

**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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**Porgera Mine contributes to economy**

*According to a report released by the Institute of National Affairs, the Porgera mine had major economic impact since its operation with prospects of more years to come. Business reporter DALE LUMA breaks down the report. December 31, 2020, The National Business*

THE Porgera mine has had a major economic impact locally and nationally over its life to date, with prospects for many more years ahead. This is according to a report titled: Economic Impact of the Porgera Gold Mine: 1990 to 2019 Loss of Income from Suspension of Operation released by the Institute of National Affairs (INA). It states that during that period, various ideas have been conjured up for suitable benefit sharing arrangements between the developers and the Government, provincial and local authorities and landowners, particularly focusing upon equity stakes, but also using different means to spread benefits, including the innovative infrastructure tax credit scheme.



According to The National’s news files, the mining lease which the Porgera mine developer Barrick Niugini Ltd had expired in August when an application for an extension of its licence was refused after an independent process by the mining advisory committee. The Government later granted a new special mining lease to the Kumul Mineral Holdings Ltd (KMHL). But today the mine remains closed. Prime Minister James Marape has assured the country that the Government was doing everything within its mandate to reopen the mine. According to the INA report, dialogue is ongoing on that issue. “Clearly, the closure of the mine at short notice in April 2020 had an immediate and potential long-term economic and social impact, especially locally, highlighting the need for better ways to plan and implement proposed policy or institutional changes that, directly or indirectly, affect investors, employees, contractors, the local community and Government itself,” the report stated. “Periodically reviewing fiscal and investment conditions and ensuring that they are competitive and fit for purpose is an important function for all governments, while also seeking to sustain needed policy stability, confidence and engagement with business and investors.”



People of Porgera Valley gathering during a visit this year by Central Bougainville MP Sam Akoitai.

### **Total financial contribution**

The total financial contribution of the mine from 1990 to 2019 was K13.2 billion, which is equivalent to K26.6 billion in 2019 prices. This total comprised taxes paid to the Government, royalties, compensation and donations, infrastructure expenditure, local and national operations contracts and local and national wages (excluding expatriates). Royalties were paid to the Enga government,

Porgera development authority, landowners, a children's trust and young adults. The average total financial contribution of the mine to the national economy relative to export values was 40.9 per cent over the 30 years and 40.9 per cent in 2019. The single most important category was national and local operations contracts constituting 17.3 per cent of export value revenue over the 1991 to 2019 period and 15.8 per cent for the most recent year 2019, the report states.

Taxes were the next most important category, noting the remaining 59.1 per cent of the share of export revenue is not profit but rather the residual sales value that must cover all the capital and business expenses of the mine not provided by PNG businesses and employees plus provide revenue to cover a return on investment and a return of the capital, in the form of depreciation expenses, that was invested. The total financial contribution relative to non-mining Gross Domestic Product was 1.8 per cent in 2019, the same as the average for the period from 2006 to 2019. Employment for PNG nationals at the mine averaged 2,578 over the 30-year period and was 3,527 in 2019.

### **Impact of mining suspension**

The price of gold increased substantially in 2019 and the first 10 months of 2020. The IMF forecasts some weakening of the price in 2021 but for prices from 2021 to 2024 to remain at an average of around US\$1,600 (K5,610.06) per ounce which is 23 per cent higher than the average for the 2016-2019 period. Based on these price forecasts, it is reasonable to assume that a conservative estimate of the lost income for the economy for one year would be the outcome for 2019 and would be three times that value for a three-year suspension of the mine. Based on these assumptions, the total financial contribution in 2019 prices would be at least K1.1 billion for one year and at least K3.3 billion for three years. The impacts on Porgera and rest of the Enga constitute about 40 per cent of the total impact. The biggest single category impact is for national and local operations contracts comprising 39 per cent of the total loss, followed by the loss of tax revenue at the national level which constitutes about 34 per cent of the total foregone economic benefit.

### **Ownership history**

The mine began as the Porgera Joint Venture (PJV) in 1989 with an unincorporated joint venture ownership of:

- Placer Pacific (30 per cent);
- Highlands Pacific (30 per cent);
- Renison Goldfields (30 per cent); and,
- PNG Government (10 per cent).

Over time, ownership changes occurred and the Government equity share has risen and fallen. In 1996, the government purchased an additional equity share of 15 per cent taking its total share to 25 per cent, the report states. Five per cent of the government equity share was divested in equal parts to the Enga government and special mining lease landowners, and the remaining 20 per cent equity was held in Orogen Minerals, an ASX listed company which was 51 per cent owned by the Mineral Resources Development Company. Orogen Minerals was taken over by Oil Search in 2002. Placer Dome operated the mine until 2006 when it was taken over by Barrick Gold. Presently, Barrick Niugini Ltd is the operator of the mine and also holds 95 per cent of the equity, equally split between Barrick Gold (47.5 per cent) and Zijin Mining (47.5 per cent). The remaining 5 per cent equity is held by Mineral Resources Enga and equally owned by the Enga government (2.5 per cent) and Porgera special mining lease landowners (2.5 per cent).

### **Brief description of the mine and lease area**

The Porgera mine is located in the Porgera Valley in Enga province. It is a combined open pit and underground gold and silver mine. It is located 140km west of Western Highlands. The mine's footprint covers the mining areas as well as communities along the Lae-Porgera Highlands Highway,

the Hides (Hela) to Porgera electricity transmission line and the riverine tailings disposal system. Production started in the second half of 1990 and gold production was very high in the following four years of operation before declining from average levels of over 1.2 million ounces per year from 1991 to 1995 to about 0.5 million ounces per year for the 2016 to 2019 period. However, export values in kina increased strongly over the past 30 years, reflecting depreciation of the kina exchange rate and increases in the gold price over that time frame despite weaknesses in the early 2000s.

### **Deal delay slows Forex inflow**

By CLARISSA MOI, December 31, 2020, The National Business

THE delay in an agreement between the Government and Barrick Niugini Ltd on the Porgera gold mine could see foreign exchange inflows being lower next year, according to the Bank South Pacific. Chief executive officer Robin Fleming said there were a couple of key factors that would influence foreign exchange availability next year, including the delay in resolving discussions on the Poregra gold mine in Enga. "Resolution of the discussions between the Government and Barrick on the Porgera mine is important from a foreign exchange availability perspective with annual inflows associated with working capital for the mine having been significant," he said. "Delays in reaching an agreement will see foreign exchange inflows being lower in 2021 than was the case in 2020." On April 24, the Government announced that it would not renew BNL's 20-year special mining lease for the mine. Fleming also said oil prices continue to have an influence on benefits that flow to Government and other PNG LNG (liquefied natural gas) stakeholders and an ongoing increase in prices to above US\$50 (K172.22) per barrel will provide some upside for PNG.

"Ok Tedi has been a great success story and as a wholly-owned PNG company, they continue to provide support for the foreign exchange markets and with their upgraded capacity and operating efficiency they should continue to support the foreign exchange market," he said. While providing an outlook for the business environment next year, Fleming said the progression of the Papua LNG project with operator Total would be seen by businesses as key to a positive outcome for 2021, as will, the availability and roll out of a Covid-19 vaccine globally and in the region. He said normal business travel would not be able to resume until vaccinations were available. Businesses in the Cook Islands, Fiji, Samoa, the Solomon Islands, Tonga and Vanuatu heavily depend on tourism-related activity. "In PNG, the hotel sector had been experiencing over supply towards the end of 2019 and this was made worse by international travel restrictions, hence, again the importance of a vaccine and resumption of more regular travel, which will benefit our airlines," he said. "As business demand increases, employment increases and with a lag factor, government goods tax and services and tax revenue increases."

### ***Letter to the editor***

Post-Courier, 31 December 2020

### **Poor management of Gobe ILG financial benefits**

The on-going mismanagement of Incorporated Land Groups (ILGs) benefits under Gobe project remains a concern over many years. The problems have been experienced as the government agencies such as Department of Petroleum and Energy (DPE) and Mineral Resource Development Company (MRDC) have failed to help support landowners and ILGs to manage and invest incomes to promote and generate sustainable benefits in the long run. With the absence of social responsibility by DPE and MRDC, landowners have created and added more problems that are prevalent to date. The issue of mismanagement is serious as 75 per cent of the ILG executives mandated by the people are uneducated, semi-educated whilst a few educated lack leadership qualities. The ILG election

conducted in 2004 in the community by the PNG Electoral Commission is now 16 years gone with no positive impacts. The on-going scenario has led to complete lack of transparency, accountability and good governance in the distribution of ILG benefits. Some major problems experienced by ILGs in the Gobe Project area include;

- Lack of visionary leadership amongst ILG executives for proper use of financial benefits.
- Increased liabilities through credits by members and ILG executives.
- Disagreements and differences amongst member and Executives.
- Lack of consultations resulting in differences, physical confrontation and attacks.
- Court injunctions to stop payments due to unsolved issues.

The latest partial payout to Gobe landowners in late 2020 is a real testimony with a number of ILG executives referred to police regarding use of ILG benefits and payments. In view of the prevalent problems amongst ILGs, the writer calls on DPE and MRDC to consider and assist in the discrepancies in ILGs once and for all. As stakeholder, we expect DPE and MRDC take the interest of the people you serve to act now as the trend hinders positive change in the various communities. The Minister for Petroleum and Energy is also requested to investigate this issue for the benefit of the people in the communities. In order to address the problems, writer suggests the following to be pursued by DPE and MRDC to;

- Call for ILG election in 2021 as the current ILG executives term has expired.
- Carry out awareness on effective use of funds received for sustainable benefits.
- Provide basic skills in leadership and business development and planning.

With the current government's intention to increase financial benefits for resource owners, responsible agencies need to review and strengthen ILG operation to effectively use funds received for future benefits. Without such support, landowners will continue to live with the issues and remain poor and die despite being resource owners. **Nanono Hali, Boroko, NCD**

### **PNG LNG Project shines despite Covid-19**

December 24, 2020, The National Business

**Barry:** Despite the disruption created by the Covid-19 this year, the PNG LNG project has continued normal production operations. ExxonMobil, the project operator, has a long history of supporting healthcare within our communities in which we work. Throughout the pandemic, we have continued to work with the Health Department and provincial health authorities on initiatives to raise awareness on the Covid-19 and the recommended health measures to prevent the spread of the virus while offering logistical support for Government health staff in remote regions. This year, ExxonMobil PNG donated K1.2 million worth of medical equipment and supplies such as ventilators, defibrillators, personal protective equipment (PPE), thermometers and screening shelters to support local health workers in their effort to prevent the spread.

The safety of our workforce, their families and the communities in which we operate and live in continues to be one of our highest priorities, while maintaining the continuity of our business to meet PNG's and the world's energy needs. The production levels were not impacted by the Covid-19 challenges due to the implementation of preventative and preparatory measures in all our work sites in accordance with the guidance from the state of emergency controller, Health Department, the World Health Organisation, the US Center of Disease Control, along with ExxonMobil's global and well-established practices related to infectious disease outbreaks.

### **What are some of the challenges faced by the company this year?**

The Covid-19 pandemic has impacted LNG demand across the world.

However, throughout this year, the PNG LNG project continued to operate normally, allowing us to meet contractual obligations of our customers and project stakeholders. Across the company, numerous preventive and preparatory measures were implemented to ensure the safe continuation of production, as well as to protect our workforce, their families and the communities in which we operate. Some of these measures included:

- EDUCATING our staff and contractors on pandemic risk reduction behaviours;
- POSTPONING non-critical activities and moving to Zoom meetings;
- INCREASING the frequency of cleaning services across our sites;
- TAKING the temperature of critical staff and contractors before entry to our sites;
- IMPLEMENTING physical distancing in the office and communal areas;
- MAINTAINING quarantine for all personnel working inside LNGP and upstream work sites; and,
- FOCUSING on personal hygiene practices.

We continue to be inspired by our workforce as they remain committed to adhering to guidance from the Health Department and following virus risk reduction behaviours for the long-term that will ensure the PNG LNG project continues to operate safely and generate revenue for PNG LNG stakeholders.

### **What were some of the major achievements worth mentioning?**

The PNG LNG is the largest single investment in PNG. Since 2014, over K10 billion has been paid to the country through taxes, landowner royalties, development levies and distribution to Kumul Petroleum Holdings and Mineral Resources Development Company (MRDC). More than K2.5 billion has been paid to the State in taxes, with approximately K1.5 billion being corporate income tax. More than K2 billion was paid to landowners and provincial governments and more than K5.5 billion to Kumul Petroleum Holdings Ltd. We've spent approximately K15 billion in-country on goods and services in the construction and production phases of the PNG LNG project, where we have strived to help create, train and employ local businesses so they can in-turn grow to employ more Papua New Guineans. Approximately K4 billion has been invested back into local landowner companies, including education and training programmes to help contribute to their growth and long-term success. We have executed K200 million of funding support for infrastructure projects along portions of the Highlands Highway in Hela since 2017, as part of the Government's infrastructure tax credit programme.

Nine out of every 10 people of the PNG LNG workforce are Papua New Guineans, accounting for 3,900 of our workforce working across the PNG LNG project and 60 holding leadership roles within the organisation. Over the past five years, more than 230 Papua New Guineans, which includes 25 per cent women, have been recruited through our operations and maintenance programme. Across the PNG LNG project, we now have a higher percentage of women working in our operations and maintenance group than any other ExxonMobil affiliate in the world. We are extremely proud that as of September, our control room technicians are 100 per cent Papua New Guinean citizens. Their leadership and technical skills are central to the success of the PNG LNG project. Today, the project supplies approximately 50 per cent of Port Moresby's power through the supply of gas for power to NiuPower and through power generated at the LNG plant for PNG Power. PNG LNG also worked with MRDC and other key partners to enable the commissioning of the Dirio power plant.

### **What was the total production for LNG this year?**

The Hides gas conditioning plant in Hela and the LNG plant in Central continue to operate as normal. Despite challenges associated with the Covid-19, our plants have been able to increase

capacity output by about 20 per cent more than the nameplate capacity, providing additional revenue for the Government and royalties for landowners in PNG LNG license areas.

**How much LNG was exported this year plus monetary value and gains?**

ExxonMobil PNG continues to meet all contractual obligations, with cargo exports averaging nine per month in 2020.

**What is the price movement for this year and what was is the outlook for next year?**

As a matter of practice, we don't comment on market speculation.

**The company has invested K1 billion in all the impacted areas through various programmes.**

**What are some of your key strategic investments next year onwards?**

At ExxonMobil and the PNG LNG project, our overall goal is to be a good neighbour and a long-standing partner with the communities where we work. Our approach to strategic community investment is based on partnership and participation. We work with communities and government agencies to identify, define and prioritise potential programs that build the capacity of individuals and community institutions. While 2020 has presented many challenges, we continue to invest in PNG's future, as we believe there are many opportunities to grow through initiatives that enhance sustainable economic development – including programmes that focus on education and training, livelihoods support, agriculture, strengthening community resilience, women's empowerment and infrastructure support.

Our community livelihood improvement programme continues to go from strength to strength.

Since 2015, more than 10,000 community members across Hides, Komo and Angore in Hela have participated in the project helping them improve their livelihoods and standards of living by generating household income from small enterprise development. Fresh produce sales through the project have grown from K9,000 in 2016 to K194,000 in 2019 or roughly 8,000 kilogrammes per month.

