

**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:

Pacific Islands Report: <http://pidp.eastwestcenter.org/pireport/graphics.shtml>

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

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

Future of Panguna unclear

The National, April 30th, 2015

By GYNNIE KERO

NEW mining legislation by the Autonomous Bougainville Government has created uncertainty about Bougainville Copper Ltd's rights to mining and exploration licences, BCL chairman Peter Taylor (pictured) says. BCL is a subsidiary of Rio Tinto which holds a 54 per cent stake in the Panguna copper gold project before it ceased operation in 1989. In the 17 years before 1989, the Panguna mine produced concentrate containing 3 million tonnes of copper, 306 tonnes of gold and 784 tonnes of silver. The production had a value of K5.2 billion representing about 44 per cent of Papua New Guinea's exports over that period. A total of K1.08 billion or 62 per cent of the net cash generated by the Panguna mine between 1972 and 1989 was contributed to the National Government. Taylor said: "The Bougainville Mining Act 2015 passed on April 1, substantially mirrors the clauses of the Interim Mining Act, which has re classed the existing Special Mining Lease as an Exploration Licence. "There remains uncertainty over the seven leases for mining purposes."

He said the company made applications for new licences and to affirm rights which appear to have been impacted by the interim ABG mining legislation. "These applications have been declined. The final Bougainville Mining Act 2015 prevents the Mining Registrar from accepting or registering applications for tenements before Oct 1, 2015," Taylor said. "In light of recent developments in Papua New Guinea, including the new mining legislation passed earlier this month by the Autonomous Bougainville Government, Rio Tinto has decided now is an appropriate time to review all options for its 53.83 per cent stake in Bougainville Copper Ltd." He added that a BCL study indicated that there would be a very high production level when opening a new mine at Panguna. "The Order of Magnitude Study describes a new mine at Panguna processing between 60 million and 90 million tonnes of ore per annum, over a mine life of 24 years, with an estimated capital cost of US\$5.2 billion (K14.08bn), as estimated in 2013," Taylor said. "More detailed studies are required to confidently determine the potential economic viability of re-opening the mine."

Government keen to address environmental issues

The National, April 30th, 2015

By ERIC BALARIA

THE Government is serious about discussing governance issues related to environmental matters in the country, Finance Minister James Marape says. He said that public discussions on energy and especially governance issues, regulations issues and technical issues related to environment matters was of paramount interest to the Government because of current extractive industry developments. Marape was speaking yesterday during the start of a three-day workshop hosted by the United States Embassy which would see discussions between US and PNG representatives in identifying best practices for the regulation of oil and gas development in the country. "We have signed up to the Extractive Industry Transparency Initiative concept that was brought to us, and with no hesitation at all as a nation, we felt that total scrutiny of what takes place in the industry is important," he said.

"Not only for us in Government but more importantly for the corporate memories that must reside in government systems so that this becomes part of us way after have we gone. "As you know these are resources that are not replaceable. "These are resources that once extracted will be forever gone and so we must continue to improve and increase the value of what we take today, while developing our country today have an elemental sustainability that goes beyond our generations and into the future so that our children can stand to benefit from it." Marape urged participants from relevant government departments to ensure that good public policies were implemented. "Those of you who have been selected from your respective departments must listen so that you can bring those discussions back to your departments and collectively, we can shape a better future from the resources that we have," he said.

ExxonMobil marks one year of LNG production

Post-Courier, April 30, 2015

THE multi-billion kina PNG Liquefied Natural Gas has been safely and reliably producing gas for one year. It has clocked seven million hours, worked without a lost time injury, produced over six million tons of LNG and delivered 87 cargoes since it commenced production ahead of schedule on April 29, 2014. Yesterday marked a momentous occasion with the company celebrating its first full year of production. ExxonMobil PNG Limited managing director Andrew Barry said since completing the PNG LNG Project ahead of schedule and shipping the first cargo of LNG in May 2014, all facilities have been operating above expectations. "Our first year of full production has been truly remarkable. "Our facilities are operating at high levels of efficiency, well above our expectations for the first 12 months of operation. "We have continued our focus on safety, with seven million

production hours worked without a lost time injury. "Our workforce of more than 2,100, with 70 per cent Papua New Guinean, has proved that we can deliver a reliable source of energy to the world. Their dedication and focus on safety and operational reliability has been outstanding," Mr Barry said.

