pay tax to the government, and they will give us the schools and the roads and the hospitals. Promising these things is a kind of trickery, a kind of bribery. They know that people need those things and they play on those needs.

Another concern is the legacy of mining at Ok Tedi. BHP, the Australian company, really destroyed that area. We don't see Ok Tedi as just a Papua New Guinean mining disaster. It's one of the world's great mining disasters. The worst part is that, after 30 years, all the heavy metal has now moved from the lower end of the food chain, and now people are now presenting cases of heavy metal poisoning. If this is what the mining industry has done to us already, why would we let it happen again? We are not anti-development, but with this approach they are developing us into extinction.

**BHRRC: Please tell us about the company's public consultation process and any due diligence enquiries by the company that you, or communities, have been involved in.**

Our main concerns revolve around consultations. The company talks down to us, like we don't know anything. They pretend to listen to our concerns and our fears and then just tell us what they want to do. We feel that that kind of consultation they do is very tokenistic.

The preface to the EIS report for the mine is one example of why we have concerns. It says:

*Any party reviewing this EIS report should perform its own risk assessment and should not rely on this EIS report's identification or characterisation of risks... In some instances, Frieda River Limited has relied on data and other information and advice supplied by third party organisations... Except where specifically stated, no independent verification of those sources has been undertaken and where any opinion is expressed in this EIS report it is based on the assumptions and limitations mentioned herein and is an expression of present understanding and opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information... Frieda River Limited does not have any obligation to advise any person if it becomes aware of any inaccuracy in, or omission from, any forecast or to update such forecast.*

Why would they even bother releasing a report with a preface like that? It is a report, but it doesn't mean anything. They don't want to be legally challenged. A lot of people will not have legal minds. These things will just fly through and then when they come to court cases, this will become the basis for their legal challenge. That's scary.

There are so many things that are not right. When you put all of this together you can't talk about informed consent. What's worse is that when they've done this, PanAust claims they have consulted the community and therefore they have consent to mine. We've been reminding them that consultation is not consent completely—particularly given their lack of transparency.

**BHRRC: What challenges have you faced in your work, how are you seeking to overcome them? What has worked well? What has hindered your ability to achieve your goals?**

From 2016 until October 15 of this year, I had four death threats. In 2010, I had two gunshots fired at me in a public place, one hundred metres from a police station. I'm still sort of recovering. The threat of violence hangs over us constantly.

It's hard to find people that really care and want to do this passionately. You want to be there 24 hours a day, but people have to attend to their families, their communities, making money for their survival. Despite all of that, and on top of the continuing threats of violence, I've got really amazing volunteers with Project Sepik who are really present because the Sepik River means so much to them. Project Sepik is really fortunate to have these volunteers. They go out and do the work dealing at times with extreme obstacles—the threat of violence on them especially.

We have collected signatures from just the upper area of the Sepik River—more than 6000. This collective action gives us a voice. Before 2016, before our group had grown, there was no popular resistance to mining. We were not recorded in reports or research, so our needs and interests went unnoticed. What were our questions and concerns? Who knows? Our greatest frustration is with the

company knowing that the people already say no. Why do they continue? What part of no means no to them?

**You recently visited Australia to engage with the company. Tell us about this and what was achieved.**

When I met with officers of PanAust I said, what part of no do you not understand? And I'm not just saying no, now here for me but when I say no, I represent everyone. I'm saying no today, just like people in the Sepik region have been saying no continuously. I asked the people at PanAust, where do you draw the line and say okay, the community response is definitely no? Nobody seemed to have any answer. I don't know how they could not see it as a human rights violation where we say no and they're still proceeding.

**What positive goals are you trying to achieve in terms of mining operations along the Sepik River?**

The volunteers with Project Sepik continue to build awareness and collect signatures for the petition. I think one of the best achievements of Project Sepik has been getting an audience amongst scientists, professionals and development specialists in Port Moresby—people in more of a position to influence attitudes and policy. They have a group and are drafting a position paper. Our position is that we will not participate in further consultations along the Sepik River unless the mining proposals change.

Our new task is to support the people to recover cultural traditions that can be empowering for local communities based on stated and unstated expectations, shared obligations and reciprocity where sharing of wealth, rather than private accumulation, was the emphasis. We'll be looking to use different cultural strategies to say no and to continue to protect our river.

**What needs to happen in your opinion for the human rights and environmental issues that you are working on in the Sepik River to be successfully resolved by PanAust?**

The people of Sepik River are not going to meet PanAust halfway. The people are not going to sit and listen quietly to PanAust, while the company tells them what PanAust plans to do. PanAust needs to listen to the people of the Sepik River. If they don't, the mine will destroy the Sepik River, and it will destroy our lives along with it.

**What can be done by those reading this interview; is there any way in which the international community can help?**

Australians can put pressure on their government to ask why a government-sponsored company of China is registered in the ASX, why PanAust can operate from Australia to destroy the Sepik River. Operating out of Australia, PanAust will be seen as an Australian company. What does that do for Australia's reputation? What happens to that 'Made in Australia' brand? The destruction of our rivers and our life—made in Australia?

**What are your key messages for advocates working on business and human rights issues in the Pacific – what are the key opportunities for bringing about change?**

The Pacific, our oceans, the ocean floors, leftover rainforests and fresh systems and ecosystems are one of the last places where the rest of the world is going to in the race for resources. My message to the people of the Pacific is that we should stand together to defend ourselves from this mad rush. We should exercise our voices and act in solidarity, as one, not just for what the problems we face mean to us in our locality, but also for what these problems mean to the Pacific as a whole—for our Pacific families and our Pacific home.

### **Geologist killed in North Bougainville – govt**

*Momis: "The company has miserably failed to address its social issues and to fulfil its corporate social responsibility". Radio New Zealand, 17 December 2019*

A geologist has been killed in Bougainville by what the autonomous Papua New Guinea region's president describes as a group of "criminal thugs". The victim, Terry Win Kilya, from Enga Province was an employee of Kalia/Toremana Joint Venture Limited, which has been conducting miner-

al exploration in a disputed area. A statement on the death of its employee by the ASX-listed Kalia Group Limited said the geologist "received fatal injuries in a fall whilst undertaking field work on the company's Mt Tore tenements around mid-day yesterday (Monday)". But Bougainville's President John Momis has linked the death to criminal elements in an area where tensions exist due to unresolved social problems related to the mining exploration work.

He said it was deeply regrettable that a talented and experienced geologist, who came to the region to share his skills and expertise, had been killed. "Bougainvilleans have spoken in the referendum vote that we want to be liberated and free to charter our new path ahead, but this sort of unnecessary incident is disheartening," Mr Momis said in a statement. Mr Momis extended an apology and his condolences to Mr Kilya's family and the people of Enga Province on behalf of the people and government of Bougainville. A reconciliation payment or 'bel kol' of \$US28,633 has been paid to the victim's family to help with funeral arrangements. "In our Melanesian way and culture, we want to truly say sorry to the people of Enga and the family of the late Terry Win Kilya by extending our 'bel kol' assistance to late Terry's family," he said.

In its statement, Kalia said it was working with local police and officers of the Department of Minerals and Energy Resources "to determine the full circumstances relating to the incident". The company did not mention an attack or criminal elements in its statement. However, Mr Momis has expressed disgust at the employer for allowing its personnel to venture into the area where the incident occurred, knowing full well that there were criminal elements resisting exploration there. Mr Momis had ordered the indefinite suspension of the company's exploration licence and called for it to explain why such an avoidable tragedy was allowed to occur. "The company has miserably failed to address its social issues and to fulfil its corporate social responsibility as a client of the ABG," he said.

### **Call for New Caledonia to probe Vale plans**

Radio New Zealand, 16 December 2019



A photo taken on May 27, 2015 shows Brazilian Vale's nickel processing plant of Goro in southern New Caledonia. Photo: AFP PHOTO / FRED PAYET

The Caledonian Union has called for a broad stocktake after the Brazilian miner Vale announced it would sell its nickel asset in New Caledonia. The president of New Caledonia's largest pro-independence party Daniel Goa said the situation is completely unbalanced and an independent study has to be commissioned to measure the impact of Vale's plans on employment and society. In a me-

dia statement, Mr Goa called on the government to examine the contractual obligations linked to tax deals with the nickel companies. As part of its restructure, Vale decided to close its nickel refinery at Goro with an as yet undetermined number of job losses and wants to sell two million tonnes of nickel ore abroad to counter its losses.

However, Mr Goa said he was opposed to any such ore sale, pointing to arrangements which he says had passed the resource to the investors for free. He said the ore could be made available to the other New Caledonian nickel producers, suggesting also that the ore could be processed at a South Korean plant in which New Caledonia has a stake. His party also wants to revisit the granting of ore export rights to the SLN nickel company. However last month, the highest French administrative court approved SLN's plan to sell some of its ore as part of its restructure to stave off a possible collapse.

### **Geopacific launches Woodlark construction**

Salomae Haselgrove, Australian Mining, December 16, 2019

Geopacific Resources has started construction at the Woodlark gold project in the Milne Bay province of Papua New Guinea. Following a successful \$40 million capital raising announced in October, the first design work has begun in preparation for process plant construction. The work will include road upgrades, new wharf construction, process plant site clearing, Kulumadau Village relocation and Woodlark mine camp upgrades. Once upgraded, the mine camp will be able to accommodate an additional 250 people. The civil earthmoving will be completed by HBS Machinery while international project manager Rhodes Projects will build house and village amenities. Geopacific Resources managing director Ron Heeks said the company was excited to begin construction activities in such a short timeframe since the capital raising.

“Extensive work was undertaken to achieve this commencement date as we aim to deliver gold production in a safe, timely and cost-efficient manner,” Heeks said. “Geopacific has made a commitment to engage as many Woodlark residents as possible for all aspects of the project, including the Kulumadau relocation. “This is expected to create a skills transfer and sense of community ownership of the new village and they are excited to see the benefits of skills training, employment opportunities, health and education as a result of Woodlark’s advancement.” The village will be relocated a short distance to new areas outside the mining lease selected by the residents. New houses, trade stores, churches, schools and other amenities will be built. With tranche two of the \$40 million placement approved, Geopacific’s issued capital share consolidation is under way, converting every 25 shares into one share.

### **Lihir: Agreements nearing**

By DALE LUMA in Lihir, December 13, 2019, The National Business

LIHIR Gold Ltd (LGL) is on the verge of completing its compensation, relocation and development agreements with project impacted landowners, chief operating officer Craig Jones says. “This is the culmination of many years of work,” he said. “I want to acknowledge all the hard work put in, particularly by the tenement block landowners and other leaders and community members. “We look forward to finalising these agreements. “The Lihir MOA (memorandum of agreement) which for the first time, LGLs were invited to be part of, was completed in 2017 and is now before the NEC (National Executive Council) and we hope that it can be endorsed and we can get it signed,” Jones said. “The Lihir MOA, compensation, relocation and development aspirations in Lihir, Namatanai and a wider New Ireland to even greater heights.”

Jones said the future of the Lihir mine looked very bright. “We have developed a plan for the mine’s future which takes into account a vibrant workforce, good collaborative partnerships with our stakeholders, including landowners, government and business partners,” he said. “We have so much untapped potential and aim to contribute to harness this potential to add value to our operations. “We are also looking beyond the life of the mine and focusing on how we can help create resilient, strong and independent communities. “We continue to engage with our stakeholders, local landowners, government, workforce and business partners to deliver on the ground projects and communities.”

### **Gold mine to work with govt for economic improvement**

December 13, 2019, The National

LIHIR Gold Ltd is ready to work with the Government to help make it economically prosperous. This is according to the mine’s chief operating officer Craig Jones, during a dinner with the prime minister on his visit to New Ireland. Jones said the mine understood the challenges the country faced. “We stand committed to work in partnership with all tiers of Government to achieve this vision based on principles of transparency, good governance and accountability,” he said. “We look forward to meeting the prime minister and resources ministers in January with other key industry representatives to discuss resource legislations.” Jones said the mine had vision “0-1-20” which focused on contributing to the mine’s operations and to the economy of the country.

“Zero is for zero fatalities, which reflects our core value for safety of our people. “One is for producing one million ounces of gold each year. “20 is to continue to do this for more than 20 years, continuing our contribution to PNG.” He said over the past few years the mine had been moving one step closer to achieving those goals. “We maintained a large operation where we safely milled 14mt of ore and produced 933kos of gold. “These are all because of the hard work of our workforce of over 5,000 people, with the vast majority of them Papua New Guineans.” Prime Minister James Marape said the Government would be holding discussions with mining companies over legislations as early as next month.

### **Lihir staff urged to save up: PM**

December 13, 2019, The National

PRIME Minister James Marape has urged the staff of Lihir Gold Mine in New Ireland to focus on saving money and getting into business. Marape addressed the mine workers during a tour of the mine this week. He said the employees should save and also take advantage of the Government’s small-medium enterprises policy to tap into business in the future to sustain them after they retire. The Government recently announced a K200 million allocation for SMEs to access loans, which they could pay over a longer period of time. “Dont waste your money on alcohol and unhealthy things,” Marape said.

### **Study to determine Frieda project**

By PETER ESILA, December 12, 2019, The National Business

THE East Sepik Provincial Assembly will meet early next year to discuss the future of the Frieda River Project. Governor Allan Bird spoke about the project at the 2019 PNG SME Startup Convention in Port Moresby yesterday. Bird said his provincial government had committed half a million kina on the study conducted by experts from the province to determine the consequences the project would have on the environment and particularly the Sepik River. “All the leaders of the province

will be there, and then we will look at the study that is presented before us by our own experts, many of them are people with PhDs in mining engineering and environmental science, and then we will take our decision,” he said. “We have the experts who are now sitting, looking at the mine plan, economics of the plan, looking at the mines in relation to all of the other things that we want to do in agriculture, looking at things like water quality, the environment, at the socio-economics of the entire project.” Bird, however, said it was bad to just make sudden decisions, noting that it took decades of exploring Frieda River deposits and millions of dollars to do so.

“To prevent such a project from going on, I think the decision should have been taken 20 to 30 years ago,” he said. “We are talking about a company that spent half a billion kina doing all of these assessment and to later come and just say that we are not going to listen to you, I think that sends a bad signal out to the market place, we do live in a global community. “The danger for us is that if we do not have the facts and figures to dispute the operation of the mine based on the safety of the river, and to just come out and say ‘no’, all of the other investors that we are trying to attract to come in agriculture will turn around and say that we can’t trust this government because of what they did in the Frieda project.” The Frieda River copper-gold project is one of the largest undeveloped copper-gold deposits in the world, containing 12 million tonnes of copper and 19 million ounces of gold. It has the potential to generate 170,000 tonnes of copper per annum, and 250,000 ounces of gold per annum. The Frieda River Project consists of the infrastructure, copper-gold, hydroelectric and power grid projects.

### **PM Marape welcomes Japanese petroleum investors**

December 12, 2019, The National Business

PRIME Minister James Marape has welcomed representatives of the LNG Japan Corporation to PNG. Marape said PNG welcomed any investment in the petroleum sector and he was ready to give “100 per cent support” if LNG Japan Corporation would create employment for Papua New Guineans. “I will give 100 per cent support if you show me that you can create employment,” he said. “I don’t mind giving you a tax holiday if you can create employment for our citizens.” Marape said the Government would create affordable electricity for the country over the next 10 years. It is the reason why the Government pushed for a minimum 10 per cent of any commercially viable gas found

“The Kumul Petroleum Holdings Ltd (KPHL) will pick up this 10 per cent and use it while the Government opted to create by-products from this gas through downstream processing,” he said. “However, first and foremost, it is important to obtain cheaper electricity for all our citizens.” Also at the meeting were the National Planning and Monitoring Minister Sam Basil, Commerce and Industry Minister William Duma and KPHL managing director Wapu Sonk. Marape encouraged Sonk to continue dialogue with LNG Japan Corporation and with Basil and Duma so that they are fully aware on its progress. Marape thanked LNG Japan Delegation president and chief executive officer Hiroshi Kawahara for leading the high level delegation to PNG and for meeting with them.

### **An independent Bougainville could mean Panguna’s rebirth, a mine with a Grasberg scale potential.** BCL via International Mining, 11 December 2019

Talk to any Australasian mining manager “over a certain age” and it is likely they or one of their compatriots from mining school spent some halcyon days working at the Panguna copper-gold mine in Bougainville, which in its heyday was one of the largest mines in the world, and on paper still is in terms of potential. Tales of high salaries, escapades during time off in Rabaul...you get the picture. After the deposit was discovered in the 1960s, the open pit mine in Panguna was opened by in 1972 by Bougainville Copper Ltd, a subsidiary of Rio Tinto, through its Melbourne arm Conzinc

Rio Tinto, opened in 1972, with Rio only selling its BCL stake in 2016. Back to the 1970s and Panguna soon provided 44% of Papua New Guinea's export income and in the 17 years prior to 1989, the mine produced concentrate containing 3 Mt of copper, 306 t of gold and 784 t of silver. But it all came to an end in 1989 when production abruptly halted following separatist militant activity by the Bougainville Revolutionary Army fighting against the PNG army, mainly over issues caused by a large influx of PNG migrants that did not sit well with Bougainvillians.

And much of the equipment is still there, overgrown by tropical jungle and unused. Bougainville Copper also trained some 12,000 employees, including approximately 1,000 completing full trade apprenticeships and some 400 completing graduate and post-graduate studies that resulted in considerable progress in the localisation of the company's employees and significantly added to the number of skilled workers elsewhere in the country's workforce. On 1 July 2016, BCL's major shareholder, Rio Tinto, transferred its 53.8% shareholding for distribution to the Autonomous Bougainville Government, for the benefit of Panguna landowners and the people of Bougainville, and to the Independent State of Papua New Guinea. Fast forward to December 2019 and an independence vote by the people of Bougainville (98% in favour) means the likelihood of Panguna mine returning to production, and joining the likes of Grasberg, Lihir, Porgera and OK Tedi in the region's hugely important mining industry, have just got much higher. The referendum was approved by the Papua New Guinea government, but the result is non-binding. That said, it puts a lot of international pressure on PNG to grant Bougainville independence. The islands have a population of around 300,000, and 206,731 people enrolled to vote in the referendum.



Panguna is the single obvious route to a vast and relatively quick revenue source for any new sovereign nation of Bougainville. BCL is already majority owned by the people of PNG and Bougainville. And it would come at a good time mining wise, as it would be in a position to use the latest technologies available to maximise productivity and efficiency from automation to digitalisation, though this would have to be balanced with supplying large numbers of badly needed skilled jobs in the country. And of course the mine could support a vast industry of other businesses that come with mining from catering to cleaning to logistics to accommodation, which all where possible should be locally owned. BCL's task has been made more challenging with a decision in January 2018 by the Autonomous Bougainville Government not to grant an extension of the company's exploration licence (EL1) – which Bougainville Copper believes was legally and procedurally flawed. This decision is subject to an ongoing Judicial Review in the PNG National Court. Regardless, the company believes BCL presents the best value proposition to redevelop Panguna – particularly given the strong majority ownership stake that the people of PNG and Bougainville have in the company – and continues to work towards this eventuality.

## Ok Tedi Landowners satisfied with investments after visit

December 11, 2019, The National Business



LANDOWNER leaders from OK Tedi mine villages are impressed and have expressed satisfaction with their investments made off their royalty monies in Australia and Papua New Guinea. The group returned on Friday from their first trip to Australia to see for themselves the progress of their investments over the past 13 years. Their visit was organised by Milum Group of Companies that manages 20 per cent of the royalty trust deeds the OK Tedi Mine pays to the 10 mine villages in Western. Spokesperson of the landowner leaders and executive officer for Mt Fublian Resource Association Albert Lokalyo commended the board and management of Milum Group for prudently managing and investing the landowners' money. "A mine is a non-renewable resource and will one day come to an end," he said. "But after the mine's closure, there must be something we should depend on for the long term and we are very grateful and commend the board and management of Milum Group for managing our fund well from just K10 million some 10 years ago to over K150 million investment portfolio to date."

Lokalyo said Milum Group had done well and after 13 years of hard work, they made a decision to take the landowners down to Australia to inspect their investments. Milum group chief executive Aubrey DeSouza said it had taken the board and management over four years to plan the trip. "Every year, we do presentations of their investments in the village, but we feel that the beneficiaries must go and see and prove for themselves what their money was doing," she said. "So it's satisfying for us that they see for themselves their investments which now values over K150 million as we have hotels and properties in PNG and Australia as well as shares and cash." Business development manager Joseph Kangl said they were the first batch and the second batch, comprising 12 women, would go in May followed by the third lot in April. "We plan to make it a biannual event," he said.

## Saving the Sepik from Frieda mine

Rosa Koian, PNG Attitude, 10 December 2019

In the river's headwaters, the Frieda copper and gold mine is pushing ahead with its development plans. The Sepik is 1,100km long and empties into the Bismarck Sea. The river system's 430,000 people use the river for food, education, transport, health and culture. What they want is a truly holistic economic approach to development. They believe that development must add value, not sub-



tract from the people's lives. Their river must be protected at all costs. There was a strong response on Facebook from people wanting to ban the mine, the main argument being that mining will take away the people's livelihoods. "Sepik has always been sustaining us," said Brian Singut. While another comment from Howard Sindana said, "It is our food source and supermarket. Sepik just gives."

The East and West Sepik provincial governments are preparing to launch their biggest copper and gold mine but the people's concerns are yet to be heard. The people have many reasons to save this river, one of the richest, largest and last remaining unspoiled rivers in the Pacific. In the Sepik river system, humans and nature have happily co-existed to this day. As one commentator said: "It is a rich cultural and ecological storehouse; rich in stories of how a myriad of species and beings can exist in the same space without competition and hurting each other." The art and stories from the Sepik are unique. At the centre of them are the *pukpuk* and the *hausman*, depicting so much of the region's culture and history. Its strength, its sources of knowledge and wisdom, the artistic expression of the human and spiritual worlds, and always the promise of sustenance long into the future. Until the present day western influences have intruded but slowly but now fears of fast moving change are real.



A photo posted on Facebook showing dried freshwater fish at Wewak market has sparked a discussion on the future of the Sepik River.

In the Sepik wetlands, crocodile farmers have reported earnings of more than K300,000 to their families in 2018. The Sepik River provides food, game, material for handicrafts – all securing income for these people who know what it is to live at ease with nature. Environmental groups have documented various flora and fauna and say the Sepik River and its basin is the second richest biodiversity region in Papua New Guinea. The Upper Sepik is currently on the list to be recognised as a world heritage site. Other people are concerned about the environment impact statement for the Frieda project. In this very long document, they say, there is no clear mention of the direct impacts of mining and the appropriate mitigation measures in place if something goes wrong. And three other large projects have been lumped into the same environment impact statement. The document is currently being reviewed.

## RTG Mining inks deal for Mt Kare gold project in Papua New Guinea

Lorna Nicholas, Small Caps, December 10, 2019



RTG Mining has signed a deal to potentially acquire a majority stake in Papua New Guinea's controversial Mt Kare gold project.

RTG Mining has inked a deal in the hopes of acquiring an 80% stake in the historic 2.1 million-ounce Mt Kare gold deposit in Papua New Guinea. The junior explorer today announced it has signed a memorandum of understanding with Canada's GMG Global Mining Group and Tribune Mt Kare, the two priority applicants for the project. Under the deal, RTG will acquire the majority interest if and when the applications are converted into a new exploration licence. RTG said the terms of the agreement equate to a purchase price of about US\$8.80 per ounce of gold in total historical mineral resource. The total resource estimate currently stands at 2.1Moz, including 1.2Moz of measured gold resources and 900,000oz of indicated and inferred resources, valuing the deal at about US\$18.48 million (A\$27.06 million). An additional payment of US\$2.40 per ounce of gold in historical mineral resource is payable upon a decision to mine.

### Mt Kare project

Mt Kare is located about 600km northwest of Port Moresby in PNG's Enga Province. It lies 15km southwest of Barrick Gold's Porgera gold mine, the country's second largest mine and considered to be one of the world's top 10 producing gold mines. Gold was first discovered at Mt Kare in the 1980s and it is estimated that more than A\$60 million has been spent on the area by several companies, including 454 diamond drill holes totalling almost 74,000m. Delisted ASX company Indochine Mining had acquired the project in 2011 and announced the 2.1Moz historical mineral resource estimate in 2013. However, the company was placed into voluntary administration in 2015 and the exploration licence, which expired in 2014, was not renewed.

In 2017, the PNG Mineral Resource Authority confirmed GMG had priority over the exploration licence application, but this was challenged by Tribune in the courts. The two parties ended up settling their disputes and agreeing to work together. RTG said it would focus exploration on the depth potential of the deposit, with Mt Kare being situated on the same north-east trending structure as the Porgera mine with similar geology including the same host rocks, mineralisation types and age, and similar geological structures. The area recently came into the spotlight in July when French news agency AFP reported on an alleged link between the control of Mt Kare and a PNG tribal massacre. However, this connection appeared unclear and Indochine reportedly told media it was no more than "speculation".

### Other gold projects

RTG also has a proposal with a landowner lead consortium to secure an exploration licence at the high-tonnage Panguna copper-gold project on PNG's island of Bougainville. The company's other projects include a 40% stake in the Mabilo copper-gold-magnetite project in the Philippines and during the September quarter, RTG entered into a sale and purchase agreement with White Cliff Minerals to acquire its 90% stake in the Chanach gold-copper project in the Kyrgyz Republic.

### Shining a light on corporate human rights abuses in the Pacific

*Business & Human Rights Resource Centre's Amy Sinclair introduces [a new portal](#) that focuses attention on a resource-rich area remote from the rest of the world*

Amy Sinclair, Ethical Corp, December 9, 2019



In recent months, damaging spills caused by foreign miners operating in the [Solomon lands](#) and [Papua New Guinea](#) have wreaked havoc with the safety and livelihoods of coastal communities. At the same time, with the independence referendum under way in the Bougainville region of Papua New Guinea, mining companies are jostling for new licenses. This is in a region where tensions over the infamous Panguna mine sparked a bloody decade-long civil war in the 1990s. Memories fade fast, particularly when there are profits to be made. The Pacific region is intensely resource-rich, but with great distances separating Pacific nations – not only from one another, but also from much of the rest of the world – human rights abuses by companies have too often occurred in the shadows.



Mining companies are seeking licences amid Bougainville's referendum for independence. (Credit: Melvin Levongo/Reuters)

With inward-investment growing, Pacific communities face increasing challenges to fair and informed engagement and run the risk of exposure to higher levels of abuse and environmental harm by global companies. This is particularly true for those on the frontline of deforestation, irresponsible mining, fishing, tourism and seabed exploitation. Local activists and communities fighting these abuses are hindered by being far away from foreign company headquarters located in Canada, Australia or China. Distances may be great, but Pacific voices deserve to be heard. With greater visibility on global platforms, communities and advocates can be supported in their efforts to achieve stable, sustainable growth that will protect future generations. The need for this increased visibility is great. Business-related human rights harms in the Pacific are, increasingly, being documented. Yet severe human rights abuses, including forced labour, slavery, human trafficking and child labour, persist.

In June, the Business & Human Rights Resource Centre (BHRRC) published a [report](#) on modern slavery in the Pacific tuna sector, which provides almost 60% of the world's tuna catch in a growing industry currently worth \$22 billion. The report surveyed 35 canned tuna companies and supermarkets, representing 80 of the world's largest retail canned tuna brands, and found that, outside a small cluster of leading companies, the sector is not translating human rights policies into practice. Without urgent and decisive action in the Pacific fishing sector, and by those sourcing from it, there is a danger that company policy will provide a fig-leaf for abuse, while slavery continues unabated. Deep-dives such as this yield invaluable insights into sector-specific questions, but more is required.

There is a pressing need to raise awareness of the human rights responsibilities of companies operating in all sectors in the Pacific, and to bring to light the true nature and scale of human rights abuses being committed across the region. The Solomon Islands, and Fiji in particular, are experiencing high levels of mining activity, and there is a danger that the mistakes of the past – seen in Papua New Guinea with the abuses and environmental degradation at Panguna, Ok Tedi and Porgera – will be replicated there and beyond. Community consultation must form the cornerstone of human rights due diligence by companies seeking to invest in the region, and profits should be fairly shared.



The Pacific tuna sector provides almost 60% of the world's tuna catch and is worth \$22bn. (Credit: Erik de Castro/Reuters)

Fortunately, a nascent business and human rights movement is emerging in the Pacific. The first-ever dedicated Pacific session, Advancing the Business and Human Rights Agenda in the Pacific,

was held during the annual UN Forum on Business and Human Rights in Geneva last month, a testament to the progress that has been made in the region recently. To support and chart the growth of this emerging movement, BHRRC has launched a new [web portal](#) dedicated to the region. The Pacific portal brings the broad range of local business and human rights issues into sharper focus and amplifies local and community voices. It's hoped the portal will be a crucial tool for human rights and environmental rights advocates, both in civil society and in businesses themselves, seeking to prevent abuse and improve company human rights practices in the region.

It will do this by highlighting research on key issues, identifying allegations of business-related abuse and calling attention to emerging cases. Stability in the Pacific region requires urgent action to ensure human rights are embedded in investments from inception. Without regard for international rules requiring respect for human rights in business, the sustainability of life in the Pacific for future generations is under threat. Efforts like this web portal are needed to shine a light into the shadows and improve awareness of Pacific business and human rights issues on the global stage. To visit BHRRC's Pacific portal click here: [Pacific Business & Human Rights](#)

### **Solomon Islands: Minister should meet directly with local communities over mining concerns** Amnesty International, 9 December 2019



The Solomon Islands Minister of the Environment should conduct face-to-face consultations with local communities on Wagina Island to hear their concerns before deciding the fate of a proposed open-cast bauxite mine there, Amnesty International said today. The Minister is expected to decide soon whether to uphold a March 2019 Environmental Advisory Committee (EAC) decision that overturned the mining licence, after residents raised fears it could impact livelihoods on the island. “The Solomon Islands government must ensure that all affected communities are genuinely and meaningfully consulted about this proposal,” said Richard Pearshouse, Head of Crisis and Environment at Amnesty International. “The Minister should sit down with local communities on Wagina Island and hear their concerns.” Wagina Island is a remote island of approximately 80 km<sup>2</sup> in north-west Choiseul Province. Its residents are originally from Kiribati, having been relocated in the early 1960s by the British colonial administration. Estimated at around 2,000 people, they live by subsistence farming, fishing and seaweed farming.

In 2013, the Ministry of the Environment granted a Solomon Islands-registered company, Solomon Bauxite Limited (SBL), a permit to mine bauxite on Wagina Island. The following year, Wagina residents opposed the mine in the country's High Court, which issued a stay of proceedings so that the case could be heard by the EAC. In March 2019, the EAC overturned the Ministry of Environ-

ment's consent for the mine. The EAC found that the Environmental Impact Statement (EIS) for the proposed mine – which is required under national law – had insufficient information to assess the impacts of the proposed mine, and that the legislative procedures for public consultation and publication of the EIS were not followed. SBL has appealed the EAC's decision to the Minister of the Environment. In meetings and correspondence with Amnesty International, the company has stressed that it has always complied with the laws applicable to its operations and has acknowledged the importance of upholding human rights.