There are some proposed government legislations which government is looking at. What is the company's view on these legislations? Our operation is not just essential to our contractual partners but to PNG as a country. The contribution our operations and projects make to the country are felt on many levels and we remain committed to working with the Government to ensure the benefits of the PNG LNG project are experienced for the long-term. To remain competitive in the global LNG market industry needs clarity and long term stability of fiscal terms to ensure PNG remains an attractive investment destination. We look forward to working with the Government and all stakeholders to meet these objectives.

**How has the extractive industry in general been this financial year and what is the outlook for next year?**

The unprecedented events of this year have presented new challenges for the industry. ExxonMobil PNG is just one of many organisations operating in PNG's extractive industry and would suggest speaking with Neville Choi from the Chamber of Mines and Petroleum for a detailed discussion about this.

**Any other comments?**

Over the past decade, our partnerships with the Government, industry and the communities in which we work and live in continues to grow and deliver long-term benefits for the livelihoods of all Papua New Guineans. Our LNG plant at Caution Bay recently celebrated seven continuous years without a loss time injury, a reflection of the perseverance and dedication the PNG LNG workforce has shown in ensuring our vision of "Nobody gets hurt" is achieved. The benefits of PNG LNG will continue to ripple through the community for decades to come – from the revenue returned to the country, through to our business supply chain and our strategic community investments. We continue to support the Government in creating opportunities that provide a catalyst for long-term sustainable growth and thank them for their continued support of the PNG LNG project operations. Their support has helped us to build a global reputation for being a reliable supplier of LNG to the world.

## **Miner, landholders sign deals**

December 24, 2020, The National Business

Newcrest Mining Ltd's wholly owned subsidiary Lihir Gold Ltd has signed new compensation, relocation and benefits sharing agreements with the mining lease area landholders at its Lihir gold mine in New Ireland. The company announced to the market this week that the review of the previous agreements conducted over several years was sanctioned by the Mineral Resource Authority and identified key improvements to previous agreements. It said the new agreements enhance socio-economic development outcomes for landholders and enable benefits to be distributed directly to their intended beneficiaries. "There will now be efficient and transparent distribution of compensation and benefits, without a material increase in quantum," said the miner.

It said the agreements were structured to provide a direct and transparent relationship between the mine and landholders and were valid for the term of Lihir's special mining lease. Newcrest chief operating officer for PNG Craig Jones said: "These agreements build on the strong relationships developed with the mining lease area landholders over recent years and provides transparency of compensation, relocation and benefits sharing and clear accountability for the development agenda for Lihir Island." Team leader for 13 tenement and relocation, Newman Sana, said: "The signing of the agreements marks the dawn of a new era on Lihir. "One of inclusiveness, empowerment and transparency for dealings with the landholders."

## **Project proceeds with measures**

December 23, 2020, The National Business

ENVIRONMENT and Conservation Minister Were Mori has given the green light to the Frieda River mining project to move forward with measures to protect the environment. He said this after receiving the Sandaun government environment impact statement on the mining project which said its deposits contained the same style and characteristic as that of Ok Tedi and the proposed Wafi-Golpu mining projects. "They are related and because of that, the nature of mineralisation is refractory, meaning there is presence of sulphur," he said. "And for us to develop and exploit the resources at Frieda, we have to put in place measures that will mitigate the impacts on the environment.

"In the not so distant future, I would like to have an audience with governors of both East and West Sepik and their provincial governments as to how we could move forward the Frieda River development. "Development can take place but is must be done with the understanding of both East and West Sepik. "The potential impact on the Sepik River must be taken into account. "The Sepik River has got a large catchment basin and all the creeks, tributaries that flow to the North of the Frieda River make their way down into the Sepik River. "Currently, we have got ongoing issues pertaining to the environment. "My department will ensure that in whatever we do to maximise the exploitation of our natural resources, we have to ensure that we do not destroy the the environment," he said.



## WSP opposes hydro tailings dam for project's waste

By DALE LUMA, December 23, 2020, The National Business



THE West Sepik government wants the Frieda River Mine project to go ahead but opposes any integrated storage facility or hydro tailings dam built to cater for the waste. Governor Tony Wouwou presented the province's environmental impact statement to the Conservation and Environment Protection Authority (Cepa) and said the concern was on the enormous environment and social implications if the dam collapsed. West Sepik is proposing that a deep sea tailings placement system be built as done successfully at mines in Misima, Lihir, Ramu Nickel and the proposed Wafi-Golpu. He said other waste management options should be considered such as identifying a site suitable for a tailings dam which did not had its system draining directly into the Sepik River. "It's a big multi-million kina copper and gold deposit in our province and we are concerned about the environmental impacts caused by the mine," Wouwou said.

"But it's always manageable and we can minimise it according to the studies that our experts put together. "We can control and manage the waste so that we do not affect people living downstream the Sepik River." Cepa managing director Gunther Joku said the Frieda River mining project came under a level-three category in prescribed activities regulation. "So when it is a level three project, it has to go through a rigorous assessment process. "Eventually, the environment council considers the reports from all stakeholders and then a recommendation will go the Minister for Environment and Conservation to grant an approval in principle. "Following that approval in principle, an environmental permit is granted."

## Miner secures K33mil equity to advance project

December 22, 2020, The National Business

KINGSTON Resources Ltd has secured binding commitments to raise AU\$12.5 million (K33.2mil) through a single-tranche institutional share placement to advance its Misima gold project in Papua New Guinea to the next stage. It announced to the market recently that the move was the foundation for a substantial new Asia-Pacific gold business. The company said alongside the placement, chairman Mick Wilkes had committed to take up AU\$500,000 (K1.3mil) worth of shares at the same issue price as the Placement, subject to shareholder approval, for total equity of AU\$13 million (K34.5mil).

Under the placement, the company would issue 48,076,923 million shares at AU\$0.26 (K0.69) per share (issue price) to institutional and sophisticated investors to raise gross proceeds of AU\$12.5 million. The issue price represents an 11.2 per cent discount to the 10-day volume weighted average price. The placement would result in the introduction of a number of new institutions to Kingston's share register, including both Australian and international funds, and had received strong support from the company's existing shareholders. Funds raised under the placement would be used to advance activities at the company's flagship Misima gold project in Papua New Guinea, as well as at the Livingstone gold project in Western Australia, including:

- Extensional and in-fill drilling within the existing 3.6Moz Misima Resource;
- Advancing mining studies and environmental studies at Misima;
- AU\$1.65 million (K4.38mil) settlement of the acquisition of remaining Joint Venture interest in Misima, taking Kingston to 100 per cent ownership of Misima;
- Exploration activities at Misima and Livingstone; and,
- General working capital.

Managing director Andrew Corbett said: "We are delighted with the response we have had from investors during the book-build process, which reflects the strong positive sentiment towards the Misima gold project following our recently-released pre-feasibility study. "We're now looking forward to taking the next steps at Misima, advancing work on studies and approvals, and working towards the delivery of updated resource and reserve estimates next year. "The coming 12 months is set to be an exciting and busy period for Kingston, as Misima moves into the DFS (definitive feasibility study) and approvals process, and with continued drilling activity planned to further improve the already compelling project economics."

### **Investors uncertain: Firm**

December 22, 2020, The National Business



THE current Papua New Guinea political environment, particularly surrounding the proposed changes to the mining legislation, is creating significant uncertainty in the investment community, according to a developer. St Barbara Ltd, developer of the Simberi gold mine in New Ireland said in an investor briefing recently that proposed changes in mining legislations would impact project economics of the mine in the future. General-manager of operations Jason Robinson said the company had undertaken engagement with key stakeholders in the Government and was working closely with

the PNG Chamber of Mines to highlight the impacts to its operations. “Production commenced in 2008 with the St Barbara acquisition in 2012,” Robinson said. “Simberi underwent an operations transition in oxide expansion in 2014, with production ramping up to over a hundred thousand ounces which is where we sit today.

“All-in sustaining cost fits in a range of AU\$16.65 (K44.24) to AU\$18.40 (K48.89) an ounce. “With our current oxide reserves, we see mining continue until 2024 when we transition to software production with a further 10 years of mine life.” Robinson said the future of Simberi was in two parts which included uplift one (maximise oxide resources) and uplift two (transition to sulphide ore production). “With uplift one, we will utilise the building brilliance platform to maximise the value from the remaining oxide resources. “We’ll be aiming for best practice at Simberi despite the investment uncertainty with the Mining Act. “We will act with an owner’s mindset with a view we’ll be operating the asset for a further 10 years.

“In uplift two, the long-term future of Simberi is to transition to sulphide ore processing. “This will lift gold production above our current rates. “The production and cost profile remains relatively consistent over the coming years as we continue with oxide production. “When we transition to sulphides, the production profile will increase as we target higher-grade sulphide ore, as our open pits increase with depth. “It is time to build on that platform for the next phase of growth with sulphides. “For the sulphide feasibility study, over the past six months, significant effort has been put in to understand and map out earning timeframes in detail with key milestone dates. “It is worth noting that the sulphide expansion is a brownfield project extension of the existing operations.”

### **Another New Caledonia mine site attacked**

Radio New Zealand on 21 December 2020



The conveyor belt at the Kouaoua mine. Photo: SLN

There has been an arson attack in New Caledonia on the SLN mine site in Kouaoua. Unknown perpetrators seized several company vehicles in the night to Sunday and set them on fire. Earlier, the conveyor belt feeding ore to the coast was again set on fire. Police have opened an investigation. SLN has had its operations disrupted territory-wide amid a protest movement against the sale of the Vale nickel plant. According to SLN, this month's blockades have cost it about \$US15 million. The mayor of Noumea has called for an end to the blockades to avoid an economic disaster, which could hit all of New Caledonia. Ten days ago, the Vale site at Goro was vandalised and remains closed.

## **OK Tedi names K800mil project ‘Nurumi crusher’**

December 18, 2020, The National Business

OK TEDI Mining Ltd’s (OTML) K800 million crusher has been named “Nurumi crusher” meaning “our” in the local Min language of Star Mountains, Western. OTML said in a statement that the new name embodied the efforts, heart and ingenuity of everyone Involved in the construction and operations of the crusher. The dedication ceremony held last Thursday, attended by OTML and contractor employees, marked the completion and handover of the multi-million kina project from the major project team to the processing business unit. OTML managing director and chief executive officer Musje Werror said it was the dawn of a new era. “I am proud of the project team and support departments for delivering the project safely and on budget despite the challenges of dry weather and the pandemic,” he said.

Werror said the completion of the project was a milestone for the company as it allowed access to additional high grade ore that would see an increase in production in 2023. This will underpin the company’s plan to generate more than K40 billion in revenue between now and the end of the mine’s life and generate significant benefits to local communities and the country. Werror acknowledged the OTML board and former managing director and chief executive Peter Graham for their approval and support of the project and for having faith in the OTML team led by general-manager (major projects) Mark Thompson to deliver a project of this scale. Major projects manager Brendan Gowdie said they were grateful for the support the team received from the OTML board and executive.

## **Judges withdrawn from case**

By KARO JESSE, December 18, 2020, The National

TWO Supreme Court judges have been withdrawn from a panel that will be presiding over an appeal Barrick Niugini Ltd (BNL) had filed against a National Court decision which dismissed its review of the Government’s refusal to extend its special mining lease (SML). The pair are Justice Nicholas Kirriworm and Justice David Cannings. A new panel will be constituted to hear the appeal once the court gives its ruling on application to dismiss the appeal filed by the State and the Mineral Resource Authority in February. On Wednesday, a three-men Supreme Court bench comprising the pair and Justice Collin Makail granted an application of disqualification filed by Solicitor-General Tauvasa Tanuvasa to have the pair removed from the panel which will preside over the appeal. The pair were members of a three-man bench that ruled against the state and granted relief sought by BNL in two separate appeals concerning the same parties and same matter before the National Court.

In the two appeals, the court allowed BNL to amend its originating summons to add a new ground and ordered the State to produce copies of documents which the Government and the head of State used, acting on advice not to renew the SML that had for 30 years been in operation regarding Porgera gold mine in Enga. Tanuvasa’s main argument was that a reasonable apprehension of bias would arise due to Justice Kirriworm and Justice Cannings, along with Justice Ellenas Batari, were members of a panel in two previous appeals involving the matter. BNL opposed the application which argued that the respondent was engaged in time-wasting and judge-shopping tactics, and that the application was scandalous and affront to the due administration of justice and an attack on the integrity of the court. The judges held that it was likely that a reasonable and fair-minded person, knowing all the relevant facts, would have a reasonable apprehension that a fair hearing was not possible if those two judges continued to be members of the bench.

## Niugini Sands say would mine responsibly

Radio New Zealand on 18 December 2020

A Singaporean businessman is intrigued at the interest in his company's plans for sandmining from beaches in Papua New Guinea's Madang province. Marcus Ong said the feasibility of Niugini Sands Ltd's concept is yet to be proven. But it has attracted opposition from landowners and environmental groups. Ong, who is a director of the company, said they were still waiting for the Mineral Resources Authority to issue an exploration licence. He said if they do go ahead they will work with the communities to ensure damaged areas are rehabilitated. "All kinds of mining are harmful, whether it's sandmining or gold mining or even logging - they are all harmful to the environment. So it is how we manage that, and we rehabilitate the land after mining has ceased. So a lot of other mining companies have exploited the land, they have taken what they need and then just let it be as it is. For us we see ourselves as a responsible company," Ong said.

He said his company, PowerPlus, had been providing heavy machinery to PNG for decades and the Niugini Sands venture was very much a sideline. Ong said the preliminary information they have on the Madang black sands, is that they are largely composed of dead corals, so would only be useful for land reclamation. The company posted a statement to its Facebook page: "It is easy for one to put down and criticise a project simply because it brings about a change which is undesirable in their personal view. We should not always look to oppose the change but rather embrace it. "We believe that it is everyone's desire for progress and improvement and that is exactly what our project can do in a small way." Local opponents of the sandmining plans have former chief justice Sir Arnold Amet as their legal advocate.

## Pro-independence FLNKS condemns arson at Vale plant

*New Caledonia's pro-independence group, the FLNKS, has firmly condemned protestors involved in arson and vandalism at the Vale nickel plant in the south of the country.*

Radio New Zealand on 17 December 2020



Photo: Théo Rouby / Hans Lucas

On Monday night, protesters at the plant entered the industrial site and set fire to facilities, equipment, and mining vehicles. The protesters who had been camped outside the plant for weeks in opposition to the sale of the Brazilian-owned plant to Prony Resources. A group of pro-independence supporters and local chiefs oppose the sale because of the involvement of a Swiss trading company.

However following weeks of intense demonstrations, the FLNKS decided to curb its protest action when the French Overseas Minister issued an invitation to discuss the matter. In reference to the people who took part in Monday night's assault on the nickel plant, FLNKS spokesperson, Victor Tutugoro, said the group had no control over a certain element of young people. Tutugoro said the action was not part of the FLNKS strategy. A video meeting between Lecornu and pro-independence representatives is scheduled for Friday.