Mr Barry recognised the support received from many people and organisations. "None of this would have been possible without the support we have received from the Government, our co-venturers, landowners, communities and suppliers, everyone working together to achieve what many said was unachievable. "There is still plenty of work to be done, but it is important to take a moment to remember just how much has been accomplished. We are looking forward to many more decades working with the people of Papua New Guinea to deliver on a lasting legacy for this country," he added. PNG LNG supplies LNG to customers in the Asia Pacific region from gas production and processing facilities in the Southern Highlands, Hela, Western, Gulf and Central Provinces of Papua New Guinea. More than 700 kilometres of pipeline connect the facilities, which include a gas conditioning plant in Hides and liquefaction and storage facilities near Port Moresby.

Miners Tax Credit Scheme totals K270m

Post-Courier, April 30, 2015

Ok Tedi Mining Limited (OTML) has spent over K270 million on projects in Western Province as part of the OTML Tax Credit Scheme program. The program was established in 1995 by the National Government, in partnership with the communities. Since its implementation in 1997, many rural communities in Western Province and Telefomin district of Sandaun Province have received much needed basic services in areas of health, education, and transport and road infrastructure. Currently the program is being coordinated and managed by the OTML Economic Programs Department. OTML has delivered many projects successfully over the past 18 years. OTML Regional Project coordinator Felix Bage said that the Department of National Planning and Monitoring has approved K128.56 million funding for 2014 and 2015 under the OTML TSC program. He also stated that OTML has received many requests from communities and local level governments to build schools, roads and health facilities, but this can be considered if there are enough funds available.

He said they currently have 11 projects, of which eight are under construction stages. The 11 projects include: Balimo Hospital Stage 2 Housing Project, Fly River Jetties Upgrading Program, Kiunga Town Sewerage System Upgrade, Kiunga Town Water System Upgrade, Kiunga Subdivision Stage Development Project, Oksapmin High School Project, Tabubil Hospital Staff and Student's Housing Projects, Monfort Primary School Development, Lower Ok Tedi Foot Bridge, and Kiunga Hospital 20 Bed Accommodation. In addition to the program, OTML through its subsidiary Ok Tedi Development Foundation also contributes to infrastructure development through the CMCA Community Development and other donor funds.

New Ireland united on negotiations

Post-Courier, April 30, 2015

New Ireland Governor Sir Julius Chan announced yesterday that all New Ireland stakeholders have come to a united position on the way forward in the Lihir MoA and intergrated benefits package (IBP) negotiations. A meeting was held on Wednesday in Kavieng between the Lihir Mining Area Landowners' Association (LMALA), the Nimamar local level government (NLLG) and the New Ireland Provincial Government (NIPG). The LMALA delegation was led by the new Chairman of LMALA, James Laketan. The NLLG delegation was led by the President of the LLG, Ambrose Silul, and the NIPG delegation was led by representatives of the mining division and the DPA for

economic affairs. The meeting discussed a series of important issues having to do both with the implementation of the current MoA and with the key issues for the new MoA and IBP (integrated benefits package).

A resolution was drafted which stated that the three key stakeholders were agreed in their insistence that the MoA discussions be put back on a fast track and that they would present a single, united position at the upcoming MoA and IBP renegotiations. The three stakeholders also agreed to write to the Secretary for Mining to activate the Dispute Resolution clause in the current MoA to call a meeting of all stakeholders to consider several grievances. These grievances concern over the environmental practices of the company as well as the failure of national Government to properly monitor the environmental activities of the mining company, despite the fact that the MoA calls for such monitoring and regular reporting. Another grievance is the recent tendency of the company to seek contractors from outside Lihir or New Ireland.

MRDC against royalty idea

The National, April 29th, 2015

By SHIRLEY MAULUDU

THE custodian of landowner equities, Mineral Resources Development Company (MRDC) Ltd, does not agree to have part of landowners' equities from resource projects in the country be put into Sovereign Wealth Fund (SWF), an official says. Managing director Augustine Mano said the Government already collected taxes from projects and should not interfere with the "little money" that landowners received from projects in their areas. Mano was responding to questions from The National following a recommendation to have part of landowners' royalties put into the SWF for rest of the country to benefit from. In a recent meeting, the National Research Institute (NRI) in its submission on the creation of a SWF, said that the institute is of the view that every Papua New Guinean owns the resources, one way or another. Outgoing director Dr Thomas Webster said part of the royalty payments should be put into the fund for the benefit of all citizens.