Amnesty International visited Wagina Island in July 2019 and interviewed a dozen islanders about their concerns, as well as 10 others familiar with the issue, including representatives of national and provincial governments, civil society organizations, journalists and lawyers. The organization also reviewed background documents, including meeting minutes and a copy of the 2012 EIS and its 2013 supplement. "There is much apprehension about the potential environmental and social impacts of this mine and many community members told Amnesty International they did not feel sufficiently informed or consulted about it," said Richard Pearshouse. Some residents of Kukson and Nikamuroo villages and Benyamina islet told Amnesty International that they are concerned about the possible impacts from mining on fishing and sea-weed farming from mine run-off or disturbances to fresh groundwater discharges into the sea.

The EIS states that: "The [residents of Wagina] do not currently use either the mine or the processing facility sites for any productive purpose." However, some residents told Amnesty International they use some of the land covered by the proposed mine for purposes including gardening and harvesting timber for housing. "The government of the Solomon Islands needs to resolve the issues of land ownership and use on this part of Wagina. Taking away land that people occupy and use without following due legal process runs the risk of forced evictions," said Richard Pearshouse. According to the EIS, the development will include an open pit mine, a bulk carrier wharf and small boat wharf, airstrip, administration offices, a power station, fuel farm, and accommodation for about 150 employees (who with family members may reach 1,000 people). The proposed mining involves trucking approximately 150 truckloads of bauxite, each with a 35 to 50 tonne payload, for 16 hours each day. The proposed life of the mine is between 16 and 20 years.

A consultation meeting on the proposed mine was held in Kukson village in February 2013. Official government minutes from that meeting show only 23 villagers attended and that no-one attended from Nikamuroo (the village closest to the proposed mine). The EAC found deficiencies in the process of raising public awareness about this consultation meeting and the application for a licence. Wagina residents told Amnesty International that four copies of the 2012 EIS were sent to the Island after the February 2013 consultation meeting. The 2012 EIS was supplemented by another EIS in June 2013, approximately four months after the meeting in Kukson. According to Amnesty International's interviews with residents of Wagina, no consultation meetings took place to discuss this new information. "The absence of full, accurate and timely information and the lack of any follow-up on questions raised by those who were able to attend the one consultation meeting, raises concerns about whether the engagement with affected communities can be considered genuine or meaningful," said Richard Pearshouse.

The Minister's review should include checking the date of any meetings with affected communities, where the meetings took place, whether all sections of the community – including women and those who cannot read – could participate effectively, what language meetings were held in, what advance notice and information was given, and what specific issues were discussed. Governments have a duty to respect and protect human rights in the context of business activities. All companies have a responsibility to respect human rights throughout their operations, independently of a state's own human rights obligations. To meet this responsibility, companies should have in place an ongoing and proactive human rights due diligence process to identify, prevent, mitigate and account for how

they address their impacts on human rights. This may require going beyond the legal requirements in the country where they are operating.

### **Backes expects China may get New Caledonia nickel stake**

*New Caledonia's Southern Province president has indicated that the Brazilian miner Vale may well have no option but to sell its assets in New Caledonia's south to Chinese investors.*

Radio New Zealand, 9 December 2019



Sonia Backes Photo: Facebook

Sonia Backes said this year Vale had lost \$US200 million. She said in its current state, Vale would not find a buyer and therefore she was in favour of the company adopting a new strategy. Ms Backes made the comment in an interview with the *Nouvelles Caledoniennes* days after Vale [put its plant at Goro up for sale](#), with yet to be determined job losses. Both her province and France were keeping an eye out as China was keen to get established in New Caledonia in the way it did in Vanuatu and French Polynesia, she said. While Australian and European investors would be viewed more favourably, questions needed to be asked of who would want to buy the plant. Ms Backes said selling nickel ore abroad, as proposed by Vale, could be an option to raise money but consent for that would depend on it making a good return. There has been no official word of who might be interested in buying into the plant at Goro, but there is speculation that Chinese investors are among them.

### **Marape-Steven Govt Plans to Process Gold in PNG**

NBC News, PNG Today, December 9, 2019

The Papua New Guinea government says it plans to establish a Gold Bullion Bank in the country to allow downstream processing of gold. The establishment of such a bank is an agenda of the government, and policy directives were recently issued for its development. According to Mining Minister, Johnson Tuke, after its construction, the Gold Bullion Bank, will store and build up a stockpile of gold bullions for the future generation. Minister Tuke told the recent Mining and Petroleum Conference that the revised Mining Act 2019, will allow for a portion of the government's share to be processed either locally or overseas. Mr. Tuke said this government portion will then be retained in the proposed Gold Bullion Bank after processing. He said it is a standard provision in all mining development contracts that one-third of all Gold products are to be processed and stored locally, provided that there is a refinery of international standards.

## **Investigation to be studied, says minister**

December 9, 2019, The National

GOVERNMENT-sanctioned investigation into the Basamuk slurry spill in Madang will be undertaken as a highly integrated multi-disciplinary study approach, says Environment, Conservation and Climate Change Minister Wera Mori. Mori will be attending the global climate change conference, the Conference of Parties (COP) 25 in Madrid, Spain. He said the study would obtain all the information and data for a decision to be made regarding the spill based on conclusive scientific evidence because “science does not lie”. Mori said an investigation conducted by the Conservation and Environment Protection Authority (Cepa) indicated no pollution. But because of the outcry and a conflicting report by an investigation done by a Dr Alex Mojon who was engaged the Madang government, by the Government had to further address the issue. BMT Eastern Australia Pty Ltd has been contracted to support the investigation.

It is a leading international multi-disciplinary engineering, science and technology consultancy firm offering a broad range of services in the environment, energy, shipping, ports and defence sectors. “We are getting them on board so that there is credibility in the investigation that will be conducted. “It will be extensive and with support from our Cepa technical officers, they have already conducted the first phase which is the reconnaissance trip or sampling plan trip. “The second trip is sampling plan implementation or sampling and this will be done after the New Year where all parties will be involved including representatives from the Madang Provincial Government so that samplings are done accurately and not compromised,” Mori said.

## **Australian consultants to investigate PNG slurry spill**

*An Australian environmental consultancy is to conduct further tests into the Basamuk Bay slurry spill on Papua New Guinea's north coast.*

Radio New Zealand, 9 December 2019



Basamuk Bay Photo: Facebook/ Elisha Wesley Mizeu

The spillage from the Ramu nickel mine in Madang, which turned the water and the shoreline red, and resulted in a fishing ban, has been called the worst environmental disaster in PNG. There have already been two investigations of the spill, with the PNG Conservation and Environmental Protection Authority concluding there was no pollution. An independent report for the Madang government found otherwise and the *Post Courier* reports the government has now agreed to bring in BMT from Australia. The Conservation Minister, Wera Mori, said the new investigation would be a



highly integrated, multi-disciplinary study, with government officials, and independent investigators, contributing to the BMT study.

### **Frieda River Project would take time: Official**

December 6, 2019, The National Business

THE Frieda River Copper-Gold project still has at least a decade to reach a final investment decision, says PanAust general manager (technical services) Scott Cowie. Cowie said this while presenting an update during the PNG Mining and Petroleum conference in Port Moresby this week. He said the project would in theory be operational as Ok Tedi winds down at the end of the next decade, generating 170,000 tons of copper per annum, and 250,000 ounces of gold per annum. He said the Frieda river project was large and complex and would take a significant amount of time to permit. The Frieda project comprises: the infrastructure project, the copper-gold project, hydroelectric project and power grid project. "It is important that all project stakeholders are aligned before a decision to proceed to construction," Cowie said.

He said the reality was that a dam was required to store the tailings and wastes from the mine. He said the company was acquiring a project permit for advancing its technical work with both the Conservation Environment Protection Authority (Cepa) and Mineral Resources Authority (MRA). "We hope to advance the environmental permit in 2020. "The hydroelectric project has been through numerous external reviews and it is currently the subject of external reviews with Cepa and has been demonstrated to be an opportunity to provide that long term storage of the volumes of tailings and waste," Cowie said. "Cepa has commenced the independent peer review of the project and the statutory campaign of the road corridor and we look forward to continue in that campaign in 2020. There are a number of critical issue to this project, not similar to other projects either in development or in operation, in PNG.

"We need to permit a dam, we need to involve all stakeholders to understand the complexity of the dam and make sure that all stakeholders understand the opportunity to manage the tailings and waste altogether in a different operation. "We are working with our landowners closely to establish a framework and understanding of how we can secure tenure of the project. "We have been developing a resettlement action plan, and looking at ways of resettling people within the project area." The Frieda river hydroelectric project is an innovative solution that combines the storage of water through a reliable low cost hydroelectric power generation and the permanent containment of processed tailings and mine waste rocks, to remove downstream impacts. The Frieda river copper-gold project is one of the largest undeveloped copper gold deposits in the world, containing 12 million tonnes of copper and 19 million ounces of gold.

### **Prime Minister discusses future of Porgera mine**

By HELEN TARAWA, December 6, 2019, The National

PRIME Minister James Marape told Parliament yesterday that the decision on the future of the Porgera mine will be made by the National Executive Council and stakeholders. Responding to Eastern Highlands Governor Peter Numu on the question of Porgera and Kainantu mines, Marape said the mine lease had expired on Aug 16. Marape said the operators had submitted their expression of interest to renew the lease but this was subject to discussions and negotiations. "We are giving best consideration. Legally, the lease had expired but because they have been operating the mine and have expressed their interest to renew the lease, we have allowed them to continue until the Government takes a stand as far as the future of that operation is concerned," he said. "We are mindful of the many legacy issues that are currently prevalent on the ground in Porgera.

“I am mindful of the environmental damage in Porgera and the footprints of the effects of the mine operations as well as legacy issues like resettlement. “Those issues, if satisfied or otherwise, will be a major playing factor in as far as our final decision as to whether we renew their lease or not. “Since then, there have been serious matters of discussions with various stakeholders, more importantly, the landowners and the provincial government.” Marape said there were two choices – either the mine lease gets renewed or terminated and a new arrangement put in place for the Porgera mine. “When we cross over to 2020, the future of the Porgera mine will be decided by cabinet and Government in consultation with key stakeholders, landowners and provincial the government.”

### **Chinese company could buy New Caledonia's Vale nickel plant -report**

*New Caledonia's veteran anti-independence politician Pierre Frogier says it is up to the Southern Province how it deals with the Vale nickel plant, which has been [put up for sale](#).*  
Radio New Zealand, 6 December 2019

Its Brazilian owner wants to sell the asset while embarking on a new strategy, which involves exporting two million tonnes of low-grade nickel ore a year. Such exports require changes to the mining code but Louis Mapou, of the pro-independence UNI party, said Vale should not be granted a blank cheque. Mr Frogier, who is a former president and now a member of the French Senate, said by shipping some of its nickel ore to a facility it co-owns in South Korea, the Northern Province only created jobs there. He said while that was within its rights, the Southern Province was also free to choose its own model. Mr Frogier said that showed the differentiation of the provinces, which he would propose to enact after the Noumea Accord process - when its referendums had been completed.



New Caledonia politician Pierre Frogier Photo: AFP

In October, Mr Frogier suggested that New Caledonia could do away with its central government and let the three provinces deal with Paris directly. Amid the speculation of who possible buyers might be, the online publication *Noumea Post* said insiders considered China's Tsingshan as a likely candidate. Vale has not commented although a small political party in New Caledonia has asked for clarifications of the divestment plans. Tsingshan uses the same high-pressure-acid-lead technology for its nickel production as Vale introduced at its plant in New Caledonia.

## **Two Illegal Miners Shot Dead By Cohort at Porgera**

Robert Apala, Post Courier, December 5, 2019

A Porgera landowner has called for urgent action against illegal mining activities after two men were shot dead, allegedly by another group of illegal miners. According to landowner Rexie Kulina, over 200 illegal miners entered the Porgera pit area to scavenge when the incident happened last Saturday. Mr Kulina said illegal mining activities is raising law and order issues to a dangerous level, with armed gangs now entering the in-pit and threatening locals. He said the deceased, both from Kandep, were in a 'hot spot' or area where gold specks could easily be found, when they were challenged by an armed raider, allegedly from a neighbouring province. Mr Kulina said the second group of illegal miners wanted to move into a rich spot, where the Kandep man was getting A-grade gold but he resisted and was shot. "The law and order situation in the valley is tense and local police cannot handle such issues in the mining areas and in the valley,"

Mr Kulina said. Porgera local police chief, Sergeant Poko Itapu, said local policemen are trying their best to settle the issues of illegal miners but still there is trouble and violence. Sgt Itapu said they can only arrest and charge illegal miners if they cause fear to the general public or destroy public property, but if they just pass through Porgera station, the police cannot do anything. "We are here just to protect public properties and the general public but whatever these illegal miners do in the mine's open pit is not our concern," he said. Sgt Itapu said the two opposing ethnic groups are regrouping and locals are walking in groups with weapons, while women, children and mine workers in Porgera station monitor the situation in fear. He said relatives of the deceased are demanding compensation and also want the killer to be handed over to police. "There are no leaders here in the valley. "The local police are powerless. "We want the government to declare a state of emergency (SoE) in Porgera valley," Sgt Itapu said. "We want the so-called leaders of Porgera to return because the people are suffering and want peace." He said most Porgera landowners and leaders are in Port Moresby fighting over the right to lead the mine license renewal.

## **K3bil spent on PNG businesses, landowner companies**

By CLARISSA MOI, December 5, 2019, The National Business

A TOTAL of K3 billion has been spent on Papua New Guinea businesses, including landowner companies since the production of the PNG LNG project through to last year, according to operator ExxonMobil PNG Ltd. Production manager Keith Killian, while providing the project's updates during the PNG Mining and Petroleum Conference in Port Moresby yesterday, said growing local businesses had always been a key priority since the start of the project. "Sixteen landowner companies throughout our operation continue to support PNG LNG business, several of which earlier this year celebrated their 10th anniversary of partnership with us," he said. "These landowner companies are providing core support in everything from transportation, catering, civil works and other support services. "Additionally, some 250 LNG businesses are contacted by PNG LNG to provide a variety of services throughout our operations.

"Since production start of through till 2018, K3 billion has been spent with PNG businesses including K866 million with landowner companies. "To help develop these businesses for success, we have long support of training opportunities through the IBBM enterprises centre and continue to make investments in training and mentoring. "It is satisfying to see PNG businesses and other landowner companies develop, drive, grow and create many more opportunities for other Papua New Guineans." Killian said PNG LNG project had also contributed more than K930 million last year towards programmes such as health, education, women's empowerment, agriculture and livelihood improvements in the communities which they operated and worked in. "There are so many success stories that demonstrates how these investments truly strengthen the communities and change

lives.” Killian said they continued to support the on-going recovery from the earthquake that happened last year.

### **Need for mine closure guidelines highlighted**

December 5, 2019. The National Business

THERE is a need for a policy on rehabilitation and mine closure in Papua New Guinea, says the Mineral Resources Authority (MRA). Managing director Jerry Garry said this during the PNG Mining and Petroleum conference in Port Moresby yesterday. He said MRA would be launching the document later this month. Garry said MRA was working to address the issue with stakeholders on the impacts and steps to take to address them. “Despite the many challenges that we have, the Mining Act provides a general guideline, but I believe that these are the laws that carry the industry through thick and thin and successfully over the many years,” he said.

“Having said that over the last couple of years, through collaboration with Intergovernmental Forum, the MRA team has basically put together Mining Project Rehabilitation and Closure Guidelines. “It will provide some guidelines with all of us as to how we deal with mining closure until such time where a proper policy is drafted.” The document provides guidance for the administration, regulation and monitoring of the rehabilitation and mine closure obligations in PNG, with the understanding that mine sites exist in various stages of operation and evolution (through proposal variations and permitted amendments) and will consequently require different content.

### **Oil Search set to double production in next six years**

December 5, 2019, The National Business

OIL Search Ltd is positioned to double production in the next six years, chief operating officer John Kurz says. Kurz attributed this to the company being the country’s largest single investor and the most active explorer which had also seen it expanding to purchasing asset in Pikku, Alaska. “We have a bright future,” he said. While providing the company’s update during the PNG Mining and Petroleum Conference in Port Moresby yesterday, Kurz said: “On the hills of the PNG LNG project, we have become a strong player in the oil and gas area. “We operate all the oil fields and the liquid exports down in the Kumul Marine Terminal, we have material interest in the PNG LNG and Papua LNG expansion projects along with our joint-venture partners. “We also have a brand new business opportunity in Alaska, from a purchase that we made in February, 2018.” Kurz said the Alaska operation was on schedule for early oil production in 2022 and the main production by 2024. He said the operation was cost effective, engaging and they had a strong business team on the ground (in Alaska). Meanwhile, Kurz said the liquids mooring system in Gulf of Papua that had appeared to be listing in August, had been completely and safely repaired and was well ahead of schedule. He further said that by mid next year, there would be:

- complete post-earthquake restoration activity; increase oil production from mature oil fields and maximise recovery;
- ready to enter front end engineering design (FEED) phase on LNG expansion once gas agreement for P’nyang is finalised;
- associated gas project targeting final investment decision in 2021 and first gas deliveries in 2024; and,
- targeting FEED entry for Pikka unit development by end of this year with resource additions expected.

Kurz concluded that their continued focus would be on safe, stable and reliable operations as well as continued commitment in socio-economic development.

### **PNG PM urges patience over Porgera mine talks**

*Papua New Guinea's prime minister has urged patience while negotiations over the contract for the Porgera gold mine continue. Radio New Zealand, 5 December 2019*



James Marape (centre) the newly elected prime minister of Papua New Guinea. 30 May 2019 Photo: PNG prime minister's office media

James Marape was responding to questions in parliament from Laigap-Porgera MP, Tomait Kapili. Canadian company Barrick Gold Ltd, the co-operator of the mine in Enga province with China's Zijin Mining Group, is pushing to renew its contract. Mr Kapili requested that Mr Marape move all negotiations to Porgera itself, to adequately gauge landowners' views and the extent of problems around the mine. The MP spoke of ongoing "serious" law and order problems which he linked to a surge of outsiders to Porgera since the expiry of the Special Mining Lease in August. "Since the expiry of the SML there's hundreds and thousands of people coming from afar, outside the valley, claiming that the extension of the license - while we are negotiating - is not in order, 'they are illegally mining, so we also want to illegally mine'."

The prime minister answered that the government was well aware that a majority of landowners want Barrick's lease not to be renewed. He said the government had received many written and oral representations from landowners indicating that over 90 percent of them were against Barrick staying on. "But we are mindful that our partners are operating the mine and they have the asset up there in the mine itself, so those discussions will bring to full conclusion when we consult everyone. "I intend in the new year (for) an announcement to be made to the status of what will happen in Porgera," said Mr Marape, adding that he would consider the Laigap-Porgera MP's request.

"Let me assure the member that I look forward to considering his recommendations in the positive, that all discussions, if not all major discussions, will take place in Porgera, be held in the Porgera valley up in Enga province. So those recommendations are taken on board." Since last year, Porgera landowners have conducted a number of public protests to demonstrate their opposition to Barrick's continued involvement in the mine. They have complained about lack of compensation for environmental damage caused by the mine over almost thirty years of operation. Mr Marape urged

landowners to maintain composure while the government concludes its discussions with the mine operators. His government is seeking a greater share in the mine.



Porgera landowners protest against Canadian company Barrick Gold Ltd Photo: Supplied

### **Doubt cast over planned restructure of New Caledonia's Vale nickel plant**

Radio New Zealand, 5 December 2019

Doubt is being cast on the feasibility of the planned restructure of New Caledonia's loss making Vale nickel company, which its Brazilian owner has put up for sale. After spending an estimated \$US9 billion on the South Pacific's largest industrial plant, Vale's sale plan involves a new production strategy which will entail an unspecified number of job losses among its 1300 employees. It also wants to raise money by exporting two million tonnes of low-grade nickel ore a year. However, the NGO, Together for the Planet, or EPLP, said such exports were illegal. It pointed to a 2010 law which defines the ore deposits feeding the plant at Goro as a geographic reserve, meaning they could only be exploited if they were processed in New Caledonia.

The organisation said it feared a law change could be pushed through if blackmail was applied by warning that too many jobs were on the line. The same restrictions applied to the Koniambo nickel plant, in the north of New Caledonia, whose ore deposits also had to be processed in New Caledonia. EPLP also said it was still awaiting a ruling from a French appeal court on its challenge of a New Caledonian government decision to issue a mining licence. It said in light of these issues, Vale was selling just hot air.

### **Political parties disappointed at announcement**

Local political parties have expressed their disappointment at the Vale announcement that it was [selling its New Caledonian nickel assets](#). The loss making plant at Goro became the most expensive industrial site in the South Pacific when production was launched three years ago. Louis Mapou, of the pro-independence UNI party, said New Caledonia had paid a high price in terms of concessions made to the multi-national investor and now Vale could not be granted a blank cheque to proceed. He said efforts had to be made to get subsequent investors to strengthen engagement in New Caledonia, adding that the planned sale also destabilised the territory months out from the referendum on independence from France.

The newly-formed Generations NC party called for a meeting of the Southern Province Assembly to obtain clarity over Vale's recent decisions, suggesting the company had withheld key infor-

mation. It said it believed that contrary to the announcements, Vale had a buyer in sight. It also said it struck it as odd that a new strategy was being put in place while usually a new investor would choose it. And it wanted an explanation as to why a massive investment was decided in September only to write off half of the plant's value weeks later. The government of the Southern Province said it would be attentive and demanding in how Vale treated its employees and subcontractors through the change.

### **Axiom mining claims Solomon PM's Chief of Staff sought \$700,000**

Solomon Times, 4 December 2019



Axiom had its foreign investment licence cancelled by the Solomon Islands government in October this year and has been told that its expatriate workers were no longer able to stay in the country.

The Australian newspaper reports that the Prime Minister's chief of staff (prior to his appointment in October 2016) had sought payments from Axiom to smooth over problems with the government at the time. Axiom mining chief Ryan Mount said Robson Djokovic, who is Mr Sogavare's nephew and has a criminal record in Australia, had sought AUD\$700,000 "consultancy" through a Fijian lawyer to allow the company to hold on to its Isabel Nickel project. "When we looked at the company records, it was half-owned by Robson Djokovic," Mr Mount said. He said he refused to pay, and the ASX-listed company was being forced out of the country in favour of a Chinese company that caused the Solomon Islands biggest environmental disaster.

Mr Mount has pleaded for Australian government assistance, telling senior advisers to Scott Morrison and Foreign Minister Marise Payne that the company, which has 8000 shareholders, was being denied due process by the Solomon Islands government. Amid moves to strengthen relations with Pacific governments, Mr Mount said he was told by a senior official at the Australian high commission in Honiara that it was "time to pack your bags" and leave the country. Mr Djokovic, an Australian citizen, told The Australian via text message that the allegations against him were "a smear". He said his criminal convictions for burglary, fraud and drug offences "are no longer relevant but have been used for political convenience" by Mr Mount and others seeking to undermine him. Wilson Rano, a well-known lawyer in Solomon Islands, posted on social media that he was in fact the person referred to in the article by The Australian.

"I recall having a meeting with Ryan Mount, and Mr Stratton (an Australian Lawyer) representing Axiom Mining Company Limited at Nadi, Fiji in 2016. This was after Axiom KB Ltd was licking its wounds from the SMM v Axiom Case which our Court of Appeal dismissed both Axiom's Li-

cence and SMM's licence and found that the Commissioner of Lands with the help of Axiom KB Ltd and Ryan Mount illegally registered a lease over Takata/Kolosori tenement," Rano explained. He said that the meeting in Fiji was purposely to come up with a legislation that could give clarity to the whole mining process and help secure the San Jorge and Takata Tenements for Axiom Mining Co Ltd.

"It is an idea which Mr Mount was championing in light of his position that the Mines and Minerals Act simply failed to recognize investors like Axiom and how Axiom is the only company capable of properly mine San Jorge and Takata. "As a professional, my position has always been that I would be willing to do all legal means possible to do the work in consultation with Mr Stanton and Axiom if Axiom is prepared to put its money where its mouth is. I drafted a consulting agreement between Axiom Mining Co Ltd and myself and stated that my consulting fees is AUD\$700,000 and payable on instalments upon achievement of each stages of the proposed legislation." Rano says that having received instructions from Axiom he sought the assistance of Mr. Djokovic, at the time was a freelance consultant and was not yet employed by the Solomon Islands Government. Rano says that by the end of October 2016, Mr Djokovic joined the Government as Chief of Staff and advised that he could no longer be involved.

"Because Axiom could not afford to, we could not take the matter further. It is not however, because Mr Mount discovered that Mr Djokovic was a partner in Echelon Consulting Ltd. Echelon Consulting Ltd was a registered company I registered in 30 January 2015 and has nothing to do with Mr Djokovic," said Mr. Rano. "The only connection between Mr Djokovic and Echelon Consulting Ltd is me. It is no secret that Mr Djokovic and I have been business partners for many years which on his part has been disclosed in full to the Leadership Code Commission." Axiom had its foreign investment licence cancelled by the Solomon Islands government in October this year and has been told that its expatriate workers were no longer able to stay in the country.

Mr. Mount continues to argue that the country's pro-China Minister for Mines, Bradley Tovosia — a key figure in the campaign to sever diplomatic relations with Taiwan — was a leading figure in moves to deny the company an export permit. The move — a month after the Solomons switched diplomatic relations from Taiwan to China — follows the denial of an export permit to Axiom and the assignment of one of its prospective tenements to the Hong Kong-based Bintan Mining. Bintan sparked a massive Australian government-funded clean-up earlier this year when one of its bauxite ships spilled 80 tonnes of heavy fuel oil on an environmentally sensitive reef on Rennell Island, South of the Solomon Islands.

## **Mining, petroleum contributing millions in exports, official says**

December 4, 2019, The National Business

THE country's mining and petroleum industry has contributed well over K27.579 million in export revenue, PNG Chamber of Mines and Petroleum president Gereia Aopi says. Aopi made the statement when delivering the opening remarks at the 2019 Papua New Guinea Mining and Petroleum Conference in Port Moresby yesterday. Making reference to this year's theme "PNG Resources: developing shared value", he said there were many other examples that the industry was helping to grow the country and sustain communities where projects operate. "There is the story of local land-owner company, NKW, which from humble beginning is now a fully-fledged group running different subsidiaries specialising in catering, logistics and agriculture, and has also recently expanded its investments to Australia," he said. "There is the success story of Trans Wonderland, who this year celebrated their 10th anniversary, having come a long way from their humble beginnings. "Some of our projects, such as the Porgera mine, contributed over K4.3 billion in taxes and royalties to PNG since its operations began.



“Newcrest is also another huge contributor to PNG. “It is one of the largest suppliers of foreign exchange to PNG, contributing US\$361.5 million (K1.2bil) to the national account through acquisition of K1.22 billion of currency during the past year. “The PNG LNG project since first gas production in 2014 has contributed around K5 billion. “There are other projects as well that have contributed so much to this nation.” Aopi added that the industry sector would also like to see an economically prosperous PNG in the next few years. The three-day conference which began yesterday attracted more than 900 delegates not just from PNG, but from across the region, including Australia, US, Japan, China and Timor Leste, who were attending 27th conference for the first time. “Over the years, the conference has been and continues to be a proud proponent projecting to the world PNG’s vibrant and strong resource sector, and has provided a platform for industry-to-government dialogue on key aspects of the sector while importantly marketing PNG as a sound investment destination,” Aopi said.

### **Projects to start: Botten**

December 4, 2019, The National Business

THE process on the development of petroleum projects in the country should start soon, Oil Search managing director Peter Botten says. Botten was speaking at the 2019 Papua New Guinea Mining and Petroleum Conference in Port Moresby yesterday. “The LNG markets that we are seeking are being filled, as other projects around the world are sanctioned,” he said. “We were ahead of many two years ago, now we are coming towards the end of the queue, LNG prices are under pressure, as are construction cost. We continue to lose value as things are delayed. “We all want only the right project to go ahead, one that works for all stakeholders but we do live in a real world, where we don’t control some of the key pieces that will make any project here work. “The window is closing so we all have to decide what to do.” Botten said developing discovered resources at Papua LNG in Gulf and P’nyang in Western had the capability of almost doubling production from 2024-2025 onwards.

He said these developments were initially likely to invest over US\$13 billion (K44bil) or US\$52 billion (K176.8bil) over the next five years, with more to come with the upstream development of P’nyang. “This will come with significant economic stimulation, new jobs, new wealth creation and stimulation for the PNG economy,” he said. Meanwhile, making reference to petroleum projects, Botten also said all projects provide shared opportunities for local landowner companies. “Work carried out by our landowner companies is fundamental to our ongoing operating success and project stability,” he said. “This work provides employment and skills training thousands of people who live within the communities we operate. “Oil Search alone will spend approximately K260 million with landowner companies in 2019. “Landowner employees represent 35 per cent of our workforce, PNG nationals represent over 85 per cent on our employee payroll. “There are 11 multi-million kina landowner companies operating on behalf of the oil joint ventures.”

### **Govt to increase benefits**

By SHIRLEY MAULUDU, December 4, 2019, The National Main Stories

PRIME Minister James Marape says the Government will consider increasing landowners’ benefits from the current 2 per cent under the Oil and Gas Act (1998). He told the 2019 PNG Mining and Petroleum Conference in Port Moresby yesterday that the Government was reviewing resource laws to ensure landowners benefitted from resource projects. “The Government has commenced the process of substantial reforms. Those reforms will not be done in isolation from stakeholders,” he said. “We are looking at our resource laws in totality. We will also be looking at the Mining Act and the Petroleum Act. As a result of the consultations, we would like to ensure our landowners are happy.

“For instance, the current Petroleum Act provides just 2 per cent equity participation for landowners and provincial governments. Is that fair? Where does equity play? Where do we collect? Where does tax collect? How do we define royalty?”

Meanwhile, Oil Search managing director Peter Botten said an estimated K5.8 billion had been paid by the PNG LNG project as equity distributions to Kumul Petroleum Holdings Ltd (KPHL) and landowner companies. Botten said project operators kept the records of what had been paid, to whom, and when there were hold-ups in the benefits distribution process. He said the project had slightly different benefits streams as described under the Oil and Gas Act and, when applicable, project agreements. “A key part of the benefits stream for PNG LNG is through the State Equity held by Kumul Petroleum. “This represents a significant revenue stream which some analysts fail to count when describing the State versus Developer take. “These numbers do not appear in reported numbers through the EITI (Extractive Industry Transparency International). So again caution is needed when calculating true benefits derived from this project.

“During the period 2014 to 2019, we estimate that K5.8 billion has been paid by the project in equity distributions to Kumul Petroleum and landowner companies. “This includes just under K440 million in royalty payments and K318 million in development levies. These figures do not include corporate taxes paid during this period.” In response, KPHL managing director Wapu Sonk said: “Peter Botten mentioned that K5.8 billion has been paid to PNG. Out of that is Kumul Petroleum, MRDC (Mineral Resources Development Company), royalties, development levies to the provincial governments and hopefully some tax components. “That’s the breakup of that money. “I want to make it clear that not all that K5.8 billion goes to Kumul Petroleum. Kumul is not IRC (Internal Revenue Commission) and we don’t collect tax.”