FLNKS spokesperson Victor Tutugoro Photo: RNZ / Johnny Blades

### **Protest over Mayur's PNG coal plans**

Radio New Zealand on 16 December 2020

Opponents of plans to start a coal industry in Papua New Guinea are planning to protest today's AGM of Australian miner, Mayur Resources, in Brisbane. Mayur wants to mine coal on PNG's south coast and transport it to Lae where it plans to build a coal-fired power station. Such a move would make PNG the first Pacific nation to have a coal industry, and comes amid strong regional opposition to Australia's involvement in such an industry. Mayur has previously dismissed concerns that have raised about the pollution generated by mining and coal fired power stations. But a member of the Nogat Coal campaign, Samantha Kuman, said PNG does not need coal-fired power.

"It is more expensive and more polluting than the many renewable energy sources - hydro, solar and biomass - that we already have an abundance of here." Kuman claimed Mayur's actions were just another example of an Australian company pushing for a project without enough consultation and consent from local PNG communities. But earlier this year Mayur's Managing Director, Paul Mulder, said they were offering PNG a brighter, sustainable future, that would reduce the use of heavy oil and diesel, while the plant would include biofuels in its mix of energy sources. "And it also provides PNG with a fail-safe, because, the question I ask is, what happens if there is another major earthquake? "What happens if there's a three or four year drought like what has happened in recent years? That's why other countries have energy mixes," he said.

### **Ok Tedi Mine pays K400mil bonus**

December 16, 2020 The National Business

SHAREHOLDERS of Ok Tedi Mining Ltd (OTML) received a final dividend of K400 million yesterday. Speaking during the cheque presentation to shareholders in Port Moresby, chairman Sir Moi

Avei said this followed an interim dividend of K150 million paid in September. He said despite the challenges of the Covid-19 pandemic which resulted in a six-week suspension of operations, OTML had a strong and profitable year and that had enabled the company to complete the K800 million self-funded investment in the crusher replacement project, distribute K550 million to its shareholders and retained a strong and debt free balance sheet. "I'm grateful to the management and staff of OTML, our business and community partners for their efforts and resilience during a particularly difficult period," he said.

Sir Moi noted that the management would need time to sort out approvals for various payments that needed to be made. OTML is 67 per cent owned by the State with three Western entities representing the Fly River provincial government, the mine area villages and the impacted communities which collectively own 33 per cent of the company. From the K400 million, the State received K268mil, Mineral Resources Star Mountain Ltd received K36m, Mineral Resources Ok Tedi No. 2 Ltd received K48mil and the Mineral Resources CMCA (Community Mine Continuation Agreement) received K48mil. OTML managing director and chief executive officer Musje Werror said he was proud of the way OTML had responded to the challenges encountered this year. "The company suspended operations in August and September in response to reported cases of the Covid-19 on site," he said.

"This was in addition to two periods of lockdown. "A number of major changes to the business were necessary to resume operations without compromising the health and safety of our employees, business and community partners. "This year's performance would not have been possible if it wasn't for their collective effort and support." Prime Minister James Marape, as a trustee shareholder for OTML, acknowledged the board and management for declaring a biggest dividend in a tough year. He said this showed that the country could operate a world class mine and deliver significant dividends. Meanwhile, Werror said OTML made a contribution to the broader PNG economy this year generating more than US\$1 billion (K3.5bil) of foreign currency earnings, directly injecting more than US\$550 million (K1.9bil) into the local currency market and supporting hotels and the airline industry when business travel was at its lowest.

### **One dead, three wounded in failed robbery at mine site**

By JIMMY KALEBE, December 15, 2020, The National

AN armed robbery at the Hidden Valley mine site near Wau, Bulolo, last Wednesday resulted in one death and three men wounded after eight youths entered the site, police say. Morobe police commander Supt Alex N'Drasal said youths held up the guards and chopped three of them. "The other guards intervened and put up a fight with the criminals," he said. "The criminals after knowing that their plan would not work out, tried to escape when one of them was killed at the scene." He said the youth who was killed was later identified as the son of a policeman based in Wau town. Supt N'Drasal said negotiations were going on with the mine administration and police were on the ground to investigate the robbery and the murder cases separately. Supt N'Drasal could not confirm how much money was taken or what was taken but said the body of the youth was at Angau Memorial Hospital morgue. He said the youths were from Gunimaipa in Goilala, Central, who lived in a settlement in Wau.

"They have surrendered to police in Wau and are now in police custody," he added. Meanwhile, investigations are underway after armed robbery incidents at a store in Nadzab's Hanpaus Market and Trukai Farm at Erap last Sunday. Supt N'Drasal said the criminals after robbing an Indian store at Nadzab, drove off to Trukai Farm in Erap, held them up and later left the vehicle at Markham Farm and escaped on foot. He did not reveal how much in cash or goods were stolen in the two robberies. Police not arrested anyone in relation to the robberies last weekend. "We have leads to those two

robberies and police investigators are working on those information and hopefully arrests will be done in the next few days,” Supt N’Drasal said. He said at this time of the year, criminals were always looking for ways to celebrate the festive season and people, business houses and others had to be careful every day. Supt N’Drasal said in another report, a man from Sepik was killed near the Wampar local level government chamber over the weekend. He said the killing was related to alcohol consumption.

### **Unrest intensifies in New Caledonia following Vale sale agreement**

*Unrest in New Caledonia has intensified following the announcement that Vale has signed a sale agreement for its nickel plant in the south of the country.*

Radio New Zealand on 11 December 2020



Opponents of the proposed sale of the Vale NC plant display independent Kanak flags on a filter dam on the outskirts of the agglomeration of Noumea. Photo: Théo Rouby / Hans Lucas



Counter demonstrators occupy a roadblock held the day before by Kanak militants. They want to secure traffic and show their anger against the blockades organized for several weeks by opponents of the plan to sell the Vale NC plant. Photo: Théo Rouby / Hans Lucas

The Brazilian-owned nickel company has signed the agreement with Prony Resources, a consortium comprising New Caledonian and international investors including Swiss-based commodity com-



pany, Trafigura. Vale announced the news on Wednesday amidst heightened tension from pro-independence Kanak groups opposed to the involvement of Trafigura. Since the announcement, tension has continued to mount with angry protesters setting up roadblocks and causing major disruption. Anti-independence supporters, who are backing the deal, have also set up roadblocks to counter those set up by opponents of the deal.

Increased hostility between pro- and anti-independence supporters has led the French High Commissioner to New Caledonia, Laurent Prévost, to issue an order prohibiting the carrying of firearms and other weapons. Yesterday, petrol stations throughout the country remained closed after a petrol station in Mont Dore, near the capital Noumea, was targeted by arsonists on Tuesday night. In parts of the Southern province other services have also remained closed including doctors' clinics, pharmacies and schools. International flights have been suspended as a safety measure for passengers travelling to and from the airport which is situated about 50km from Noumea. At the Vale plant site, around 300 employees were evacuated after an administrative building was set alight by protesters yesterday. The site is currently under police protection after angry protesters made several attempts to force their way in. Late yesterday, leaders of New Caledonia's anti-independence parties met via video-link with the French Overseas Minister, Sebastien Lecornu. The meeting, which was boycotted by pro-independence leaders, was part of a series of meetings to discuss the country's institutional future.

### **Potential black sand mining operation in PNG may threaten communities, endangered leatherback turtles** Radio New Zealand on 11 December 2020

Thirty-eight kilometres of black sand beaches north of the town of Madang in Papua New Guinea could be about to be mined, threatening communities and the environment, including nesting grounds for endangered leatherback turtles.



Sea front in Madang, Papua New Guinea. (file image) Photo: RNZI/ Johnny Blades

A Singaporean company, Niugini Sands Limited, is understood to be close to getting the go ahead from local authorities to start exploration of the site, despite growing local opposition. A former PNG chief justice and cabinet minister said the coastal communities in the Sungilbar local level government district of Madang Province had been denied their constitutional rights. Sir Arnold Amet contended that mining the sands would impact on thousands of people and threaten the environment, including the breeding grounds of endangered leatherback turtles. According to Sir

Arnold, the Mineral Resources Authority (MRA), which is considering granting permission to Niugini Sands to start exploration, has not ensured the communities have been fully informed.

Representing the coastal communities, he has appealed against a decision made last month by the MRA to ignore the communities' call for more consultation. "We will contend that they have violated our constitutional right to adequate information to our communities as to what this proposed application to mine sand is all about," Sir Arnold said. The MRA asserted that two wardens' meetings in September were sufficient, but these meetings, called months after the mining company's application, were publicly advised less than two weeks before they occurred.



Sir Arnold Amet. Photo: Twitter / Sir Arnold Amet

That was not enough time or opportunity for the more than 10,000 people in the potential mining zone, Sir Arnold said. "They have not had adequate information provided to them. This is a large stretch of our land, 38 kilometres, 10 and a half thousand people." "There's absolutely inadequate awareness through this process that our state's authority hasn't done our people a service." Niugini Sands, the prospective sand miner, wrote this on its website for the people within the Sungilbar local government district: "It is easy for one to put down and criticise a project simply because it brings about a change which is undesirable in their personal view. "We should not always look to oppose the change but rather embrace it. We believe that it is everyone's desire for progress and improvement and that is exactly what our project can do in a small way."

A PNG environmental civil society group said the country needed a specific law covering sand mining. Wenceslaus Magun, who heads the group Mas Kagin Tapani, is an advocate for the Madang communities affected. He said the MRA couldn't grant the company an exploration licence, because, under their remit, they did not have the right to do so. "Right now we do not have any policy on sand mining and thus we do not a specific law on sand mining, because you need to have a policy before you have a law. Now, the MRA says all of this comes under the mining act which is wrong, ethically and morally wrong, and legally wrong as well," Magun said. The MRA, along with the Conservation and Environment Protection Authority and the Climate Change Development Authority, was also not standing by PNG national commitments to treaties on the environment, human rights and climate change, he said.

Those agencies should remember what their responsibilities are, Magun said. "As a government agency they should be regulating these international laws and local laws and policies and yet they are going to give the green light to this company that is going to destroy the nesting beaches of, not just the turtles, but other eco-systems that survive on the sand dunes, the black sand beaches." Over

the past five week *RNZ Pacific* has, on several occasions, offered the MRA, especially its chief executive Jerry Garry, a chance to respond to the claims made, but these offers have met with no response. Whether sand mining proceeds now hinges on whether Sir Arnold's appeal to the courts for the agency to give more time for consultation is successful.

### **Mine pleased with fruitful work on sustainable programme**

December 10, 2020, The National Business



Farmers from Wang community in Tabar Island doing cocoa bud crafting. - Picture courtesy of St Barbara Simberi Mining Operation

THE management of the St Barbara Simberi mining operation on Simberi Island in Namatanai, New Ireland, is pleased with the work on sustainable development programme in Simberi. This was revealed by St Barbara Simberi operations general manager Jason Robertson. Robertson told *The National* in Kokopo recently that they wanted to make sure that when the mine ceased operations, people in Simberi and the rest of the Tabar group of Islands would be in a better place. "It is important for us to create a sustainable future for our host communities of Tabar, New Ireland and PNG," he said. Robertson said St Barbara had five company commitments to build stronger communities and to help communities grow and prosper. "With the achievement on the finished cocoa product the Tabar Islands chocolate, we've built meaningful relationships, as highlighted through this story, investing time and energy to ensure local communities are enriched," he said.

Robertson said the people of Tabar had produced their first chocolate and proved that they were capable of handling the crop from planting and harvesting to drying and packing. He said the management of the mine had sustainable development programmes to help and guide the farmers in all stages of cocoa planting and production. Robertson said cocoa was a delicate crop that required high rainfall, the right temperatures to flourish and needed suitable trees to give it shade and protection from the sun and winds. He said the work was hard but rewarding as they had seen now with Tabar's first chocolate product. Robertson said New Ireland Governor Sir Julius Chan and Namatanai MP and Tourism, Arts and Culture Minister Walter Schnaubelt were supportive of the cocoa industry being revived in the province. Sir Julius encouraged St Barbara to continue collaborating with the community and the Government for more sustainable development for opportunities the people.

## **Sofinor says it is developing a new bid on Vale's New Caledonian plant**

*The financial arm of New Caledonia's pro-independence Northern Province says it is still in the running to make an offer on the Vale nickel plant despite the loss of a major investment partner.*  
Radio New Zealand on 9 December 2020



This file photo taken on May 27, 2015 shows Brazilian Vale's nickel processing plant. Photo: AFP

Sofinor has announced its intention to put forward a new bid with a new partner following the shock withdrawal of its former partner, South Korean company Korea Zinc. Sofinor project manager Ulrich Reber said the terms of the new partnership would be similar to the partnership with Korea Zinc. That included a 56 percent shareholding by New Caledonian interests and 44 percent by the international partner. Groups supporting Sofinor are continuing to protest and set up blockades around the country. They are against the involvement of Trafigura, a Swiss-based commodity trader, in the Prony Resources consortium that is currently in exclusive negotiations with Vale.

After weeks of tension, Vale agreed last week to defer signing an agreement on the sale. However, it has warned that it will shut the plant at the end of the month if it does not have a buyer. There are around 3000 jobs at stake. Meanwhile, the pro-independence group FLNKS, has announced that it will boycott all future meetings with the French government. This includes a meeting via video link with the French overseas minister Sebastien Lecornu, scheduled for later this week. The meeting will discuss the nickel sector in relation to New Caledonia's institutional future. Disagreements over the sale discussions led to [widespread blockades and riots in Noumea on Monday](#). Dozens of people were arrested and several police officers were injured.

## **Closure of mine result in local firms losing K111mil**

December 9, 2020, The National Business

LOCAL contractors in Porgera have lost around K111 million over the last eight months since the Porgera mine shut down, according to the Porgera Chamber of Commerce and Industry (PCCI). President Nickson Pakea told The National that there were around 136 local contractors in the area that provide heavy equipment parts, servicing and support. He said businesses in the area were feeling the pinch of the mine's closure. Pakea said the Government needed to look at alternative arrangements to open the mine as soon as possible. "The mine shutdown has affected these businesses in a very big way and we are actually feeling the pinch," he said. "We have 136 local contractors, that's a composition of contractors supplying heavy equipment.

“We also have other micro small to medium enterprises that benefit from the mine and local contractors apart from the national contractors. “We have lost about K111 million over the last eight months. “In Porgera, we only have mining which is our lifeline so when the mine shut down everything went down. We have been depending on the mine in terms of power, roads other basic services.” Pakea urged the Government to look into and find ways to resolve landowner issues. He welcomed the indication by the Government to open the mine next year but urged it to look at ways to open the mine before then. The chamber acknowledged the Government assistance of K10mil to the trucking industry last week.

### **Bidder for New Caledonia's Vale nickel plant pulls out**

*The South Korean company Korea Zinc has pulled out of plans to bid for the Brazilian-owned Vale nickel plant in New Caledonia. Radio New Zealand on 8 December 2020*

Korea Zinc has been the partner of Sofinor of the Northern Province, whose joint bid for the asset had earlier been rejected by Vale. The planned sale of the Vale plant to a new consortium Prony Resources had, however, been contested by Kanak groups and pro-independence parties who insisted on the Sofinor bid. After weeks of protests, two roundtables organised by the French government last week were meant to explore the two options further. Disagreements over the sale discussions led to [widespread blockades and riots in Noumea yesterday](#). Dozens of people were arrested and several police officers were injured.



The police intervene to remove the roadblocks Photo: AFP

Korea Zinc, which had failed in getting access to the Vale site for a due diligence assessment, has now pulled out. Vale has said it will shut the plant in a few weeks if a sale fails, which could trigger thousands of job losses. Vale has lost billions with its New Caledonia plant, which is the region's costliest industrial installation.