"In PNG we have landowners but we have greater Papua New Guinea ... everybody is the collective landowner," Webster said. SWF technical team member and Bank of PNG Governor Loi Bakani said: "That is a good suggestion but that depends on how the landowners will like it." However, the Mano disagreed with Webster's suggestion. "The Government has the tax, which is for the people of Papua New Guinea, and they have the national state entity, which is for the people of this country," he said. "Royalty is the only free money that comes in as a result of ownership of those resources. To be blunt, I think that idea would be unfair and they should leave royalties alone. Royalty is the only recognition for the ownership they (landowners) have over the resources so leave it, don't touch it." Mano said if the recommendation was to be taken on board then it had to be discussed with landowners to get their view if that was fair. Bakani had clarified that funds for the SWF excluded anything that was paid to the landowners such as royalties.

Packages for Tolukuma mine workers

The National, April 29th, 2015

TOLUKUMA Gold Mine (TGM) in Central has negotiated compensation packages with its employees as the company finalises its mine closure programme, general manager John McKinstry says. Parent company, Petromin Holdings Ltd (Petromin), has announced that the mine in the Goilala hinterland will be closed this month. Petromin managing director Thomas Abe said the mine was unable to produce enough gold each month to cover costs. "Petromin itself is facing new pressures with a pending restructure significantly affecting income and the cash drain from Tolu-

kuma has adversely affected Petromin's balance sheet to the point that it can no longer keep supporting operations," he said. Abe said Petromin would ensure all 320 employees of TGM would receive their full entitlements. McKinstry said the company would not discuss the total expenditure on mine closure publicly. "The costs involved are largely those of making the workforce redundant," he said.

"TGM has negotiated a severance package with employees which we (TGM) won't disclose publicly. "The package takes into consideration that most of the workforce is locally based, and the lack of road access to the district makes getting new jobs extremely difficult." McKinstry said Petromin was closing down operations and putting the site under care and maintenance. "It will remain under care and maintenance until Petromin has exhausted all avenues for a sale of the mine. "Other costs involved are those involved in keeping the plant and machinery in good order, while potential buyers are sought. "This will involve a small team of people with specialist skills, which will be supplemented with casual labour from locals as needed." He added that during care and maintenance period, TGM would be working on providing the Mineral Resources Authority (MRA) a mine closure plan. "The plan will formally detail the work and costs involved in decommissioning and rehabilitating the mine site – should it be necessary," McKinstry said.

Social mapping key in clan vetting: Landowners

The National, April 29th, 2015

CLAN vetting without social mapping would bring a lot of issues for landowners in the PNG LNG project impact areas, say a landowner representative. Wakari Parali of the newly -ormed Angore (PDL8) Gas Pipeline Landowners Association said without proper social mapping, there would be difficulties faced in identifying which clans who would be beneficiaries to the PNG LNG project. "Clan vetting is bringing a lot of issues, especially when done without social mapping," Parali said. "How can you find out who is a genuine landowner especially when anybody is put into any clans that they like in the clan vetting? "This can create confusing especially on the part of landowners from the impacted area when it comes to receiving benefits from the project."

Parali said that there was a lot of money put into the first and second phases of the clan vetting exercise for the PNG LNG project when it could have been spent on social mapping first. Meanwhile landowners in Angore, Hela, aim to bring in basic services into the LNG impacted communities through the formation of their new association. The Angore (PDL8) Gas Pipeline Landowners Association was launched yesterday in Port Moresby. Parali said the association was a non-profit making community based organisation that aimed to deliver basic infrastructure services and projects to the clan and communities along the pipeline impacted areas. He added that they had 2300 registered members from 45 clans.

Mining town without water

The National, April 29th, 2015

HUNDREDS of people living in the mining township of Paiam in Porgera, Enga, have been affected after landowners shut down the water supply. Paiam Hospital, police station, schools, banks, stores, police barracks and homes have been affected. According to a public servant in Porgera, the landowners at Palipaka, about five kilometres from Paiam station, shut down the taps yesterday because they had not been paid. A source at Porgera told The National that a subsidiary of Porgera Development Authority had not paid the landowners. He said institutions, including town residences, would be badly affected and some would eventually close down if the water problem continued. He said five police vehicles, which used to serviced by the Porgera Development Authority,

were no longer going there because there was no money to help them. He said for the past three months now, no vehicle had gone for a service, posing a threat to the lives of policemen. He said when the Government gave money to the authority, they usually helped police and paid other service providers in Paiam. An attempt to get a comments from the PDA yesterday afternoon was unsuccessful.