### **Vale puts New Caledonian nickel plant up for sale**

*Brazilian miner Vale has put its 95 percent stake in its New Caledonian nickel plant at Goro up for sale following years of huge losses.* Radio New Zealand, 4 December 2019

The decision was announced in Noumea as the company presented a new strategy, which will in part need to have government approval. Vale will close its nickel refinery and stop its cobalt production, which will result in a yet to be specified number of job losses. Instead, the plant will concentrate on producing nickel hydroxide cake used in batteries of electric vehicles. The company says nickel production of 23,000 tonnes this year will be less than 60 percent of the target. Vale said it would still build a \$US500 million waste storage facility but also seek government consent to export two million tonnes of low-grade nickel ore a year from its large deposits. The plant in the south of New Caledonia employs just under 1300 people and provides work for about 1000 contractors. Vale, which acquired the plant when it took over the Canadian miner Inco in 2006, is estimated to have spent \$US9 billion on the Goro plant.

### **State negotiating team questioning Exxon’s intentions**

December 3, 2019, The National Business

THE State negotiating team (SNT) for the P’nyang gas project is questioning whether developer, ExxonMobil PNG Ltd, is serious about developing the gas field. Chairman Isaac Lupari said a timeline for the project’s development needed to be one of the fundamental conditions in any agreement. “The key issue for PNG is to learn the lessons from the PNG LNG project and the recently signed Papua LNG project agreement,” he said in a statement yesterday. According to Lupari, there were two aspects to this; one of which was the current arguments about the commercial terms. “In essence, PNG has already determined that we can achieve state benefits that are far greater than Papua

LNG, while delivering an attractive return to the developer,” he said. “We’ve already suggested to Exxon how we can resolve this sharing of benefits of the project based on international best practices.”

Lupari said the other critical aspect was the certainty of the field being developed, according to a reasonable timeline with clear milestones. “Yet Exxon won’t commit to this before the minister issues the petroleum development license (PDL),” he said. “What Exxon has demanded is we deliver a PDL before they complete industry standard prerequisites required for a final investment decision, which could give them an excuse to defer the development. “Not agreeing to this makes us wonder if the developers really have any current plans to develop the project, or instead, intend to warehouse the field. “That kind of flexibility means the country may get no benefit – only costs – in the foreseeable future.

“We welcome the developer’s participation to resolve these issues and achieve a mutually beneficial outcome.” However, from a recent query raised with ExxonMobil regarding the issue, a spokesperson from the company told The National that: “Discussions with the PNG Government to complete the required gas agreement for the P’nyang project are ongoing. An agreement is needed before decisions can be made regarding front-end engineering and design for the three-train development at the PNG LNG plant site. “As a matter of practice, we don’t comment on commercial discussions.”

### **PNG wants a good LNG deal, not a fast deal**

LNG Industry, 2 December 2019

The Papua New Guinea (PNG) State Negotiating Team has released a statement, reaffirming its position in relation to the P’nyang Field. Isaac Lupari, Chairman of the State Negotiating Team, said: “It is important we get a good deal, not a fast deal. “This is vital to generate revenue and wealth creation from development of nation building projects in PNG. “The key issue for PNG is to learn the lessons from the PNG LNG project and recently signed Papua LNG project agreement. What is essential to PNG is to develop the P’nyang Field in a timely fashion, on terms similar to other countries.” According to the statement, there are two aspects to this. One of the current arguments is about the commercial terms. Lupari said: “In essence PNG has already determined that we can achieve State benefits that are far greater than Papua LNG, while delivering an attractive return to the developer. We’ve already suggested to Exxon how we can resolve this sharing of benefits of the project based on international best practice.”

The other critical aspect to this is the certainty of the field being developed, and that this occurs according to a reasonable timeline with clear milestones. And yet Exxon won’t commit to this before the Minister issues the Petroleum Development License (PDL). Lupari added: “What Exxon has demanded is we deliver a PDL before they complete industry standard prerequisites required for a final investment decision, which could give them an excuse to defer the development. “A timeline for development must be one of the fundamental conditions in any agreement. “Not agreeing to this makes us wonder if the developers really have any current plans to develop the project, or instead intend to warehouse the field. That kind of flexibility means the country may get no benefit – only costs – in the foreseeable future. “We welcome the developer’s participation to resolve these issues and achieve a mutually beneficial outcome.”

## **Mine starts second phase of project**

December 2, 2019, The National Business

THE OK Tedi Mining Ltd has started the second phase of the tax credit scheme-funded Oksapmin Secondary School development project. Hausman Building Solutions was awarded the contract to build dormitories, ablution blocks and a mess hall. According to a statement from OTML, the project is expected to cost K36 million. Learning facilities and infrastructure completed in the first phase included two classrooms, an administration building, science laboratory, library and seven teachers' quarters. The project which started in 2008 was affected by logistics issues, weather and disputes with landowners. OTML economic programmes manager Steve Hoap urged the people to allow the contractor to complete the work without disruptions. "This project is important to us as education is our means to development and improved living standards," Hoap said.

"We must cooperate with the contractor and not disrupt the completion of this project." Telefomin MP Solan Mirisim thanked OTML, the Ok Tedi Development Foundation and the contractor. The school recently was upgraded to secondary school level and set to recruit between 40 and 60 intakes for Grade 11 next year. "I appeal to the people of Oksapmin to stop disrupting the project's progress and support stakeholders to ensure the project is completed in a timely manner," Mirisim said. "This school will bring big changes to Oksapmin. We will have more students continuing their education right at their doorstep, and they will have further chance at their education development and can bring back a lot to the community if they are educated," he said.

## **Landowners fly to Australia to check investments**

December 2, 2019, The National Business

A GROUP of landowner leaders from the Ok Tedi mine impact area in Western left Port Moresby on Friday to visit investments their royalty monies had made in Australia. According to them, the visit was the first in 13 years. The leaders representing 10 mine villages will spend a week to visit their assets, including hotels and properties in Brisbane and Cairns as the beneficiaries with the second and third batch expected to visit other assets in Cairns, Sydney and Madang. The trip was organised by Milum Group of Companies. Milum group chief executive Aubrey DeSouza said they had been investing for the landowners since 2006. "Besides property assets, we also got shares, cash and treasury bills," he said. "Our value of investments is around K150 million. "Every year, we go to Ok Tedi mine and brief the beneficiaries, 5,000 of them, on their investments. "After two years of planning, the board and management decided to take representatives to observe."

## **Governor says people still waiting on LNG promises**

December 2, 2019, The National

THE PNG LNG project is yet to deliver the billions of kina promised to the people of Southern Highlands but the operator is already accelerate production of gas from the fields in the province, says Governor William Powi. Powi said as part of developing the P'nyang project, the proponents were trying to use the PNG LNG gas fields in the province to produce gas between 2024 and 2028 under the Associated Gas Development. He claimed it would deplete the gas quickly while they are waiting for the P'nyang gas to come into the PNG LNG third train. He said the plan would have a negative impact. Powi said the landowners and provincial government had been promised billions in development levies and royalties.

They had allowed for capital expenditure deductions by way of depreciation allowance in calculation of royalty and development levy, allowing capital uplift premium and allowing for operating

expenditure recovery in the calculations. In fact, the 2 percent royalty and development levy becomes less than 1 per cent, an acceleration of the cheating by the developer. “This should not be allowed at the expense of the people of Southern Highland and its landowners,” Powi said. He said the development levy and royalty should be calculated at 2 per cent gross value of well head and not 1 percent “as we are currently receiving”. He told Petroleum and Energy Minister Kerenga Kua in Parliament that the people would continue to be marginalised with the use the PNG LNG gas fields in Kutubu, Moran, Agogo, South East Mananda and Gobe oil under the Associated Gas Development.

### **Vale set to downscale New Caledonian nickel plant**

*The Brazilian miner Vale is set to downscale its nine-billion US dollar nickel plant in New Caledonia in the face of competition from China.*

Radio New Zealand on 30 November 2019



Vale's nickel plant in New Caledonia Photo: AFP

The company is yet to detail its plans publicly but informed members of Congress in a closed session of its new strategy. Vale has reportedly suggested closing the nickel refinery for technical and financial reasons and exporting more nickel ore while maintaining cobalt production. A union leader has told the news agency *AFP* that 90 jobs may be lost. But they say a further 1300 jobs could be under threat if the operation at Goro is reduced. This year's production won't exceed 25,000 tonnes while in September the annual target was still 40,000 tonnes. Congress member has told *AFP* that Vale plans to export two million tonnes of ore a year - a proposal which would need government consent.

### **Tahiti opposition to challenge mining code**

Radio New Zealand on 30 November 2019

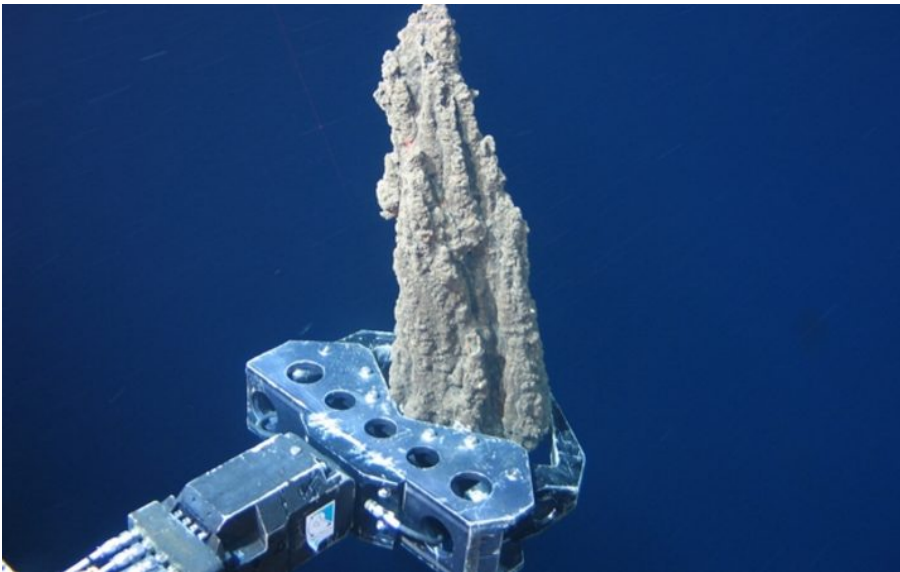
French Polynesia's opposition says it will challenge the new mining code in France's highest administrative court shortly after the assembly approved the text with 39 to 15 votes. The new law was prepared as an Australian company Avenir Makatea is seeking a permit to resume mining on Makatea and extract 6.5 million tonnes of phosphate over 27 years. An opposition assembly member Richard Tuheiava said part of the new code was exceeding provisions of the autonomy statute and could violate UN resolutions on the rights of the indigenous people. He said French Polynesia's heritage was put at risk if a concession holder could be forced to cede so-called strategic resources to

the French state, which is the administrative power. Mr Tuheiava said such a clause was unacceptable. There was opposition within civil society to the mining plans and an online petition had attracted almost a quarter of a million signatures. Two associations, Fatu Fenua no Makatea and Rupe no Makatea, said exploration on the raised atoll was being done without the consent of the landowners. Three years ago the government, which had since been re-elected, teamed up with Avenir Makatea for a roadshow in a bid to drum up support for renewed phosphate mining.

### **NGO calls for Pacific-wide ban on seabed mining**

*An NGO working with coastal communities near the site of planned undersea mining in Papua New Guinea's north is demanding a Pacific-wide ban on seabed mining.*

Radio New Zealand, 29 November 2019



Mining for copper under the sea Photo: Nautilus Minerals

Prospective undersea miner, Nautilus, was declared bankrupt in Canada last week, but a new version of the company is understood to have emerged and plans to mine the Bismarck Sea floor. The Alliance of Solwara Warriors spokesperson, Jonathan Mesulam, said the communities were angry the government was still working with companies that would destroy their livelihoods. They would take action if it continued to push the Solwara project. "We are having the mining project in PNG next week and the coastal communities are calling for a total ban on deepsea mining in PNG and the Pacific. "We would like this message to reach this mining conference that this is the stand of the local coastal communities where livelihoods depend heavily on the sea."

### **‘The revolution is ongoing’: Bougainville to revive radical mining proposal**

Jonathan Barrett, Reuters, 28 November 2019

- \* Bougainville mining proposal to go before parliament in December
- \* Plan gives a 60% share of mines to Bougainville
- \* Bougainville is currently voting on independence from PNG
- \* Proposal was shelved ahead of independence referendum (Adds BCL share price, quotes, context)

Bougainville Vice President Raymond Masono said he will revive a plan to overhaul the region's mining laws after its ongoing independence referendum, which could strip the former operator of the Panguna gold and copper project of its interests. The proposed changes, which have been criticised by Panguna landowners, would also erase an interest in the project held by the Papua New

Guinea government, potentially complicating negotiations between the two governments after the referendum. Under the proposed mining law amendments, Bougainville would take a 60% share in all projects and retain all mining licences, leaving a 40% share that investors can bid for. “Panguna is the most likely project that can bankroll Bougainville’s independence from Papua New Guinea,” Masono, who is also Bougainville’s mining minister, told Reuters by telephone from the town of Buka. “They don’t own the licence and the mine, we own it - they come on our terms. The revolution is ongoing.”



Heavy trucks sit rusting on the edges of Panguna copper mine, closed in 1989 as a result of sabotage. CREDIT: FRIEDRICH STARK / ALAMY STOCK PHOTO

He said companies like former Panguna operator Bougainville Copper Ltd (BCL), which counts the PNG government as a major shareholder and claims exploration rights at Panguna, would not get “special treatment”. “They can only come in through the new framework. If they have money they can invest as will other investors.” BCL declined to comment. The PNG government did not immediately respond to a request for comment. Masono said he would push for the plan to go through Bougainville’s parliament in December, after it was shelved in the lead-up to the referendum amid a backlash from some landowners and government members. Once the economic engine room of PNG, Bougainville has fallen to the bottom of almost every financial indicator, despite boasting mineral riches, fertile volcanic soil and stunning geography. The autonomous region is now grappling over how best to re-establish a mining industry while maintaining peace, 20 years after the last shots were fired in a bloody conflict between Bougainville rebel fighters and PNG forces, killing 20,000 people. As part of the peace agreement, Bougainville is holding a non-binding vote on independence that ends on Dec. 7, with the results to go before the PNG parliament and be subject to negotiation.

BCL is one of at least two companies, alongside a group including explorer RTG Mining Inc, that claims the rights to develop Panguna, with the dispute currently being tested in the PNG courts. BCL shares had been on a bull run since the start of last week, rising almost five-fold to hit A\$0.49 on Nov. 26, underpinned by positive sentiment flowing out of the independence vote. BCL shares have since retreated to trade just under A\$0.30 on Thursday. Another Australian company, Kalia Ltd, is exploring for gold and copper on land located northwest of Panguna. The mining law amendments, which have previously been backed by Bougainville President John Momis, were put on hold before the referendum amid concerns that landowner rights would be eroded, with control over assets being handed to the Bougainville government. “It is totally unacceptable to be trying to steal Panguna from the customary owners,” Panguna landowner, Lawrence Daveona, said in a

statement in June. A Bougainville parliamentary committee was also heavily critical of the proposed changes, and noted that there had been a lack of consultation.

### **K2bil set for landowners**

November 28, 2019, The National Business

A TOTAL of K2 billion in compensation and relocation benefits is projected to be paid directly to the landowners of the Lihir Gold mine by Newcrest Lihir Gold Mining Ltd (LGL) over the next 20 years. This projection was announced by the independent chairman of compensation and relocation agreement (CRA) negotiations, Sir Paul Songo last week on Lihir, during the final week of the negotiations. The CRA negotiations had been happening since 2017 between LGL, the eight tenements landowner groups, five relocated villages, Nimamar local level government and Lihir Catholic and United churches. Sir Paul said the K2 billion projection was based on base figures agreed to in principle between the miner and 15 parties except the Nimamar LLG which was yet to agree on certain terms of the offer from LGL. He said the amount comprised appropriations for immediate and long-term benefit flows including cash, development and investment funds.

These benefits would be paid as compensation for the use of resources such as water, land and relocation of villages amongst others. The draft agreements would be delivered to the chief mining warden of the Mineral Resources Authority (MRA) for verification against the Mining Act 1992. Upon successful verification, the LGL and the 15 parties would officially sign the agreements, followed by the payments of the benefits. The CRA was formerly known as the “integrated benefits package” (IBP) which was initially negotiated in 1995, and reviewed over the years. The landowners raised issues about the IBP arrangements saying benefits were not trickling down to them through their landowner association– the Lihir Mine Area Landowners Association (LMALA). This resulted in the landowners calling for compensation and relocation benefits to be paid directly to them by the company instead of the payments being made through the LMALA.

### **Developer to pay compensation, relocation benefits yearly**

November 28, 2019, The National Business

FIFTY-four million kina in compensation and relocation benefits will be paid by Lihir Gold Mining Ltd (LGL) directly to parties to the compensation and relocation agreement (CRA) of the Lihir Mining Project. According to Mineral Resources Authority (MRA), this will be paid every year beginning next year. This was revealed during the final week of CRA meeting last week on Lihir Island. The parties to the agreements are the eight tenements landowner groups, five relocated villages, Nimamar local level government and Lihir Catholic and United churches. The eight tenement landowner groups and the five relocated villages are Putput plant site, Kapit pit and stockpile, Landolam pit, Kunaye airport, Londolovit weir, Londolovit quarry, Lakunbut dam, Lakunbut relocation family group, Kapit relocation family group, Mining easement, Putput relocation family group, Landolam relocation family group and Londolovit weir relocation family group.

All 13 groups and the two churches have agreed in principle with LGL to the negotiated benefits packages under the CRA process except for the Nimamar LLG, who still needs to sort out outstanding issues with the company. As a start for 2020, each of the groups would receive base amounts of money ranging from K300,000 to K6 million. The funds would be paid in three different components for each group which were development 60 per cent, investment 30 per cent and cash 10 per cent. Several landowner leaders when asked about how they plan to use these funds, said they had to discuss and plan properly with their people on specific projects. However, they said in terms of investment, they would invest in high impact investments that would yield good returns for their



people. Martin Simol, who is the leader for Putput plant site and Landolam pit landowner group, said it was up to individual landowner groups to plan on how to use their money. He said investment for their children's future was important.

### **Talks on PNG LNG expansion at a standstill – govt**

Radio New Zealand, 28 November 2019



PNG Liquefied Natural Gas Plant near Port Moresby. Photo: Richard Dellman.

Talks with oil and gas giant Exxon Mobil over an expansion of their huge LNG (Liquefied Natural Gas) project in Papua New Guinea are at a standoff, with the company unwilling to negotiate on the country's terms, says PNG's petroleum minister. Kerenga Kua said the state's negotiating team had set out draft terms for negotiations on developing the P'nyang gas field that were in line with international standards and would ensure a "fair deal" for PNG. It was disappointing that Exxon has refused to consider the terms and PNG urged them to reconsider their position. *Reuters* reports that the new delay to the P'nyang agreement will make it harder for Exxon and its partners Total SA, Oil Search and Santos Ltd to reach a final investment decision in 2020 on their plans to double LNG exports from the country. Exxon Mobil's PNG spokesman said discussions with the PNG government were ongoing and an agreement was needed before decisions could be made on preliminary engineering and design for the expansion of its PNG LNG plant.

### **The High-Stakes Race For Bougainville's Copper And Gold**

Tim Treadgold, Forbes, November 27 2019

Fat profits are being made by speculators confident they can beat a Chinese takeover of one of the world's great copper and gold deposits on the Pacific island of Bougainville even though it hasn't produced a pound of metal in 30 years. The once fabulous Panguna mine was closed in 1989 during a civil war which pitted locals, fighting as the Bougainville Revolutionary Army, against troops of the government of Papua New Guinea which claimed control of the island. An estimated 20,000 people died from the fighting and disease in what ranks as the worst conflict in the South Pacific since World War Two. An uneasy truce in 2001 formally ended the conflict but Bougainvilleans have continued to push for independence which is being tested in a two-question referendum which started this week and will end on December 7 with voters being asked whether they want complete independence or just greater autonomy from Papua New Guinea.



Satellite imagery of the Panguna Mine located in the autonomous region of Bougainville in Papua New Guinea. GETTY IMAGES

### Strategic Location In The Pacific

Strategically placed to the north-east of Australia, Bougainville commands a large area of the South Pacific Ocean and is seen as a perfect location for China to extend its influence in the region. The island's population has closer demographic connections with the Solomon Islands than Papua New Guinea with a culture clash one of the civil war causes. Another contentious point which help trigger the war was the Panguna mine operated by a subsidiary company of the Anglo-Australian mining giant, Rio Tinto.



In its peak years between 1972 and 1989, Panguna was producing an average of 175,000 tons of copper a year and 18 tons of gold, but the mining and ore-processing methods at the time were not environmentally friendly with heavily-polluted water running off the mine site. Unfortunately for local residents Panguna was a critically important asset for the Papua New Guinea government accounting for an estimated 44% of national income, which is one reason why the government fought hard to keep the mine operating, a task which proved to be impossible in a war zone. The promise

of independence has sparked interest in the abandoned mine which is estimated to still contain one billion tonnes of ore, an attractive target but one which will be hard to mine, and even harder to process.

### **High Cost Of Restarting**

The first challenge will be the need to mine a large amount of ore annually to compensate for the low grade of the raw material. A second challenge will be spending an estimated \$5 billion on a new processing plant because the original has rusted away in Bougainville's tropical weather. But the cost of restarting Panguna might be worth it because a "gold equivalent" calculation, which is the combination of the value of copper and gold in the ore, produces a world-class estimate of 45.3 million ounces of gold equivalent (a mix of copper and gold).



Papua New Guinea soldiers guard the Panguna mine. January 26, 1990. (Photo by Miller/Fairfax Media)

It's the large amount of unmined copper and gold which explains the race which has developed among rival companies seeking permission to redevelop Panguna with companies from Australia and China leading the way. Interest in the mothballed mine reached a high point yesterday when two were asked by regulators from the Australian Stock Exchange why their share prices had risen rapidly over the past two weeks.

### **Shares On Fire**

Bougainville Copper, a company in which the local government (known as the Autonomous Bougainville Government) has a 36.4% stake is up 200% over the past three weeks with a rise from 6.5 cents to 20c — though at one stage on Tuesday the stock hit a 10-year high of 33c, triggering an exchange "speeding" inquiry. RTG Mining, another Australian-listed hopeful in the race for Panguna, also received a speeding inquiry when its shares rose by 37.5% to 7.5c. RTG has secured a development agreement over the mine with a local land owners association. There is a long way to go before Panguna can be redeveloped, if at all, given the history of conflict and fractious nature of the local politics. The result of the referendum will be a first step in the mine re-start process. Choosing a company acceptable to all Bougainvilleans to do the job will be next, followed by funding and then proving that the mine can operate profitably and in an environmentally acceptable way.

## Bougainville's Faustian Bargain

*An ongoing independence referendum does not address the key question at the root of the conflict: the future of the Panguna mine.*

Paul R. Williams\* and Carly Fabian\*, *The Diplomat*, November 27, 2019



Over 2,000 residents, including chiefs, elders, and politicians attended the historic ceasefire signing ceremony on the island of Bougainville, April 30, 1998. Credit: AP Photo/Australian Defence PR

On the small island of Bougainville, a region of Papua New Guinea, voters are currently taking part in a long-awaited referendum on independence that started this Saturday. Twenty years after the end of the deadly Bougainville conflict, this referendum gives voters the chance to decide between substantial political autonomy or complete independence. While the voting period lasts until December 7, early estimates predict that Bougainvilleans will vote overwhelmingly for independence. The peace agreement that ended the conflict in 2001 has so far allowed the region to take incremental steps toward enhanced self-government while maintaining a delicate peace.

Whether this peace process will result in a durable peace depends entirely on the outcome of the referendum, the final and most important step of the process. The structure of the referendum, however, renders it an imperfect and perhaps even fatally flawed vehicle for resolving the conflict. Notably, the referendum is not binding on Papua New Guinea, meaning that the outcome will depend on whether Papua New Guinea accepts the outcome of the referendum, or whether it imposes conditions on Bougainville's independence. Most importantly, the referendum does not address the key question at the root of the conflict: the future of the open-pit Panguna mine on the island.

The Bougainville conflict centered around the Panguna mine, a large-scale copper and gold mine that was built in 1972 amid significant local opposition. During its operation, the mine was responsible for over 40 percent of Papua New Guinea's national export revenue. The mine dramatically reshaped local society as the mining company clear-cut forests, forcibly relocated villages, and introduced thousands of higher-paid foreign workers to operate the mine. The millions of tons of pollution created by the mine's operations also quickly contaminated the surrounding bodies of water and agricultural lands. Collectively, these changes presented what the indigenous Bougainville people viewed as an existential threat to their way of life.

In 1989, Bougainvilleans forcibly shut down the mine. This provoked a harsh armed response from Papua New Guinea. In response, the rebels declared independence from Papua New Guinea. Over the next decade, the two sides fought over the future of the mine and, by extension, Bougainville's

political, environmental, and economic independence. The conflict, marked by atrocities, forced relocation, and a debilitating blockade by Papua New Guinea, resulted in 20,000 deaths, 10 percent of Bougainville's population, as well as the displacement over another 30 percent of the population. Somewhat surprisingly, the comprehensive and detailed peace agreement that ended the conflict did not address the future of the mine – the primary conflict driver. The agreement instead focused on increased self-government and a path to potential independence. This framing has so far allowed Bougainville and Papua New Guinea to maintain a delicate peace as the Bougainville government assumed greater governing responsibility yet kept the mine closed.

At the same time, this framework also presented Papua New Guinea with an opportunity to separate the promise of political independence from Bougainville's broader goal of protecting the environment and its indigenous way of life. With growing external pressure to reopen the mine, these issues have increasingly been framed as mutually exclusive options that Bougainville must inevitably choose between. Since the creation of the Autonomous Bougainville Government in 2005, Papua New Guinea and other external funders have provided the Bougainville government with the majority of its funding. Bougainvilleans have so far envisioned a future economy centered on [sustainable agriculture and fishing industries](#). It will take significant time, patience, and investment, however, for these industries to produce revenue that could replace the external aid Bougainville currently receives.

To prepare for independence, Papua New Guinea has pressured the Bougainville government to instead achieve fiscal self-reliance by reopening the Panguna mine. A number of mining companies have expressed an [interest](#) in contracting and operating a reopened mine. Notably, both the government of Papua New Guinea and the government of Bougainville each hold a substantial (36.4 percent) ownership interest in the mine, which was transferred to them in 2016 by the mine's previous majority shareholder Rio Tinto. The environmental scars from the mine continue to [haunt](#) the island. Cleaning up the pollution that remains would potentially cost [billions of dollars](#), a price far out of reach of Bougainville's current economy. After the transfer of shares, Rio Tinto [rejected responsibility](#) for the mine's environmental damage. Today, some parties argue that reopening the mine with greater environmental protections is the [only feasible option](#) for generating sufficient revenue to remediate the prior environmental damage.

[Strong public resistance](#) in Bougainville has so far kept attempts to reopen the mine at bay. With the arrival of the referendum date, however, the forces coalescing around the reopening of the mine have redoubled their efforts to overcome this public resistance. Amid this pressure, rather than resolving the conflict, the referendum's narrow focus on political independence may instead reignite it. If voters choose independence, Papua New Guinea may present Bougainville with a Faustian bargain: in exchange for independence, Bougainville will first have to achieve fiscal self-reliance by reopening the mine. If that happens, Bougainvilleans will have to choose between abandoning the promise of political independence, which has underpinned the last two decades of peace, and reopening the Panguna mine, which drove a decade conflict.

*Dr. Paul R. Williams is the Founder of the Public International Law & Policy Group, and the Rebecca I. Grazier Professor of Law and International Relations at American University. Carly Fabian is a Research Fellow on Justice, Peace, and Security at the Public International Law & Policy Group.*

### **Official urges parliament to support mining law**

By JEFFREY ELAPA, November 27, 2019, The National Business

THE Mining Act (1992) review being conducted by the Mineral Policy and Geohazards Management Department must be supported by all Members of Parliament. A senior official with the de-

partment Emmanuel Donigi said this would ensure business in the industry was conducted fairly. Donigi made the statement in his presentation during the Frieda River copper-gold project landowners' benefits and development forum in Tabubil, Western, last weekend. The forum was organised by Telefomin MP Solan Mirisim. Donigi said the mineral policy and legislative exercise undertaken by the department include;

- Mining Act (1992) review;
- Mineral Resource Authority Act 2005 review; and,
- the Mineral Policy Review that is before Cabinet for endorsement before it goes to Parliament for enactment.

“We are now working on the Mining Safety Act 1997 review,” he said. “Apart from the reviews, the State is looking at new policy developments which include geohazard management policy, mine waste management policy, small scale mining policy, and downstream mineral processing policy. “We are also looking at how to ensure there is visibility on the production and export to protect tax base through the establishment of the mineral production and export data repository at MRA.” Donigi further noted that they were also looking at legislating an existing requirement under the mining development contract (MDC) for the establishment of a downstream processing facility and the establishment of a gold bullion bank. He said this was a direction from the National Executive Council. Other areas the department had taken note of included infrastructure compliance to earthquake building code standards and mitigation and avoidance of geological risks to protect lives and properties.

### **Papua LNG Put On Hold By Landowner's Court Action**

Post Courier, November 27, 2019



Roy Daniel Evara and Roy Evara addressing the media at a press conference convened at the Port Moresby Archdiocese yesterday.

A Landowner Umbrella Association on where the Papua LNG project is situated has successfully taken out a temporary court order, stopping the progress of any development on the US\$10 billion project. The landowners of Baimuru through their Umbrella association Purari Development Association (PDA), obtained the stay orders through a challenge of a decision by the State to cancel their Special Agriculture Business Lease (SABL) title. The lease, according to the association, covers the project area. In a press conference organised at the Port Moresby Archdiocese, the president Roy Evara, his son Daniel Evara his vice president Poroa Kaia and leaders of the nine tribes of Baimuru applauded the court decision saying, “No Papua LNG Project – Not until a new gas agreement is negotiated under a new Oil and Gas Legislation”. “We want, in fact, we demand the fast-tracking of a new oil and gas law that Prime Minister James Marape and his government foreshadowed recently, to be enacted.”

The three main issues to be addressed in the new law according to the landowners are a guarantee for full involvement and participation of landowners in all aspects of project development; the use of production sharing model for all oil and gas development projects in the country, starting with Papua LNG Project; and a new increased level of equity of up to 50% of State's total equity and other benefits for landowners under such production sharing model, before the Petroleum Development License Agreement is negotiated. The restraining orders were taken out from a court challenge to judicially review the decision of the Registrar of Titles for the cancellation of their Special Agriculture and Business Lease (SABL) title. "Let me be clear to all who care to listen – we will not be an unfortunate bunch of landowners that will stand condemned for missing out on more superior benefits that a new production sharing model arrangement promises, when change for such law is foreshadowed to be around the corner.