### **Macron urged to intervene in New Caledonia's Vale crisis**

*Radio New Zealand on 7 December 2020*

The French president Emmanuel Macron has been urged to intervene in New Caledonia's difficulties over the planned sale of the Brazilian-owned Vale nickel plant. An appeal has been lodged to

him by the territory's members of the French legislature as well as the president of New Caledonia's Congress, who have warned of an imminent political, economic and social crisis.



French President Emmanuel Macron takes part in a ceremony on the New Caledonia island of Ouvéa. His visit to the island, the scene of a 1988 hostage crisis, was contentious. Photo: AFP

Vale has held off finalising a sale after the French overseas minister last week organised roundtable discussions via videolink with those for or against the deal with a new consortium Prony Resources. Opponents, who want Vale to instead accept a bid by the Northern Province's Sofinor and its partner Korea Zinc, clashed with police who broke up a roadblock near the Vale site at the weekend. Vale has said it will shut the plant in a few weeks if a sale fails, which could trigger thousands of job losses. Vale has lost billions with its New Caledonia plant, which is the region's costliest industrial installation.

### **Ramu: Landowners want mine shut**

December 7, 2020, The National

THE Madang government and landowners have filed a court case against the operator of the Ramu Nickel Mine, Ramu Nico Management (MCC), seeking orders to close the mine and claim damages in excess of K18 billion. The 14 landowners named as plaintiffs in the proceedings represent the people of Rai Coast, Astrolabe Bay and Sumkar. They are asking MCC to pay K1.6 million to Madang government as special damages. Waigani National Court judge Justice Polume Kiele on Friday granted leave to the State and Conservation and Environment Protection Authority (Cepa) to join the proceedings as defendants. Both parties are represented by Solicitor-General Tauvasa Tanuvasa. Tanuvasa informed the court that it was necessary for the State to join proceedings because it had the authority to refuse or grant mining licences, environmental permits and mine closures if any pursuant only to proper and legitimate investigations and recommendations by relevant state agents such as Cepa. The landowners alleged that Ramu Nico's disposal of tailings via the mine's deep sea tailings placement (DSTP) system was unauthorised and unlawful.

This was because in Nov 7, 2007, the Environment and Conservation director ignored recommendations for a further environment impact assessment regarding whether the risk of the proposed DSTP was acceptable. Without further investigation and an amended environmental permit, the director allowed the construction and operation of the DSTP system. In 2010, the National Court granted an interim injunction to restrain the operation of the DSTP, but not its construction. The same court then found that to permanently restrain the operation of DSTP, the economic consequences to MCC

and Madang communities would be highly damaging. The court previously ordered that the landowners needed to be consulted and kept informed by MCC on tailings and waste disposal issues concerning the mine on a quarterly basis. The landowner alleged that MCC never complied with the court order. According to the Ramu Nickel environment plan 1999 approval, the MCC dumped or ought to have dumped five million tonnes of hot tailings into Astrolabe Bay each year.

### **MPs call for investigation into gold mine's funds**

December 7, 2020, The National

FOUR Enga MPs have called for an investigation into funds from the Porgera gold mine received by the provincial government over the past 30 years. According to an earlier statement by the operator Barrick Niugini Ltd, the mine had contributed more than K4 billion in tax and excise revenue to the State since it began. In a joint statement yesterday, the four who represented Lagaip-Porgera, Wapenamanda, Kompiam-Ambum and Kandep, reiterated their joint call for an independent commission of inquiry into proceeds from the mine to the Enga government. They raised questions about substantive revenue loss and its impact arising from and closure of Porgera mine when global gold prices were at premium.

In response to their collective statement of concern, Enga Governor Sir Peter Ipatas had responded with what the four MPs claimed was derogatory and insulting comments. Lagaip-Porgera MP Tomait Kapili, Kandep MP Alfred Manase, Kompiam-Ambum MP Sir John Pundari and Wapenamanda MP Rimbink Pato condemned without reservation Sir Peter's statement reported in this paper last month. Sir Peter had labelled the MPs "small boys", stating that they should not "question his leadership", essentially dismissing their concerns. In their statement yesterday, the four said: "We are not small boys. We are educated, mandated leaders of four electorates of Enga. Sir John had been in Parliament for 25 years. He's an experienced businessman, having been in full employment before contesting the elections – properly qualified as a business manager."

### **Barrick Niugini files appeal**

By KARO JESSE, December 7, 2020, The National

OPERATOR Barrick Niugini Ltd (BNL) has filed an appeal for rectification of the register of tenements that amend the boundaries of special mining lease 11 (SML 11) on which Porgera Gold Mine in Enga. BNL filed the appeal against Mineral Resources Authority (MRA) managing director Jerry Garry, the registrar of tenements, MRA, Kumul Mineral Holdings Ltd (KMHL) and the State. The appeal concerns a decision by Garry made on Oct 1, to rectify the register of tenements to amend the boundaries of SML-11 so that such tenement is situated "wholly within the former boundaries of now expired SML 1". BNL, former operator of Porgera gold mine, was the licence holder of SML 1 then. Its application for extension of that SML was rejected by the State last August. The new SML 11 over operation of the Porgera Mine was granted to KMHL by the State. Through the court documents obtained by The National, BNL contends that Garry erred in that he should have found that KMHL had not made a valid application for SML.

### **Tension eases following second round table on Vale sale**

*In New Caledonia, tension surrounding the sale of the Vale nickel plant has eased following a second round table discussion by key political, traditional, and institutional players.*

Radio New Zealand on 4 December 2020



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 talks aimed to find a solution to months of tension which began when a bid by Sofinor, from the pro-independence Northern province in partnership with Korea Zinc, was rejected by Brazilian-owned Vale. Vale is in exclusive negotiations with Prony Resources, a consortium comprising of Swiss-based Trafigura and various New Caledonian backers. For several weeks now, supporters of the Sofinor bid have organised protests around the country including strikes and blockades. Participants at the round table talks, organised by the French Overseas Minister Sebastien Lecornu, have identified a number of key points for further discussion. The key points included the New Caledonian shareholding, industrial partnerships, an assessment of the Vale plant by Korea Zinc, and the publication of an expert report on the tailings dam at the Vale plant site. The success of the agreement depends on whether Vale and Prony Resources are willing to delay signing an agreement on the sale. Vale was set to announce its decision on the sale shortly. Supporters of the Sofinor bid have agreed to suspend all protest actions for the duration of the discussions.

### **Society, forum oppose sand mining**

December 4, 2020, The National

THE Catholic Professional Society in association with community rights advocacy forum are supporting the opposition to the proposed sand mining in Madang. President Paul Harricknen said as a faith-based organisation, the call to support the opposition to the proposed sand mine was based on their social teachings. He said reasons include the lack of a free, fair and prior informed consent from the landowners and other stakeholders of the proposed tenement area in Sumgilbar local level government, Sumkar. Harricknen said there was no policy and specific law to guide sand mining in the country. "In the absence of policy, the State cannot grant a licence for sand mining without a specific law for it," he said. "We have the Mining Act, and the traditional form of mines that we have are covered by the Mining Act. "There is no clear policy on sand mining and the law is built on policy, in the absence of policy, we can't say that there is law." Harricknen said there was a conflict of interest with the Conservation Environment Protection Authority (Cepa) who had approved the project. "There is already a Cepa-approved conservation area along the same stretch of land. It cannot allow for both conservation and mining on the same land."



## **French overseas minister to organise political round table on sale of Vale nickel plant**

*The French overseas minister, Sebastien Lecornu, will organise a round table with New Caledonia's political leaders on the sale of the Vale nickel plant.*

Radio New Zealand on 30 November 2020



Sebastien Lecornu at New Caledonia House in Paris. Photo: supplied FB French Overseas Ministry

The minister's announcement follows weeks of tension surrounding exclusive negotiations between Brazilian-owned Vale and Prony Resources, a consortium comprising of Trafigura, a Swiss-based commodity trader, and various New Caledonian backers. While the Prony Resources bid has received significant support from anti-independence groups in the Southern province, it has been rejected by pro-independence groups. The pro-independence groups are supporting a bid by Sofinor, the financial corporation of the pro-independence Northern province, in partnership with Korea Zinc.

Pro-independence parties have called for France to intervene in the negotiations with Vale. Vale had dismissed the Sofinor-Korea Zinc proposal saying it did not present the required financial and environmental guarantees. However, Sofinor said it was denied access to the nickel plant and to critical information from Vale in order to conduct due diligence and put forward a comprehensive bid. On Thursday, Mr Lecornu and New Caledonia's pro- and anti-independence political leaders met to discuss New Caledonia's institutional future. However, two members of the pro-independence Caledonian Union walked out of the meeting citing France's refusal to consider its demands regarding the sale of the Vale nickel plant.

## **Govt's position on Porgera mine historic decision: Duma**

November 30, 2020, The National

THE Government's stand on the Porgera Gold Mine issue will turn out to be one of the best decisions made by any government since independence, Commerce and Industry Minister William Duma says. He said he had concerns about the delays in managing Porgera issues but the end was in sight for Porgera. Duma told a press conference at a resort outside Port Moresby on Friday: "I'm pleased to be able to say that after having being briefed and after having seen the hard work led by the State negotiating team with the guidance and oversight of the PM, we are on track and the end is in sight for Porgera. "Very soon we should be able to have a big turnaround. "I commend our PM for his leadership. "He has been criticised mostly unfairly by those prophets of doom, by those who do not have the interest of our country.

“Are they saying that we will continue to be rent collectors although we own the resources? “Gold is ours. For 25 years we allowed foreigners to harvest those resources and to share them with us. “Whether they share them with us fairly and whether they pay their taxes honestly is a matter for determination by another forum. “But it’s about time we made the decision to take control of our resources. So we’re in the driver’s seat so we’re able to develop and commercialise our own resources for the benefit of our own people.” Duma urged people to be impartial when commenting on political issues of national importance. “The people of PNG, especially the educated elites, must be impartial in politics. “They have elected members representing them in Parliament. Let them play the game, remain impartial, assess issues in an impartial manner.”

**Barrick: Statement incorrect**

November 30, 2020, The National

BARRICK Niugini Ltd (BNL) says a statement titled “Fact check –Porgera’s Company Taxes” issued by Treasurer Ian Ling-Stuckey on Saturday is incorrect. BNL disagreed with the premise of the calculations used by Ling-Stuckey in making his assertions regarding “missing” financial benefits for the country through the operation of the Porgera mine, particularly with the company tax payments. BNL said it had always administered its financial affairs – including the calculation of its tax obligations – in accordance with the PNG laws. “Any assertion to the contrary is incorrect,” the company said in a statement. “As the Treasurer noted in his statement, company tax obligations are calculated using a range of variable costs and inputs – variables that the Treasurer does not quantify or consider in making his assertions.

“Examples of such variables would include significant expenditures on plant and equipment, and mine development costs – all of which are legitimate business expenses for the purpose of calculating company tax obligations. “Further, the company rejects any insinuation that 2019 tax payments by Barrick Niugini Ltd have been manipulated to coincide with the timing of processes relating to BNL’s application to extend the Porgera Special Mining Lease. “In fact, contrary to his most recent statement, in March of this year, the Treasurer himself welcomed BNL’s initiative to pay tax in advance as a way to help the Government’s fiscal situation, held up BNL as an exemplary corporate citizen and urged other companies to follow its example.” Ling-Stuckey issued a statement at that time saying he commended Barrick Niugini Ltd for contributing K59.3 million to the Government as a forward payment of its taxes. Ling-Stuckey commended the business community for understanding the challenges faced by the Government in delivering goods and services when cash-flow targets were not met. He had said Barrick had shown that the private sector wanted to assist in improving efficiency of service delivery by making funds available.

**Sir Peter tells MPs not to question his leadership**

November 30, 2020, The National

ENGA Governor Sir Peter Ipatas has called on the four MPs in the province not to question his leadership and what he is doing with the funding support from Porgera mine or other sources. He was responding to comments made by Rimbik Pato (Wapenamanda), Sir John Pundari (Kompiani-Ambum), Alfred Manase (Kandep) and Tomait Kapili (Laigap-Porgera) on how funds for the Mineral Resource Enga Ltd were used since Porgera mine started operation 30 years ago. Ipatas said “small boys” cannot question what he was doing as Enga was the fastest developing province in the country. He said: “Ol liklik mangi mas noken askim mi long wanem samting mi wokim long hia long provins (Small boys should not question me about what I’m doing for the province)”. Sir Peter urged the MPs to return to the Government because Prime Minister James Marape had been making positive decisions for the province by taking back Porgera mine.

He said the Government was negotiating over the 51 per cent to 49 per cent share with Barrick Niugini Ltd and this was what it was going to be. Sir Peter said 51 per cent was supposed to be for the country while Barrick should have a 49 per cent stake. “For the last 30 years, billions of kina have been taken out and now this Government is doing good for the people of Enga to negotiate for a 51-49 split,” he said. “Are the four leaders in Vanimo camp trying to talk on the people’s interest or are they fighting for their personal interest?” Sir Peter said funding from Mineral Resource Enga Ltd through the Porgera mine royalties was put into developing the province’s human resource. “Also look at the developments that are taking place and the modern Enga and how this province is progressing, this is where Mineral Resource Enga is at work,” Sir Peter said.

### **Madang’s North Coast communities to file court proceeding against sand mining**

Post-Courier, November 29, 2020

The fight against sand mining by communities along Madang’s North Coast just got real as Sir Arnold Amet, the former Madang Governor prepares to apply for an interim court injunction. Sir Arnold informed more than 1000 villagers gathered at a public forum in Tokain last Friday 27 September that he will apply for an interim court injunction at the Madang National Court on Tuesday next week on the issuance of Exploration License to Niugini Sands Ltd. He is seeking a court order for MRA Tenement Manager and Registrar and it’s Managing Director to conduct further Warden Hearings in the Sumgilbar LLG. This follows a response from Mr. Stanley Nekitel MRA Tenement Manager and Registrar to MAKATA’S second Objection Letter received on Friday 27 November rejecting community based organisations Makata STRP (representing communities) recommendation to return to Sumgilbar LLG and conduct another Warden Hearings.

In their second Objection Letter to Mr. Nekitel that the Warden Hearings held on 23 September did not reach out to the 10,500 plus people of Sumgilbar living along a stretch of more than 38 square kilometres of the proposed tenements area to be explored for sand mining. They are therefore asking MRA to conduct further Warden Hearings to meet our Constitutional rights under Section 57 for a fair, free, and prior informed consent in the exploration of sand in the proposed tenements area. Mr. Nekitel in his response rejected the communities recommendations and said they will go ahead and submit their report to the Mining Advisory Council (MAC) arguing that they have met all necessary requirements and that there was no need for further Warden Hearings.

Sir Arnold informed the villagers about MRA’s response which triggered a outcry of anger and a demand on a total ban on sand exploration and mining on their black sandy beaches. Sir Arnold has started collecting affidavits from Ward Members at Tokain, Mirap and Karkum at the forum which he will use in his submission to the National Court. Tokain village is situated about 90 km north west from Madang town. Tokain village was identified by the Niugini Sands Ltd the company applying for Exploration License to mine sand in the Sumgilbar LLG starting from Murunas to Malas as its epicentre should the company secure its Exploration License and begin their mining activities. Sir Arnold has volunteered to represent the communities as their legal counsel using his own time and resources to defend their beach front which has sustained their main livelihoods providing food, tourism, amazing marine life and cultural identify for a long time. This is the fight for their lives against the destructive and negative impacts of extractive industry for now and the future.