Ocean wealth valued at US\$24 trillion, but sinking fast

Post-Courier, April 28, 2015



The value of the ocean's riches rivals the size of the world's leading economies, but its resources are rapidly eroding, according to a report released by WWF today. The report, *Reviving the Ocean Economy: The case for action - 2015*, analyses the ocean's role as an economic powerhouse and outlines the threats that are moving it toward collapse. The value of key ocean assets is conservatively estimated in the report to be at least US\$24 trillion. If compared to the world's top 10 economies, the ocean would rank seventh with an annual value of goods and services of US\$2.5 trillion. The report, produced in association with The Global Change Institute at the University of Queensland and The Boston Consulting Group (BCG), is the most focused review yet of the ocean's asset base. *Reviving the Ocean Economy* reveals the sea's enormous wealth through assessments of goods and services ranging from fisheries to coastal storm protection, but the report also describes an unrelenting assault on ocean resources through over-exploitation, misuse and climate change. "The ocean rivals the wealth of the world's richest countries, but it is being allowed to sink to the depths of a failed economy," said Marco Lambertini, Director General of WWF International. "As responsible shareholders, we cannot seriously expect to keep recklessly extracting the ocean's valuable assets without investing in its future."

According to the report, more than two-thirds of the annual value of the ocean relies on healthy conditions to maintain its annual economic output. Collapsing fisheries, mangrove deforestation as well as disappearing corals and sea grass are threatening the marine economic engine that secures lives and livelihoods around the world. "Being able to quantify both the annual and asset value of the world's oceans shows us what's at stake in hard numbers; economically and environmentally. We hope this serves as a call for business leaders and policymakers to make wiser, more calculated decisions when it comes to shaping the future of our collective ocean economy," said Douglas Beal, Partner and Managing Director at The Boston Consulting Group. Research presented in the report demonstrates that the ocean is changing more rapidly than at any other point in millions of years. At the same time, growth in human population and reliance on the sea makes restoring the ocean economy and its core assets a matter of global urgency.

"The ocean is at greater risk now than at any other time in recorded history. We are pulling out too many fish, dumping in too many pollutants, and warming and acidifying the ocean to a point that essential natural systems will simply stop functioning," said Ove Hoegh-Guldberg, the report's lead author and Director of the Global Change Institute in Australia's University of Queensland. Climate

change is a leading cause of the ocean's failing health. Research included in the report shows that at the current rate of warming, coral reefs that provide food, jobs and storm protection to several hundred million people will disappear completely by 2050. More than just warming waters, climate change is inducing increased ocean acidity that will take hundreds of human generations for the ocean to repair. Over-exploitation is another major cause for the ocean's decline, with 90 per cent of global fish stocks either over-exploited or fully exploited. The Pacific Bluefin tuna population alone has dropped by 96 per cent from unfished levels.

It is not too late to reverse the troubling trends and ensure a healthy ocean that benefits people, business and nature. *Reviving the Ocean Economy* presents an eight-point action plan that would restore ocean resources to their full potential. Among the most time-critical solutions presented in the report are embedding ocean recovery throughout the UN's Sustainable Development Goals, taking global action on climate change and making good on strong commitments to protect coastal and marine areas. "The ocean feeds us, employs us, and supports our health and well-being, yet we are allowing it to collapse before our eyes. If everyday stories of the ocean's failing health do not inspire our leaders, perhaps a hard economic analysis will. We have serious work to do to protect the ocean starting with real global commitments on climate and sustainable development," said Lambertini. WWF's global ocean campaign, Sustain Our Seas, builds on decades of work by the organization and its partners on marine conservation. WWF is working with governments, businesses and communities to encourage leaders to take urgent measures to revive the ocean economy and protect the lives and livelihoods of billions of people around the world.

Mining company in Fiji says it has paid royalties

Radio New Zealand, 28 April 2015

A mining company in Fiji being accused of not paying royalties to landowners says it has handed over about 670,000 US dollars to the government. Landowners in Fiji's northern division say they have not received any royalties from a bauxite mine run by Chinese company Aurum Exploration Limited since they consented to it in 2011.

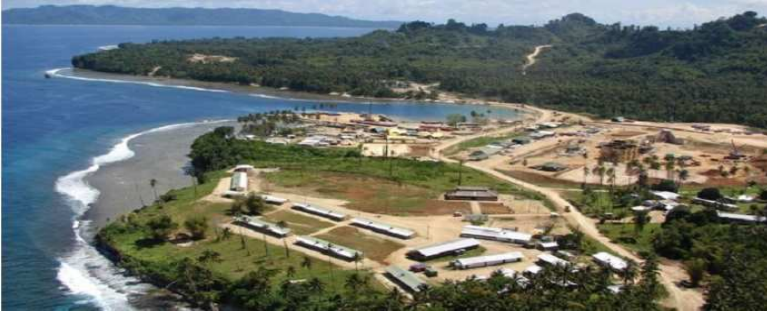


Bauxite mine opening in 2011, Photo: SUPPLIED / Fiji government

A SODELPA MP Mosese Bulitavu says the company has only paid about 300,000 US dollars so far in royalties to the Lands Department, which still has not been given to landowners. He says the company still owes about another 740,000 US dollars. But an Aurum Exploration Limited spokesperson says it has paid the government about 670,000 US dollars and cannot pay landowners directly.