Indeed, we will not allow that to happen and now call on the State, the developer and its partners, and other stakeholders that we all go back to the drawing board and negotiate in good faith something that is a win-win for all parties, " said Mr Evara. They also stated that the government has been ignoring them for too long. "Despite our existence and our God-given rights to our land and resources, we have never been acknowledged nor respected, through any meaningful engagement at any time during the gas agreement negotiations by the O'Neill government, nor in the recent review by the Marape government. For all intents and purposes we just don't seem to exist at all. "We refuse to be taken for granted anymore. More importantly we are resolved that the Papua LNG Project will not progress any further, until the landowners aspirations and desires are heard and that legislative and policy changes that protect the interests of landowners and the country as a whole are fully enacted by law so that we are not to be bullied by corporate giants and made to look as beggars in the development of our scarce resources." The effect of the Interim Court Orders according to the landowners basically means that the State is restrained from entertaining and approving a PDL license.

### **Nautilus Minerals officially sinks, shares still trading**

Amanda Stutt, Mining dot com, November 26, 2019



Nautilus Minerals, one of the world's first seafloor miners, officially went bankrupt this week, its court-appointed monitor, Price Waterhouse Cooper reported. Nautilus filed for protection from its debts in a Canadian Court in February 2019. The company tried to restructure but it failed to find any buyers for its assets. In August 2019, court approval was obtained for creditors to liquidate the company to get back a fraction of what they were owed.

## IN THE PROCESS, NAUTILUS HAS LEFT THE PAPUA NEW GUINEA GOVERNMENT FACING A DEBT EQUIVALENT TO ONE-THIRD OF THE COUNTRY'S ANNUAL HEALTH BUDGET

The Vancouver-based company was trying to develop its Solwara 1 deep sea gold, copper and silver project, off the coast of Papua New Guinea (PNG), but the project was plagued with community opposition and financial setbacks. In June, the owner of the shipyard where the company's support vessel was being made said it had cancelled the contract with the supplier chosen to build its ships after Nautilus failed to pay the third installment of the contract price — \$18 million before interest. Local communities opposed to Nautilus' Solwara 1 project in their seas are still opposed to the project, and there are still legal cases in the PNG court system. In the process, Nautilus has left the Papua New Guinea government, which still owns a 15% stake in the Solwara I project as well as equipment, facing K81.5 million (\$24 million) in debt. "The two main shareholders – MB Holding and Metalloinvest – have effectively taken control of this 'new' Nautilus at the expense of major creditors and hundreds of small shareholders," Andy Whitmore, advocacy officer, Deep Sea Mining Campaign, said in a press release.

Court papers noted that Nautilus had two distinct business units, one dealing with polymetallic nodules, and one dealing with seafloor massive sulphides, which includes the Solwara 1 project in PNG. It is therefore unclear which, if either of the business units, the new company will concentrate on. "Nautilus gave the impression that the new company was ready to roll. But it has been over a month since the confirmation and there's been no other information on what Nautilus' new plans will be," Whitmore said. Nautilus stated in court papers that once liquidation occurs, there may still be a buyer for at least some of the new company's assets. A PNG Business News report suggests the new Nautilus has applied to the PNG Mineral Resources Authority to vary the existing mining lease. When Nautilus was removed from the Toronto Stock Exchange as part of the bankruptcy proceedings, it moved to unregulated trading, with a recent spike in buying. At market close Tuesday, Nautilus Mineral's shares had been traded 310,769 times on the OTC, with the stock priced at a penny.

### **Firm enters deal to fully own mine**

November 26, 2019, The National Business

KINGSTON Resources has reached an agreement with 30 per cent joint venture partner Pan Pacific Copper to move to 100 per cent ownership of the Misima gold mine in Milne Bay. Under a non-binding term sheet, Kingston can pay A\$2.8 million (K6.33million) in stages to acquire the 30 per cent it does not already own. The initial A\$500,000 (K1.13 million) would be paid by the end of January with the balance due by the end of April. Kingston had just over A\$6 million (K13.5 million) in cash at the end of September. Pan Pacific said it was exiting as the project sat outside its current focus.

Misima has an indicated and inferred resource of 82.3 million tonnes at 1.1 grams per tonne gold and 5.3gpt (grams per tonne) silver for 2.8 million ounces of gold and 13.9Moz (million ounces) of silver. Kingston is currently undertaking an exploration and resource expansion drilling programme with an aim of reaching 3Moz in resources. The initial target is near-surface mineralisation for early mill feed. Kingston is planning to start mining studies at Misima by the middle of next year. The company is presenting at the Precious Metals Summit in Zurich, Switzerland this week before marketing in London. Kingston completed a 10-for-one share consolidation last week. Its shares last traded at 15.5cents. – [Miningnews.net](http://Miningnews.net)



## **Mine doing well after government took over, says chief executive**

November 26, 2019, The National Business

THE Ok Tedi Mining Ltd (OTML) is debt-free and doing well after the Government and landowners took over in 2015. Managing director and chief executive Peter Graham revealed this during the Frieda River copper and gold project development forum in Tabubil on Friday. He said when the mine resumed in 1984, 4.83 million tonnes of copper, 14.8 million ounces of gold and 32.7 million ores of silver were produced. K65 billion was generated from the sale of those minerals. Graham said on average, the mine contributed 7.4 per cent to the Gross Domestic Product of the country. He said the company made a profit of K16 billion after tax. And after 35 years, it continued to be a successful business. The State received K11.5 billion and Western received K10.5 billion while BHP and Inmet Mining Corporation took K1.7 billion.

However, Graham said the mine would wind up in 2027. He said other achievements included the increase in mine production by 37 per cent between 2013 and 2019, and cost reduction by 25 per cent. “The pollution issue is of great concern to OTML as we continue to fund K60 million for dredging activities to protect the Fly River and the riverine system,” he said. “The company is a supporter of equal participation. “For the workforce, we have 11 per cent women and 89 per cent males. We are working to balance that,” he said. Graham said on top of the dividends and royalties, OTML spent a lot in social benefits which include K24 million for Tabubil-Kiunga road, K21 million for Tabubil hospital, tax credit of K25 million for three years for the Tabubil-Telefomin road, and K250 million through Ok Tedi Development Foundation.

## **Sepik River is important: Isifu**

November 26, 2019, The National Business

WEWAK MP Kevin Isifu says the Sepik River is important to the people and while they support the Frieda River copper/gold project, the safety of the environment will not be compromised. Isifu and Ambunti–Dreikikir MP Johnson Wapunai told a development forum in Tabubil, Western, last weekend that the project was going to be big for East and West Sepik. But they did not want any pollution. “The Frieda River project is a high impact project for the people of Sepik,” he said. “The people of Sepik welcome the project because of its economic value but the biggest concern is the mine waste. “The developer must look at the best way to control its waste.” Wapunai said environmental issues were not negotiable. He urged the landowners to be united as it had been 50 years since they had been talking about the mine. The developer PanAust will build a 200-metre deep and 75km wide dam which would also be the waste disposal dam and hydroelectricity dam. But it was argued that the proposed dam would cover four villages, their gardens, their hunting grounds, their sacred traditional burial sites. The Sandaun government had engaged a private engineering team to see if the proposed dam was necessary. The team proposed that another option be considered.

## **Frieda project will draw from the OK Tedi’s experiences**

November 26, 2019, The National Business

THE experiences of the Ok Tedi mine in Western will be the basis used to draft a better benefit and environmental management plan for Frieda River project in West Sepik. The third Frieda River project landowner benefits and development forum held at Tabubil over the past three days gave landowners the opportunity to prepare their position paper on how they would want the mine to operate. The forum was organised by Telefomin MP Solan Mirisim. Mirisim also arranged with the management of Ok Tedi Mining Ltd to share their experiences on how the company had worked with landowners, how programmes and benefits were delivered and how the mine’s waste was managed.

Others that were present included West Sepik Governor Tony Wouwou, Ambunti-dreikikir MP Johnson Wapunai and Wewak MP Kevin Isifu.

The landowners had the opportunity to also hear from OTML management led by managing director and chief executive Peter Graham and deputy chief executive Musje Werror on the mine's operations. PanAust Ltd, the proposed developer led by Geoff Gallister, the country manager and his team also attended and presented their status report to the forum on how they are preparing to form landowner companies and other preparations. Also present were skilled locals in the mining industry led by lead technical adviser and facilitator Allan Bond. Many of these locals are serving as engineers and other technical fields in the industry in Australia and in PNG. They were engaged as advisers.

## MEDIA RELEASE

Monday 25 November 2019



### Nautilus Minerals still lost at sea with no life raft in sight.

On 21<sup>st</sup> November, Nautilus Mineral's court-appointed monitors, Price Waterhouse Cooper (PwC) confirmed that the relevant legal papers had been filed to assign Nautilus Minerals Inc. into bankruptcy.<sup>[i]</sup> Whilst this news was expected, there has been no news on their plans for the Solwara 1 deep sea mining project in Papua New Guinea, leaving local communities and civil society who are opposed to the project with many questions. Nautilus filed for protection from its debts in a Canadian Court in February 2019.<sup>[ii]</sup> The company tried to restructure but it failed to find any buyers for its assets. In August 2019, court approval was obtained for creditors to liquidate the company in order to get back a fraction of what they were owed.<sup>[iii]</sup>

Andy Whitmore of the Deep Sea Mining Campaign stated, “This should be the end of the story, but sadly the liquidation was enacted to give birth to a new, smaller Nautilus.” “The two main shareholders – MB Holding and Metalloinvest – have effectively taken control of this ‘new’ Nautilus at the expense of major creditors and hundreds of small shareholders. Despite filing an appeal<sup>[iv]</sup> in the Canadian Court, through its company Eda Kopa, the PNG Government remains the biggest loser from the deal holding 15% equity in Nautilus PNG and the Solwara 1 project, effectively losing \$US125m.”<sup>[v]</sup> “Nautilus gave the impression that the new company was ready to roll.<sup>[vi]</sup> But it has been over a month since the confirmation and there's been no other information on what Nautilus' new plans will be.”

“Nautilus stated in court papers<sup>[vii]</sup> that, once liquidation occurs, there may still be a buyer for at least some of the new company's assets.<sup>[viii]</sup> Does this mean the major shareholders will sell their licences and machinery to make a quick profit and run?” questioned Mr Whitmore. Local communities opposed to Nautilus' Solwara 1 project in their seas, are still steadfastly opposed to the project, and there are still legal cases in the PNG court system.<sup>[ix]</sup> Jonathan Mesulam from the Alliance of Solwara Warriors has recently returned to PNG from meetings in Canada<sup>[x]</sup> where he represented the fierce opposition of PNG coastal communities against experimental seabed mining.

Mr Mesulam stated, “It’s unbelievable for Nautilus to still consider mining the Solwara 1 project. Even if free of its long-term debt, this new company is created on the back of the huge financial loss for our government and the people of PNG. Our people want nothing to do with this company and its lies of prosperity. In Canada I learned that such a project would never be allowed in this company's home waters.” This loss adds to PNG's public debt which is at about 33 per cent of GDP. Australia has recently committed a \$AUD300 million loan as direct budget assistance to ‘aid its economic reforms and government financing.’<sup>[xi]</sup> Mr Mesulam continued, “A recent article in PNG Business News seems to suggest the ‘new’ Nautilus has applied to the PNG Mineral Resources Authority to vary the existing mining lease.<sup>[xii]</sup> This is against a background of calls from right across Papua New Guinean society to cancel the licenses.”<sup>[xiii]</sup>

An added mystery is that someone is still buying shares in the old, defunct company. When Nautilus was removed from the Toronto Stock Exchange as part of the bankruptcy proceedings, it moved to unregulated trading of the now virtually worthless stock. Yet there has been a recent spike in buying that sent the price up to 0.003 cents per share.<sup>[xiv]</sup> “So many questions, and yet to date no answers. The company still looks to be lost at sea with no life raft in sight” claimed Mr Whitmore.

## NOTES

[i] Updates, Nautilus Minerals, Canadian Companies’ Creditors Arrangement Act (CCAA), PwC, <https://www.pwc.com/ca/en/services/insolvency-assignments/nautilus-minerals-inc.html>,

[ii] Updates, Nautilus Minerals, Canadian Companies’ Creditors Arrangement Act (CCAA), PwC, <https://www.pwc.com/ca/en/services/insolvency-assignments/nautilus-minerals-inc.html>

[iii] ‘Nautilus obtains court approval of plan of compromise and arrangement’, Nautilus Minerals media release, 13 August 2019, [http://www.nautilusminerals.com/irm/PDF/2096\\_0/](http://www.nautilusminerals.com/irm/PDF/2096_0/)

[iv] Eda Kopa filed an appeal in the Canadian Court, claiming they should be treated the same as other creditors, rather than as a shareholder, so at least they could salvage something. Nautilus fought this, complaining – among other arguments - that they could not afford to pay Eda Kopa. On 26<sup>th</sup> September the Court dismissed Eda Kopa's appeal, and on 22 October it was confirmed that no further appeal would be submitted.

[v] Deep Sea Mining Campaign, London Mining Network, Mining Watch Canada. 2019. Why the Rush? Seabed Mining in the Pacific Ocean. July. pp 26.

<http://www.deepseaminingoutofourdepth.org/wp-content/uploads/Why-the-Rush.pdf>; Table 29 of the PNG Treasury Final budget outcome released in March 2019 indicates expenditure by sector - the debt of \$US125m alone, ignoring interest and other costs. equates to K422m at March 2019 exchange rates, <http://bit.ly/FinalBudgetOutcome2018>

[vi] Monitors Sixth Report to Court, Nautilus Minerals, Canadian Companies’ Creditors Arrangement Act (CCAA), PwC, [https://www.pwc.com/ca/en/car/nautilus-minerals/assets/nautilus-minerals-065\\_091919.pdf](https://www.pwc.com/ca/en/car/nautilus-minerals/assets/nautilus-minerals-065_091919.pdf)

[vii] Monitors Sixth Report to Court, Nautilus Minerals, Canadian Companies’ Creditors Arrangement Act (CCAA), PwC, (section 5) [https://www.pwc.com/ca/en/car/nautilus-minerals/assets/nautilus-minerals-049\\_072419.pdf](https://www.pwc.com/ca/en/car/nautilus-minerals/assets/nautilus-minerals-049_072419.pdf)

[viii] The court papers also noted that Nautilus had two distinct business units, one dealing with polymetallic nodules, and one dealing with seafloor massive sulphides (which includes the Solwara 1 project in PNG). It is therefore unclear which, if either of the business units, the new company will concentrate on.

[ix] ‘Legal action launched over the Nautilus Solwara 1 Experimental Seabed Mine’, state-

ment 6 December 2017 - <http://www.deepseaminingoutofourdepth.org/legal-action-launched-over-nautilus-solwara-1/>; 'World-first mining case launched in PNG', *Lawyers Weekly*, 13 December 2017, <https://www.lawyersweekly.com.au/wig-chamber/22429-world-first-mining-case-launched-in-png>

[x] Where Does Canada Stand on Deep Sea Mining?, MiningWatch Canada and Alliance of Solwara Warriors media release, 22 November 2019,

<https://miningwatch.ca/news/2019/11/22/where-does-canada-stand-deep-sea-mining>; Briefing: [Jonathan Mesulam Meets with Senior Canadian Civil Servants on Deep Sea Mining](#), Ottawa, Canada, 18 November 2019

[xi] 'Australia Gives \$300 Million Loan to Papua New Guinea', *Reuters*, 23 November 2019, <https://www.reuters.com/article/us-pacific-loan-australia/australia-gives-300-million-loan-to-papua-new-guinea-idUSKBN1XX03W>

[xii] 'Mine waits for restructure', *PNG Business News*, 19 November 2019, <https://www.pngbusinessnews.com/post/mine-waits-for-restructure>

[xiii] 'Joint Letter calling for the PNG Government to cancel all Nautilus Minerals deep sea mining licences', full page ad, *Post Courier* by PNG Council of Churches, Voice of Milne Bay, Alliance of solwara Warriors, Bismarck Ramu Group and Centre for Environmental Law and Community Rights, 28 June 2019, <http://www.deepseaminingoutofourdepth.org/joint-letter-calling-for-the-papua-new-guineagovernment-to-cancel-all-nautilus-minerals-deep-sea-mining-licences-and-to-ban-seabed-mining-in-png/>; 'Cancel all deep sea mining licences', *Loop PNG*, April 24, 2019. <http://www.looppng.com/business/cancel-all-deep-sea-mining-licences-locals-83822>

[xiv] See: <https://finance.yahoo.com/quote/NUSMF?p=NUSMF>

### Paris court okays New Caledonia nickel export decisions

*The highest French administrative court has thrown out a challenge to two decisions in New Caledonia to approve additional nickel exports.* Radio New Zealand, 25 November 2019



President of New Caledonia's Northern Province Paul Neaoutyine Photo: RNZ Walter Zweifel

Northern Province president Paul Neaoutyine claimed in 2015 that the mining code was being breached with the sale of low grade nickel ore to what he called 'non-traditional clients'. His move followed the approval to sell such ore to China and Japan to counter a decline in ore exports to Australia. The French court has ruled that the new policy was in order. Two of the main parties, the an-

ti-independence Caledonian Together Party as well as the pro-independence Palika, have said such exports would contribute to a further erosion of the nickel price.

### **Landowners ‘Ready To Reopen Panguna Mine’**

Post Courier, November 25, 2019



Panguna landowners showing clearly which option they will vote for at the mine site up in Panguna.

Landowners of the decommissioned Panguna copper mine are now prepared to reopen the mine as soon as the next Bougainville House of Representative is installed. Seeing that as the only means of generating income for Bougainville as soon as it gains independence status, the landowners have agreed that Panguna will finance Bougainville like it financed Papua New Guinea back in the 1970s and 80s. Special Mining Lease Osikayang Landowners Association (SML-OLA) mobilised all landowners from different parts of Panguna to gather at the edge of the mine pit to show that they were now one and ready to re-open the mine when Bougainville gained its independence.

SMLOLA chairman Philip Miriori and chief consultant adviser to the association Lawrence Daveona told the Post-Courier in Arawa that the landowners were now one and that there was no differences among them anymore. “We are now united as one and we, re ready to re open this mine to finance the Independence of Bougainville, culturally and symbolically over to the government the new government that will be in place next year,” Mr Miriori said. “This will be proof to the PNG government and also the international community that we can also be economically independent now, and right now Panguna mine is the only answer because it will not need exploration.

“We are now very positive that this mine will be reopened soon, we are working together with our developer RTG to reopen the mine and we have made a very strong commitment and stance that we do not want BCL back ever again into Panguna or on this island.” He said the landowners were the people to have and to make the final say on the mines re-opening and now they had made a final say, to reopen the mine, to cater and finance the Bougainville independence.

### **Officers eat fish in Madang**

November 25, 2019, The National

GOVERNMENT officials from Port Moresby who went to Raicoast last week had fish at Lamtub Beach after conducting an awareness on the deep sea tailings placement (DSTP). The Madang provincial government had imposed a ban on the consumption of fish because of the slurry spill at Basamuk Bay on Aug 24. The officers were from the Conservation and Environment Protection (Cepa), Mineral Resources Authority (MRA), National Fisheries Authority (NFA), provincial government and Ramu NiCo Management (MCC). Awareness team leader Steve Opur of Ramu NiCo said it was to show locals that fish was not contaminated.

“We are now eating fish caught in the sea and cooking it right in front of you and eating it to show that we are not part of the ban on fish consumption,” Opur said. It had led to the closure of the Madang town fish market. About 200 people gathered at Lamtub village for the awareness. The officers explained to the people about the awareness and the slurry spill. Provincial government director mines John Bivi said the people must not blame Ramu NiCo nor Cepa for the fish ban and restrictions on swimming in the sea. “It is the Madang provincial government that made the decision to impose the ban,” he said.

### **Society calls for responsibility**

November 25, 2019, The National

THE Catholic Professionals Society (CPS) of PNG has called on the Mineral Resource Authority (MRA) and Conservation and Environment Protection Authority (Cepa) to act responsibly on the slurry spillage into Basamuk Bay. “We are concerned that MRA and Cepa are not actively engaged to assist leaders find a workable way forward,” CPS-PNG president Paul Harricknen said in a statement. Harricknen said since the slurry spillage in late August, leaders were not finding time to sit together to approach the issue with a united stance. “We call on all leaders and bureaucrats involved to work together to ensure that PNG has a national position on the issue of slurry spillage and its aftermath,” he said. “We are aware that litigation is mooted. It is a matter of right under our law. We only caution that our people be also assisted with options such as a negotiated settlement as was done for the environmental issue at Ok Tedi mine along the Lower Ok Tedi and Fly Rivers systems.

“There are fears among people using the seas and eating marine products from the sea. “There has been confirmation by the operating company of the slurry spillage. Whether deaths (of marine life) are from the impact of the slurry is the main issue to be scientifically and conclusively determined.” Harricknen expressed that CPS was very concerned at the level of politics being generated on the slurry spillage into the bay and its alleged aftermath on environment, marine biology and people within the vicinity and potential impact footprints in greater Madang islands and the coastlines. He said there was also the precautionary option for the Government to either close the operation or restrict the extent of operation of the project pending scientific and conclusive determination and clearance of the effects and impacts of the slurry spillage. CPS will support actions intended to protect people and the environment of Basamuk and Madang. There have been claims of a dead person, several turtles, dolphins and fish attributed to poisoning from the slurry spillage into Basamuk Bay.

### **Western leaders dispute gas project agreement**

November 25, 2019, The National Business

NORTH Fly MP James Donald says leaders from Western are objecting the proposed agreement on the P’nyang gas project as it did not include benefits for the province. The Government-sanctioned state negotiating team and developer ExxonMobil PNG Ltd submitted a proposed gas agreement to all relevant parties, including leaders of the host province. “As host MP, I highly condemn such deals (agreement) that serve only the interest of a few individuals,” he said. “We will not support the gas agreement. We are objecting until such time when we are satisfied. No further negotiations on P’nyang should be entertained until an amendment is done to the current Oil and Gas Act as was previously promised by Prime Minister James Marape and Minister for Petroleum Kerenga Kua.”

## **Bougainville's gold mine sparked a war that killed 20,000 – now it could be reopened**

*The people of Bougainville will vote in a referendum this weekend that will decide on its independence from Papua New Guinea. Here, SBS News visits the mine that ignited its decade-long civil war. Stefan Armbruster, SBS, 23 November 2019*



Panguna. Stefan Armbruster/SBS News

Almost 20 years ago a brutal civil conflict ended in Papua New Guinea in which one in ten people on Bougainville died - but the war set the island on the road to independence. The conflict was sparked by an Australian-run gold and copper mine, then the world's largest. It had promised much but delivered very little for the local people. The Panguna mine's profits funded Papua New Guinea's independence from Australia in 1975 and made Australian company Rio Tinto rich, but the Bougainville landowners saw little of the wealth and their rivers and lands were devastated by mining waste. "What upset the landowners was Panguna mine," said Sam Kauona, who as a general was the commander of the Bougainville Revolutionary Army, or BRA. "Panguna mine was creating social disparities, environment problems, social issues and problems, unfair distribution of wealth by the company, that sparked off the sentiments, the desire for independence of Bougainville."



Bougainville's rivers and lands were devastated by mining waste. Stefan Armbruster/SBS News

The war started in 1989 when the impoverished people took up arms. The BRA was not highly thought of by outsiders but it shut down the mine and brought the local economy to its knees. Over the next 10 years, during the 'Bougainville crisis', up to 20,000 people died either from fighting with the PNG defence force and its local collaborators or from disease and starvation. Despite backing from the Australian government and Rio Tinto subsidiary Bougainville Copper Limited (BCL), the PNG government was brought to the negotiating table by the BRA and a peace agreement was signed in 2001. "When I look at that, it was BRA that won the war," Mr Kauona said. "The point of defeat was when the PNG army didn't have any strength any more, when we went for negotiations we came out with a stronger position, not in a loser position where we'd have to negotiate terms below what we have now."



Stefan Armbruster/SBS News

The mining legacy has scarred the landscape as much as it has the people of Bougainville in PNG. At the mine site, Moses Pipiro lives amid the mining facility ruins with about 500 traditional land-owners in what until recently was still considered a no-go zone. "We feel proud, we are happy, and also we are united now, [a] unified position now," he said. "But the people, they still cry. We fought to preserve our land and our environment, [and] the PNG defence force, they kill many people here."



Moses Pipiro lives amid the mining facility ruins. Stefan Armbruster/SBS News

About 200 of their weapons, a mix of homemade guns and captured defence force arms, are secured at the Panguna mine in preparation for the referendum. "Okay these weapons are here, but the war is over, no more war in Bougainville, they are for monumentation but we have no money," he said. In the vast pit nearby, it is thought there is still \$85 billion worth of copper and gold, enough to fund a fledgling independent state, but Panguna's troubled past means the mine has an uncertain fu-



ture. The mine oozes blue polluted water and just downriver a devastated landscape unfolds where the tailings were pumped.



The mine oozing blue polluted water. Stefan Armbruster/SBS News

“It destroys everything, like fish, we used to catch fish here before,” said Barnabas Piruari, a downstream villager who blames his skin disease on the pollution. Their livelihoods gone with the water and land spoilt, people scratch a living by panning for gold amid the mine waste and reopening the mine is not popular. “Make some kind of different mining, not the one they’ve done before,” said Salithia Bitanuma, another downstream villager.



Villager Barnabas Piruari says the polluted water "destroy everything". Stefan Armbruster/SBS News

On the other side of the Crown Prince mountain range that runs the length of the island, there is a fire burning in the heart of Bougainville, no longer to wage war but to exploit their abundant resources. Former combatant Jose Nouibiri smelts gold, a booming business in the former BCL mining town of Arawa, once the island’s capital. “We were the first ones to establish this business, now some companies start up here, business is very good now but we have competition but we make 200 grams or 300 grams a day,” he said after melting down a customer’s gold dust. The lump of gold is the result of weeks of backbreaking work by the villager in the tailings waste of the Panguna mine. “During the crisis I was one of the fighters and helped the BRA,” Mr Noubiri said proudly. “After the crisis I left Bougainville [for Port Moresby] to go find a job to support family and children get an education.”



The Bougainville conflict was sparked by an Australian-run gold and copper mine. Stefan Armbruster/SBS News

Three decades ago Arawa was a thriving town with a population of 12,000 people but was physically and economically destroyed after the world's largest copper and gold mine was shut down. A decade of civil war saw it burned to the ground and abandoned. "That was here and also other parts of Arawa town, this was a battlefield," said former mayor and peace broker Theresa Jaintong, reflecting on the war and running gun-battles on her street. Twenty years of neglect under the 2001 peace agreement has left Arawa, like much of Bougainville, impoverished. There are few businesses and jobs, limited health and education services. Ms Jaintong's grandchildren are part of Arawa's booming population and reopening the Panguna mine is seen by many as a controversial choice but a vital one for the economic future. "They're talking about the economic side of agriculture and fisheries but we cannot do it quickly because we have to turn it into cash, Panguna is readily available," Ms Jaintong said.



Stefan Armbruster/SBS News

With Bougainville expected to vote for independence this weekend, there is a new generation of leaders emerging with hopes for a return to the good times in Arawa. "My vision for Arawa is it's going to be the capital of the new Bougainville," Arawa deputy mayor Genevieve Korokoro said.

Tens of millions in Australian infrastructure aid has rebuilt roads, schools and hospitals in the past decade. More changes are coming to the town where it is sometimes impossible to get better than dial-up speed internet, a digital future. "Oh yes, there's a fibre optic cable coming in from Huawei China," deputy mayor Korokoro said with a smile. It will still be a long way from the golden days in Arawa. Awaiting another customer, Mr Noubiri has changed his mind since he fought to shut down the Panguna mine.

"When we are independent we don't need money from the outside, we use alluvial mining and pay tax to the government and give money to develop education and health and everything," he said. "I support the opening of the Panguna mine because it's going to generate revenue for our government to stand up and look after our people." Up at the Panguna mine, Moses Pipiro is taking a more cautious approach. "After the referendum, we shall see, if we talk about opening the Panguna mine, we create division again, because now we are focused on the unity on Bougainville," he said. "If we try to talk about opening the mine, we create the other monster again" Change may be coming to Bougainville but its future, like its past, will be determined by what's in the ground.

### **Papua New Guinea flags talks with Exxon on \$13 billion gas expansion hit impasse**

Reuters, 22 November 2019

Papua New Guinea's petroleum minister flagged on Friday that talks with Exxon Mobil Corp tied to a \$13 billion gas expansion had reached an impasse as the U.S. oil giant was unwilling to negotiate on the country's terms. The state's negotiating team had set out draft terms for negotiations on developing the P'nyang gas field, which Petroleum Minister Kerenga Kua said were in line with international standards and would ensure a "fair deal" for PNG. "It is disappointing Exxon has refused to even consider these terms and we urge them to reconsider their position," Kua said in a statement emailed to Reuters. Exxon Mobil's PNG spokesman was not immediately available to comment. The P'nyang agreement is one of two agreements needed for Exxon and its partners Total SA, Oil Search and Santos Ltd to go ahead with a \$13 billion plan to double LNG exports from PNG. The other agreement, the Papua LNG pact, was sealed with Total in September.

### **Oil Search's LNG expansion uncertain as Exxon rejects PNG's terms**

Angela Macdonald-Smith, Australian Financial Review, November 22, 2019

Oil Search's year-end target for reaching a deal with the Papua New Guinea government – so that work can proceed on a planned \$US14 billion (\$20 billion) expansion of liquefied natural gas – is uncertain after the parties failed to agree on terms or even the state of the negotiations. PNG petroleum minister Kerenga Kua released a statement on Friday expressing "disappointment" with the progress of talks after ExxonMobil, the lead partner in the LNG venture, "refused to consider the state's proposed terms". Mr Kua said the proposed terms, which were not disclosed, are "based on international best practice". They are understood to involve a higher tax rate and a more onerous domestic gas requirement than under a similar earlier deal for the separate but related Papua LNG project.

But ExxonMobil said the discussions with the PNG government to complete were continuing. "An agreement is needed before decisions can be made regarding front-end engineering and design for the three-train development at the PNG LNG plant site," an ExxonMobil spokesperson said. Exxon, French major Total and Oil Search need to reach an agreement on the fiscal and other terms related to the development of the P'nyang gas field to proceed with the LNG expansion. The earlier deal for Papua LNG was struck under the former government of Peter O'Neill, while the new government,

led by James Marape, has taken a much tougher line on resource development, demanding that more benefits flow to the PNG economy and local communities.

The partners need the second deal to be tied up before they can proceed with engineering work on the three-train expansion, which involves both Papua LNG and the expansion of the existing PNG LNG project, fed by the P'nyang field. Credit Suisse analyst Saul Kavonic told clients the statement supported his view that the PNG government was seeking "much tougher" terms on P'nyang than for Papua LNG. That risks prolonging negotiations, delaying engineering work and potentially putting the final investment decision at risk for the whole project, which he calculates is worth \$2.40 a share for Oil Search. Shares in Oil Search dipped when the statement was released, but still closed up 1.1 per cent at \$7.24 on Friday. Neither Exxon nor Oil Search would immediately comment.