### **Wafi Golpu negotiations did not involve Morobe provincial government**

Post-Courier, November 24, 2020

The Wafi Golpu project negotiation took the government almost 18 months to get things done correctly. This is because from the start all the negotiations did not involve the provincial government

and the landowners. Prime Minister James Marape said this recently when announcing in principle the granting of the environmental permit for the Wafi Golpu project to be developed in the Morobe province. He said it has taken 18 months for his government to arrive at a decision as they wanted to do things properly from the start. Mr Marape also apologised to stakeholders and developers (Harmony and Newcrest) for the delay. He apologised for any stress this may have caused in the process of negotiations and eventually, leading to the granting of the environmental permit. “Our country is littered with many experiences in which landowners and provincial governments have always been left behind in full participation in all projects negotiations.

“So far, the last 18 months, the National Government has given adequate time and opportunity to hear our Morobe Provincial Government and our range of landowners including those living along the precinct or the footprints of the Wafi Golpu project,” he said. He said the first 18 months was too long as far as securing funding for the project is concerned, but the investment would run into the next 40 or 50 years, so it was essential for wider consultation with the project landowners and the provincial government. “Getting it right and done in the correct way from the start is fundamental and important and when we have community issues like the deep sea waste disposals, community issues like social mapping for the landowner identification process, then my government will listen seriously to their concerns. “We have reached an understanding with the Morobe provincial government to advance the project through the signing of the approval in principle the environmental study impact statement for the Wafi Golpu project.

“We will take every issue raised and move into the next stage which will be granting of the SML, negotiations for the mining development contract between the state, the developer and the MoU with relevant stakeholders including Provincial Government, relevant landowners, local governments, developer, state as well as those in the identified environmental footprint area. “My Government will not keep the people and the provincial government at the backend of any decision and engagement with the investors. And in the 2021 Budget we’ve allocated a substantial amount of money to the Morobe Provincial Government, to the landowners and we will work together with everyone to prepare for the mine production. “I believe we should have talked with our landowners and the provincial government right through from day one, instead of leaving them behind and bulldozing the project agreement from the top. This caused a disaster for our country and the Bougainville Paguna Copper mine shutdown is one example where the landowners and the provincial government interests, grievances and pains were not advocated properly right from the start.” Mr Marape said.

### **Govt signs environmental statement for mine project**

By HELEN TARAUA, November 20, 2020, The National

THE Government yesterday signed an environmental impact statement approval for the K18 billion Wafi-Golpu project after an agreement with the Morobe government to start moving the project forward. Prime Minister James Marape said the signing would enable the granting of a Special Mining Lease (SML) and negotiations for a mining development contract between the state, developer and stakeholders. “We are moving this project and heeding the call of Morobe Governor Ginson Saonu and the people on the possibility of a tailings storage facility,” he said. “It is time for us to sit with every party and open dialogue again.” Marape said the Government and Morobe government would consider options which were economically viable and for the best mine waste disposal method.

The Government will have a 50-50 arrangement to sponsor feasibility studies on some of the issues the Morobe government had raised. It includes the bulk sampling of mine waste tailings over an extended period of at least three years. There will be testing of mine waste to determine the presence of gold and copper minerals and to determine best technology available in extracting the residuals.

“The testing would be to see if there are any opportunity to make business out of them and determine the type of terrestrial waste facility that is suitable,” he said. “Gold bullion discussions will grow bigger and provincial government has put proposal for business opportunity in that space.”

### **Miner: Deep sea tailings placement safe for project**

November 23, 2020, The National

THE Wafi-Golpu Joint Venture (WGJV) says it is confident the deep sea tailings placement (DSTP) is the safest and most environmentally and socially responsible tailings management solution for the project. WGJV welcomed the approval in principle by the Minister for Environment, Conservation and Climate Change Wera Mori of the proposed activities under Section 59 of the Environmental Act. “Securing the minister’s approval in principle has involved a rigorous process of environmental impact evaluation and is a significant milestone in the permitting of the Wafi-Golpu project,” it said in a statement. “WGJV is aware that concerns have been expressed within the community regarding deep sea tailings placement as a tailings management method.

“On the basis of industry leading scientific studies, WGJV is confident that it is the safest and most environmentally and socially responsible tailings management solution for the project. “DSTP is not predicted to affect the coastal environment, productive surface waters, community health or fisheries. “However, landowners or locals are against the sea-based system, preferring a land-based dump. WGJV said it was keen to meet with community leaders to address their concerns and to discuss participatory monitoring programmes with communities in the project impact area. “WGJV looks forward to completion of the environment permitting process under the Environment Act and to the resumption of engagement with the State’s negotiating team with a view to progressing the permitting of the project under current legislation.”

### **Backes defends Vale's New Caledonia plans**

Radio New Zealand on 19 November 2020

The president of New Caledonia's Southern province has hit out at the pro-independence parties' campaign to try to thwart the sale of Vale's nickel plant. In an open letter, Sonia Backes said the bid by Prony Resources was a New Caledonian one and opponents should desist being hypocritical.



Sonia Backes Photo: Facebook

The Kanak chiefs and pro-independence parties object to the Prony Resource bid, in part because it includes a Swiss trading company as a 25 percent stakeholder. Vale rejected a rival bid by Sofinor of the Northern province, with Backes saying it was made because the Northern province wanted the assets of the Southern province. After days of demonstrations, she said if the blackmail continued she could also organise a crowd to save the 3000 jobs which the pro-independence side was prepared to sacrifice. Meanwhile, New Caledonia's members of the French legislature issued a joint appeal for mediation by Vale. They said Vale employees were very worried about the negative climate both economically and politically as well as in terms of public order.

### **Govt signs environmental statement for mine project**

By HELEN TARAWA, November 20, 2020 The National

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Marape said the Government and Morobe government would consider options which were economically viable and for the best mine waste disposal method. The Government will have a 50-50 arrangement to sponsor feasibility studies on some of the issues the Morobe government had raised. It includes the bulk sampling of mine waste tailings over an extended period of at least three years. There will be testing of mine waste to determine the presence of gold and copper minerals and to determine best technology available in extracting the residuals. “The testing would be to see if there are any opportunity to make business out of them and determine the type of terrestrial waste facility that is suitable,” he said. “Gold bullion discussions will grow bigger and provincial government has put proposal for business opportunity in that space.”

### **New Caledonia rallies oppose Vale sale**

*Rallies are taking place across New Caledonia to oppose the planned sale of the Vale nickel plant to a new consortium, Prony Resources.* Radio New Zealand on 18 November 2020



Seat of government in Noumea Photo: RNZ Walter Zweifel

Traditional leaders and the pro-independence Kanak and Socialist National Liberation Front reject the sale plan and instead want Vale to negotiate with Sofinor. Protesters blocked access to the Vale mine site and continue to block the port of Noumea in defiance of a court order to keep access free. Today's rallies are to be followed by a territory-wide day of protest on Friday. The French government and the regional local body support Vale's negotiations with Prony Resources, whose stakeholders include a Swiss-based commodity trader. Vale had rejected the Sofinor bid and the French overseas ministry said the offer by Prony Resources is the only viable option it knows of. Yesterday, police used teargas to disperse a crowd trying to block access to the seat of government in Noumea.

### **Marape dispels rumours**

November 18, 2020, The National Business



PRIME Minister James Marape has urged Papua New Guineans not to believe allegations that Barrick Niugini Ltd is involved in local politics. He said this on Sunday night after meeting a Barrick team led by president Mark Bristow in Port Moresby regarding the Porgera Gold Mine in Enga. “Barrick is not involved in local politics, ExxonMobil is not involved in local politics and Total is not involved in local politics,” Marape said. “Let’s all leave our local partners out of (accusations of being involved in) local politics. “None of our foreign investors are involved in local politics.” Bristow said his team had not met with anyone else other than Marape, several ministers, Enga Governor Sir Peter Ipatas, the State negotiating team and the Porgera landowners. Marape assured Barrick and other international investors that while his government was pursuing a nationalistic view on resources, they were doing so professionally and competently.

“Of course, you know, some of us have our strict, nationalistic view on resources, but our investors must also understand that we have not been reckless. “There is space for them to make a profit.” He said allegations that some investors were funding the Opposition camp in its move to change Government were untrue. Marape said Mining Minister Johnson Tuke, Enga Governor Sir Peter Ipatas and himself had had good discussions with Barrick. He said a better deal was being finalised that would benefit landowners, Enga government and the country. “If we reopen the mine 100 per cent, we’ll be looking for investors to partner us in covering for the cost of reopening,” Marape said.

“Instead of shopping for next investors outside, Barrick has operated here, Barrick has expressed interest in operating Porgera for the next five, six or 10 years. “Present discussions are going on in

that space. “Barrick, so far, has honoured all our principles to date including better hire for landowners, State not giving indemnity for any perceived environmental damages, including us honouring all outstanding issues from Porgera.” Marape said negotiations had progressed well and both parties had delayed their court action. “We’ve frozen all court activities and we’ve entered into discussions with Barrick led by their principal CEO Bark Bristow, and of course, I’m assisting the State negotiating team as far as the Porgera negotiation is concerned.”

### **Sumgilbar people want extension of warden hearing about sand mining**

BY TREVOR WAHUNE, Post-Courier, November 18, 2020

The people from Sumgilbar LLG in Madang Province have filed a letter giving notice to the Mining Minister and mineral resource authority (MRA) to conduct further warden hearings to gauge people’s views about a sand mining exploration along their coastline. They argue that many villagers have missed out due to the rush of on wardens hearings. Former Chief Justice Sir Arnold Amet raised this at a press conference on Monday after issuing an objection letter to MRA for an application styled E.L. No.2664, by Niugini Sands Limited, the company applying to conduct explorations be put on hold. He said villagers along their coastline were not aware of what were discussed at the two warden hearings in September. According to the letter the people of Sumgilbar made a late application for objection on September 22, after they noted from details contained in the gazettal notice of September 3. The notice was sent to the Sumgilbar district office dated September 1, stating that the deadline for objections be filed by September 9, and that warden hearings were to convene on September 23 at Talidig police station and Tokain village at 2pm. “We understand that the application is with the technical team and yet to go before the mining advisory council, for its consideration and recommendation to the minister.

The letter also made specific requests that the application review areas where it was lodged with the registrar of tenements Stanley Nekitel. The registrar only noted September 1 and fixed the date for the filing of objection on September 9. The deadline indicated for the registering of objections was too short for any awareness and notice to be given to landowners to register objections and the scheduled dates of wardens hearing was too short as Sumgilbar was a large area to cover. “The area in the map indicates that it covers 38 square kilometers and will potentially affect 10,563 people. The two warden hearings were also stationed many kilometers apart. “In our opinion, these circumstances and facts demonstrates that the important statutory requirements of the Mining Act section 108(1) for the warden to conduct sufficient number of hearings in other locations will afford a fair hearing to the applicant and the land holders who will be affected by the Niugini Sands Ltd programs and proposals has not been complied with,” Sir Arnold said. He was accompanied by Makata NGO director Wenceslaus Magun.

### **Deal waiting for decision**

By CLARISSA MOI, November 17, 2020, The National

THE revised memorandum of agreement for the Ramu NiCo project in Madang is awaiting the resolution of challenges and issues affecting landowners, according to the Mineral Resources Authority (MRA). Managing director Jerry Garry told The National that the memorandum of agreement was signed in 2013 for a five-year term. It was due for review last year. He said the authority started work on the review in 2018 by sending notices to stakeholders. But it did not receive any response. Garry said the election of the landowner association executives was conducted last year. “However, landowner association Basamuk, Inland and Kurumbukari (KBK), took the MRA to court and the proceedings took almost the entire year,” he said. The court decision was in favour of the MRA and



the election was completed by last December. “In 2020, the Basamuk and Inland Pipeline (landowner association) matters went before courts again, this time, on leadership.

“Given these challenges and issues affecting our landowners, the revised MoA review is still pending,” Garry said. The US\$2.1 billion (K4.08bil) Ramu nickel project near Madang is one of the largest and most ambitious mining and processing projects in the past decade. Construction was completed in 2012 and the plant had since been progressively brought into production. The Kurumbukari nickel and cobalt laterite mine is connected by a 135km pipeline in the Kurumbukari plateau to the Basamuk processing plant east of Madang town, along the Rai Coast of the Vitiaz Basin. The Ramu mine and Basamuk processing plant are a joint venture between the Highlands (8.56 per cent), the Government and landowners (6.44 per cent) and Metallurgical Corporation of China (MCC) Ramu NiCo Ltd (85 per cent).

### **New Caledonian police clear roads but more Vale protests planned**

*Police in New Caledonia have cleared some road blocks in the Noumea area by groups opposed to the planned sale of the Vale nickel plant. Radio New Zealand on 16 November 2020*



Vale's plant in Goro Photo: AFP PHOTO / FRED PAYET

The protest action is aimed at thwarting Vale's attempt to sell its nickel plant to a new consortium, Prony Resources, which includes a Swiss-based commodity trader Trafigura. Instead Kanak chiefs and pro-independence parties want Vale to sell its assets to Sofinor of the Northern Province, which has a partnership with Korea Zinc. However, Vale said the bid by Prony Resources was the only one on offer to be considered. Vale's call for talks with the protesters has been rebuffed, with them saying they want negotiations with the French government. Sale opponents blocking access last week have vowed to apply pressure all week, with a rally to be held at the end of the week. In September, Vale's planned sale to New Century Resources of Australia failed, prompting the Brazilian owner to warn of the site's closure if no buyer was found by the end of October. The Vale plant is a key employer in the very south of New Caledonia's main island.

### **Vale again hit by New Caledonia protests**

Radio New Zealand on 14 November 2020



New Caledonia nickel mine Photo: AFP

There have been more protests in New Caledonia over the planned sale of the Vale nickel plant to a new consortium, Prony Resources. Opponents have again blocked road access to the plant in the south of the main island and attacked the ferry used to transport staff from Noumea to the plant at Goro. Protesters also blocked access to the port of Noumea. Local Kanak chiefs as well as pro-independence leaders have vowed to set up more road blocks next week to thwart the sale. Vale said it won't be dictated by those who use intimidation and violence while the government of the Southern Province has also denounced the protest action.

The sale plan, which was announced last week, involves exclusive negotiations between Vale and Prony Resources, which have the backing of both the French government and the government of the Southern province. Opponents want the plant to be sold to Sofinor of the Northern Province while Vale says the Prony Resources bid is the only one on offer. Prony Resources is to be half-owned by New Caledonian interests and includes a 25-percent stake by a Swiss commodity trader Trafigura. In September, Vale's planned sale to New Century Resources of Australia failed, prompting the Brazilian owner to warn of the site's closure if no buyer was found by the end of October. The Vale plant is a key employer in the very south of New Caledonia's main island.