Gold mine strife with landowners: report

Manuel Sialis, PNG Loop, Apr 28, 2015



Simberi Gold company mining operations are at risk after landowners at the New Ireland mining camp placed “gorgor” plants at the pits. To New Irelanders, posting the ‘gorgor’ leaves is like forbidding activity at the site. According to local sources the dispute and gorgor threat is due to some unsettled issues the company is having with the landowners. Sources on Simberi claimed the gorgor had forced the company’s hand and had caused a stoppage. The mine is on the Simberi island in the Tabar group of islands within the Namatanai electorate.

The Loop spoke late today to a company executive who denied any disruption to mining operations but agreed there was a dispute with landowners. He declined to be specific about the nature of the dispute. He did say that the company respected the posting of the gorgor, but that mine operations were continuing as usual. The Simberi mine is owned by the St Barbara company, which has recently run into troubles with its Gold Ridge mine in the Solomon Islands. The company’s most recent report to the stock exchange, for the March 31 quarter, was positive, saying production had picked up and profit margins were improved. Also, digging for prospective nearby ground was looking good.

More MPs in trouble with law

Post-Courier, April 28, 2015

BY SAMUEL RAITANO

THREE Members of Parliament, including a Government Minister, went under the scrutiny of the high courts in Waigani yesterday. Minister for Tourism, Arts and Culture Boka Kondra, who is North Fly MP, came out the worst – found guilty by a Leadership Tribunal on all six allegations of misappropriation and constitutional breaches against him. In the second tribunal hearing on penalties against Manus Open MP Ronny Knight, who had been found guilty of corruption, deputy Public Prosecutor Camillus Sambua urged the tribunal to dismiss the MP from Parliament. Enga Governor Peter Ipatas was the happiest of the three leaders when the National Court dismissed an election petition challenging his 2012 general elections victory. The Boka Kondra leadership tribunal was unanimously in its ruling yesterday evening at the Waigani Court House. One member of the tribunal however, found the MP not guilty of two of the six allegations. Due to the 2-1 ruling on these two allegations, the leader was guilty of all as charged. Mr Kondra was found guilty to have used North Fly’s district support improvement program (DSIP) and district support grant (DSG) funds wrongly to pay for rentals of office and family accommodation in Port Moresby and for settling personal debts he incurred during the 2007 elections. The alleged offences occurred between 2008 and 2010. It is understood that the DSIP and DSG funds were generally kept under the North Fly District’s operating account when they were obtained.

After analysing the evidence put forward by the Public Prosecutor following the Ombudsman Commission’s investigation, Kondra was told that he had been found guilty on all allegations. This

relates to separate payments made for office rentals, family's accommodation rental and settling of personal debts using more than K200,000 belonging to the people. The tribunal had found that despite receiving vehicle and accommodation allowances from his salary, the payments made by the district amounted to double-dipping on the leaders part. He had failed to notify relevant authorities involved in making payments when knowing that there were two sets of payments made for the same services. Chairman of the tribunal Justice Salatiel Lenalia said he was of the view that the "leader and his associates be criminally prosecuted for misappropriating public monies." The tribunal comprised Justice Lenalia, magistrates Rossie Johnson and Ignatius Kurei.

Gulf LNG project on track

The National, April 28th, 2015

BY GYNNIE KERO

THE liquefied natural gas (LNG) project in Gulf is on track with construction set to begin in 2017, InterOil chief executive officer Dr Michael Hession revealed yesterday. Responding to questions by The National on the project's construction timeline, Hession said: "The status at the moment is InterOil will be transferring operatorship to Total and we are in the middle of that transfer. "We (InterOil) will be moving in designs in the middle of this year, and we will be moving into FEED (Front End Engineering and Design) studies early next year. "In terms of the LNG concept, we hope to present it in the next 12 months." InterOil and its partners, Total and Oil Search Ltd plan to begin marketing a total of 6.8 million tonnes of LNG per year from the project mainly to buyers in China and Japan. InterOil has a 36.5 per cent stake in the project, while Oil Search holds about 23 per cent. Total, which is going to be the operator, bought a 40.1 per cent stake in the Elk Antelope LNG project from InterOil last April for US\$429 million (K1.15bn). Total PNG managing director Philippe Blanchard reaffirmed Hession's statement, adding that the joint venture partners would announce the locations for the LNG plant and central processing facility mid this year.