### **Revenues 'critical'**

Mr Kua described the P'nyang field as the last significant LNG opportunity in PNG, and said the revenues from development were, hence, critical for the nation. He said the team negotiating the deal on behalf of PNG had carried out "extensive" preparatory work to draft terms in line with international standards to ensure a good deal for the PNG people. The revenues would be used for infrastructure, health and education. "It is disappointing Exxon has refused to even consider these terms and we urge them to reconsider their position," Mr Kua said. According to a source familiar with the situation on the PNG side, Exxon has sought to table its own proposed agreement as the starting point for discussions. Mr Kua said that while the negotiating team was committed to working with international oil companies to develop PNG's natural resources as quickly as possible to support the development of PNG, "our resources cannot become money-making machines for oil companies at the expense of the nation".

Oil Search's outgoing managing director Peter Botten has previously underscored the importance of a timely agreement on the gas development so that the LNG expansion doesn't miss a market "window" for new demand expected to emerge mid next decade. The timing of the expansion has already been delayed by many months owing to the difficulty of the negotiations, particularly after the change of government. Mr Kua said the terms PNG proposed were comparative to those for oil and gas projects in Indonesia and Malaysia. "We have asked Exxon to be transparent about their costs and intentions with P'nyang, so we can move forward with negotiations and secure a deal that is beneficial for PNG and project partners," the minister said.

### **Will Bougainville Reopen the Panguna Mine?**

*With an independence referendum on the horizon, reopening the Panguna mine offers both attractive opportunities and terrible consequences.*

Joshua McDonald, *The Diplomat*, November 22, 2019

The Panguna mine on the Pacific island of Bougainville is one of the largest copper and gold deposits in the world. The mine was also at the center of a decade-long civil war fought between the Bougainville Revolutionary Army and the Papua New Guinea Defense Force in the 1990s. The conflict cost as many as 15,000 lives and displaced 40,000 of the island's 200,000 inhabitants. Before the war, the Panguna mine generated more than \$1 billion in national tax revenue and accounted for about 45 percent of Papua New Guinea's total exports, 17 percent of its internal revenue, and 12 percent of its gross domestic product. It essentially paved the way for the nation's transition to independence from Australia. But Panguna landowners and local employees — angered by the environmental destruction from the operation, poor wages, and unfair distribution of revenue (less than 1 percent of profits were reinvested in Bougainville) — eventually took up arms.



Rebel guerillas above the Panguna copper and gold mine in Bougainville in 1994. CREDIT: BEN BOHANE

In 1988, landowners led by Francis Ona broke into storerooms at the mine, stole explosives, and blew up Panguna's power lines. In response, Papua New Guinea (PNG) sent in the military. Soldiers burned down villages, executed collaborators, and raped with impunity. When that failed to crush the resistance, PNG, with the support of Australia, enforced a naval blockade cutting the island off from the rest of the world. When that, too, failed the government hired a U.K.-based private military company to carry out its operations in Bougainville. The Sandline affair, as it came to be known, was eventually leaked in the Australian media – first there was a public outrage, and then came the resignation of then-PNG Prime Minister Julius Chan. Bougainville Copper Limited, (BCL) a subsidiary of the British-Australian resources giant Rio Tinto, owned the mine at the time of the conflict and despite extracting around 550,000 tonnes of copper concentrate and 450,000 ounces of gold in its final year of production was forced to close as it appeared the separatists were not going to back down.

The conflict officially ended nine years later, but Rio Tinto never returned. In 2001, after a peace agreement was reached that gave Bougainville autonomy within PNG and ensured that an independence referendum would be held by 2020, some of the islanders launched a class action lawsuit in the United States against Rio Tinto. Panguna landowners accused the company of genocide, citing the company's support for the blockade of the island by PNG forces. The plaintiff's lawyers claimed the mine's manager in Bougainville at the time "encouraged the continuation of the blockade for the purposes of starving the bastards out." Former PNG Prime Minister Sir Michael Somare provided the court with a sworn affidavit stating that it was Rio Tinto calling the shots during the war. "Because of Rio Tinto's financial influence in PNG, the company controlled the Government. The Government of PNG followed Rio Tinto's instructions and carried out its' requests," he wrote. "BCL was also directly involved in the military operations on Bougainville, and it played an active role. BCL supplied helicopters, which were used as gunships, the pilots, troop transportation, fuel and troop barracks."

Due to the unrest in the area in the years that followed Rio Tinto's withdrawal, no official investigation has been conducted on the impact the mining operation has had on the surrounding environment. It is known, however, that around 300,000 tonnes of ore and water were excavated every day in Panguna and that the mine tailings were discharged down the principal river system, the Kawerong-Jaba, which now flows blue because of toxic mixtures of heavy metals and other chemicals. The *Sydney Morning Herald* reported in 2002 that the mine was pumping 110 million cubic meters of waste, contaminated with cyanide and other chemicals, into the sea each year. For years, the

Bougainville government has asked the company to make contributions to help with the clean up. It has also asked Australia, as the former colonial power responsible for authorizing the mine. Rio Tinto has refused. So, too, has the Australian government.

Now, Australian Iron ore magnate Andrew “Twiggy” Forrest as well as several other smaller mining companies have shown interest in resuming operations at the mine. Forrest has friends in high places. In September, along with several other high-profile Australian business chiefs, Forrest was invited to U.S. President Donald Trump’s state dinner hosting Australian Prime Minister Scott Morrison. Forrest’s company, Fortescue Metals Group Ltd, is the fourth largest iron ore producer in the world. Its main areas of operation are in Western Australia, but in recent years the company has increased its efforts abroad, especially in South America, where it was granted 32 exploration licenses in Ecuador alone. Last week, it was confirmed that representatives from Forrest’s company had traveled to Bougainville in recent months to explore “potential opportunities.” Also interested in Panguna is the Australia-based RTG Mining Group, which has the support of Philip Miriori, the chairman of the Panguna landowner association. Bougainville President Dr. John Momis, however, has accused RTG of attempting to bribe his government and of waging a subversive propaganda campaign.

Another landowner group, the Panguna Development Company, supports the mine’s former operator, BCL, in its bid to return to Panguna — pitting the two groups against one another. They are, however, united in their opposition to Momis’ plan for Panguna, which would see the government and Australian mining company, Callabus, set up a new joint company that would be given a monopoly over the island’s mineral wealth. It is not clear how the government intends to proceed with this scheme since the legislation to enable it was blocked by the Bougainville legislature several months ago. Recently, the battle for Panguna entered new territory when rumors emerged of a Chinese delegation having offered \$1 billion to fund the transition to Bougainville independence along with offers to invest in mining, tourism, and agriculture. An independent, resource-rich Bougainville would be a valuable ally to China as it seeks to have more influence in the South Pacific.

In a public presentation to ward councillors and MPs, filmed by a crew from *60 Minutes*, Sam Kauona, a former Bougainville Revolutionary Army general, unfurled a large map of Bougainville with Chinese script highlighting proposed bridges, highways, ports, airports, and luxury hotels. “This is the first holistic offer, which has come from China,” he said. “Where is Australia and the U.S. and Japan? Earlier this year I met representatives from Fortescue mining, but I have been waiting 10 months for them to make a commitment.” It’s estimated that Panguna mine still holds around \$60 billion worth of copper, gold, and silver. With the independence referendum beginning on Saturday, many local leaders admit that they would like to see the mine reopen as a way to boost revenue, yet distrust of giving a foreign mining company access again still looms large. No matter the results of the referendum, any company looking to make a buck is sure to find opposition in Panguna. This is, as long as past mistakes are not forgotten. As Bougainville Revolutionary Army leader Francis Ona once said, “Land to us is our lifeline, and we cannot be separated from it.”

## **Der letzte Schatz**

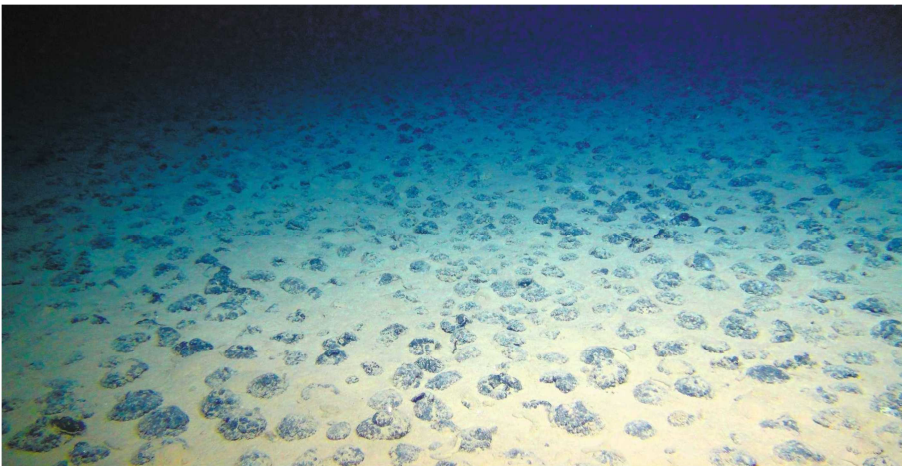
*In der Tiefsee lagern wertvolle Rohstoffe. Weltweit kämpfen Staaten und Konzerne um Mangan, Kobalt und Seltene Erden. Der Natur droht die Zerstörung*

VON BETTINA MALTER UND GESA STEEGER, Die Zeit, 21. November 2019

Sie ist die große Unbekannte: die Tiefsee. Lichtlos, kalt, bis zu 11.000 Meter geht es hinab. Wer sich mit ihr beschäftigt, begegnet immer wieder einem Vergleich mit dem Mond. Die Welt habe mehr Wissen über den irdischen Trabanten gesammelt als über die Tiefsee. Fest steht zumindest: Diesen Ort zu erobern wäre ein riesiger Sprung für die Menschheit. Sie nimmt gerade Anlauf. Denn

in der Tiefe lagert Wertvolles. Schrumpelig wie Kartoffeln, gewachsen über Millionen von Jahren, liegen dort Unmengen von Manganknollen. In ihnen verbergen sich wirtschaftlich interessante Rohstoffe wie Mangan, Metalle der Seltenen Erden, Kobalt und Kupfer. Schätzungen gehen davon aus, dass es sich um Milliarden Tonnen dieser Rohstoffe handelt – mehr als an Land je zu finden sein werden. Ein riesiger Schatz in Zeiten, in denen der Rohstoffhunger wächst – weil es gilt, die Schrittmacher der Zukunft zu fertigen: Windturbinen, Elektroautos.

Um den Schatz wird weltweit gekämpft. Regierungen hoffen auf neue Rohstoffquellen, globale Konzerne wittern ein Geschäft, während Umweltschützer um ein fragiles Ökosystem bangen und den Abbau in der Tiefsee aufzuhalten versuchen. Den Schiedsrichter und Kontrolleur soll dabei die Internationale Meeresbodenbehörde (IMB) geben. Eine Einrichtung der Vereinten Nationen, über die Kritiker sagen, sie werde geleitet wie ein Königreich, unnachgiebig und intransparent. Von einem Mann, der enge Beziehungen zu Unternehmen pflegt, von dem es heißt, er wolle Tiefseebergbau um jeden Preis. Und das schnell. Dieser Mann ist Michael Lodge. Britische Manieren, das Gesicht eines Boxers. 30 Jahre lang arbeitete er als Anwalt für Seerecht und Meeresschutz. Seit drei Jahren leitet er die IMB, deren Sitz in Jamaikas Hauptstadt Kingston liegt. Lodges Aufgabe: die Rohstoffe verteilen und die internationale Tiefsee verwalten, die in offiziellen Papieren nur »das Gebiet« heißt.



Manganknollen im Ostpazifik – aufgenommen 2015 von Kieler Forschern vor der peruanischen Küste

Das Gebiet beginnt dort, wo nationale Grenzen enden: 200 Meilen vor dem Festland. Über 60 Prozent der Weltmeere liegen in dem Bereich, der 1982 im Seerechtsübereinkommen der Vereinten Nationen (UN) zu etwas Besonderem erklärt wurde: zum gemeinsamen Erbe der Menschheit. Die Idee dahinter: Fairness schaffen. Jeder Staat soll von den Bodenschätzen der Tiefsee profitieren. Michael Lodge ist dafür offiziell verantwortlich. Er will den Tiefseebergbau voranbringen und den Weg für eine neue Industrie ebnen. »Dieses Projekt ist so herausfordernd, wie zum Mond zu reisen«, sagt er. Jeder Staat, der das Seerechtsübereinkommen der UN unterzeichnet hat, darf einen Antrag bei Lodges Behörde stellen, um ein Stück vom Gebiet für sich zu beanspruchen. 30 sogenannte Lizenzen wurden dafür bislang vergeben. China ist neben Russland einer der Großgrundbesitzer. Auch Deutschland, Frankreich und Großbritannien halten mehrere Tausend Quadratkilometer. Aktuell sind die Staaten dazu verpflichtet, erst einmal zu erforschen, wo die meisten Bodenschätze liegen und wo welche Fauna existiert. Erkundet wird bisher vor allem im Pazifischen Ozean, in der Clarion-Clipperton-Zone (CCZ). Das Gebiet westlich von Mexiko ist etwa so groß wie Europa. Vermutlich liegt dort das größte Vorkommen von Manganknollen weltweit.

Die Kartierung der Tiefsee ist der erste Schritt Richtung Abbau. Dieser soll, wenn es nach Lodge geht, in fünf bis sieben Jahren starten können. Riesige Maschinen, die an Kartoffelernter erinnern, könnten dann Manganknollen vom Meeresboden klauben. Schiffe, so groß wie mehrstöckige Häuser, die Schätze an die Oberfläche pumpen und an Land bringen. Eine Aussicht, die Wissenschaftler

wie Matthias Haeckel beunruhigt. Dreimal hat Haeckel bereits Expeditionen in Manganknollengebiete unternommen, um Proben zu nehmen, auch ins deutsche Lizenzgebiet. Der Biogeochemiker ist einer der renommiertesten Forscher der Tiefsee in Deutschland. Er arbeitet für das Geomar Helmholtz-Zentrum für Ozeanforschung in Kiel. Seit mehr als 20 Jahren beschäftigt er sich mit den ökologischen Folgen des Tiefseebergbaus. Haeckels bisherige Bilanz: »Wo man die Manganknollen abbaut, wird die komplette Flora zerstört.« Er schätzt, dass es Jahrzehnte bis Hunderte Jahre dauern wird, bis sich die Tiefsee von den Schäden erholt.

Wie in Superzeitlupe regeneriert das dortige Ökosystem, das zeigt ein Experiment aus dem Jahr 1989. Vor Peru pflügten deutsche Forscher den Meeresboden in 4000 Meter Tiefe um wie einen Acker. 30 Jahre danach sind von dem Experiment noch immer die Spuren zu sehen. Nur ein Teil der Fauna ist zurückgekehrt. Die bisherigen Ergebnisse versteht Haeckel als Warnung: »Die Gesellschaft muss entscheiden, ob die Rohstoffe es wert sind, dass wir diese Schäden im Ozean hinnehmen.« Großbritannien hat sich entschieden. Die Heimat von IMB-Leiter Michael Lodge sicherte sich zwei Lizenzgebiete, dazu kommt die Beteiligung eines britischen Unternehmens an einer Erkundungslizenz Singapurs. In Großbritannien steht der Tiefseebergbau für mehr als nur wirtschaftliches Potenzial. Dahinter steckt ein politischer Wille, trotz der Risiken.

Bereits 2013 sagte der damalige Premierminister David Cameron gegenüber dem *Guardian*, er wolle sein Land an die Spitze dieser neuen Industrie katapultieren, und prognostizierte der britischen Wirtschaft Riesengewinne. Partner der Regierung ist der größte Rüstungskonzern der Welt, Lockheed Martin. Für die Kooperation hat das US-amerikanische Unternehmen eine Tochter in Großbritannien gegründet. Die USA selbst fallen als Partner aus – sie haben das Seerechtsübereinkommen bis heute nicht ratifiziert. Wie man in Großbritannien auf die Sorgen der Wissenschaft blickt, verdeutlicht ein internes Protokoll, das der *ZEIT* vorliegt. Bei einem exklusiven Treffen in London zwischen Industrie und Wirtschaftsministerium war auch der Geschäftsführer der britischen Tochter von Lockheed Martin anwesend. Im Protokoll heißt es: »Der Umweltschutz ist die größte Blockade. Darin waren sich alle Anwesenden einig.« Diese Haltung scheint sich in der Zusammenarbeit von britischer Regierung und Lockheed Martin zu zeigen. Das Unternehmen wäre dafür verantwortlich, die Lizenzgebiete zu erforschen. Was genau erkundet wird, bleibt allerdings ungewiss.

Aktuell sind die Forschungsarbeiten eingestellt. Andere Staaten tun sich genauso schwer mit der Erhebung von Daten, die Auskunft über den Status quo der Tiefsee geben sollen. Ein internes Papier der IMB macht deutlich, dass einige Länder und Unternehmen die riesigen Gebiete nur punktuell untersuchen. Eine Farce: Aus zu wenigen Daten dürfte ein löchriges Bild der Tiefsee entstehen – was am Ende die Einrichtung von Schutzgebieten torpediert. An einem Montag im Juli sitzt Lodge auf einem holzgetäfelten Podium und schaut hinunter in die Menge seiner Gäste. Es ist der erste Tag der diesjährigen IMB-Konferenz. Ein Treffen, bei dem sich die Mitgliedsstaaten des Internationalen Seerechts zusammenfinden, um über die nächsten Schritte für den Tiefseebergbau zu beraten. In den langen Bankreihen verteilen sich Delegierte aus China, Großbritannien und auch Deutschland. Sie sind gekommen, um Spielregeln für den Abbau aufzustellen. Der Kodex für den Tiefseebergbau ist ein papierenes Monster, 117 Seiten, 107 Paragraphen. Es geht um Tausende Details: Wer haftet für Umweltschäden, wenn etwas schiefgeht – die Unternehmen oder die Staaten? Welche Zerstörung will man zulassen, wie will man diese messen? Wie stark und konkret der Kodex sein wird, entscheidet am Ende darüber, wie die Zukunft der Tiefsee aussehen könnte. Wird das Erbe der Menschheit gerecht verteilt? Wer gewinnt im Kampf um die Rohstoffe, die Staaten, die Unternehmen oder doch Forscher und Umweltschützer?

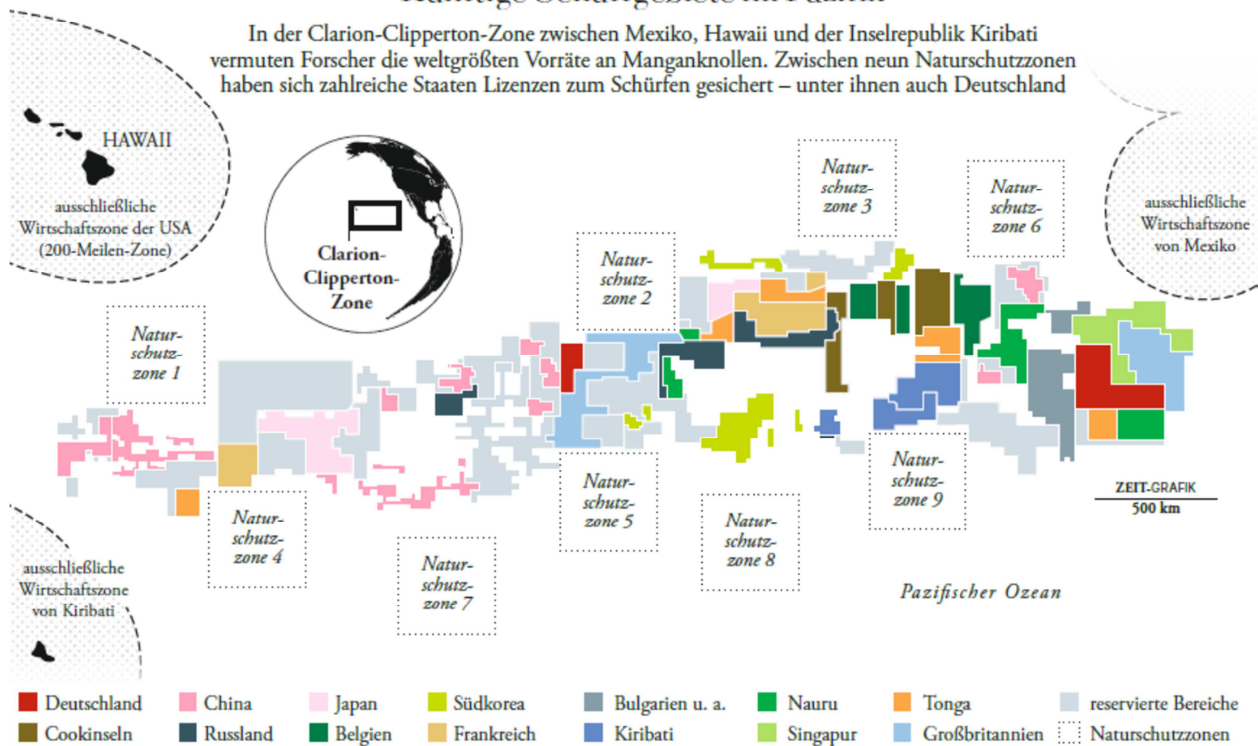
Seit vier Jahren ringt die Staatengemeinschaft um den Kodex. Dies verzögert den Start des Tiefseebergbaus. Bis 2020 aber soll er verabschiedet werden, so lautet Lodges Plan. Der avisierte Beginn fällt in eine Zeit, in der weltweit Millionen Menschen für das Klima auf die Straße gehen, die Ozeane an Plastik zu ersticken drohen und viele mit der Idee hadern, die Meere noch mehr auszubeuten,



als dies heute bereits geschieht. 2015 warnte Angela Merkel im Vorfeld der G7-Konferenz: »Wir sollten (...) den möglichen Tücken dieser Art der Rohstoffgewinnung ins Auge sehen.« Im Saal der Internationalen Meeresbodenbehörde fasst der Leiter der deutschen Delegation deren Position zusammen: »Qualität muss über selbst gesteckten Zielen stehen.« Er plädiert dafür, mit dem Abbau nicht zu beginnen, bevor nicht der Umweltschutz bis ins Detail geregelt ist. Sollten andere Staaten sich dieser Meinung anschließen, könnte dies Lodges Plan für einen schnellen Startschuss durchkreuzen. An diesem Nachmittag schlägt sich jedoch nur Italien auf die mahrende deutsche Seite.

### Künftige Schürfgelände im Pazifik

In der Clarion-Clipperton-Zone zwischen Mexiko, Hawaii und der Inselrepublik Kiribati vermuten Forscher die weltgrößten Vorräte an Manganknollen. Zwischen neun Naturschutz-zonen haben sich zahlreiche Staaten Lizenzen zum Schürfen gesichert – unter ihnen auch Deutschland



Die anderen G7-Staaten bleiben still. Punktsieg für Lodge und die Tiefseebergbau-Lobby. In der hintersten Reihe sitzt Gerard Barron und lauscht dem Schauspiel. Er hat es genauso eilig wie Michael Lodge. Seit mehr als zehn Jahren arbeitet Barron an seiner Version des Tiefseebergbaus. Erst als Investor, jetzt als Geschäftsführer von Deep Green Minerals, einem kanadischen Unternehmen mit Sitz in Vancouver. Wie der Rüstungskonzern Lockheed Martin ist auch seine Firma Partner eines Staates – der Inselrepublik Nauru im Pazifik. Ohne das Investitionsvolumen aus Nordamerika könnte sich das verarmte Nauru ein Lizenzgebiet nie leisten. Allein die Anmeldung für das Erheben der Umweltdaten (eine Bedingung für den Abbauantrag), kostet 250.000 US-Dollar. Weitere Ausgaben fallen bei der Erkundung der Ozeanböden an.

Daher sind es vor allem die G20-Staaten, die in der Tiefsee Tatsachen schaffen. Barron hat langes gewelltes Haar, er trägt Stiefel und Lederjacke, und indem er als mächtiger Teil der Nauru-Delegation im Plenum sitzt, zeigt er, wie viel Einfluss die Unternehmen auf den IMB-Treffen nehmen. Gemeinsam mit dem dänischen Reedereikonzern Maersk, dem größten Rohstoffhändler der Welt Glencore und dem Mini-Pazifikstaat Nauru tritt Barron an, um als Pionier in die Tiefsee zu reisen. Zugunsten einer besseren Welt, wie er verkündet. Tiefseebergbau gegen den Klimawandel. »Wir alle streben nach einem nachhaltigen Planeten. Und einer Welt, die sich von fossilen Brennstoffen hin zu umweltfreundlicheren und nachhaltigen Technologien entwickelt.« So steht es im *mission statement* auf der Website des Unternehmens.

Barron hat eine Liste an Argumenten, die für den Bergbau in der Tiefsee statt an Land sprechen: keine Abholzung, keine Trinkwasserverschmutzung, weniger CO<sub>2</sub>-Ausstoß – Argumente, die einer genauen Analyse nicht standhalten. Was für die Umwelt besser ist – Bergbau am Meeresgrund oder

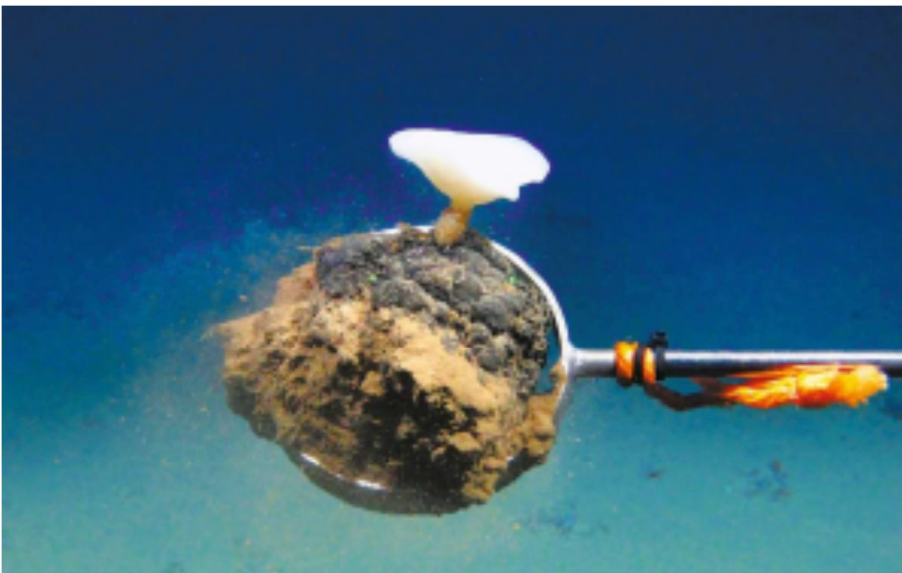
an Land –, daran forscht Luise Heinrich von der Jacobs University in Bremen. Sie kennt Unternehmensstudien, die beweisen sollen, dass die Vision von Barron und Co. die richtige sei. Doch Heinrich sagt: »So einfach ist es nicht.« Erstens gäben die Unternehmen ihre Daten meist nicht preis. Zweitens sei der Vergleich generell schwierig. Schließlich sei die Tiefsee ja weitestgehend weitestgehend unerforscht, der dortige Bergbau erst Theorie und die Maschinen, die die Knollen aufsammeln sollen, noch in der Testphase. Nach der Mittagspause finden sich im Garten der IMB kleine Grüppchen zusammen. Die chinesische Delegation trinkt Kaffee mit Belgien und Großbritannien. Hier ist Zeit für bilaterale Gespräche, Zugeständnisse, das Erarbeiten gemeinsamer Forderungen. Gerard Barron sitzt wenige Meter daneben und macht keinen Hehl aus seiner Ungeduld: »Wir haben keine Zeit mehr. In zehn Jahren wird das Kapital verschwinden, genauso wie meine Firma.«

Über ihn setzt die Regierung des Inselstaats Nauru darauf, dass die Regularien so schnell wie möglich verabschiedet werden. Auf dem winzigen Fleck im Pazifischen Ozean leben rund 10.000 Menschen. Sie erwirtschaften ein Bruttoinlandsprodukt von gerade mal 8000 US-Dollar pro Kopf – ein Fünftel des deutschen Werts. Das war nicht immer so. In den Siebzigerjahren zählte Nauru zu den reichsten Ländern der Welt. Es lebte von seinen Phosphatbeständen; der Düngerzusatz war zwischenzeitlich so wertvoll wie Gold. Seit die Vorräte zur Neige gingen, kämpft das Land gegen Staatsverschuldung, Bankrott und den Verfall der Demokratie. In den Neunzigerjahren entwickelte sich der Staat zur Geld-Waschmaschine der internationalen Kriminalität. Russische Gangs schleus-ten knapp 70 Milliarden USDollar durch Banken, die nur auf dem Papier existierten. Das zeigen Dokumente von WikiLeaks. Aktuell läuft ein Gerichtsverfahren gegen den amtierenden Wirtschaftsminister wegen Korruption. Ein australisches Unternehmen soll sich Vorteile beim Kauf von Phosphat verschafft haben. Darin involviert soll auch Baron Waqa gewesen sein, der Mann, der im August 2019 noch Präsident von Nauru war und im Werbevideo von Gerard Barrons Firma Deep Green sagt: »Unsere Erwartungen sind hoch. Wir können uns sehr glücklich schätzen, einen Partner wie Deep Green an unserer Seite zu haben.« »Was hier passiert, ist eine andere Form von Kolonialismus«, sagt der Aktivist Joey Tau. Seine Organisation hat ihren Sitz auf Fidschi und kämpft gegen den Tiefseebergbau. Sie wird finanziert von Kirchen und indigenen Bewegungen, die ihr kulturelles Erbe bedroht sehen. Tau befürchtet, mit der Ausbeutung der Ozeane könnte auch der Lebensraum der Inselbevölkerungen Schaden nehmen.

Im 20. Jahrhundert hätten vor allem die Briten vom Phosphat der Kolonie Nauru profitiert, sagt Tau. Nun seien es internationale Unternehmen, die Nauru ausnutzten, indem sie es auf die Schätze im Meer abgesehen hätten. Mehrere Pazifikinseln sind zum Einfallstor der neuen Goldgräber geworden: Neben Nauru kooperieren auch Tonga, Kiribati und die Cook Inseln mit Firmen aus G20-Staaten. Sie erhoffen sich wirtschaftlichen Aufschwung. Ob sie allerdings profitieren werden, ist offen. Die Verträge zwischen den Inselstaaten und den Unternehmen sind nicht öffentlich. Daher bleibt geheim, wie viele Prozente vom Gewinn der Rohstoffe zum Beispiel Deep Green seinem Kooperationspartner Nauru zuzugestehen gedenkt. Auch die Internationale Meeresbodenbehörde hält die Verträge unter Verschluss. Der neuseeländische Anwalt Duncan Currie kämpft seit Jahren darum, dass die Dokumente öffentlich gemacht werden. »Es braucht Transparenz Das sind keine Verträge zwischen privaten Unternehmen, sondern Verträge, die von einer Behörde der Vereinten Nationen gebilligt werden«, sagt er. Die IMB müsse diese der Öffentlichkeit zugänglich machen, damit klar werde, ob jemand ausgebeutet werde, wie etwa der Inselstaat Nauru. Um allerdings von sich aus Transparenz herzustellen, steht Michael Lodge der Industrie womöglich etwas zu nah. In einem Foto-Post auf seinem Twitterkanal trägt der Leiter der Meeresbodenbehörde einen weißen Helm mit dem Logo von Deep Green Minerals. Und in einem Werbevideo der Firma tritt Lodge, eigentlich unabhängiger UN-Beamter, persönlich auf und spricht von Ressourcen, Zukunft und dem Schutz der Umwelt.