Protest in Noumea over planned sale of Vale nickel plant Photo: supplied FB Instance Coutumière

## **Mori requests for funding to clean up cyanide at gold mines**

November 13, 2020, The National Business

ENVIRONMENT and Conservation Minister Wera Mori says he has written to Prime Minister James Marape to allocate funding in the 2021 budget to clean up cyanide in the river system at the Wild Dog gold mine in Sinivit, East New Britain. Mori said this in Parliament yesterday when responding to questions from ENB Governor Nakikus Konga on the mine that an aerial surveillance would be done to scope out how the cyanide would be removed. "Cyanide is not an ordinary waste, it is very toxic and so we need to do an aerial surveillance so that we will work out how much it will cost to remove the waste up at Wild Dog (mine)," Mori said. "It is unfortunate that it is a major problem because we have cyanide waste exposed. "Unfortunately, the Neng makta creek that basically feeds into the Warangoi river system is a small creek and so it is not able to dilute (the cyanide) to the extent that we can expect it to be safe." Mori said he had raised it with Marape and other relevant ministers on the need to allocate money in the 2021 budget to clean up mines at Sinivit and Tolokuma in Central.

## **Vale access disturbed by New Caledonia sale opponents**

*Reports from New Caledonia say security forces intervened this morning to allow a ferry to take employees of the Vale nickel plant from Noumea to Goro.*

Radio New Zealand on 12 November 2020

The plant is up for sale and local Kanak chiefs as well as pro-independence parties object to it being sold to a consortium Prony Resources. The sale plan, which was announced last week, has led to more protests as opponents want the plant to be sold to Sofinor of the Northern Province. Vale has rejected the Sofinor bid and until early December it will negotiate exclusively with Prony Resources, which has the backing of both the French government and the government of the Southern province. Prony Resources is to be half-owned by New Caledonian interests and includes a 25-per cent stake by a Swiss commodity trader Trafigura. In September, Vale's planned sale to New Century Resources of Australia failed, prompting the Brazilian owner to warn of the site's closure if no buyer was found by the end of October. The Vale plant is a key employer in the very south of New Caledonia's main island.

## **No permit issued to dredge mouth of Fly River, Tuke says**

November 12, 2020, The National

THE Mineral Resources Authority has not given any permit or license to dredge the mouth of the Fly River, says Mining Minister Johnson Tuke. Kandep MP Alfred Manase asked him in Parliament whether a permit had been issued to the Hong Kong Finance Commercial Group Ltd to dredge the mouth of the Fly River and ship sediments to Hong Kong. Tuke said no permit had been issued because there was no policy on the mining of limestone, quarries and sand. "I have instructed my department to develop a new policy for sand and mineral including quarries," Tuke said. Manase said sediments at the mouth of the Fly River which had built up from mine waste from the Ok Tedi Mining Ltd were rich in minerals. The Hong Kong Finance Commercial Group Limited is expected to clear out the sediments which it will ship to Hong Kong. Environment and Conservation Minister Wera Mori had told parliament earlier that any commercial arrangements on the sediments would have to be done with the OTLM. "If there is going to be any commercial indications, that is something the Western government can take up with the management of Ok Tedi which is covered under the Ok Tedi supplementary agreement and deliberate with," Mori said.

## **Palt amends six project laws**

By HELEN TARAWA, November 12, 2020, The National Business

PARLIAMENT yesterday passed six Papua LNG Project related amendment bills that were introduced last October. Petroleum Minister Kerenga Kua, who introduced the bills, told Parliament that the Papua LNG project Gas agreement signed on April 19, 2019, committed the State of various fiscal and other concessions for which the laws needed to be enacted to give full effect. Kua said Parliament had passed 10 Papua LNG related bills on Oct 16, 2019 and were certified by Speaker on Dec 23 the same year. However, he said three of those Acts contained grammatical errors which substantially changed its meaning. They include:

- Income Tax (Papua LNG Project) (Amendment) Bill 2020;
- Stamp Duties (Papua LNG Project) (Amendment) Bill 2020; and,
- Insurance (Papua LNG Project) (Amendment) Bill 2020.

These are the exact legislative amendments specified in Schedule 6 of the Papua LNG Gas Agreement which were necessary to rectify the mistakes in the principal acts so there is uniformity in Papua LNG (Amendment) Acts and the Papua LNG Gas Agreement. The Acts need to come into operation at the same time the corresponding amendment acts passed in 2019 coming into operation such that the acts with errors were immediately corrected. Kua said the Papua Gas Agreement also provided for two per cent “production levy” which was an additional benefit apart from the traditional royalty, equity and development levy. He said to enable this gain to be effectively implemented and its benefits realised, there needed to be necessary amendments to the Oil and Gas Act (1998) and Income Tax Act. Kua said Parliament had to pass the following bills to give effect to the two per cent production levy provision contained in the Gas Agreement.

- Oil and Gas (Papua LNG Project Production Levy) Amendment) Act 2020, and;
- Income Tax (Papua LNG Project Production Levy (Amendment) Act 2020.

He said last November Parliament enacted the Income Tax 2020 Budget) (Amendment) Bill 2019 which amended Section 155H, subsection (3) (a) of the Income Tax Act 1959. The amendment lowers the allowable deduction debt threshold for resource projects to 200 per cent from the initial 300 per cent (known as thin capitalisation ratio). The stabilisation clause in Section 9.5 (a) of the Papua LNG Agreement requires the allowable deduction debt threshold to remain at 300 percent for the Papua LNG project. Kua said it was therefore necessary for Parliament to enact a new law to preserve the fiscal stability guaranteed under the Papua Gas Agreement. The bill was Income Tax (Papua LNG Project Thin Capitalisation) (Amendment) Act 2020. “We as a State agreed in commercial contract involving major project development to conduct our business in a certain way and as such we as state must honour those commitments in the agreement by giving legislative effect to it,” Kua said.

## **K1billion spent on projects**

By PETER ESILA, November 12, 2020, The National Business

EXXONMOBIL, the operator of the PNG LNG project, has spent around K1 billion in community development projects for impacted communities in five provinces since 2010, says national content manager Sisi Kini. Last week, ExxonMobil took the media on a tour of the plant site at Caution Bay, located 20km northwest of Port Moresby on the south coast of Central and impacted communities.



The soon to be completed K500,000 community resource centre funded by ExxonMobil at Papa village built by local landowner company Laba Holdings Ltd.



PNG Rugby Football League high performance manager Michael Marum at Papa village during the Hiri West Rugby League coaching clinic initiated by ExxonMobil PNG Ltd last Friday. – Nationalpics by PETER ESILA



Lealea Primary School deputy head teacher Joseph Kolowa (left) with teaching staff Wapu Tinaik James who would move into a new house built by ExxonMobil PNG Ltd.



Koke Hanua Lodge owner William Kwara in front of his lodge in Boera, Central, during a media tour last Friday. The lodge began at the backdrop of the ExxonMobil PNG LNG project.

“This included investments in infrastructure and building communities focused on education, health, women’s empowerment and community livelihood programmes in the five provinces –Hela, Southern Highlands, Gulf, Western and Central,” Kini said. She said K14 billion was contributed to local businesses and small to medium enterprises and K6 billion invested in landowner companies. One of such local businesses that has grown is the Koke Hanua Lodge at Boera. It has conference rooms with plans to provide accommodation.

Lodge owner William Kwara said they were proud of the strong partnership with ExxonMobil, PNG LNG Gas Resources Company and Laba Holdings Ltd. “We are glad that we are partnering well with these organisations and stakeholders that come in and have their meetings and conferences at Koke Hanua, and at the same time helping us to improve our standards and increase our capacity for improvement as well,” Kwara said. “But Covid-19 has affected our business, like any other small business in the country. I mean we hardly get customers during this year, and even in our meetings and conferences as well, departments and corporate bodies, they haven’t come out this way.”

### **Dredging arrangement is between Fly River, Ok Tedi: Mori**

November 11, 2020, The National

THE Fly River government can talk to the Ok Tedi Mining Ltd (OTML) about any commercial arrangements on dredging to take place at the mouth of the Fly River, says Environment and Conservation Minister Were Mori. Mori was responding in Parliament yesterday to questions from North Fly MP James Donald on the dredging process at the mouth of the Fly River to remove sediments of mine waste. “If there is going to be any commercial indications, that is something the Western government can take up with the management of Ok Tedi which is covered under the Ok Tedi supplementary agreement.” Mori said there was no law preventing anyone who wished to conduct alluvial mining from applying for a licence with the Mineral Resource Authority.

He said the Conservation and Environment Protection Authority should be taking charge of cleaning the environment affected by mining operations. On whether a feasibility study was needed to conduct dredging and use the sediments for commercial purposes, Mori said the onus was on the company conducting the dredging and OTML. A company called Hong Kong Finance Commercial Group Ltd will conduct dredging and ship sediments to Hong Kong at no cost. Similar cleaning processes will be done in other river systems affected by mine waste. It is understood the Ok Tedi spends K273.3 million annually on its dredging operation at Bige.

### **Rights group ready to risk lives to protect environment**

November 11, 2020, The National

A CIVIL rights group campaigning against mine waste being released in the Huon Gulf Peninsula says it is prepared to risk the lives of its members in its bid to force the company and the Government to adhere to the wishes of the Morobe people, the group’s senior official says. The group claims it has 700,000 members and has experience in rallying support from around the province as evidenced by the Klinim Morobe campaign. Their solution is for the Wafi-Golpu Joint Venture to accept their proposal on building a dry cake tailings facility instead of the deep sea tailings placement (DSTP) plan the company and the Government have advocated. The group made a presentation during the recent DSTP forum in Lae. Group spokesman Peter Seske said they had the backing of the majority of Morobeans who were against DSTP.

He said Morobe Governor Ginson Saonu opposed the DSTP plan and wanted to safeguard the province's marine resources and environment. "We have built our position with all the concerns from the people even if it means putting our bodies on the line to defend our environment and our future generation," Seske said. "Our campaign is genuine as we have provided a common sense proposal to the Conservation and Environment Protection Authority (Cepa), Mineral Resources Authority (MRA) and the Mining Ministry and we stand ready to face them." He said neither the MRA nor Cepa had done enough awareness to Morobeans on the DSTP and other options. "The only awareness we know about is the issuing of shopping vouchers to families who were in the way where the pipeline will be placed by (the project). "How about the clearance of war remains in the pipeline access area? "The area has to be de-mined and commissioned for use."

## Landowners agree to explore minerals on their land

November 10, 2020, The National Business



THE people of Mafanajo along the Watut River, in Morobe, have agreed for mineral exploration to be carried out on their land. This was made known during a warden hearing last Thursday at their village by officers from the Mineral Resources Authority (MRA). Landowners gathered during the warden hearing and agreed for exploration to be carried out in the area for development. The lack of basic health, education and policing services as well as infrastructure such as roads and bridges were the main reasons for them agreeing to the exploration and development opportunities. "We want exploration to continue and if possible, the mining will help bring needed services where the Government failed to bring," the leaders said. "There has been a lack of proper services here for years.

"If it is confirmed that there's mineral here, we would allow the mining to go ahead and that will help us with services." Ziats Primary School head teacher Gibani Simbisi said education was a need in the area as most children missed out because schools in the area were unable to deliver quality education. She said mining activities would improve the people's livelihoods. "There's no proper education facilities at Ziats," Simbisi said. "We want exploration to be done as it will really help the people's livelihood here. In this community, we are yet to understand things. "Such economic activities in the area will help to improve the way people think." A contract geologist, Peter Kumiye, who attended the warden hearing, said they had applied for an exploration licence and the MRA team was at the village to get the people's views. He said there would be benefits of the mining activity in the area to help local people.

## Landowners want quick, clear flow of dividends

November 10, 2020, The National



Porgera Landowners Association negotiating team deputy chairman Dickson Pundi addressing landowners at Kulapi in the Porgera valley, Enga yesterday. – Picture courtesy of RODNEY KAMUS

THE Porgera Landowners Association negotiating team says the people want immediate and transparent flow of dividends into their bank accounts, and not trapped by intermediaries and third parties. Deputy chairman Dickson Pundi said mechanisms such as Minerals Resources Development Corporation and its subsidiaries, including Mineral Resources Enga, had long failed the resource landowners of PNG. “(The dividends) have been mismanaged by a few and benefits intended for landowners, including the people of Porgera, have failed to trickle down to the people,” Pundi said. “In the interest of transparency and a more direct flow of benefits to households, we are proposing a different model, with a professionally managed entity established to transparently manage our benefits and royalties. “So far, billions of kina in gold sales revenue has been received by the Mineral Resources Authority and a only a fraction of that has reached our people at the household level with no reports and transparency.” Landowners were angered to learn late yesterday that following negotiations between the State and Barrick Niugini Ltd, an internal briefing document from the acting chief secretary Isaac Lupari was leaked on social media.

## Vale protests denounced by New Caledonia anti-independence camp

Radio New Zealand on 9 November 2020



Kanaks oppose Vale's sale plan Photo: supplied FB Instance Coutumière Autochtone de Négociation



New Caledonia's anti-independence camp has condemned the road block set up by Kanaks near the Vale nickel plant at Goro, which is for sale. Kanak groups took the action after Vale announced that it had entered into a four-week exclusive negotiation phase with a new consortium. The head of the Vale operation in New Caledonia, Antonin Beurrier, said a new entity, called Prony Resources, was set to acquire the assets in a deal worth \$US1.2 billion, which has the support of the French government. However, several indigenous Kanak leaders insist that talks be held with Sofinor of the Northern province for it and its partner Korea Zinc to be given the option to buy the plant. The anti-independence Loyalists group, which was formed to fight last month's independence referendum, said death threats have been made against Mr Beurrier. It also wondered how the pro-independence FLNKS would respond if access was blocked to the Koniambo nickel smelter in the mainly Kanak Northern province.

It also asked how the FLNKS would respond if anti-independence militants issued death threats against the head of Koniambo. In the Prony Resources consortium, 50 percent is proposed to be held by New Caledonian stakeholders, made up of provincial interest, Vale employees and civil society groups. 25 percent is earmarked for a Swiss commodity trader, Trafigura, while the remaining 25 percent would be held by a range of investors. In September, Vale's planned sale to New Century Resources of Australia failed and the company said it would close the plant if no buyer was found by the end of October. The nickel sector, with its 35 mines and three processing plants, accounts for about 20 percent of the jobs in New Caledonia. New Caledonia is the fourth biggest nickel ore producer in the world and the seventh largest nickel producer.

### **Plans to reopen mine hits snag**

BY FRANK RAI, Post-Courier, November 6, 2020

The national government's upcoming plan to re-open the world-class Porgera mine in Enga Province will hit a snag because local landowners are claiming billions of kina in compensation. Prime Minister James Marape and Minister for Mining Johnson Tuke recently announced that the government was taking Porgera mine seriously and will re-open it in due time. While talks between new special mining lease (SML) holder Kumul Mineral Holdings Limited (KMHL), former operator Barrick Niugini Limited (BNL) and the State continues, landowners have threatened with billions of dollars in compensation claims. In recent developments, the Tuanda Incorporated Land Group (ILG) has filed a lawsuit against BNL and the State for K8 billion on claims of environment damages, human rights violations and legacy issues at the Waigani Human Rights Courts earlier this year.