Lease issued for third bauxite mine in Fiji

Radio New Zealand, 27 April 2015

A lease for a third bauxite mining site has been issued in Fiji, and will be the largest so far of the sites in the Northern Division. The Chinese company Aurum Exploration Limited has almost completed mining at the first site in Nawailevu, which has produced almost 1 million tonnes of bauxite. The same company has just started clearing the third site at Dreketi which covers an area of 222 hectares, compared to the 150 hectares at Nawailevu. The Mineral Resources Department Director, Malakai Finau, says the company has just started work at the site. "In fact we have just issued the mining lease for this third site, known as Naibulu East, they are beginning the mining development operations. They have to clear the site and do the roads." Mining has just commenced at the second, smaller site in Leketu, where bauxite will also be exported solely to China.

Fiji landowners want promised mine royalties

Radio New Zealand, April 27, 2015

A petition will be presented to the Fiji government next month by landowners in the Northern Division who say they have not received any royalties from a bauxite mine they consented to in 2011.

The Chinese company Aurum Exploration Limited has almost completed mining at the site in Nawailevu, which has produced almost 1 million tonnes of bauxite. The SODELPA MP Mosese Bulitavu says the company has only paid \$600,000 so far in royalties to the Lands Department, which still hasn't been handed over to the landowners. And he says the company still owes another \$1.5

million in royalties. "Commodore Bainimarama, he had promised at the opening of the Nawailevu bauxite mining, in his opening statement, that government will be paying them after 2011, two years time, will be \$3 million dollars, plus other development projects, housing developments, that has all not happened."

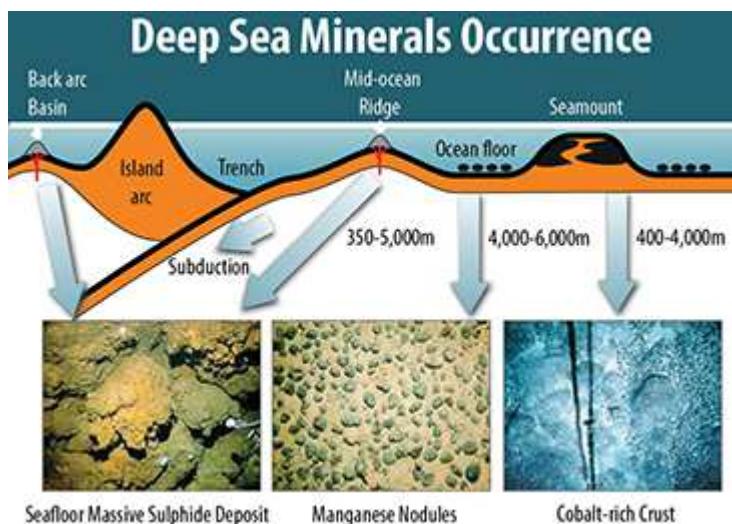


Bauxite mine opening in 2011 Photo: SUPPLIED / Fiji government

Mosese Bulitavu says at least 300 signatures have been gathered so far. The same company has just commenced mining at a second site in Leketu and was just recently issued a lease for a third bauxite mining site at Dreketi.

Marshall Islands consults on deep sea minerals

Secretariat of the Pacific Community, 24 April 2015, Suva



The Republic of the Marshall Islands (RMI), with the assistance of the Secretariat of the Pacific Community (SPC)–European Union (EU) Deep Sea Minerals Project, has commenced public consultations on deep sea minerals, with a particular emphasis on the draft national Deep Sea Minerals Policy and Seabed Management Bill, which will be submitted to the RMI cabinet in June 2015. Government representatives, national agencies, the private sector, non-governmental organisations (NGOs), churches, members of parliament, the Council of Iroij and communities took part in the consultations, which were held in Majuro and Ebeye between 22 and 24 April 2015. The main objective of these consultations was for the government to present the vision, goals and objectives of the draft national Deep Sea Minerals Policy and in the contents of the Seabed Management Bill.