Das Beispiel Papua-Neuguinea hat jüngst gezeigt, dass die Befürchtungen, die pazifischen Inselrepubliken könnten wirtschaftlich das Nachsehen haben, nicht unbegründet sind. Der Kleinstaat galt

lange als der Ort, wo die Geschichte des Tiefseebergbaus ihren Anfang nehmen könnte. 2011 erteilte seine Regierung eine Lizenz für den Abbau von Rohstoffen – noch innerhalb der nationalen Gewässer. Papua-Neuguinea beteiligte sich mit 107 Millionen US-Dollar an der kanadischen Firma Nautilus Minerals. Doch mittlerweile hat das Unternehmen Insolvenz angemeldet – die Regierung will nun klagen, um zumindest einen Teil des Geldes wiederzubekommen. Einer der damaligen Investoren ist Gerard Barron, heute Geschäftsführer von Deep Green Minerals. Nach eigenen Angaben ist Barron damals mit 154.000 US-Dollar in das Projekt eingestiegen und nach sechs Jahren mit 21 Millionen ausgestiegen. Danach gründete er Deep Green, wo in der Führungsetage bis heute ehemalige Nautilus-Mitarbeiter angestellt sind. »Nautilus hat sein Geld mit dem Versprechen einer künftigen Technologie bekommen, um so Geld von Investoren anzuziehen«, sagt Andy Whitmore, ein Aktivist der Organisation Deep Sea Mining Campaign. »Ich denke, Deep Green Minerals hat Ähnliches vor. Es hypt den Tiefseebergbau, um so das große Geld zu machen.« Zumindest Fidschi scheint gewarnt zu sein. Die Pazifikinsel strebt ein zehnjähriges Moratorium für Tiefseebergbau an, in der Hoffnung, andere Staaten mögen folgen. Man müsse dem Umweltschutz mehr Gewicht geben, lautet ein zentrales Argument. Ähnliche Hoffnungen hegt das EU-Parlament. Im Januar 2018 rief es seine Kommission auf, dafür zu sorgen, dass die Mitgliedsstaaten nicht weiter in den Tiefseebergbau investieren – auch nicht in die Erkundung.



Der Unterwasserroboter ROV KIEL 6000 des Helmholtz-Zentrums für Ozeanforschung Kiel (GEOMAR), greift sich eine faustgroße Manganknolle – auf der zuvor schon ein weißer Tiefsee-Schwamm siedelte

In Deutschland ist davon nichts zu spüren. Die Bundesanstalt für Geowissenschaften und Rohstoffe liegt in einem Hochhaus mit Plattenbau-Charme, am nördlichen Rand von Hannover. Die Mitarbeiter reden liebevoll von der »Anstalt«. Im Raum E 122 liegt das Büro von Carsten Rühlemann. Die Bundesregierung hat sein Amt beauftragt, eine Lizenz zur Erkundung von Manganknollen bei der IMB zu erwerben und das Gebiet zu erforschen. »Tiefseebergbau ist eine Option für die Gewinnung von Rohstoffen, die sich Deutschland offenhalten sollte«, sagt er. Das politische Motiv dahinter: die deutsche Industrie von Importen unabhängig machen. Denn das Land holt sich die Metalle aus instabilen Staaten wie dem Kongo oder aus China, das seine Macht über Rohstoffe oft demonstriert hat. Die Volksrepublik beherrscht zum Beispiel den Markt für Metalle der Seltenen Erden zu 95 Prozent. Im Handelsstreit mit den USA drohte China erst im Mai dieses Jahres mit einem Exportstopp und vermeldete, dass es seine Ausfuhren künftig reduzieren wolle. Deswegen fordert der Bundesverband der Deutschen Industrie längst Schritte und dessen Präsident Dieter Kempf konkret, neue Rohstoffquellen für Deutschland zu erschließen, auch in der Tiefsee: »Die steigende Nachfrage nach Rohstoffen für Zukunftstechnologien erfordert einen zügigen Paradigmenwechsel

in der Rohstoffpolitik.« Johannes Post, der Geschäftsführer der Lobbyvereinigung Deep Sea Mining Alliance, preist den Schritt in die Tiefsee als Lösung für ein zentrales Problem: »Wenn wir uns von Schurkenstaaten unabhängig machen wollen, müssen wir neue Quellen erschließen.«

Die explizite Warnung vor diesem Schritt ist in einem internen Papier des Instituts für transformative Nachhaltigkeitsforschung in Potsdam nachzulesen, es liegt auch der Bundesregierung vor: »Die Autoren dieses Berichts sind der Überzeugung, dass es derzeit unverantwortlich wäre, eine neue Industrie in unbekanntem Gewässern operieren zu lassen.« Dennoch hat Deutschland bereits mehr als 100 Millionen Euro in den Tiefseebergbau investiert. Allerdings erforsche man aktuell nur die Tiefsee, lässt die Bundesregierung verlauten. Konkrete kurz- oder mittelfristige Pläne gebe es nicht. Allein der Besitz eigener Lizenzen auf Teilgebiete fördere den absurden Wettlauf um die Ressourcen der Tiefsee, kritisiert Steffi Lemke von Bündnis 90/Die Grünen. Weiteres Problem: »Abgeordnete werden nur bruchstückhaft über den Verlauf der Verhandlungen (...) informiert.« Genauso kritisieren Umweltverbände die IMB wegen fehlender Transparenz. Das Erbe der Menschheit wird hinter verschlossenen Türen verhandelt. Dass die Behörde wenig tut, das zu ändern, zeigt eine interne E-Mail, die der *ZEIT* vorliegt. Darin antwortet Michael Lodge auf eine Frage nach öffentlicher Beteiligung: »Welche Öffentlichkeit? Wie sollte die partizipieren? Als internationale Organisation hat die IMB keine Beziehung zu den Deutschen und keine Verpflichtung, sie zurate zu ziehen oder irgendein anderes Volk.«

Im September 2018 reist Lodge nach Hamburg. Der Business Club hat zum Netzwerktreffen geladen, in einer weißen Villa im Westen der Stadt. Von der Terrasse hat man einen Blick auf Elbe und Hafen, auf eine Skyline aus Schiffskränen. Knapp 40 Gäste – laut Visitenkarten Shareholder, Direktoren, Vorstände. Ein kleines Who's who der deutschen maritimen Wirtschaft. Michael Lodge wirbt ausführlich für seine Vision. Er zeigt Folien, mit denen er die Nachteile des Landbergbaus erläutert und die Vorteile des Tiefseebergbaus. Der deutsche Lobbyist Johannes Post sitzt in der ersten Reihe. Er meldet sich und fragt: »Ich war gestern auf einer Veranstaltung der Grünen zu dem Thema. Die und viele NGOs lehnen Tiefseebergbau ab. Wie können wir dagegen argumentieren?« Lodge winkt ab und lässt durchblicken, dass man sich keine Sorgen zu machen brauche: »Die Diskussionen sind bei uns die gleichen. Am Ende des Tages treffen Regierungen die Entscheidungen.« Von denen wähnt er die meisten auf seiner Seite. (Die Recherche wurde gefördert und unterstützt von netzwerk recherche und der Olin Stiftung)

### **Sowing the seeds of post-extractivism**

*Communities around the world are demonstrating how we can move beyond extractivism to revive cultures of care and solidarity.* Hannibal Rhoades, *The Ecologist*, 20 November 2019

All around our living planet communities are standing on the frontlines of pitched battles to protect sacred lands and waters from destruction by the mining industry – the [most-deadly](#) source of environmental conflict on Earth. These same communities are also defending-old and innovating-new alternatives to the socially unjust and ecologically unviable extractive 'development' model that so often brings destruction and displacement to their lands. Their alternatives are not linear, monocultural dreams of GDP growth, 'trickle down' wealth and material gain. Rather they are as plural and diverse as the territories they arise from. These alternatives often [emerge out of conflict](#) and present a fundamental critique of extractivism and the need to resist and go beyond it, to revive cultures of care and solidarity, repair damage and establish regenerative ways of living for the future.

### **Emblematic cases**

The global "Yes to Life, No to Mining" (YLNM) solidarity network is made up of and for these communities – those who have chosen to say no to mining and yes to life-sustaining cultures, livelihoods and ecosystems. Over the past twelve months YLNM's coordinators have worked alongside

five communities in our network who have a wealth of experience to share and who hold a piece of the ‘post-extractive puzzle’. As well as supporting each other with critical information, international solidarity and the convening of critical community-to-community exchanges, we have developed a series of ‘emblematic’ case studies that attempt to share the learning and experience of these communities. Over the coming five months we will be publishing shorter, synthesised versions of these case studies - first launched as interactive, [long-form stories](#) - in collaboration with Radical Ecological Democracy. These stories draw out and reflect on the strategies these communities have used to successfully resist mining. They explore what it takes to repair the damages left by mining that does go ahead. They amplify the ‘seed-forms’ of grass-roots post-extractivism; the philosophies and practical actions communities are taking to build a better, self-determined future for themselves.

### **Traditional knowledge**

In the first emblematic case, to be released in November 2019, we will travel to Finland and the village of Selkie. Located in the Eastern Finnish province of North Karelia, Selkie has, like many Finnish villages, been the site of mass extractivism since World War II. In an effort to repay war debts to Russia, marshmires, peatlands and old-growth forest across Finland have been converted into mines and forest plantations, with huge impacts on rural communities practicing hunting, fishing, berry-gathering and small-scale farming. In this case study, Tero Mustonen, Head of the Village of Selkie shares how, by combining traditional knowledge and science, the villagers of Selkie have restored waters, wetlands, fish and migratory birds to health after catastrophic damage caused by peat mining in the Jukajoki River catchment.

In the months to come, we will travel to the hyper-biodiverse Karen Indigenous territory of Kawthoolei, in eastern Myanmar. According to their own calendar, the Karen have lived in this territory for at least 2,758 years, developing intricate governance systems and deep connections to the land. A focal point for one of the longest-running civil conflicts in the world, Kawthoolei has also attracted the attention of gold miners, quarriers and Chinese and Thai companies wishing to construct massive hydro dams along the mighty Salween River. In this case study, a collective from the Karen Environment and Social Action Network (KESAN) describe how and why the Karen have established the Salween Peace Park – “a grassroots, people-centered alternative to the Myanmar government and foreign companies’ plans for destructive development in the Salween River basin”.

### **Commoning communities**

In the small village of Froxán in Galicia, north-west Spain, farmers still manage their lands and waters as commons, shared between all and governed collectively. But for over a century this community has been ravaged by tin and tungsten mining and attempts to enclose and privatise what the community care for as a collective. Now, Spanish company Sacyr is trying to re-open these mines, responding to new demand created by the ‘green economy’ and incentivised by EU raw materials policies. In a case study contributed by Froxán commoner Joam Pím Evans, we learn about Galicia’s long history of social resistance through ‘rhizomatic’ networks of commoning communities. We also learn about the community’s efforts to plant 10,000 native trees in mine-damaged landscapes as villagers from Froxán reassert their commons and “expand the circle of concern” for their lands.

The next case study explores how the municipality of Cajamarca grabbed global headlines in 2017 as citizens voted - with a 98 percent majority - to ban mining in their territory in a ‘popular consultation’ organised by and for the people. The vote effectively ended South African corporation AngloGold Ashanti’s plans for a vast open-pit gold mine known as ‘La Colosa’ - The Colossus. Nestled between the fertile volcanic slopes of the Andes mountains in central Colombia, Cajamarca has since become a global reference point for mining resistance, sparking a wave of popular consultations and a national movement challenging extractivism. YLNM’s Regional Coordinator for Latin

America, Mariana Gomez, comes from nearby Doima, where the first ever popular consultation on mining was held in 2013. Writing with researcher Benjamin Hitchcock-Auciello, in this case study she shares Cajamarca's story, from the origins of resistance to the latest steps on a citizen-led journey to re-define 'development' around the 'true treasures' of the territory- fertile lands, clean waters and rich culture.

### **Deep sea**

The ocean is sacred to the Indigenous peoples who live along the coast of the Bismarck sea, off New Ireland Province, Papua New Guinea. But more recently it has drawn the attention of mining companies looking to the deep seabed as a new frontier of mineral and metal mining. Since 2005, Nautilus Minerals has been attempting to secure the permits necessary to mine a deposit of metal sulphides, gold and silver from the seabed. In this case study, members of the Indigenous-led Alliance of Solwara Warriors and YLNM's coordinator for the Pacific, Natalie Lowrey, share how frontline communities have successfully resisted Nautilus Minerals, stopped the world's flagship deep sea mining project, and invigorated a global movement calling for a global ban on deep sea mining.

### **Green economy**

These case studies were first launched by YLNM alongside a new report from London Mining Network and War on Want. Entitled [A Just Transition is a Post-Extractive Transition](#), the report provides the stark context in which these case studies exist. It shows that the mining industry is a major, but largely hidden, contributor to climate breakdown, causing 20 percent of global carbon emissions (UNEP). This same industry is now aggressively promoting prolonged, expanded extractivism as a solution to the climate emergency. Around the world at company AGMs, investor gatherings, the UN and other forums, mining CEOs are taking the stage to tell the world that only an expanded mining industry will deliver the minerals and metals needed for growing renewable energy demand and the 'green' economy. This is a cynical attempt to capitalise on the massive forecasted growth in demand for minerals and metals by mid-century and beyond.

For some metals, like lithium, demand is projected to increase by a massive 900 percent, but for most minerals and metals only a fraction of the amount mined will be used in renewable energy technologies. As YLNM's case studies show, meeting this demand through expanded mining entails the destruction of climate-critical ecosystems and disruption of communities already vulnerable to climate change on a massive scale. It will lead to a 'multiplier' effect in destruction, too, as the US, EU, Japan and others seek to reduce their reliance on Chinese minerals by mining the peripheries of their own territories (think the Arctic, ocean floor and marginalised, economically impoverished areas) and exerting aggressive trade influence in the Global South to secure supply.

### **Shifting metabolism**

The mining industry has anticipated and responded decisively to the shifting metabolism of the global economic order from a fossil fuel to a mineral and metal-based energetic foundation. Their greenwash is firmly in place, smoothing the way towards an unjust transition that will lead to a significant re-materialisation of an economy already at odds with planetary boundaries. This transition is bound for failure. But there are other ways into the future. *A Just Transition is a Post-Extractive Transition* puts forward the case for a move away from a growth-oriented, extractive economy towards de-growth, in the North especially, redistribution and massive demand reduction for minerals and metals.

The report points out meta-pathways towards a post-extractive economy, drawing on work by the likes of Eduardo Gudynas, and calls for a scaling-up of urban mining and recycling as part of our response to climate change. Meanwhile, the emblematic cases YLNM has assembled evidence the crucial fact that communities, not mining companies, are already living the 'answers' to the climate

and ecological crises. Frontline communities' plural, dynamically-entangled alternatives, must guide the transformative transitions we must surely undertake.

### ***This Author***

Hannibal Rhoades is the Yes to Life, No to Mining Regional Coordinator for Northern Europe. This article was originally published by Radical Ecological Democracy as part of a six-part series exploring the stories of the communities mentioned in this article. The Ecologist will be collaborating with Radical Ecological Democracy to share these articles in the months to come. These case studies have been developed by YLNM member communities and organisations with the support of YLNM's Regional Coordinators. The network's deepest thanks go to: Snowchange Cooperative and the village of Selkie (Finland), Froxán Commoning Community and ContraMINAcción (Galicia), Karen Environmental and Social Action Network and Kalikasan PNE (Myanmar and Philippines), Comité Ambiental en Defensa de la Vida and COSAJUCA (Colombia), Alliance of Solwara Warriors (Papua New Guinea).

### **Mine waits for restructure**

November 19, 2019, The National Business

WORK on Nautilus' proposed seabed mining project in New Ireland will not begin until the firm concludes its restructure exercise, according to the Mineral Resources Authority. Providing an update on the deep sea project, managing director Jerry Garry told The National that the company (operator) was undergoing restructure. "They have advised us to vary the existing mining lease and we have asked them for some relevant information and schedule and when they are likely to conclude the restructuring exercise and when they are likely to raise the capital to commence work. So we are still dealing with the variation application." Garry explained that a variation application "is when they (miners) submit a plan to develop a project and if they are unable to meet the deadline or significant changes to the original plan, then they will advise MRA to seek variation".

"The variation application is still being considered by the council (mining advisory council). As far as the project (Solwara 1) is concerned, there will be no activity until the restructuring exercise is concluded," he said. On the lease extension of the Porgera mine in Enga, Garry said: "Porgera (mine) is in the final stages. The State negotiating team (SNT) has submitted options for the National Executive Council to deliberate on the mining development contract with the operator, Barrick and Zinjin. So we are still waiting for NEC to make a determination." Earlier, the Mineral Resources Authority received an application from Barrick seeking an extension of the Special Mining Lease for another 20 years. The current lease was granted to the developer on Aug 17, 1989. It expired in Aug 16 this year.

### **Negotiation protocols on gas resources established, PM says**

November 19, 2019, The National Business

PRIME Minister James Marape says protocols have been established for P'nyang gas resource in Western and other resource projects coming up for review. He said in a statement the legal state negotiation team was in active engagement to ensure the project "is processed consistent with legal requirements of our country". "Gone are the days when industry ran straight to prime ministers or ministers," he said. "I am tidying the way we have been doing project negotiations to allow our officials to vet, filter and funnel all projects on their own merits to the petroleum minister and national executive council on their own qualifying merits, rather than the PM's or ministers' influence. "Our country's laws should govern these processes." Meanwhile, negotiations for the P'nyang gas project

began yesterday between developer ExxonMobil PNG Ltd and the State, according to Petroleum and Energy Minister Kerenga Kua.

“I ask each one of us to rally behind our very own state negotiating team,” Kua said. “The term sheet has been seen and approved by me, the P’nyang ministerial committee, and finally the prime minister, in that order. All of us are satisfied that the content and procedure we are adopting are all in accord with our laws. The (negotiating team) is not acting alone.” Kua said to erase any doubt, there was a difference between the granting of a license, and negotiating a contract, (like the proposed P’nyang agreement now being negotiated). “For a licence, the terms and conditions are locked in by the enabling law,” Kua said. “In contract, the relevant terms and conditions are not limited unless it is against a specific law or is of a criminal nature, or otherwise, it can include anything the parties agree to. “Because this is a proposed contractual agreement, one can ask for whatever one feels is economically justifiable to the nation. The other side can reject it at the negotiation if it disagrees.”

### **Minister says PNG’s mines operating on old mining laws**

By GYNNIE KERO, November 18, 2019, The National Business

THE country’s operating mines are regulated using a 42-year-old Act that is posing a huge challenge for the state. This was according to Mining Minister Johnson Tuke in a statement during the opening of the Southern Regional Forum on review of the Mining Act in Port Moresby on Friday. Mining is a global business and Papua New Guinea is one of the mining countries in the world. The country hosts operations such as the Ok Tedi gold and copper mine (Western) Lihir gold mine (New Ireland), Porgera open and underground mine (Enga) and the Ramu nickel and cobalt mine (Madang). Others included the Kainantu underground gold mine (EHP), Hidden Valley gold mine (Morobe) and Simberi gold mine (New Ireland).

Tuke said: “The practical aspects of mining globally is changing. “The method of mining, mining technology, mining equipment, standards and operating procedures have changed.” He noted that the Wafi Golpu underground project in Morobe would use block caving method to extract minerals. “While, the Solwara deep sea project in New Ireland would use mining vessel with robotic machines,” he added. “These two projects (Wafi Golpu and Solwara 1) will be assessed in detail before the environment and mining licences are granted by the state,” Tuke said. “There are specific retirements that will be discussed in detail during the stakeholder consultation forum (on Friday) with relevant stakeholders.

“State needs practical input from the miners, transport service providers to mining projects among others. “Safety and health of any person in mining projects is paramount. “I believe that with the support from the stakeholders, we will be able to draft a new Mining Act to regulate the industry effectively.” Department of Mineral Policy and Geohazards Management secretary Harry Kore said. Once the new Mining Act is enacted, six policies will come into existence. They include the policies on mining, sustainable mining development, geothermal resources, offshore mining, mining involuntary resettlement and mining project rehabilitation and closure.

### **PM happy with gas deal: Kua**

November 18, 2019, The National Business

NEGOTIATIONS between the State and developer of P’nyang gas project in Western, ExxonMobil PNG Ltd, can now start. This was confirmed by Petroleum and Energy Minister Kerenga Kua, pictured, on Friday, He said Prime Minister James Marape was satisfied and that negotiations between



the two parties would begin. "I am pleased to see the project being progressed and I commend the State negotiating team for developing the plan (terms and conditions) they presented to the P'nyang ministerial committee," Kua said. "The committee that consists of relevant economic ministers have deliberated on these terms and conditions and then endorsed it to the prime minister for his approval. "With this phase now complete, Prime Minister Marape has directed me to instruct the State negotiating team led by the Chief Secretary to Government Isaac Lupari to engage with ExxonMobil in negotiating an agreed terms and conditions of a possible P'nyang gas agreement. "The outcome of these negotiations will then be presented to the national executive council for its endorsement before it is signed by all interested parties. "I am confident of an outcome that will be favourable for all stakeholders. "All things going well we can expect to sign a P'nyang gas agreement around the end of this month."

### **Porgera: Govt vows to declare state of emergency**

November 18, 2019, The National Main Stories

THE Government will declare a State of Emergency in Porgera to restore peace, normalcy and order, says Police Minister Bryan Kramer, pictured. Kramer announced the call-out operation on Friday at Porgera station in Enga after receiving reports of tribal fighting, guns build-up, illegal mining and killings. Kramer will discuss the matter with Prime Minister James Marape and the National Executive Council because Porgera is not safe. Kramer was accompanied by acting police commissioner David Manning to Porgera as requested by Porgera Women in Business president Elizabeth Iarume and Porgera District Women Association president Serah Erasi. The women leaders gave Kramer reports of serious law and order issues. Developer of Porgera gold mine Barrick PJV has also announced its support for a state of emergency call-out and promised to assist the operation. Barrick has promised to support the government during the operation especially along the Porgera valley.

### **Madang governor hits out at PNG govt over water contamination**

Radio New Zealand, 18 November 2019

The governor of Papua New Guinea's Madang province has hit out at the government over the impact of mine waste in Basamuk Bay. Peter Yama said the Environment and Conservation Minister Wera Mori was out of line in challenging results from recent testing of water samples off Madang's coast. The tests by a team led by Swiss scientist Alex Mojon linked dead marine life to waste from the Ramu nickel mine. The team was hired by Madang's provincial government. Mr Mori has questioned the methodology of Dr Mojon's team and suggested the mine owner, RamuNico, may not be to blame. However, Mr Yama said the minister was trying to deflect. "So, we have two different doctors and two different teams to come up with two different laboratory tests. So, we know that what we are talking about is right, and we do not try to confuse anybody for this matter. But yet, you know how the politicians are..."

"They are passing the buck to MRA (Mineral Resources Authority), and MRA is they are passing the buck to CEPA (Conservation and Environment Protection Authority)." Along with CEPA officials, Mr Mori, who was appointed last week, said dead marine life was being seen dozens of kilometres away in other parts of the Madang region and therefore may not have been caused by the Ramu mine. But the governor said the mine's toxic effects had been building up for years, causing an environmental issue that must be addressed for the sake of Madang communities. He confirmed people in his province were still unable to access food and livelihoods since fishing in the Basamuk Bay area was banned due to recent deaths and illnesses linked to a slurry spill from the mine operations.

## Can Bougainville rebuild on the broken corporate dreams of the colonial age?

Ben Bohane, Fairfax Media, November 16, 2019



Bougainville Revolutionary Army guerillas stand next to a destroyed dump truck at Panguna mine in 1994. CREDIT: BEN BOHANE

To view the Panguna pit is to witness an industrial apocalypse and one of the largest man-made holes in the world; a vast open-cut copper and gold mine in the highlands of Bougainville island, slowly being reclaimed by jungle. Bits of twisted metal and rusting debris lie scattered everywhere, buildings and heavy machinery smothered under moss and creeping vine. Here lie buried the broken corporate dreams of a colonial age but also the promise of a future with local landowners in control. Before guerrillas from the Bougainville Revolutionary Army forced its closure in May 1989, Panguna was one of the most advanced - and profitable - mining operations in the world. It was operated by a company called Bougainville Copper Limited. Its parent company Rio Tinto, one of the biggest in the world, called Panguna "the jewel in our crown". Yet locals saw little of the wealth. Australian officials administering Papua New Guinea in the late 1960s made it clear to local landowners that Panguna's riches were to underwrite the economy of the whole country as it headed to independence in 1975 and beyond. And that, inevitably, led to war.

### 'Kastom': responsibility

Although anthropologists had told the company that Bougainville was matrilineal - that it was women who owned the land, not men - the mine proceeded to do all its dealings with men. Women opposed it from the start. In 1988 the New Panguna Landowners Association usurped the previous one and the senior woman in the area, Perpetua Serero, issued a demand to the mining company: pay 10 billion kina (\$4.2 billion) in compensation for use of the land and renegotiate the mine lease. Their demands were ignored. When Serero died soon after, her brother, Francis Ona, a former surveyor at the mine, took on the "kastom" - responsibility - on behalf of the women owners to reclaim the land, even if it meant war. Ona went bush with a stack of stolen dynamite from the mine and formed the first cell of the Bougainville Revolutionary Army (BRA), soon launching attacks on the mine.

Several mine workers, including an Australian, were shot, prompting closure of the mine and declaration of a State of Emergency by PNG. Within months Bougainville descended into a war as the PNG Defence Force tried, unsuccessfully, to regain control of the island. In the next 10 years, an estimated 10 to 15,000 people died, mostly from preventable disease because PNG imposed a naval blockade of the island which stopped vital medicines getting in. The mine - or more accurately, the

total mineral wealth of this island in the south Pacific - remained at the centre of the dispute. When I interviewed Ona in his Guava village above the mine in 1994, at the height of the war, he showed me plans by BCL to establish several other mines on the island.



BRA leader Francis Ona with his men in his home village of Guava, above the Panguna mine, in 1994. CREDIT: BEN BOHANE

“When we broke into the company safe and I saw the plans, I knew our fears were true,” he said. “BCL wanted to mine the whole island and our people were worried they would all be moved off the island so the company could mine everywhere.” Although it's unlikely the mine could have done so, or the PNG government would have allowed it, such concerns in a community with little access to information or understanding of the space-age project planted on top of a tribal culture added to resentment and suspicion. People were already angry at pollution from the mine, the lack of royalties accruing to them and the growing number of PNG mainlanders arriving to take jobs that locals believe should have been reserved for them.

### **Ceasefire and reconciliation**

By 1997, the women had had enough of the war and convinced their men among the rank and file of the BRA to seek a peaceful, diplomatic route to achieve their common goal: independence. A ceasefire was brokered in 1997 by New Zealand and in 2001 the comprehensive Bougainville Peace Agreement was signed by PNG and all the warring factions, except a BRA breakaway group called the Me'ekamui Defence Force (MDF). The MDF still controls the Panguna site today. Nevertheless they have recently contained their weapons under UN supervision and will join the rest of Bougainville in voting.

Any grievances about the mine and colonial administration need to be weighed against the fact that Bougainville was the most prosperous province of PNG during the 1970s and '80s. It had good infrastructure, including roads, hospitals and schools. BCL paid substantial tax but was caught in tensions between provincial and national governments. Many Bougainvilleans were trained by the mine and local businesses, with some going on to careers elsewhere in PNG and overseas. Today, Bougainvilleans have reconciled after a 20-year peace process and are poised to vote in a referendum they have long awaited. Although it is expected a large majority will vote for independence, the final outcome must be ratified by the PNG parliament - which is not certain. If successful, Bougainville will become the newest nation in our region since East Timor.



Rebel guerillas above the Panguna copper and gold mine in Bougainville in 1994. CREDIT: BEN BOHANE



A sign advertising a weapons surrender process and urging an independence vote on Bougainville. CREDIT: BEN BOHANE

More than 206,000 voters are registered and 246 polling teams have spread across the Bougainville islands, Australia, PNG and the Solomons. The two-week voting period begins on November 23 and ends on December 7, with results expected soon after. Overseeing the vote is the chairman of the Bougainville Referendum Commission (BRC), former Irish prime minister Bertie Ahern, who has said the referendum "should be celebrated". Despite being scarred by the history of mining there, Bougainvilleans are pragmatic and many believe they need mining to underwrite a newly emerging nation. Although its infrastructure has been destroyed, Bloomberg recently estimated that the Panguna mine alone still contains up to \$US58 billion (\$84 billion) worth of copper, gold and silver.

In fact, the whole island is known to be rich in minerals and mining has never stopped. Villagers continue to pan for alluvial gold in rivers and streams across Bougainville, as well as the tailings area of the Panguna mine. Recently I watched young and old villagers close to Panguna clawing away at the hillside, using high-powered hoses and pickaxes to create a slurry they could then pan through to find precious little nuggets. During the war I saw Nescafe jars filled with gold being

smuggled out of the island to buy essential goods in the neighbouring Solomon Islands. Estimates vary, but since the war ended somewhere around \$50 million per year is being earned by locals through alluvial panning. But big external players are circling too, hoping to get exploration licences to mine Bougainville's riches. Apart from the contested Panguna licence, four exploration licences have been issued by the Autonomous Bougainville Government since they were able to draw down mining powers from PNG.



The Panguna mine: one of the largest man-made pits in the world.

Former BRA commander “General” Sam Kauona has one licence, Filipino company SRMI has another while Perth-based Kalia has two licences. Other Australian companies such as Fortescue are in talks, while China is also pitching infrastructure deals based on the “collateral” of Bougainville’s mineral wealth. Last December a delegation of 10 Chinese businessmen approached the “Core” group of Bougainville veterans and leaders offering up to \$1 billion to invest in mining, agriculture, tourism and the “transition” from autonomy to independence. Even today, some Panguna landowners are in favour of BCL or its former parent company, Rio Tinto, returning “after they have properly reconciled with us and cleaned up their mess”. Amidst the uncertainty of new players circling, as well as growing geopolitical tensions, there is an oft-heard refrain: better the devil you know.

### **'Australia's secret war'**

While some worry about growing Chinese influence, others are equally critical of Australia’s failure to present a viable alternative and the lack of personal engagement by Australian officials on the ground. Although Australia’s leaders are mindful of PNG sensitivities ahead of the referendum and want to avoid being seen to favour either side, Bougainvilleans wonder if Australia is indeed “neutral” now or will continue to work with PNG to deny Bougainville’s independence.