Tuanda ILG chairman Sol Taro is determined to fight for the compensation, claiming 30-years of missed opportunities and negligence for the Tuanda clan who owns 42 per cent of the gold deposit land. Last week, the Justice Foundation for Porgera Limited claimed that a petition against BNL on the same for US\$13.28 billion was on foot for determination before the United Nations Commission of International Trade Law (UNCITRAL) Arbitration. Chairman Jonathan Paraia told reporters in Port Moresby that BNL will meet the compensation claim because the social license for the mine to operate was still with the SML landowners. And this week, the Lower Porgera Landowners who live along the riverine of Porgera mine have demanded the settlement of K3.8 billion on environment legacy issues from BNL before the re-opening of the mine. The Porgera River Alluvial Miners Association told the Post-Courier that it had lodged a claim against BNL for K3,813,173,889 for the Porgera River socio-economic impact and environment damage for the past 30-years. Mr Mandi and Mr Papo said the demands should be met before re-opening of the mine because communities along the riverine have not received any tangible benefit in the last 30-years.

“The fact that our people have no compensation agreement with BNL to confirm our case, this is the time we make our stand to inform the State and the Porgera mine developer to compensate the people before the mine re-opens,” Mr Papo said. He said if the State and the developer do not wish to meet the demands, a tailing dam should be constructed and the safety of the people and whatever is left of the environment is guaranteed before opening the mine. Despite those claims launched by landowners whether in Court, UN Arbitration or by way of civil petition, BNL and the State through the Conservation Environment Protection Authority and Mineral Resource Authority have maintained that there were no outstanding legacy issues for settlement. Minister for Environment, Conservation and Climate Change Wera Mori told reporters recently that both past and previous mine developers have operated within the confines of the environment permit. Mr Mori said there were massive environment and socio-economic impacts with outstanding legacy issues but the companies were operating under the confines of the law and there was nothing to pursue.

### **State to be taken to court by Fly River communities**

BY FRANK RAI, Post-Courier, November 9, 2020

Community Mine Continuation Agreement (CMCA) landowners who live along the Fly River System in Western Province have an intention to take the state and an international contractor to court. They want a stop to dredging along the main Fly River and its tributaries. Landowner spokesperson and community leader, Pastor Steven Bagari, told Post-Courier last Thursday that the purported engagement of a Hong Kong-based company was (allegedly) illegal. Minister of Environment, Conservation and Climate Change Wera Mori announced last week that Hong Kong Finance Commercial Group Limited was engaged to dredge the Fly River. The company is owned by millionaire duck farmer, Chen Mailin, who secretly flew into PNG on a controversial flight bringing K1 million worth of personal protection equipment (PPE) during the Covid-19 lockdown in June this year. However, Pr Bagari, in response, said the State had failed to consult the affected communities as the dredging will impact the eco-system of the riverine.

### **Gold price allows miner to consider sulphide ores**

November 9, 2020, The National Business

THE current price of gold have allowed St Barbara’s Simberi gold mine in New Ireland to go back and mine material that was not economically feasible before, general manager Jason Robertson says. He noted that the mine was currently investigating a transition from the processing of oxide ore to the processing of sulphide ore, but the latter posed problems as it would require a new mining process and plant. He said the company was concerned that the proposed amendments to the Mining Act would introduce additional costs that could make the processing of sulphide ore expensive and unprofitable. Robertson said that particular concern to the St Barbara board was the proposed introduction of a mine waste levy. “We have worked to make our current waste disposal process completely environmentally friendly,” he said. “But if too many additional costs are introduced then we would have to finish mining the remaining oxide ore and then shut the mine down.

“St Barbara is currently investing US\$150 million (K511mil) in PNG and they need to have some assurance their project will be able to survive.” New Ireland Governor Sir Julius Chan conveyed that his government had a strong view about the amendments to the Mining Act. He made it clear that his concern was to work for the benefit of the people and to ensure they had a better life after the mine than they had before the mine. “Now is the time to have this discussion because we do not want to experience another Porgera situation in New Ireland,” Sir Julius said. He said opening dialogue between St Barbara and the New Ireland government in relation to benefit sharing needed to start. “The New Ireland government has repeatedly proposed that ownership be returned to the

people,” he said. “Mining companies must make a reasonable return comparable to international profit margins.”

### **Access to New Caledonia's Vale nickel plant blocked**

*Kanak groups opposed to the latest sale plan of New Caledonia's Vale nickel plant have blocked road access to the site at Goro in the south of the main island.*

Radio New Zealand on 6 November 2020



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 move came after Vale announced that it had entered into a four-week exclusive negotiation phase with a new consortium. The head of the Vale operation in New Caledonia, Antonin Beurrier, said a new entity, called Prony Resources, was set to acquire the assets held by Vale of Brazil in a deal worth \$US1.2 billion. However, several indigenous Kanak leaders insist that talks be held with Sofinor of the Northern province for it and its partner Korea Zinc to be given the option to buy the plant. Vale dismissed the bid and, with support from the French government, it is now dealing with Prony Resources. In the consortium, 50 percent is proposed to be held by New Caledonian stakeholders, made up of provincial interest, Vale employees and civil society groups.

25 percent is earmarked for a Swiss commodity trader, Trafigura, while the remaining 25 percent would be held by a range of investors. The Kanak groups blocking the road have warned that they will uphold their action for the four weeks of the planned contract negotiation with Prony Resources. In September, Vale's planned sale to New Century Resources failed and the company said it would close the plant if no buyer was found by the end of October. Beurrier said the next five years' production of Nickel Hydroxyde Cake was already sold as the demand for nickel was about to explode. The nickel sector, with its 35 mines and three processing plants, accounts for about 20 percent of the jobs in New Caledonia. New Caledonia is the fourth biggest nickel ore producer in the world and the seventh largest nickel producer.

### **Plans to reopen mine hits snag**

BY FRANK RAI, Post-Courier, November 6, 2020

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Minister James Marape and Minister for Mining Johnson Tuke recently announced that the government was taking Porgera mine seriously and will re-open it in due time. While talks between new special mining lease (SML) holder Kumul Mineral Holdings Limited (KMHL), former operator Barrick Niugini Limited (BNL) and the State continues, landowners have threatened with billions of dollars in compensation claims. In recent developments, the Tuanda Incorporated Land Group (ILG) has filed a lawsuit against BNL and the State for K8 billion on claims of environment damages, human rights violations and legacy issues at the Waigani Human Rights Courts earlier this year. Tuanda ILG chairman Sol Taro is determined to fight for the compensation, claiming 30-years of missed opportunities and negligence for the Tuanda clan who owns 42 per cent of the gold deposit land.

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“The fact that our people have no compensation agreement with BNL to confirm our case, this is the time we make our stand to inform the State and the Porgera mine developer to compensate the people before the mine re-opens,” Mr Papo said. He said if the State and the developer do not wish to meet the demands, a tailing dam should be constructed and the safety of the people and whatever is left of the environment is guaranteed before opening the mine. Despite those claims launched by landowners whether in Court, UN Arbitration or by way of civil petition, BNL and the State through the Conservation Environment Protection Authority and Mineral Resource Authority have maintained that there were no outstanding legacy issues for settlement. Minister for Environment, Conservation and Climate Change Wera Mori told reporters recently that both past and previous mine developers have operated within the confines of the environment permit. Mr Mori said there were massive environment and socio-economic impacts with outstanding legacy issues but the companies were operating under the confines of the law and there was nothing to pursue.

### **Solwara One loan transferred**

November 6, 2020, The National Business

A Solwara One Kumul Mineral Holdings Ltd group loan of US\$120 million (K375mil) will be transferred to the State, says Bank South Pacific (BSP) chief executive officer Ian Fleming. It was initially in Eda Kopa Limited, which is part of the Kumul Minerals Limited group. Fleming said as part of the restructure of the Kumul Minerals Limited group, the loan in the name of Eda Kopa Limited and which is guaranteed by the Government would be restructured and transferred to the State as a direct credit obligation. “The respective NEC and other approvals have been received and the process of transfer will take place soon,” Fleming told The National. “The transaction has not been completed but it is really a transfer of liability from a company (Eda Kopa Ltd) to the State rather than formal payment of funds.”

Treasurer Ian Ling-Stuckey said in a statement this week that the Government had renegotiated for more satisfactory terms on the loan which the previous government took from BSP to buy a 15 per

cent stake in the Solwara One project. The project was to mine the sea floor to produce copper, gold and silver – dubbed at that time to be the first deep – sea mining project in the world. Ling-Stuckey said interest on the original loan from BSP was 7.75 per cent annually – around K2.4 million a month until next April when the principal and interest were to be repaid. An additional agency fee of K350,000 a year was to be paid in quarterly instalments.

### **Vale sale plan again mobilises New Caledonia Kanaks**

*There has been another small rally in New Caledonia against the planned sale of the Vale nickel plant to a consortium led by a Swiss-based commodity trader, Trafigura.*

Radio New Zealand on 5 November 2020



Last week's rally in Noumea Photo: FB ICAN

Kanak groups at the Goro site in the south of the main island said they would block access to the plant if the foreign bid was approved. An announcement is expected any day. Last week, thousands of people marched in Noumea, insisting that Vale enter in a due diligence process with Sofinor of the Northern province whose bid with Korea Zinc had been rejected by Vale. The Kanak groups, made up of local chiefs and pro-independence politicians, insist that the nickel ore be processed in New Caledonia and not exported.

However, they failed to be received by the French overseas minister Sebastien Lecornu who was in New Caledonia last week. Vale said it would shut the plant if there was no buyer by the end of October. In September, Vale's planned sale to New Century Resources of Australia failed after months of negotiations. The nickel sector with its 35 mines and three processing plants accounts for about 20 percent of the jobs in New Caledonia. New Caledonia is the fourth biggest nickel ore producer in the world and the seventh largest nickel producer.

### **Cook Islands govt defends taking plunge on deepsea mining**

Johnny Blades, RNZ Pacific Journalist, Radio New Zealand on 5 November 2020

The Cook Islands prime minister has denied that his country is gambling with ocean health by opening up for deep sea mining exploration. Mark Brown announced that companies keen to conduct exploration in parts of the Cook Islands' Exclusive Economic Zone have until next month to put in expressions of interest.



Cook Islands Prime Minister Mark Brown Photo: Cook Islands Ministry of Foreign Affairs & Immigration

The Cook Islands roughly two million square kilometres of EEZ contains an estimated 10 billion tonnes of polymetallic nodules, rich in manganese, nickel, copper, cobalt and rare earth minerals. Some of these metals are required for batteries for electric vehicles, and interest in them is growing. Economic strains caused by the pandemic have highlighted the need for Cook Islands to diversify its tourism-reliant economy. While Brown doesn't attribute his government's plan to open up for exploration to these strains alone, he told *RNZ Pacific* in an [extensive interview](#) that the intention to allow exploration was planned a number of years ago. There is still relatively little known about the furthest depths of the Pacific Ocean, several kilometres down, where some of these nodules are located. Advocates of deep sea mining don't deny that more research is required. But even scientists aligned with the companies looking to explore admit that mining would entail substantial damage, although [they argue](#) it would be less significant than that caused by land-pre mining.



Polymetallic nodules Pacific ocean Photo: Velizar Gordeev. All rights reserved.

Brown said that with regulations in place, as well as the Marae Moana Act providing for ocean protection and the establishment of a Seabed Minerals Authority, the Cooks was in a good position to see if its valuable nodules can be extracted without damaging the ocean. "We're using the precautionary approach in moving this forward. At this stage I'm very interested to see what the response

will be for the call for tenders and see how many people do actually put in applications." According to the prime minister, exploration is research, and more research is needed to see if exploitation of valuable seabed nodules will harm the ocean. "It's an area that we are leading in, I guess if you like, and we're quite comfortable doing that as a country. To find out the best way of being able to turn this wealth that we have into income for our people, but at the same time making sure that we preserve our ocean and protect our ocean."

Brown denied that allowing exploration was a gamble, later qualifying this by admitting it was an "educated gamble". "I mean countries have been drilling for oil in the ocean for many, many decades now, and they've learnt lessons on safety, on how to ensure that there is minimal environmental impact." But a Cook Islands environmental group is cautioning against proceeding with seabed mining until conservation areas are delineated, and a number of other issues addressed. Te Ipukarea Society's Deep Sea Minerals Campaign Consultant, Teuru Tiraa Passfield, said a lot more independent research was required.

"We believe the obligation is really to make sure that our people are properly informed of the potential risks," she explained. "So whether people support or oppose the industry, that stance that people can take is informed by best evidence, not vague reassurances that we're going to do the research and if there's any environmental damage, we'll stop." She cited two expeditions that deployed in Cooks' waters since 2018, ostensibly to conduct research. "It was a perfect opportunity to get some biological data. But they didn't. When asked why they didn't they said that unfortunately those boats weren't equipped for that sort of research. So that gives some sort of indication of the weight that's been placed on environmental research and data." Tiraa Passfield said Te Ipukarea Society urged a pause until the country's Marae Moana spatial plan was completed.



Te Ipukarea Society's Deep Sea Minerals Campaign Consultant, Teuru Tiraa Passfield. Photo: Supplied

"And under this current call for tenders for exploration we also said not to finalise those until the special unique marine areas are noted on the map, so that people know which areas to avoid. If you want to avoid the potential for serious harm, we should have these areas of conservation significance mapped out." But for now, Brown is standing firm on deep sea exploration, even if means going against the grain of ocean conservation that many Pacific Island countries are pushing. He said he didn't agree with calls by some regional countries for a freeze on any seabed exploration, arguing it would impede research. "I think the 10 year moratorium call is a bit arbitrary. We base our decisions on information and knowledge, not on a time frame. So until and unless that information gained from research is available, that will allow us to make an informed decision to move forward,

we don't support that call for a moratorium. "I don't like to think that we're just like a bunch of sheep following around another bunch of people."

### **Progress on Bougainville Rio Tinto complaint**

*There's been a further breakthrough over a human rights complaint brought by 156 residents in Bougainville calling on multi-national Rio Tinto to repair the damage caused by its Panguna mine.*  
Radio New Zealand on 5 November 2020



Photo: RNZ / Johnny Blades

The Bougainvilleans, aided by the Australian Human Rights Law Centre, in September made a complaint, alleging human rights and environmental violations against Rio Tinto. The complaint was filed with an agency within the Australian Department of Treasury, which has accepted it for investigation. The legal director of the Human Rights Law Centre, Keren Adams, said the residents want Rio Tinto to fund an environmental and human rights impact assessment to identify the most urgent health and safety concerns, "And to come up with solutions for addressing those, and for addressing a clean up at the site. And then secondly that Rio Tinto makes a substantial contribution to an independent fund to ensure that that clean up and that those problems can be addressed." In September Rio Tinto agreed to discuss the complaint. An estimated 12-14,000 Bougainvilleans live downstream of the mine along the Jaba-Kawerong river valley in central Bougainville.



Gold panning on the fringe of Bougainville's Panguna mine, decades after it was closed for large scale mining. Photo: Johnny Blades / RNZ Pacific



The complaint, filed with the Australian OECD National Contact Point in the Department of Treasury, alleges that Rio Tinto's failure to clean up the billion tonnes of waste pollution left by the mine and mitigate the risks it poses to these communities breaches human rights and environmental standards set out in the OECD Guidelines for Multinational Enterprises, a leading international standard on responsible business conduct. Bougainville is about to begin independence discussions with Papua New Guinea after the resounding result of a referendum this time last year.