This was also an opportune time for the government to raise awareness of the opportunities for the country to engage with the deep sea minerals industry, with the view of discussing alternative sources of revenue that will be used for the well-being of the people. These consultations highlight the government's commitment to ensuring public participation and transparency, and addressing the concerns of all stakeholders. "We would like to applaud the RMI government's effort in facilitating an open and inclusive process for its new Deep Sea Minerals Policy and Seabed Management Bill," said the EU Ambassador for the Pacific, Andrew Jacobs. "Dialogue and discussion on commercial exploitation of Deep Sea Minerals with a wide range of stakeholders helps build the necessary trust and understanding between different parties on a sensitive subject," the Ambassador added.

"The involvement of all of the people of RMI, including local communities, is key in the approach followed by the government to move forward with the Deep Sea Minerals industry", said Secretary of the Ministry of Resources and Development of RMI, Rebecca Lorennij. "We are extremely grateful to SPC and the EU for the support and assistance provided to RMI and we want to believe that this partnership will continue and enable the Republic of the Marshall Islands to build its expertise and capacities with the view of managing and regulating this new industry for the benefit of Marshall Islands people," the Secretary added. The Deep Sea Minerals Project supports this broad consultation, and offers technical advice and assistance to its 15 participating Pacific countries, providing accurate information and guidance through awareness programmes and workshops at both the national and regional level, to ensure that countries have relevant information to make informed decisions. A consultative approach is vital in the formulation of any policy or national framework, as the public's views and concerns must be taken into account before an agreement is made.

The RMI awareness-raising meetings coincide with the development of a new series of videos the Deep Sea Minerals Project has made, to answer frequently asked questions regarding deep sea mining. The "Q&A Videos" feature world-renowned experts in deep sea mining, and are specifically designed to increase the public's understanding of deep sea mining activities in the Pacific region. The first Q&A Video features Cindy Van Dover, a professor of Biological Oceanography at Duke University in the United States and an expert on deep ocean exploration, who answers questions such as: What kind of organisms lives near deep sea vents? Why is it important to learn about these organisms? Why should scientists be involved in commercial mining activities? and What can be done to minimise the impacts of mining? The video shows underwater footage from seafloor massive sulphide sites bringing to life the surrounding environment, and is available on the Deep Sea Minerals Project's website: <http://gsd.spc.int/dsm/index.php/q-a>.

UNPFII 14th session: Statement by Akali Tange Association and endorsed by the Pacific Caucus Porgera Alliance, April 24, 2015

We would like to begin our statement in addressing the fact that while we here at the United Nations talk of human rights violations in the context of the pillaging and plundering of resource extraction by businesses, foreign companies and multi-nations and States on Indigenous lands we are deeply aware of the fact that and living the reality that these human rights violations are, in fact, criminal acts being committed against us in and on our own Pacific waters and lands. From environmental damage, to averting of our food chains, to the importing and planting of unsustainable crops, to food insecurity, the peoples of the Pacific experience cultural genocide at the hands of extractive industries that face little to no legal recourse or actual, on-the-ground human rights or criminal law standards being met. In fact, it is as if the businesses are the ones dictating the law of the lands. The weakness of State governments in the supporting foreign companies from developed

States entering our sacred, traditional, territorial and life-sustaining lands and resources results in the crushing of our Pacific Indigenous peoples, health, lives and well-being to a degree that is cruel and inhumane. Corruption and lack of political willpower permit businesses to get away with crimes ranging from murder to forced relocation and evictions, rape, organized assaults, torture and other bodily harm to our families, in our homes and through the destruction of and for our resources, alongside restrictions of media access and the labeling of our Indigenous Pacific human rights defenders and allies as criminals and subversives and often ending in their deaths.



Item 4: Half-day discussion on the Pacific region 21 April 2015
Statement by Akali Tange Association and endorsed by the Pacific Caucus.

UN General Assembly Resolution 1803 (XVII), on *Permanent sovereignty over natural resources*, has stated that “violation of the rights of peoples and nations to sovereignty over their natural wealth and resources is contrary to the spirit and principles of the Charter of the United Nations and hinders the development of international co-operation and the maintenance of peace.” However we do not see these words being upheld in our Indigenous Pacific homelands by the very States who have agreed to this and other treaties and legal manifestations including the United Nations, including through the UNDRIP. Violence against our women and men by extractive industries committed by security guards, hired police forces, workmen, and other extractive industries employees is used as a weapon of intimidation by business forces occupying our territories and defiling our Pacific Indigenous peoples’ self-determination. The violence against Papua New Guinea and its Indigenous people/s at the minds and hands of Barrick Gold and the mining industry are but one heavy-hearted, all-consuming example of the rape of both Indigenous women and traditional Indigenous territories and relations here on earth by companies manifesting from ‘developed’ States for the benefit of the development-privileged global north and west. Indigenous landowners victim to extractive industries experience tailings into their river systems and poisoning of the very earth that is needed to sustain Indigenous life and cultures, resulting in environmental violence.