This has geopolitical consequences as China woos key players on Bougainville who remain suspicious of Australia’s position. Australia has a long and sometimes troubled history with Bougainville. Today it is a valuable aid partner, providing around 12 per cent (\$50 million per year) of Bougainville’s bilateral aid program, the highest of any donor. It has positioned itself as the partner of choice for Pacific nations, particularly after the “step up” began in 2017. Between 1915 and 1975 Australia directly administered the territory. The very first action of the national Australian military at the outbreak of World War I - well before the Gallipoli landing - was to take control of German New Guinea, including Bougainville. In World War II, 516 Australian soldiers and up to 40,000 Japanese died fighting on Bougainville. Australian Coastwatchers, hiding in the hills and protected by loyal locals, provided such valuable intelligence to the Americans taking Guadalcanal to the east

that after the war US admiral “Bull” Halsey personally thanked them, saying they had “saved the Pacific”.

After the war, large cocoa plantations were established along with the Panguna mine. Australian riot police were used several times to quash the budding local independence movement. Two universal declarations of independence, first in 1975 and then in 1991, went unrecognised. And during the Bougainville war between 1988 and 1998, Australia continued to train and equip PNG forces. Some called it “Australia’s secret war” since Canberra tried to maintain an appearance of neutrality while supplying PNG with four helicopters that were soon turned into gunships. Since the war Australia has funded a 20-year peace process and has won local and regional admiration for the way it allowed traditional reconciliation processes to unfold. While Bougainvilleans remain suspicious of Australia’s real position on independence, they are thankful for the role it has played in the peace process and its ongoing development assistance.



PNG army troops on patrol in heavy jungle in 1997, hunting for guerillas who had shot a boy dead nearby. CREDIT: BEN BOHANE

### **Rough seas ahead?**

In the wake of the referendum, if PNG, Indonesia or Australia were to attempt to deny or campaign against Bougainville independence, there is a strong possibility that hardliners on the island would issue another unilateral declaration of independence that some countries in the Pacific - and Beijing - might recognise. In that scenario, the potential for another security crisis in the region is real. If the outcome of the referendum is an overwhelming vote for independence, Canberra must be prepared for two possibilities: either the creation of a newly independent nation in the region, or a crisis unfolding if the PNG government refuses to ratify the result.

On top of all this there are Australian miners courting various groups within Bougainville to get access to the hidden riches of the Panguna mine and other mineral resources across the islands. It has prompted some observers to wonder if these new mining players in Australia and China are fully aware of the history of mining and conflict here, as they try to cash in at this sensitive moment when Bougainville is on the cusp of nationhood and trying to forge unity among its people. Recent reconciliation ceremonies between the PNG military and Bougainville militants declared there will be “no more war”. Now, as polling day nears, Bougainvilleans look set to accomplish something Francis Ona told me during the war he wanted. “We have been ruled by four colonial masters over the past 100 years: first the Germans, then the Australians, then the Japanese, the Australians again, then PNG. “We believe it is time we ruled ourselves now.”



Heavy trucks sit rusting on the edges of Panguna copper mine, closed in 1989 as a result of sabotage. CREDIT: FRIEDRICH STARK / ALAMY STOCK PHOTO

### **Derelict mine caused a bloody war. Now Aussie companies are fighting over it again**

Sarah Danckert and Ben Bohane, Sydney Morning Herald, November 15, 2019



Heavy trucks sit rusting on the edges of Panguna copper mine, closed in 1989 as a result of sabotage.

Iron ore magnate Andrew "Twiggy" Forrest has joined the race with an unruly bunch of small, struggling mining companies, all with links to Australia and share prices of 10c or less, for access to some of the world's biggest copper and gold deposits on the Pacific island of Bougainville. The manoeuvring over the gigantic, mothballed Panguna mine comes ahead of an independence referendum later this month that could turn Bougainville into the world's newest nation after disputes over foreign mining prompted a bloody, 10-year war that killed perhaps 15,000 people. However, China is also sniffing around opportunities in Bougainville, although not necessarily the Panguna mine itself, which was valued recently at a staggering \$US58 billion (\$84 billion). Previously run by Rio Tinto, the mine was at the centre of a decade-long conflict over allegations that locals were being ripped off and the environment damaged by foreign mining companies. The war continued well after the mine closed as a battle of control for the country raged between the Bougainville Revolutionary Army and the Papua New Guinea Defence Force. It was the most serious conflict in the south Pacific since World War II.

*The Age* and *The Sydney Morning Herald* have confirmed that representatives of Mr Forrest's mining company, Fortescue, travelled in recent months to the island and were exploring growth opportunities there. "As a leading mining company with world-class expertise, we constantly assess opportunities to build on our operational reputation to drive future growth through product diversification and asset development," chief executive Elizabeth Gaines said. "Consistent with business development activities, representatives from Fortescue have visited Bougainville Island to learn about the region and potential opportunities." Other companies - including one chaired by a former Liberal defence minister David Johnston and another by Arabian horse breeder and luxury goods dealer Jeff McGlenn - have also been striving to gain local support on the island to reopen the mine, which was shuttered in 1989. Meanwhile, a Chinese delegation is rumoured to have offered substantial funds in late 2018 to help finance a transition to Bougainville independence, along with offers to invest in mining, tourism and agriculture, with a figure of \$US1 billion cited. A new port was also reportedly proposed.

### **A new nation to our north?**

On November 23, Bougainvilleans will go to the polls and are expected to vote overwhelmingly for independence from Papua New Guinea. But in the wake of that expected vote, there is a real risk of new disputes between landowner groups as miners, many with links to Australia, could reignite the crisis that engulfed the island 30 years ago. "Are they f—king mad?" asks one former Rio Tinto executive who worked at the company when it was the majority owner of Bougainville. "Re-opening Panguna would be a disaster."



In its heyday, the mine, which would take an estimated \$US5 billion in infrastructure spending to restart, was a productive asset for Rio Tinto, then known as Conzinc Rio Tinto. During the final year of production in 1988 and 1989, Rio's subsidiary Bougainville Copper (BCL) extracted 550,000 tonnes of copper concentrate and a whopping 450,000 ounces of gold. Already the tussle for Panguna has sparked a race to promise the best deal and the highest royalties to landowners while stemming the environmental degradation that has ravaged Bougainville. But that race has also already sparked intense political disagreement between rival groups on the island. Rio's former subsidiary BCL is still in the race for a mining licence, though Rio divested its shares and walked away in 2016. But a number of new entrants are also in the game. Among them is Toronto and ASX-listed RTG Mining Inc – which has links to the Philippines and counts the son of billionaire Australian stock picker David Hains, Richard, as the largest shareholder of its Toronto-issued shares. Another ASX-listed company, Kalia Limited, has been given two permits to explore in the northern tip of Bougainville.



Kalia counts former Defence Minister David Johnston as its chairman and Perth-based mining entrepreneur Nick Zuks as its top shareholder. Johnston's biggest claims to fame at home are a controversy over his lavish spending on entertainment as minister and comments that South Australians couldn't build a canoe, much less a submarine. Kalia's bid is financially supported by a company run by Australian polo patriarch Peter Yung-hanns. Another significant shareholder, Graeme Kirke, is the founder of Kirke Securities where Mr Forrest previously worked. More recently a new player, Caballus Mining, has arrived in Bougainville. It sparked fears, rumours and intrigue when it emerged the Autonomous Government of Bougainville had drafted new laws that would assign the responsibility for issuing mining licences to a new entity – Bougainville Advance Mining and a foreign partner. Many believed that partner would be Caballus. Caballus Mining was set up only in August 2018. Its sole director is Arabian horse breeder and luxury goods dealer Jeff McGlenn – a man who posted a flashy social media video of Saudi royalty at a luxury event, and another of him giving one of his fine equines to classical crossover singer Andrea Bocelli. The entry of Caballus sparked fears among Bougainville locals – specifically those linked to rival miners – that a three-way fight for Panguna would erupt.

### **Slugging it out**

Already, former Rio subsidiary BCL and Australian-Toronto based RTG Mining have been slugging it out via statements on their websites or on the Australian Securities Exchange. RTG claims BCL has lost its local goodwill and cannot operate in Bougainville, and that RTG has the support of a landowner group the Special Mining Lease Osikaiyang Landowners Association - one of the groups who say they represent landowners in the Panguna area. BCL hit back saying the landowners' association (known as SMLOLA) is a new invention and points to recent statements disputing its provenance. In turn, the landowner groups supporting BCL's plans to reopen Panguna have also come under fire.

The one thing both have in common is their respective share prices are in the gutter, with BCL trading at 10 cents a share and RTG trading at 6.5 Canadian cents (7.4 cents). Kalia's share price is just one-tenth of a cent. The disputes between miners have been reflected in intense politicking among local landowner groups and political players on Bougainville. Bougainville's president John Momis has copped much criticism for entertaining the Caballus deal, and the Autonomous Bougainville Government has given mixed signals on its position on mining. Momis initially supported a moratorium on mining at Panguna to avoid reigniting old conflicts between landowner groups. The moratorium was put in place in early 2018, but the government now appears to favour mining across the island as a means to generate income and underwrite independence.



Autonomous Bougainville Government President John Momis.

Landowners are guaranteed rights under the 2015 Mining Act, but in an urgent bid in January 2019 to raise funds for the referendum, the government proposed to abolish those rights, at the same time allocating “near monopoly” rights to Caballus's Bougainville Advance Mining. That legislation was later rejected by the government's legislative committee, illustrating how politically contentious this issue will be in an independent Bougainville.

### **Fiscal self-reliance**

In recent months, the mudslinging by supporters of both groups has died down. Several sources linked to the company and NGOs operating on the island said this was due to the request by the government that the miners are not seen to be influencing the independence vote. There was no answer from Caballus in response to a series of questions, including regarding its links to Bougainville Advance Mining and how it achieved such a prime position. McGlenn was last week travelling in Europe. Calls to the Perth offices of another suitor, Kalia Limited, which is now led by Michael Johnston, the former boss of failed PNG miner Nautilus Mining, went unreturned. David Johnston (no relation to Michael) and Kalia shareholder Nick Zuks also did not return calls. RTG chairman Michael Carrick was also loath to talk about the issue. “Politics is played extremely robustly in PNG and the facts/truth are often amongst the first casualties,” Carrick said via email from his Perth office. However, he added that mining would be part of Bougainville’s future.

“There can be no independence without first setting the country on a pathway to fiscal self-reliance and Panguna is the only asset which can assist this fundamental objective.” BCL company secretary Mark Hitchcock said from his office in Port Moresby that the company retained strong support among landowners and rejected suggestions the company had lost its social licence to operate. “There is at times frustration when some purporting to speak on behalf of all landowners are in fact representing a narrower interest. Regardless, all views are to be respected.” Luke Fletcher, a long-time Bougainville watcher and executive director of think tank Jubilee Australia warns of the “resources curse” that has plagued PNG. “This is one of the problems of the resource curse, you have these big revenues sitting in bank accounts that can be misappropriated quite easily,” he said. It’s a curse that many think is worth risking.

### **Minister brushes aside scientists’ Ramu reports**

Freddy Mou, Loop PNG, 14 November 2019



Minister for Environment and Conservation, Wera Mori, has labelled scientific findings by the scientists from Switzerland, led by Dr Alex Mojon, as baseless and untrue. Minister Mori claims the

report by Dr Mojon intends to tarnish the good name of the current Government. The newly-appointed Minister for Environment and Conservation has brushed aside reports by scientists engaged by the Madang Provincial Government to investigate environmental damages at Ramu Ni-Co's Basamuk processing plant. He further condemned a statement by a local scientist engaged to investigate the cause of the marine creatures dying in Madang after the spillage. The Madang Provincial Government, through the Provincial Administrator's office, invited the Conservation and Environment Protection Authority and other government line agencies to a collaborative meeting with a group of experts, led by Dr Mojon. This was to undertake investigations into the impact of mining activities by the Ramu Nickel Mine. Mori has also urged the people of Madang not to be fooled by "fake reports" on social media until proven otherwise in laboratories.

### **From OK Tedi's lenses**

November 14, 2019 The National Business

THE OK Tedi gold and copper mine in Tabubil, Western, is one of Papua New Guinea's largest mining operations. The National's Business reporter DALE LUMA talked to the mine's chief executive officer and managing director Peter Graham about the state of the mine and its outlook.

#### **Q: Can you give an update on the mining sector and its progress throughout the year?**

**GRAHAM:** The US-China trade war has had an impact on global economies. China consumes about 50 per cent of world copper production and economic growth in China has slowed to about six per cent. While in recent years the mid to long term outlook for copper was generally considered positive, the current market sentiment is less favourable. Copper price has declined during the year from about US\$2.90 (K9.86) per barrel to around US\$2.70 (K9) per a barrel. Gold has benefited from geopolitical uncertainty and the price has risen this year from around US\$1300 (K4,421.8) per ounce to around US\$1500 per ounce. Nickel price has also risen from a low of US\$0.91 (K3.00) per barrel to a high of around US\$8.45 (K28.7) per barrel. In PNG production from the larger mining operations (Lihir, Ramu Nickel, Porgera, Ok Tedi, and Hidden Valley) has generally been strong, without major disruptions. Porgera mining license expired in August and there is some uncertainty about the grant of a further license extension. Wafi-Golpu Project has been delayed by a legal challenge in Morobe and deferral of re-negotiation of a memorandum of understanding following the national government leadership change. Frieda River Project has also made application for a mining license. The Solwara 1 Subsea Mining Project, while still in the development phase, construction has failed to progress.

#### **Q: How was Ok Tedi's own progress throughout the year?**

**GRAHAM:** It was strong and Ok Tedi expects to finish 2019 with production around 100,000 tonnes of copper and more than 300,000 ounces of gold.

#### **Q: What were some of the challenges faced and how did the company address them moving forward?**

**GRAHAM:** While Ok Tedi's mining fleet of equipment is relatively new, much of the major equipment in the Processing Plant is original. Reliability issues impacted Mill throughput during the early part of 2019 but during the course of the year substantial progress has been made on upgrades in the plant. In addition, Ok Tedi is reliant on sufficient rain to allow movement of ships in and out of the Fly River and access was lost for several weeks early in the year, delaying delivery of supplies in and shipments of concentrate out.

#### **Q: Were there any milestones reached by the mine throughout the year worth mentioning?**

**GRAHAM:** The mine is performing strongly and recently achieved a record Total Material Moved of 9.8 million tonnes in a month.

Ok Tedi is currently replacing the In Pit Crusher at a cost of some US\$230 million (K782.3). This self-funded project, which currently employs more than 600 Papua New Guineans in construction, is progressing well towards completion in the second quarter of 2020.

**Q: What was Ok Tedi's production like this year compared to previous years?**

**GRAHAM:** Production in 2018 was impacted by the earthquake in February which disrupted production for three weeks, and logistics (materials in and copper concentrate out) was impacted by two extended periods of dry weather totally about seven weeks. In 2018, 96,000 tonnes of copper and 280,000 ounces of gold were produced. Our 2019 forecast production is around 100,000 tonnes of copper and more than 300,000 ounces of gold.

**Q: Can you elaborate on OTMLS Graduate Development Programme and Apprenticeship programme and the number of intakes trained over the years and what it plans to achieve in doing so?**

**GRAHAM:** Ok Tedi runs a Graduate Development Scheme (GDS), an Apprentice Training Scheme and a Preferred Area Traineeship programme. The GDS is a two – year programme during which graduates in technical and business disciplines are provided business training and structured work experiences and real-world projects to prepare them as professionals. Since 1982 some 600 graduates have completed this programme. Our current intake level is about 12 graduates per year, with a target of 50 per cent females. The Apprenticeship Programme is a four year sandwich programme in a variety of trades. Since 1982, 1,169 apprentices have achieved their trade certificate. The current intake is about 15 per annum, also with a target of 50 per cent females. The Preferred Area Traineeship programme offers an entry point for local people to acquire skills relevant to employment with Ok Tedi, such as heavy equipment operators, plant operators and Administrative Assistants. The programme has been in operation since 1998, and currently takes on about 15 trainees per year.

**Q: How many employees does OTML currently have?**

**GRAHAM:** The company has a workforce of some 1,700 employees, supplemented with up to 1,300 contractors.

**Q: The lack of foreign exchange has been one of the major issues of 2019.**

Did that have an impact on OK Tedi and the industry in any way?

**GRAHAM:** Ok Tedi is one of the main contributors of US dollars into PNG's economy. We receive payment in US dollars for our concentrate. We also pay dividends and taxes in US dollars.

**Q: The Government says it will start concentrating on the agriculture sector in 2020.**

What is OTML's view on that?

**GRAHAM:** PNG's economy currently relies heavily on the resource industries. Agriculture has great potential with ready markets in Asia. Scale of farms, access to training and technical advice to select crops and build productivity, and access to infrastructure to get fresh products to markets are factors important for success. In Western Province, Ok Tedi Development Foundation with Innovative Agro Industries has developed an agriculture master plan which it is hoped will progress in 2020. A number of other provinces already have similar programmes underway.

**Q: The Government is also trying to amend the Mining Act. What is your view on this move by the Government?**

**GRAHAM:** Discussions have been underway between government and industry for many years without reaching alignment. Both government and the industry have expressed interest in contracting an independent expert for advice on different regulatory regimes to better inform debate. Ultimately PNG needs a Mining Act that finds the appropriate balance on sharing the benefits of mineral resource and that is internationally competitive. It needs to be understood that investors have options and if the legislation is too onerous, they will go elsewhere.

**Q: PNG has dropped 12 places from 108 to 120 out of 190 countries in the ease of doing business, according to World Bank's Doing Business 2020 study.**

What is your view from the mining sector and how does the country improve on this?

**GRAHAM:** Many factors influence the ease of doing business – a need for personal safety and security; government process and institutions which are stretched; ageing or absent infrastructure; complex landownership; corruption and many more reasons. It will take strong leadership, a clear vision, a realistic plan that is prioritised and resourced, and a determination to stay the course.

**Q: What is the outlook like for the mine in 2020?**

**GRAHAM:** Production in 2020 will be similar to 2019.

### **Phosphate mining on French Polynesia's Makatea step closer**

*Renewed phosphate mining on Makatea in French Polynesia has come a step closer.*

Radio New Zealand on 14 November 2019



Plans are afoot to resume phosphate mining on Makatea atoll Photo: supplied French Polynesian presidency

Last week, the government drew up a new [mining code](#) and this week the assembly's mining commission is to discuss it as a government priority. Amid resistance by environmental groups, an Australian-owned company, Avenir Makatea, has been lobbying for years to extract 6.5 million tonnes of phosphate over 27 years from the raised atoll. The company's head Colin Randall promised earlier this year that he could offer sustainable development. "This will also create employment, but more importantly for the land owners of Makatea you'll end up with a sustainable development and they can decide what they want to do with their land," he said. His project is to resume mining on 600ha of the atoll - more than half a century after mining operations ceased.



Colin Randall of Avenir Makatea. Photo: Amelie David

Between 1906 and 1966, Makatea was ravaged by phosphate mining when it was stripped of millions of tonnes of phosphatic sand. At the height of the mining boom in the first half of the 20th century Makatea had about 3000 inhabitants but the number has since dwindled to below 100. In 2017, the mining minister Heremoana Maamaatuaiahutapu told local television that Makatea could not be left as it was because something must be offered to its inhabitants. The president Edouard Fritch visited the island - about 250km from Tahiti - but being opposed to any mining, environmentalists were not allowed to join the sailing on the government ship. The Association Te Rupe no Makatea was alarmed at the mining plans and small demonstrations were held in Papeete. In a letter, its president Dany Pittman said with its rich biodiversity Makatea stood out as a raised atoll among the 77 mostly low-lying atolls and served as a refuge for an area threatened by sea-level rise. She said apart from [the rupe](#), a fruit-dove and a warbler were already vulnerable and could face extinction.



Two associations, Fatu Fenua no Makatea and Rupe no Makatea, petition against phosphate mining in 2016. Photo: [change.org](#) website

The mining project was also opposed by the Protestant Maohi church which raised the matter at its synod. After a year's silence, Mr Randall announced in April that a new mining code was ready but days later the lands minister Tearii Alpha denied it. Now, however it has been produced for the assembly commission's consideration and is expected to be approved. An opposition assembly member and landowner, Moetai Brotherson, is alarmed as the proposed law mirrors what had been decided for the ill-fated Mahana Beach project. "We have seen the same procedure when the previous government passed the law for what they called a priority economic zones," he said. "We have seen there the same expedited expropriation process and they have just cut and pasted what they have put into that law for a priority development zone into the mining code. So I'm really wary for Makatea because we have a lot of landowners and inhabitants who are against the intended project that they are going to use that expedited process."

The mining code is accompanied by a suggestion to be generous with the landowners to win their consent, meaning that compensation would be well above the legal minimum. An advisory body, the Economic, Social, Environmental and Cultural Council, gave its assessment of the draft, pointing out that the impact of renewed mining is not known. It also considered that the concept of rehabilitation is not defined tightly enough, which has been echoed by Mr Brotherson. "There are still many, many pending questions. It's not because you add the word rehabilitation to what is basically a mining facility that it somehow becomes a green one. That is greenwashing." The Council also referred to the Environmental Charter which needed to be taken into account as there was an obligation to protect the environment while the principle applied that the polluter has to pay. In April, Mr Randall was adamant that it was up to the locals to decide.



Moetai Brotherson, who is a member of both the French National Assembly and the French Polynesian assembly. Photo: RNZ Pacific / Walter Zweifel

"Do we want this project or not? This is not a decision by the government for the project 'yes' or 'no'. This is a decision for them to allow the population to vote. This is democracy at work," he said. The Council said the views of the public needed to be taken into account. It went as far as saying that for the duration of the mining project there had to be information, and participation of the public. But how this could be achieved is not clear. Mr Brotherson said he feared the so-called SAGE (Schéma d'Aménagement et de Gestion des Eaux) process would be used. "I would say it's a joke. You can only give your advice on the internet. It's a very complicated process. The people who don't have good internet won't be able to give their thoughts, and the time window is very tiny. I think they will use the same process here to pretend that they have consulted."



Two organisations oppose plans to resume phosphate mining on Makatea Photo: FB

An online petition to stop mining has attracted almost a quarter of a million signatures. It was launched by two associations, Fatu Fenua no Makatea and Rupe no Makatea, after it was reported four years ago that exploration was being done without the consent of the landowners. It also came at a time when the government had teamed up with Avenir Makatea for a roadshow in a bid to drum up support for renewed phosphate mining. For Mr Brotherson, such online polls had no value as there was a precedent. He said a petition by Association 193 on the nuclear weapons problems was swiftly dismissed.

"The government answer was that it wasn't done according to the legal criteria that are embedded in our local statute and therefore it has no value and cannot be received as a proper expression of people's opinion." Mr Brotherson expects that the consultation would be a sham and that with the expropriation clause, mining could be restarted. "During my last question at the local assembly I asked whether they are supporting or not this project. They were just mute. They didn't want, I would say, to spoil the surprise." Asked when he expects the bulldozers to get back, he said if Avenir Makatea has the funding lined up it'll be in 2021.

## **PNG and International Scientists Denied Access to Ramu Mine**

Post Courier, November 11, 2019



Papua New Guinea scientists and medical practitioners engaged by the national government and working together with the International scientists on the Ramu mine spill were denied access to the Ramu Nickel Mine site last Friday and Saturday to carry out further sampling and investigation. The helicopters carrying the team of scientists were landing at the Basamuk mine helipad and told to immediately leave the premises or face severe problems. This is after one of the officers of Ramu mine, who was part of the national and Madang investigation team meeting, agreed for the collaborated team to visit the mine site and do samplings. The Ramu mine security team denied the scientists access to the site and advised them to leave immediately after landing at the mine site helipad and premises.

"We went there because we were told by officers of the MCC that attended the collaborated meeting that we could land on site and carry out our samplings," the scientists said. "But instead when we landed we were told to immediately leave the premises." A special meeting was also held on Thursday night, between Madang Governor Peter Yama, Sir Arnold Amet, international scientists, public servants and Madang citizens, independent scientists, government scientists and representatives from MCC. The meeting was to discuss plans and way forward to work together to carry out the investigation and one recommendation was to go and carry out samplings on various selected locations at the Basamuk and Astrolabe Bay. Ramu mine executives told the Post-Courier later that they refused because they were still waiting for the official investigation that Prime Minister James Marape had announced in Parliament which would see Deputy Prime Minister Davis Steven sanction.

"The company will only accept the finding and reports sanctioned by the PNG National Government, not others. The company refutes the damning report which is irresponsible, defamatory and malicious to the corporate image of Ramu NiCo (MCC), a genuine developer invited by the government of PNG to operate in this country," they said. The investigations covered Karkar Island, Bagbag Island, Long Island, Kranket Island, Bilbil village, Yabob vil-lage, Basamuk Bay, Usino, Ramu and Kurumbukari. "We are quite concern because the time is very short to prepare ourselves, including those who are invited to confirm their involvement," "While we appreciate that the provincial government is opening up the opportunity for all parties to engage, we will participate when



CEPA, NFA and all the lead government agencies involve so that the investigation result can warrant for the up-lifting of the fish ban by the provincial government,”

“We must also have a round table meeting to discuss on so many things before the investigation begins because this is a highly technical area. We cannot just get a helicopter, fly to Karkar Island and collect samples anywhere and bring back on the chopper unsecured,” the company management said. Ramu NiCo management said CEPA last week announced that the national government has engaged a third party to conduct investigation into the sea waters of Madang following a continuous allegation on fish death and other sea contamination. But the national government agencies engaged to work together with Swiss and German Scientists from CEPA, NAQIA, NFA and provincial health authorities said the provincial government was also an authority and that Ramu did not need to wait for Mr Marape’s investigations.

### **Leaders waiting for project review: Bird**

November 7, 2019, The National Business

EAST Sepik Governor Allan Bird says the majority of leaders in both Sepik provinces, including river presidents, are deeply concerned about the Frieda River Project. He said most of the leaders had taken his advice to wait for the outcome of the independent review into the project which could be conducted this month. Commenting on East Sepik government’s position regarding Frieda Mine impact on the Sepik River and its people, the governor said: “Just because MPs do not speak on an issue does not mean they are supporting it or they are not interested in it.” “Already there have been some concerns identified and raised with Ceba (Conservation and Environment Protection Authority).

“As responsible leadership, we must always follow proper process and do things properly,” Bird said. “With matters like this, any decision taken by the provincial government can be challenged in court. “ESPG is not a tucker box or a roadside market that we will make decisions on the run. “We must always be responsible and make decisions based on professional advice which, when taken to court, will stand up to rigorous legal scrutiny. “I want to assure the Sepik people that your leaders, including MPs representing river electorates, are not blind or deaf. “None of the leaders of ESGP are environment or mining experts, we, therefore, need expert advice and guidance.” Bird said the ESGP review team would convene at the end of the month and preliminary information would be available in January at which point Sepik leaders and the public would be made aware of the outcomes.

### **Mine operator to continue community campaign**

November 7, 2019, The National Business

PANAUST Ltd, the operator of the Frieda River copper/gold project, says it will continue with the Sepik Development Project Conservation and Environment Protection Authority (Ceba) statutory engagement campaign next year. In response to questions from The National yesterday, PanAust said it was scheduled to continue to the Green-River area in West Sepik in February. According to the company, the campaign would promote open and inclusive discussions among Ceba, Mineral Resources Authority and Frieda River Ltd (FRL) representatives. It would facilitate two-way discussions with communities along the project’s proposed logistics corridor and the Sepik River. The statutory engagement campaign is the third such campaign FRL has been involved in. PanAust’s engagement processes would enable community participation and respect for tradition methods of decision-making. These engagement processes would provide a template on how its subsidiary,

FRL, would operate in the country. “The first-half of the statutory engagement campaign began in Vanimo on Oct 23 and will run for 21 days,” PanAust said.

“This will include consultation with villagers in the mine area and along the proposed road corridor, including Paupe and Hotmin. “The second-half of the campaign is scheduled to begin in February 2020. “This will include consultation with approximately 80-100 villages from Green River to the mouth of the Sepik River. “The campaign is expected to run for 10 weeks in total.” The statutory engagement campaign will cover both East and West Sepik. According to PanAust, reaction from locals during the first half of the engagement campaign has been positive. In December 2018, PanAust announced it had identified a new nation-building pathway for the Frieda River Project. The new approach to the project focuses on the development of shared-use infrastructure that will support, and in turn be supported by a hydroelectric facility and mining operation. Under the inclusive development model, the project will be a core component of nation-building.

### **Australia calls for miner in Solomons to be treated fairly**

*The Australian government has called for fair treatment of Australian miner Axiom by Solomon Islands. Radio New Zealand, 6 November 2019*



Axiom drilling activity on Isabel Nickel Project. Photo: Supplied

The company had been mining nickel in Isabel province. The Solomons' government has cancelled Axiom's foreign investment license after denying it an export license, *The Australian* newspaper reports. Axiom has also been told its expatriate workers cannot stay in the country. Australia's foreign office has expressed concern and called for Axiom to be treated fairly in accordance with Solomon Islands law. Axiom, which has invested \$US34 million into its Isabel Nickel operation, said it would fight the loss of its investment licence. One of its mining claims in Solomons Islands has reportedly been assigned to Bintan mining, the company responsible for an oil spill off Rennel island in the Solomons earlier this year.

### **Ramu NiCo clarifies stance**

November 6, 2019, *The National*

THE developer of the Ramu nickel mine says it can only participate in a joint research into the environmental pollution in Madang when other government departments are involved. The Ramu NiCo Management Ltd, while welcoming the invitation by the Madang government to be part of the joint

team, said while it appreciated the provincial government's initiative, it would join up when the Conservation Environment Protection Authority (Cepa), National Fisheries Authority (NFA) and other lead agencies were involved so that investigation results could warrant the up-lifting of fish ban by the province. "We must also have a roundtable meeting to discuss so many things before the investigation begins because this is a highly technical area," the Ramu NiCo management said. "We cannot just get a helicopter, fly to Karkar Island and collect samples anywhere and bring back on the chopper unsecured," it said. However, the company management expressed concern that the company was informed only through the media on Friday. The company said findings by a Swiss scientist did not have a baseline study to measure against. The scientist was not sanctioned by the PNG Government regulatory entity or Cepa to conduct such investigation.

"The company will only accept findings and reports sanctioned by Government, not others. "The company refutes the damning report which is irresponsible, defamatory and malicious to the corporate image of Ramu NiCo, a genuine developer invited by the government of PNG to operate in this country," the company said. "Today, Nov 4, MPG sent a formal invitation to Ramu NiCo (MCC) to join the investigation. Others invited included Dr Alex Mojon's team, police, Dr Gawi from Modilon General Hospital, Mineral Resources Authority, Cepa, the National Fisheries Authority, Department of Health and MPG team. "The investigation was to start on Monday until today, covering Karkar Island, Bagbag Island, Long Island, Kranket Island, Bilbil village, Yabob village, Basamuk Bay, Usino, Ramu and Kurumbukari. "We are quite concerned because the time is very short to prepare ourselves, including those who are invited to confirm their involvement," the company said.