### **Authority yet to decide on new deal for Tolukuma mine**

November 5, 2020, The National

THE Mineral Resources Authority says a new deal on the ownership and who is to operate the Tolukuma gold mine in Central is yet to be disclosed. Managing director Jerry Garry yesterday gave an update on the mine saying the Government was waiting for a feedback from the mine's liquidator Pini Accountants and Advisors which was expected to sell the property and pay about K15 million owed to the creditors. "We have no updates from the liquidator," Garry said. "Pini Accountants and Advisors was supposed to sell the property." Last July, the liquidator offered for sale by public tender Mining Lease 104 and other assets. It stated that the sale was on a strictly "as is where is basis".

It said the sale comprised existing tenements, pending tenement applications and assets including buildings, plant and equipment, machines and motor vehicles at mine site in Central. Garry said his office was aware that the mine had been put into liquidation by the National Court on Feb 7, 2018. "Andrew Pini of Pini Accountants and Advisors was appointed by the same court as the liquidator," he said. Garry said the same court ordered the Tolukuma mine to pay Hevi Lift Ltd and IPI Catering Services costs and incidentals of the proceedings, due to money owed to them by the mine. "From the date of the court order to the date of sales, Tolukuma Gold Mine shall continue to be fully subjected to the Companies Act," he said.

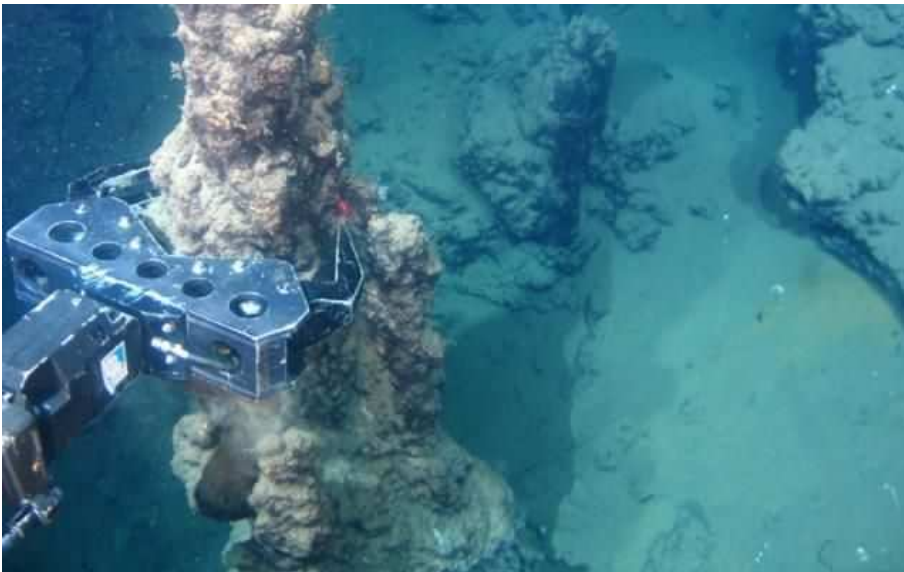
### **Tongans question government plans for seabed mining**

*Tongans are seeking answers from the government over its plans for seabed mining in the country's waters.* Radio New Zealand on 4 November 2020



Photo: RNZI / Koro Vaka'uta

A national consultation on seabed mining in Tonga was held by video link-up yesterday, including representatives from the five island groups. Church, civil society, youth groups as well as members of the fishing and tourism sectors also participated in the consultation, which was opened by the prime minister. The Chair of Tonga's Civil Society Forum, Drew Havea, said people want more information from government about the implications of potential seabed mining. He said there's concern that the government is to sponsor exploration by a subsidiary of a company linked to a failed deepsea mining project in Papua New Guinea. "The ocean supports us. The ocean is the main livelihood for ninety percent of the people. But we need to know what our government is doing, and if they sign up the ocean (by sponsoring an exploration license) what's going to happen to that ninety percent of the population," Drew Havea said. Havea said there was concern that if the subsidiary, Tonga Offshore Mineral Limited, violated its contractual obligation with the International Seabed Authority, Tonga might be left with a heavy bill to pay.



Seabed mining Photo: Supplied

Advocates of seabed mining say it causes [far less environmental damage](#) than land-based mining, and offers significant economic benefits for island countries. But people in the consultation were worried that the cost of environmental damage from deepsea mining activities could far outweigh the benefits. "All the five island groups said no: No seabed mining for my island; no seabed mining for my region; and no seabed mining for my world. All unanimous, saying no," Havea explained. "So we will take that message to the prime minister and cabinet."

### **Ok Tedi mining plans to commission K800mil crusher this month**

November 4, 2020, The National Business

THE Ok Tedi Mining Ltd will commission its new K800 million crusher this month, says managing director and chief executive officer Musje Werror. "The old crusher will be decommissioned and removed by the end of the year to allow access to high grade ore on the East Wall, which will come into production in 2023," Werror said. Werror said the crusher was identified as a strategic imperative by OTML's strategic planning committee in 2016. It resulted in the net value of the mine increasing from US\$1.9 billion (K6.72bil) in 2015 to US\$3.3 billion (K11.66bil) in 2020. It included an extension of the mine life from 2026 to 2029. Major projects general manager Mark Thomson said the safe construction and commissioning of the crusher within budget represented a significant milestone for the mine. He said the team celebrated two years of lost time injury free and three million hours worked. He said Ok Tedi was a model mining company and had set the benchmark in many areas of the business. The OTML board and management aims to extend the mine life "for as

long as sustainably possible” It plans to generate benefits to stakeholders in the form of dividends, royalties, compensation, services, infrastructure, employment, training and business opportunities.



### **Don't fast-track project: Saonu**

By JIMMY KALEBE, November 3, 2020, The National

THERE is no need to fast-track the development of the K18 billion Wafi-Golpu gold-copper project by allowing deep sea tailing placement (DSTP) as an option for mine waste disposal, says Morobe Governor Ginson Saonu. “There are other options that can be used which are more environmentally friendly which some independent studies have pointed out,” Saonu said. “Why would the Government want to fast-track this project when it knows that people do not support DSTP?” He said the options, apart from DSTP that independent survey from other organisations pointed out, should be the way forward for the project. He said the welfare of the people needed to be taken seriously as they would be the ones to live with any environmental damage after the mine completed its life span. He cautioned the Government to be mindful of this and not push through on the DSTP option.

“Minister Wera Mori is trying to sign off the project to kick start immediately but to me it has to take time and if it means money, then they have to spend that much to do it properly instead of bulldozing it.” Governor Saonu said Newcrest and Harmony Gold were signatories to the global good mining practice and Minister Mori should not force them into jeopardising their reputation internationally. “So take time, no need to rush, the resource will not go away or go rotten. We have to do the right thing right from the beginning to avoid situations of environment damages like at other mines in the country.” Governor Saonu reiterated that Morobe supported the Wafi-Golpu project but did not want the DSTP but another option for tailings disposal.

### **DSTP is safe, says miner**

November 2, 2020, The National

THE Wafi-Golpu Joint Venture management says it is maintaining its stand on deep sea tailings placement (DSTP) waste management for its proposed gold-copper project. DSTP method of waste disposal has been rejected by the landowners and people of Morobe, represented through the Morobe government. In a statement to The National, the company said it was “confident that DSTP is the safest and most environmentally and socially responsible tailing management solution for this

project.” Although a DSTP forum held in Lae a week ago stated otherwise, the company said its option for DSTP “is supported by the industry’s leading scientific studies”. The company said 45 potential sites assessed and examined for their suitability for traditional land-based tailings storage all involve significant risks and constraints. “Risks are present due to the high seismicity, liquifiable soils and high rainfall in the region,” the company said.

“Many sites have river sediment foundations and active geological faults presenting unacceptable earthquake risks. Other sites have high biodiversity, cultural and heritage value.” The statement noted that assessments were undertaken in accordance with appropriate industry professional standards, including Australian and international guidelines according to the recognised committee on large dams (ANCOLD and ICOLD), the ICMM Tailings Management Guidelines (2016) and appropriate IFC performance standards (2012). Furthermore, it said that land-based tailings storage would disturb between 4.2 and 33.75sq km of land, depending on total storage volume and embankment height – “this is land which could be used for farming or living by local communities. “This disturbance of land could require the displacement of communities and their livelihood and would cover areas that could have high environmental, social and cultural values,” the company added. “Wafi-Golpu Joint Venture respects the robust permitting processes and will continue to engage with the Conservation and Environment Protection Authority (Cepa) in its assessment of the project environmental impact study, and to ensure all stakeholders have full and accurate information.”

### **Solwara One inherited: O’Neill**

November 2, 2020, The National

FORMER Prime Minister Peter O’Neill says the Solwara One project mentioned by Treasurer Ian Ling-Stuckey was inherited from the Somare-led government. O’Neill, the leader of the People’s National Congress party, said the Solwara One project mentioned by the treasurer was inherited from the previous government, so it was surprising that Ling-Stuckey would be disputing the decisions of the National Alliance. In a statement yesterday, Ling-Stuckey said the Government had renegotiated for more satisfactory terms on the K375 million loan which the previous government took from Bank South Pacific to buy a 15 per cent stake in the failed Solwara One project. The Solwara One project planned to mine the sea floor to produce copper, gold and silver; at that time dubbed to have been the first deep-sea mining project in the world.

According to Ling-Stuckey, the interest on the original loan from BSP was 7.75 per cent annually, or the equivalent interest payment of K2.4mil every month until next April, when the entire principal and interest were to be repaid. An additional agency fee of K350,000 a year was to be paid in quarterly instalments. The loan was formalised in early 2014 when the O’Neill government was flushed with cash from high commodity prices and the PNG LNG project, giving the Government its single biggest annual revenue boost ever. The O’Neill government agreed on a “bullet” repayment for the entire loan six years later in April that year in the event Eda Kopa was unable to service this debt.

This became inevitable after the Nautilus deep sea mining project collapsed. Ling-Stuckey said the Government had restructured this K375 million loan at a lower interest rate of 5.15 per cent to be amortised over a 10-year period. “Instead of being able to focus our time on fiscal management and planning in the midst of the Covid-19 global pandemic, key personnel at Treasury and Office of the State Solicitor have wasted their energies on renegotiating the O’Neill government bullet payment,” he said. But O’Neill, in response, said the Solwara One venture left a project debt that was inherited from the Somare-led government. “We agree that this was an ill-advised investment, but Ling-Stuckey’s childish attempted insults are more an uncalled-for attack on Grand Chief Somare,” O’Neill said in a statement.

## How PNG lost US\$120 million and the future of deep-sea mining

by Colin Filer, Jennifer Gabriel, Matthew G. Allen

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ROV KIEL 6000, GEOMAR (CC BY 4.0)

In January this year, the managing director of Papua New Guinea’s Mineral Resources Authority [declared](#) that the proposal to develop what had once been touted as the world’s first deep-sea mine would ‘not get off the ground’. This was a far cry from the optimism that surrounded the grant of the first seabed exploration licence to [Nautilus Minerals Ltd](#), a company formerly listed on the Toronto Stock Exchange (TSX), back in 1997. The PNG government was still enthusiastic when it granted the company its first mining licence in 2011 — so much so that it opted to purchase a 30 percent stake in the project, the maximum allowed under the terms of PNG’s Mining Act. But by that time a cloud of controversy already surrounded the project as a rainbow coalition of environmental defenders and orthodox Christians mounted a campaign against the treatment of PNG as the proverbial guinea pig in a [ghastly industrial experiment](#). Some members of this coalition are now [asking why](#) the government has not cancelled the mining licence if the project is [dead in the water](#).

Once the mining licence had been granted, Nautilus set out to assemble a [complex system of machinery](#) that would enable it to exploit a number of ‘seafloor massive sulphide’ deposits beneath the Bismarck and Solomon seas. However, as time went by, it became clear that the company was having trouble raising the capital to pay for the production of this assemblage. In December 2017, it had to inform the TSX that it could [not afford to pay](#) what was owed to the Chinese owners of the shipyard where its ‘production support vessel’ was being loaded up with all the mining equipment. Shortly after the vessel had been launched in March 2018, the one big mining company that still held shares in Nautilus, Anglo American, [announced](#) that it would sell them because the project did not meet global standards of corporate social responsibility. The Chinese shipbuilders then tried to cut their own losses by selling the vessel to an Indian company, but the buyers [refused](#) to complete the transaction unless someone first removed the mining equipment so that the boat could be ‘repurposed’. In the first few months of 2019, Nautilus had to seek legal protection from its own creditors in a Canadian court and was delisted from the TSX. In August 2019, the creditors voted to [liquidate the company](#).

It is not clear whether the business model and engineering designs were flawed from the outset, or whether the project succumbed to the power of an oppositional campaign that grew from local roots to global outrage. By the time the company had already lost control of its material assets, Sir David Attenborough, ‘arguably the most famous voice in the world’, declared that any deployment of these assets to the seafloor would be ‘[deeply tragic](#)’. Shortly afterwards, a representative of the [Deep Sea Mining Campaign](#), a non-governmental organisation based in Australia and New Zealand, said that it was ‘not just the company that is sinking, but the project — and the concept of deep-sea mining itself — that is [going down with it](#)’. The PNG Council of Churches published a statement saying that ‘it will be a [joke to the world](#) if PNG says yes to this destructive monster in the absence of a relevant national policy and legislative framework on off-shore seabed mining’. And in anticipation of its final demise, a spokesperson for the [Alliance of Solwara Warriors](#), a community-based organisation based in New Ireland Province, declared that it would be ‘[good news for my people](#) if Nautilus goes bankrupt, instead of bankrupting our sea’.

The PNG Government was both delinquent in its failure to finalise an offshore mining policy and foolish in its decision to borrow the money to pay for a major stake in the project. The second of these faults was already recognised in 2012 when government officials tried to terminate the joint venture agreement, but Nautilus was short of cash, as usual, so was unwilling to let the government off the hook. The two sides eventually reached a [compromise](#) under which the state would initially purchase a 15 per cent stake with an option to purchase the other 15 per cent at some later date. When Nautilus was liquidated in 2019, the government tried to get some of its money back by claiming that it was a creditor rather than a partner, but this argument was firmly [rejected](#) by a Canadian court. That left PNG’s minister for state-owned enterprises to lament that more than US\$120 million of his government’s money had simply ‘[sunk into the ocean](#)’.

So does the liquidation of Nautilus mark the end of the road for the deep-sea mining industry? That might be the case in PNG, but the Pacific Ocean continues to be at the forefront of the global deep-sea mining frontier. There are thought to be hundreds of active exploration licences in the national waters of six Pacific island nations, and four Pacific island states have sponsored the grant of exploration licences in the extra-territorial ‘Area’ administered by the [International Seabed Authority](#), an entity established by the UN Convention on the Law of the Sea. Indeed, of the 30 international exploration licences so far issued by this body, 25 are in the Pacific Ocean, 18 of which are in the Clarion Clipperton Fracture Zone (CCFZ). This area is rich in potato-sized ‘polymetallic nodules’, another type of deep-sea mineral deposit that has attracted the attention of some of the individuals who made significant gains from their investment in Nautilus during the period of its spectacular growth between 1997 and 2007. The legacy of that investment continues in the form of a company called [DeepGreen](#), which was established by former Nautilus CEO David Heydon. This new company has its sights set on [hoovering up these nodules](#) from the seabed of the CCFZ with support from the governments of Nauru and Kiribati. It may well turn out that the fate of the deep-sea mining industry will ultimately turn on the quality of their vacuum cleaners.