### **Dolphin died from 'cocktail' of heavy metals in PNG**

*Samples taken from a dolphin that washed up dead on Papua New Guinea's Rai Coast have revealed very high concentrations of heavy metals.*

Radio New Zealand, 6 November 2019

The samples were taken by a team led by Swiss scientist Alex Mojon, who was hired by the Madang Provincial government after a [slurry spill](#) from the Ramu nickel mine in August. The samples were analysed at a laboratory in Germany, *NBC News PNG* reports. The results show concentrations of nickel, zinc, manganese, mercury, copper, chrome and chromium above allowable levels. Dr Mojon said it was clear the dolphin died from being poisoned by a "cocktail" of heavy metals. Samples sent to Germany also revealed the presence of heavy metals in food crops in gardens with in the vicinity of the mine. More samples will be collected next week.

### **Chinese owned Mining Company in PNG faces Two Possible Lawsuits**

NBC News, PNG Today, November 05, 2019

The Chinese operated Ramu Nickel Mine in Madang Province, Papua New Guinea will be facing two possible lawsuits. Madang Governor Peter Yama says one will be taken up by close to one thousand landowners from the impacted communities of Raicoast District - who had taken the Company to Court in 2011 over fears of pollution from the 'Deep Sea tailings Placement' (DSTP) as a result of the mine's operations. The Court at the time had ruled in favour of the Company saying there was 'no evidence that the DSTP' would cause damage to the marine environment and so the project was given the 'green light' to commence operations. Mr. Yama says the Company at the time was also ordered by the Court to provide quarterly reports of their operations to the Provincial Government and landowners but have failed to do so, since then - breaching Court orders.

He says with the evidence now, this case will be taken up again, adding the second case will be taken up by the Provincial Government for environmental damage. Meantime, the absence of legisla-

tion on the usage of 'Deep sea mine tailings' (DSTP) in the country is raising serious concerns amongst affected communities. Villagers in the communities of Raicoast district, Madang Province currently affected by the Ramu Nickel Mine's Basamuk spill say the National Government has been ignorant of this very important policy that would have stopped or mitigated the effects of the DSTP employed by the Company. The Company which uses the DSTP to dispose of its mine wastes into the sea has reportedly been releasing 1700 litres of toxic waste into the ocean per hour, amounting to 14.2 million litres annually for fifteen years now.

A recent 200-000 litres of toxic spill from the mine is alleged to have poisoned fish, prompting a ban in the Province. Local, Thomas Warr says, it's negligence on the Government's part, to allow the Company to operate using the DSTP for its waste disposal when there's no law to guide how they carry that out. "If they cannot remove the DSTP –then stop the mine. "It's very late for the Government to come now and tell us there is no law to guide this DSTP - they must now look at coming up with a law on DSTP, Mr. Warr said. Department of Justice and Attorney General Dr. Eric Kwa at the recently concluded 'Ocean Policy forum' says the PNG National Oceans Policy to be presented to the National Executive Council by the end of this year and expected to come into effect by 2020 will address some of this current issues including Ocean pollution among others.

### **Number of illegal gold buyers increasing in Porgera: Official**

November 5, 2019, The National

THE increasing number of illegal gold buyers in Porgera, Enga, is becoming a concern for the community, law and order coordinator Joe Kuala says. Kuala said with cash readily available in the town, the number of illegal miners too had increased in the past three weeks to more than 4,000. They entered the pit daily to mine illegally for gold. Kuala said the concern was law and order issues in the communities, almost all of the money earned from the sales of gold was spent on alcohol, which was the main contributor to law and order problems in the district. He added that with more illegal gold miners in the pit, there was no control over the number of gold going out of the mine. "Before, we usually have 300 illegal miners, but three weeks ago we had 4,700 illegal miners entering the pit daily recorded by Barrick Niugini Ltd," Kuala said.

"These people come out with up to K10 worth of gold per day and sell it to the illegal gold buyers. "We are not happy to have gold buyers there. "They have to leave the valley because with money readily available, it causes illegal miners to continue to trade. "We have more than 70 gold buyers surrounding the town and an uncontrolled amount of illegal gold going out of the country." Special Mine Lease Young Generation Association leader Philip Mungalo called on authorities and Prime Minister James Marape to sort out the licence issue with the mine before matters got worse. Mungalo said: "Since Barrick Niugini Ltd licence expired, many illegal activities have occurred and much damage will be done. "Since that time, much gold was taken out. "And therefore the National Executive Council must be quick in making a decision."

### **Crime issues increase in Porgera**

By MALINDA KALE, November 5, 2019, The National

LAW and order has been a persistent issue in Porgera, Enga which recently has escalated beyond control, Porgera law and order coordinator Joe Kuala says. Kuala and other community representatives held a press conference yesterday in Port Moresby, calling on Police Minister Bryan Kramer and Prime Minister James Marape to quickly intervene and address the problem. Kuala said over the past decade, more than K15 million had been spent to resolve those issues but nothing had improved. He described the fighting as guerilla warfare. There is guarantee that peace meant fighting

would end permanently. He said there were 27 unsolved tribal conflicts in the district and fighting was becoming a weekly event where people used high-powered weapons and bush knives to attack enemies. He added that fighting had been brought into the mining pit, endangering the lives of the employees of the mine and their families at the Porgera Valley. He called on the Government to declare a state of emergency in Porgera.

“We had callouts continuously, we have got police in the district but recently the situation has escalated to a situation where we cannot take control any longer. “Tribal conflict is worse, guns going into Porgera is through tribal conflicts. “Before, it used to be within Porgera but now it is in Hela and Laigam and Kandep. “In Porgera, we had two villages burnt down and 11 casualties in the special mine lease community and that happened within four days. “When police and the Papua New Defence Force went to Hela for the weapons surrender, all the firearms from Hela were brought to Porgera because of the walking distance. “Similar to Kandap and Laigam. “That is why we have an increase of factory-made firearms in the district.” Porgera Women’s Association president Serah Erasi, on behalf of women and girls, is appealing to the Enga government to look into the issues as they were creating an unsafe environment for women and children in the community. Erasi said the police minister met with her last week and was made aware on the situation. He arranged to travel to Porgera on 14 Nov to look into the issues.

### **Basamuk Spill Poisonous, Scientists Claim**

Gorethy Kenneth, Post Courier, November 4, 2019

International scientists engaged by the Madang provincial government claimed last Friday that they have data to prove that the Basamuk spill was poisonous to the people of Madang. And they further claimed that the chemical spill by miner Ramu Nico at Basamuk was dangerous and would take four to five years for the sea to get back to what it was. They have also claimed that their scientific laboratory results of a sample test of a dead dolphin in Rai Coast had confirmed the heavy presence of chemicals. And that all fish species, algae and plants death, were due to the heavy metals laden slurry spill which included mercury, zinc, magnese, cromium and others were all dangerous heavy metals found in the tissues, soils and waters samples collected and tested in the Netherlands and Germany.

A team of 12 scientists, technicians and administration staff from the Swiss Association for Quality and Environment Management (SVQ), Scientific and Administrative team involved in the environmental assessment in regard of the RamuNiCo Mining and Processing Activities in Madang Province led by Dr Alex Mojon are now in Madang to further test new areas in the Basamuk Bay. They are Dr Mojon as the head of the group, chief coordinator Maila Savaliuk, Professor Dr Peter Felix-Henningsen, Dr Daniel Weber, Dr Iwe Hiester, Dr Jurii Zavgorodney, Arnold Springer, Oleskly Kuwakin, Heinz Ihne, Chemist Thomas Henneberger, Dr Ueli Augsburg, Walter Knapp and Partner company of SVQ Sir Jimmy Francis Hinch, the CEO of CJI General Construction, Batangas.

On Thursday a Madang provincial team and the scientists met with the Minister for Mining Johnson Tuke and Minister for Environment Geoffery Kama to further cement their resolve to come up with solutions that can be addressed across all levels of government. At a press conference with media in Port Moresby Dr Mojon, accompanied by Madang Governor Peter Yama and administrator Joseph Kunda presented results including data and facts on the spill. Dr Mojon said the results and interpretations were scientific data which were not focusing on any non-indented, intended or legal accuses in confront of the RamuNiCo – but they were a data bank which shall be the base for a further mutual cooperation with the National Government, national authorities as well as with the RamuNiCo.

Dr Mojon said the reflected data were a summary of field sampling (accordingly to ISO 9001, ISO 14001 and to the European Norms and Standards of Environmental Assessments) for the period of May until October 2019 (3 Assessments), and of chemical-physical analysis, executed by the German Certified and Accredited Görtler Analytical laboratory. “The interpretations are reflecting the actual stand of understanding and findings. We need additional research on punctual matters to fortify the final balance of the assumed Environmental Impacts,” he said. RamuNico executives told the Post-Courier they will seek legal advice from their lawyers before making any comments but assured they are ready for roundtable meetings with all stakeholders, the national government, scientists and Madang provincial administration and the leaders.

### **Islanders calling for relief after ban on fish**

November 4, 2019, The National

THOUSANDS of people from islands near the Madang mainland affected by a recent fish ban are seeking assistance. About 5,000 living on the island of Kranket, one of the populated Bel villages in Madang, and those from Pik Island are now calling on the Madang and national governments and business houses to help them with relief food supplies after their daily food source was affected by the ban. Ambenob local level government ward one councillor Rodney Selan said children, mothers and the elderly were severely affected by the ban imposed by the Madang government on Sept 28 after scientific research revealed that sea waters there were heavily polluted with toxic material. Following the scientists’ announcement, Madang acting provincial administrator Joseph Bonomane Kunda sent out a public notice advising the people not to catch, eat or sell fish and other marine products.

He also advised the public not to swim in the sea until further notice. However, Conservation Environment Protection Authority (Cepa) released a statement recently that the sea was safe. Selan said his people were severely affected because they had no land to farm and their only source of income was from the sea. “My people who depend on the sea have nowhere to go now to sustain their livelihood and their families. There is not enough food for breakfast, dinner and lunch,” he said. “Kids going to school have no breakfast, no money for bus fares or money to buy clothes. “Families are living on coconut and this is very bad for them. “Mothers who sell fish at the Kranket Fish Market are no longer doing their selling after the ban. We are really suffering and now it is going into the fifth week,” he said.

### **Ramu: Joint research into spill**

November 4, 2019, The National

A TEAM of independent scientists from Europe have arrived in the country to carry out a joint research into the environmental pollution in Madang. Of the 12 scientists, six will be involved in a combined research with scientists from the Conservation Environment Protection Authority (Cepa), the Mineral Research Authority, an independent team engaged by the prime minister and students and lecturers from the University of Technology and the University of PNG invited by the Madang government and other local researchers. The team led by Dr Alex Mojon includes Maiia Savaliuk, Arnold Spinger, Prof Dr Weber, Prof Dr Henningsen, Dr Chem Jura and others based in Europe.

Governor Peter Yama said: “when the mine closes downs after 20 years, they will leave all the toxins and rubbish. “What about my people?” Yama said. “No one, not even the Chinese or the Government will come and help my people when they will be suffering from complications such as deformities and so forth. “So we have to do the right thing now. We must not bet on the lives of our people for economic and monetary values. That is wrong. “Lives are more important than money.

“If it is to build tailing dam on the mainland then they have to. “Or if it means to use the technology to clean up the waste, then do it now so we do business fairly and squarely. “Not compromising the lives of the people and their environment,” Yama said.

### **Porgera landowners call on PNG govt to reject Barrick**

*Landowners in Papua New Guinea's Enga province have pressed the government not to renew a license for a Canadian miner.*

Radio New Zealand, 4 November 2019



Porgera mine. Photo: wikicommons / Richard Farbellini

Barrick Gold Ltd, which is co-operator of Enga's Porgera gold mine with China's Zijin Mining Group, is pushing to renew its contract for another 20 years. Negotiations are ongoing with PNG's government which said it was seeking a greater share in the mine. But landowners continue to complain about lack of compensation for environmental damage caused by the mine over almost thirty years of operation. Additionally, the chairman of the Porgera Landowners Group, Nixon Mangape, told *EMTV* that promised benefits from the mine were never forthcoming. "I said 'no means no'. Barrick's license has expired and the company should be ready to exit. So you exit, you exit peacefully. No negotiation."

### **PNG's Ok Tedi mine disaster money locked in new legal fight**

Nick Toscano, Sydney Morning Herald, November 3, 2019

A fresh legal dispute has erupted over control of a fund set up to benefit the tens of thousands of villagers affected by mining giant BHP's environmental disaster at the Ok Tedi mine in Papua New Guinea more than 20 years ago. The Ok Tedi mine – which BHP co-owned with the PNG government until selling its stake in 2002 – discharged tens of millions of tonnes of mine waste into the local river system during the 1980s and 1990s, contaminating fish and trees and devastating the area's economy. A special trust account was created by the mine owners in the late 1990s to accumulate dividends from the Ok Tedi copper and gold mine's ongoing profits to compensate the 30,000 landowners of the worst-affected communities living downstream of the mine. Estimated to contain 250 million kina (\$106 million), the Western Province People's Dividend Trust Fund had been managed by PNG government officials until September last year when the Ok Tedi and Fly River Development Foundation, a regional representative group, raised allegations the funds were being "misapplied ... causing a diminishment" and won a legal bid to become its trustees.



Alex Maun, a landowner who sued BHP in the 1990s, in the dying forest near the Ok Tedi River. CREDIT: ALEX DE LA RUE

The newly-formed foundation headed by local leaders claiming to represent 30,000 residents of the villages most immediately impacted by the Ok Tedi mine disaster obtained National Court orders to replace the government as trustees. But control of the trust is again under a cloud with the PNG government, represented by prominent Australian law firm Corrs Chambers Westgarth, last month obtaining further court orders blocking the ANZ Bank from dispensing the funds. The Ok Tedi and Fly River Development Foundation has applied to have the injunction set aside, alleging an abuse of process, including claims the PNG government is a vexatious litigant and that Corrs Chambers Westgarth had failed to obtain the necessary certification with PNG's Investment Promotion Authority to be practising in PNG. The case will be heard in the country's National Court in December. A spokesman for Corrs Chambers Westgarth said the firm was "not in a position to comment" as the matter was before the court.

An ANZ spokesman said it would be inappropriate to comment as the matter was before the courts in Papua New Guinea. BHP, Australia's biggest mining company, completed its withdrawal from the Ok Tedi mine in 2002, transferring its 52 per cent equity stake to a development fund designed to operate for the benefit of PNG residents, known as the PNG Sustainable Development Program Limited. The fund was to use dividend payments from BHP's transferred shareholding in Ok Tedi to finance long-term sustainable development projects in PNG, particularly the western province. The miner also reached an out-of-court settlement with 30,000 landowners represented by Slater & Gordon in a landmark lawsuit in Victoria's Supreme Court in 1996, which included \$110 million in compensation for the affected villagers.

### **Mining the Deep Sea: Stories for suckers, and corporate capture of the UN**

Catherine Coumans, Arena Magazine, 30 October 2019

When I mention that the global mining industry is eyeing the deep seabed as the next frontier in mining I am commonly met with gasps of disbelief and dismay. That gut reaction is often followed up with sensible exclamations about the fact that the world's oceans are already overstressed by contaminants from human activity, such as plastics, and by overfishing, and, from those in the know, by acidification. Unsurprisingly, these apprehensions do not factor into the rapacious ambitions of industry pitchers for deep-sea mining, nor do they—another gasp of dismay—appear to temper the outright enthusiasm for this new form of mining shown by some highly placed officials in relevant UN bodies. To overcome the aversion of a public already overwrought by reports of species loss, whales on the brink of extinction and the various horsemen of the climate apocalypse—drought, fires, floods, heat, sea-level rise, food insecurity and forced migrations—deep-sea



mining's frontier investors are surpassing themselves in the propaganda department. The front runner in this regard is a private Canadian company out of Vancouver called DeepGreen Metals Inc.

One of DeepGreen's early promotional videos, *DeepGreen—Metals for our Future*, drives home lofty public messages that need to be critically interrogated: deep-sea mining is less environmentally and socially destructive than terrestrial mining; it is necessary in order to save the planet from climate change; and deep-sea mining, and indeed DeepGreen itself, come highly recommended, as both are enthusiastically promoted by the secretary-general of the UN's International Seabed Authority (ISA). The private pitch of deep-sea-mining promoters is likely more focused on the bottom line: there is untapped wealth in them tar ocean depths for the savvy frontier investor ready to undertake an exciting new experimental mining adventure. DeepGreen's CEO, Gerard Barron, concluded a sales pitch on the commercial and societal benefits of deep-sea mining in February 2019: '...whether you invest in a company like DeepGreen or not, everyone is a sucker for the story'.

DeepGreen's focus is on polymetallic nodules found on the seabed in international waters of the Clarion-Clipperton Zone (CCZ) of the Pacific Ocean, an area covering some 4000 kilometres and roughly the size of the continental United States. These lumpy baseball-size nodes lie at depths of some 4000 to 6000 metres and contain primarily nickel, cobalt, copper, manganese and iron oxides. The two other targets for deep seabed mining are hydrothermal vents, typically found at depths of 1000 to 4000 metres, and cobalt-rich crusts, typically found on seamounts at depths of 800 to 2500 metres. Hydrothermal vents are believed to have hosted the earliest forms of life on earth and are famous for their abundant array of endemic species that feed on bacteria and other single-celled organisms that, remarkably, do not derive energy from photosynthesis but from the chemicals spewed out by the vents. The massive sulphide deposits built up around these vents contain copper, gold, silver, zinc and lead. Crusts that form on seamounts contain primarily cobalt and also manganese, iron, copper, nickel and platinum.

These geographic features of the deep sea are thrilling would-be miners, as the metals they contain are commonly more highly concentrated than on land, and advancing technology makes them potentially accessible for the first time. The feverish rush to lay claim to large swathes of the seafloor has all the hallmarks of the gold rush that once drew hordes of prospectors to the Wild West, including colourful claims of fabulous treasure lying ready for the reaping on the seafloor. Former UK prime minister David Cameron reportedly pledged to bring wealth from the seabed to the United Kingdom, claiming possible values of £40 billion over thirty years. Not to be outdone, The New Economy claimed that the industry 'could be worth as much as \$1trn to the US economy each year—the value of all the gold deposits alone on the seafloor is estimated to be around \$150trn. It's not hard to see why investors are getting excited'. Indeed, speculators are already making profits without a deep-sea spade in the ground.

To date, twenty-nine exploration licences have been granted in extraterritorial waters, called the Common Heritage of Mankind in UN speak. Granted by the ISA, which has jurisdiction over the seabed in this area, the licences cover some 1.5 million square kilometres in the southwestern Pacific alone (claims also exist in the Atlantic and Indian Oceans). The licences are held jointly by industrialised countries such as China, Korea, the United Kingdom, France, Germany and Russia, as well as small Pacific island countries such as Kiribati, Nauru, Tonga and the Cook Islands, and subsidiaries of corporations, such as Lockheed Martin (UK Seabed Resources), and Canada's DeepGreen (Nauru Ocean Resources Inc.) and Nautilus Minerals Inc. (Tonga Offshore Mining Limited).

No exploitation, or mining, licence has yet been issued for any of these claims in extraterritorial waters: the ISA is still ironing out some details, such as novel governance regimes and brand-new environmental regulations. The first exploitation licence was issued for a project in territorial waters: the government of Papua New Guinea (PNG) granted Nautilus a mining licence in January 2011,

but the company's Solwara 1 project has already tanked. Faced with concerted, vocal and growing community opposition, and apparently insufficient 'suckers' for the Nautilus story, the company is now facing bankruptcy. The state of PNG is on the hook for about US\$125 million, which it borrowed after Nautilus used arbitration to force the state to live up to its commitment to assume and finance a 15-per-cent stake in the venture. However, some early investors in Nautilus, such as Barron, made a profit: Barron 'turned a \$226,000 investment into \$31 million' in six years before exiting in 2007. It was the founder of Nautilus, David Heydon, who created DeepGreen in 2011 and brought Barron into that company as CEO.

Perhaps if hydrothermal vents and deep-sea nodules could serve solely as inspiration for speculative investing, all would not be so dire. But investors are applying intense pressure on the ISA to finalise the deep-sea-mining regulations, not simply to create another major bump in their investments—which of course it will do—but to open the door to putting massive mining machines onto the sea-floor. The ISA has proved to be an all-too-willing and shadowy agency, as pointed out by the Deep Sea Mining Campaign, and Greenpeace: The ISA has recently rejected the establishment of an environmental committee to better include environmental considerations in its functioning, and key environmental information is not public. Its Legal and Technical Commission meets mostly behind closed doors, and its composition is such that biological and ecological considerations are underrepresented.

So what is at stake? Each of the metal-rich geological features that are of interest to miners is slowly revealing itself to be an incredible ecosystem. In spite of existing at great depths, under immense pressure, in very cold water and in inky darkness, hydrothermal vents, polymetallic nodules and cobalt crusts host diverse, mostly undiscovered and scarcely studied creatures that have amazed the few humans who have seen them in their natural habitats. Hydrothermal vents and cobalt crusts host an abundance of organisms. Those on cobalt crusts have great diversity; many of these creatures are long lived but slow to reproduce and may exist only in certain areas. Those on hydrothermal vents are abundant, though thought to be less diverse, and are often unique to a particular vent.

Polymetallic nodules host a wide variety of species, but they are spread more thinly; very few have been identified, but they are also thought to be long lived and slow growing. The habitats around hydrothermal vents are, according to deep-sea biologist Cindy Lee Van Dover, 'relatively rare on the sea floor, and they're different from one site to the next because the animals have adapted to the fluid chemistries'. The deep ocean expanses of polymetallic nodules are among the least-disturbed ecosystems on earth. Each of these geological phenomena of the deep sea have taken a very long time to form. Cobalt crusts grow at a rate of 1 to 6 millimetres per million years. Each polymetallic nodule, commonly between 5 and 10 centimetres in diameter, has grown by 2 or 3 centimetres every million years. Furthermore, as trillions of these baseball-size polymetallic nodules lie spread in a thin layer on the surface of abyssal plains, an extensive area would be disturbed if they were to be sucked up by the huge tread-wheel-driven machines envisioned for this task. While the chimney-like structures associated with hydrothermal vents can grow by 40 centimetres over five days, it is unknown whether vent species can recover once a vent chimney has been removed by mining.

While mining methods differ for each of these targeted geological features, deep-sea marine experts agree on the following points: crusts and nodules will take millions of years to reform; entire unusual species that we have never had a chance to study will be lost in the mining of all three types of ecosystem; and the dense sediment plumes that will be created as the seabed is disturbed and the pumping back down of process effluent will negatively impact and smother species over many more kilometres. Recent peer-reviewed papers by marine scientists have titles such as 'Deep-Sea Mining With No Net Loss of Biodiversity—An Impossible Aim' and conclusions such as 'Seabed mining will cause irreparable damage to marine ecosystems'.

So, let us revisit the messages in DeepGreen's Metals for our Future video. DeepGreen maintains that deep-sea mining is less environmentally and socially destructive than terrestrial mining. Nautilus tried the same spin, which the Deep Sea Mining Campaign adeptly refuted as Nautilus fought to counter vehement opposition to the Solwara 1 project by PNG coastal communities—these communities had already noticed a negative impact on their subsistence livelihoods and cultural practices related to marine species such as sharks as a result of Nautilus' exploration activities offshore. While it is fascinating to see a new breed of would-be miners throw their terrestrial counterparts under the bus and expose the immense environmental and social harm done by mining on land, this is hardly an argument for opening up another entire ecosystem to exploitation by this rapacious industry, especially an ecosystem as immensely fragile and little understood as the deep sea.

In fact, the comparison with terrestrial mining provides many arguments to show why deep-sea mining is a terrible idea, including, just as a start: it is much more challenging, technically and financially, to produce comprehensive baselines in the deep sea than it is on land; it is completely unclear how credible toxicity testing could be done in a deep-sea environment; independent scrutiny by communities, NGOs, independent scientists, media and so on would be much more limited; when things go wrong, such as spills, pipe breaks or unpredicted impacts, it would be much more difficult, nay impossible, to rehabilitate the unintentionally impacted area; modelling of the likely impact zones of toxic sediment plumes created by all forms of deep-sea mining is in its infancy; there is zero experience to draw on regarding impacts and mitigation at each step of the mining process; and the impacts of disturbances in the deep sea on critical food security, livelihood and commercial activity related to species such as tuna are not well understood.

DeepGreen maintains that mining the deep sea is necessary to avert the global climate crisis. Barron casts himself in the company's video not as a mining CEO or a profit-seeking frontier investor but as a humanitarian eco-warrior, concluding, 'it is a big responsibility on our shoulders'. The argument is simple: the green economy requires metals for such things as wind turbines, solar panels, and batteries for electric vehicles. While this is true, there is currently no global shortage of critical metals and minerals such as cobalt or lithium. Furthermore, technology is rapidly evolving to reduce or replace cobalt use, recycle lithium, develop urban mining of all kinds of waste products and even, according to experts, 'biomining to extract rare earths from electronic wastes using microorganisms...use of sodium and magnesium in place of lithium, or alternative batteries based on graphene, hydrogen fuel cells, or even water and table salt. BNEF [Bloomberg New Energy Finance] has said new battery chemistries will probably shift to different source materials after 2030'. There are even reports of batteries using hemp rather than lithium-ion.

Finally, the DeepGreen video prominently features the secretary-general of the ISA, Michael Lodge. Lodge is on what appears to be a DeepGreen vessel, he wears a hard hat with the DeepGreen logo on it, and he both makes the case for deep-sea mining and discusses the 'partnership' DeepGreen has with the ISA. It is remarkable, and perhaps telling, that the head of this UN agency, which is tasked with environmental protection of the seabed in the Common Heritage of Mankind, and expects to soon become the regulator and issuer of mining licences for a whole new extractive industry, seems to be oblivious to the appearance of conflict of interest inherent in appearing in DeepGreen's promotional video. Lodge has yet to respond to a recent report that raises concern about corporate capture of the ISA's mining-code drafting processes.

It should be obvious that we cannot save the planet by continually expanding our exploitation of it and by trashing new, as yet unexploited ecosystems, such as those in the deep sea. It has taken time for communities and governments to become aware of the existential threat to our oceans, to global biodiversity and to life on earth posed by deep-sea mining. Within the last year the call for a ban or moratorium on the development of regulations by the ISA, and on the practice of deep-sea mining itself, has grown louder. The call is being made by NGOs and civil society organisations such as the

Deep Sea Mining Campaign, the Deep Sea Conservation Coalition and Greenpeace, individuals such as Sir David Attenborough, and also by governments of Pacific island countries; even the European parliament has called for a moratorium on deep-sea mining.

Critical to the effort to protect the deep sea from mining is the need to review the role of the ISA in governing both the protection of the deep seabed as our 'common heritage' and its exploitation by for-profit corporations. This agency and its secretary-general have proven themselves to be deeply conflicted and captured by the corporations they are meant to regulate. It is time for a global treaty that will protect the entire international deep seabed from industrial exploitation.

### **Bergbau im Meer: Fehlschlag in der Tiefsee**

Von Leon Kirschgens, Süddeutsche Zeitung, 12. Oktober 2019



Mit Maschinen wie dieser will das Unternehmen Nautilus Minerals Ressourcen am Meeresboden abbauen. (Foto: REUTERS)

- Ein Tiefseebergbauprojekt der kanadisch-australischen Firma Nautilus Minerals ist wegen Geldmangels gescheitert.
- Staatschefs aus angrenzenden Inselstaaten im Pazifik, wie Fidschi und Vanuatu, fordern aufgrund des Fehlschlags ein Moratorium für die Technik.

Es war ein prestigeträchtiges Vorhaben - von Umweltschützern kritisiert, von Befürwortern als geradezu zukunftsweisend gelobt. Doch dann folgte das "Totalversagen", wie Papua-Neuguineas Ministerpräsident James Marape es ausdrückte: Das Tiefseebergbauprojekt der kanadisch-australischen Firma Nautilus Minerals ist wegen Geldmangels gescheitert. Seit Jahren hatte das Unternehmen geplant, die Metallerz-Lagerstätte "Solwara 1" in der Bismarcksee in 1700 Metern Tiefe vor der Küste Papua-Neuguineas auszubeuten, um an seltene Rohstoffe wie Kupfer, Kobalt oder Zink zu gelangen. Die Regierung des Pazifikstaates unterstützte das Projekt mit etwa 100 Millionen Euro.

Doch dann verlor Nautilus Minerals 2018 ein Spezialschiff, das die abgebauten Rohstoffe mit Pumpen aufgefangen sollte. Nautilus ging das Geld aus, das Schiff wurde an ein Konkurrenzunternehmen verkauft. Das Unternehmen hat inzwischen Insolvenz angemeldet. Staatschefs aus angrenzenden Inselstaaten im Pazifik, wie Fidschi und Vanuatu, nehmen den Fehlschlag nun zum Anlass, die Debatte um ein Moratorium neu zu entfachen. Untermeerische Lagerstätten gelten zwar als zukunftsfruchtig, der Anteil an wertvollen Metallen für die Elektroindustrie ist dort deutlich höher als in Landlagerstätten, deren Reserven knapper werden. Die Projekte sind wegen der weitgehend unbekanntem ökologischen Folgen jedoch seit Langem in der Kritik. Immer wieder forderten Umwelt-

schützer, den Tiefseebergbau solange auszusetzen, bis es ausreichende Erkenntnisse über die Umweltfolgen gibt.

**"Ein Moratorium ist nur dann sinnvoll, wenn die Forschung in der Tiefsee weiter gefördert wird"**

Und die Wissenschaft gibt den Kritikern zu einem wesentlichen Teil auch recht: "Wir wissen, dass der Tiefseebergbau auf die unmittelbar betroffene Region negative Auswirkungen hat, ähnlich wie beim Tagebau an Land wird mit den Rohstoffen auch das Ökosystem am Meeresboden entfernt", sagt der Biogeochemiker Matthias Haeckel vom Helmholtz-Zentrum für Ozeanforschung in Kiel. Der Abbau produziere zudem Sedimentwolken mit Erzpartikeln, die für die Fauna schädlich seien. Auf der anderen Seite sehen gerade auch Forscher die Forderung nach einem Moratorium kritisch. "Wir können noch keine Aussage darüber treffen, wie weit sie sich durch die Ozeanströmung am Meeresboden ausbreiten und das Ökosystem außerhalb der Abbauflächen beeinträchtigen."

An die dafür nötigen Daten könnten Forscher nur durch Probebohrungen in der Tiefsee gelangen. Eine Zwangspause würde daher auch die geforderte Erkenntnissuche zu den Folgen erschweren. "Ein Moratorium ist nur dann sinnvoll, wenn die Forschung in der Tiefsee weiter gefördert wird - unabhängig von wirtschaftlichen Interessen von Staaten oder einzelnen Unternehmen", sagt Matthias Haeckel. "Es bringt nichts, zehn Jahre auf jegliche Tiefseearbeiten zu verzichten und hinterher noch immer keine Aussage über die ökologischen Folgen treffen zu können." Der Biogeochemiker hält die Chancen aber ohnehin für gering, dass sich die Staaten jemals auf ein Moratorium gegen den Tiefseebergbau einigen werden. Noch spiele diese Form des Bergbaus eine zu geringe Rolle, als dass sich Politiker jenseits der betroffenen Regionen für einen generellen Stopp der Projekte stark machen würden.