OECD guidelines are not complied with, nor are basic tenants of Human and Indigenous Rights and needs for cultural and human survival such as land security, fresh water and foods and continuation of traditional practices. Businesses are not held accountable for genocide, cultural genocide, war crimes or crimes against humanity in the context of extractive industries, however we the Indigenous Peoples of the Pacific experience that we are victims of all of these crimes at the hands of extractive industries in reality. UN Special Representative of the Secretary-General on Sexual Violence in Conflict, Ms. Zainab Hawa Bangura, has stated that “Sexual violence in conflict needs to be treated as the war crime that it is; it can no longer be treated as an unfortunate collateral damage...”, and the UN Security Council has stated that “women and girls are particularly targeted by the use of sexual violence, including as a tactic of war to humiliate, dominate, instill fear in, disperse and/or forcibly relocate civilian members of a community or ethnic group.” General Comment

No. 14 on the International Covenant of Economic, Social and Cultural Rights issued by the ICESCR Committee in 2000 states, Article 12(4) states that “the right to health embraces a wide range of socio-economic factors that promote conditions in which people can lead a healthy life, and extends to the underlying determinants of health, such as...a healthy environment” and “any person or group victim of a violation of the right to health should have access to effective judicial or other appropriate remedies at both national and international levels and should be entitled to adequate reparation. We seek the right to begin to heal from the atrocities committed against us by extractive industries and the States that align with them, however how can we become healed and healthy again, when the atrocities have never ended? For this we reference Articles 24 and 43 of the UNDRIP, as well as the wisdom of our own sacred ways, peoples and lands.

We watch politicians, lawyers and judges from the ‘developed’ global north who have once championed international criminal law and justice in the highest of world courts and tribunals, such as Gabriel Kirk McDonald, then go on to be paid millions of US dollars or other currencies of ‘developed’ States to serve as ‘human rights advisors’ to major extractive industries such as Freeport McMoran, while these same companies then continue to, for years upon years and to this day, rape, murder and pillage and plunder the Indigenous Peoples of the Pacific. Where is our justice? Where are the tribunals giving us back our human and homeland security, lives of our peoples, self-determination and rights to our lands?

We recommend the Special Rapporteur on the Rights of Indigenous Peoples investigate ways and means to clear mechanisms that Indigenous Peoples have full and equal access to and voice in and in which they can hold businesses, multi-nationals and extractive industries accountable for not only human rights violations but also criminal acts in Indigenous lands and against Indigenous Peoples in accordance with International Criminal Law and Customary Law including but not limited to crimes against humanity, war crimes, genocide, cultural genocide, and the breaching, with the collusion of States, of the very legal, moral and ethical foundations of the Charter of the United Nations and the right of Peoples to self-determination. **We recommend** that the Special Rapporteur on the Rights of Indigenous Peoples coordinate with other Special Rapporteurs to undergo this investigation.

First export of 2. LNG project in 2021

The National, April 24th, 2015

THE first export of liquefied natural gas from the Gulf LNG project operated by French oil major Total SA is expected in 2021, InterOil executive vice president Isikeli Taureka (pictured) says. “Total and its partners InterOil and Oil Search plan to begin marketing a total of 6.8 million tonnes of LNG per year from the project mainly to buyers in China and Japan,” Taureka told Reuters on Wednesday. The project would become Papua New Guinea’s second, after ExxonMobil PNG Ltd in May last year began exports from its US\$19 billion (K51 billion) PNG LNG project. Taureka said the new project, drawing gas from the Elk and Antelope fields, hoped to take advantage of many LNG contracts expiring in North Asia around that time. He added that he expected Chinese demand to double. The project “would be taking advantage of contract expiring in North Asia, a rebound in energy prices ... and China will be doubling in demand,” Taureka said.

However, the project may face competition from LNG from North America and Australia, where projects will ramp up towards the end of the decade. Asian LNG prices have more than halved since last year in tandem with lower oil prices and as demand growth fails to keep up with new supply. “Preliminary estimates show the Elk and Antelope fields in Gulf hold 5-9 trillion cubic feet of natural gas, although reserves will only be confirmed once an appraisal study is complete by the middle of this year,” Taureka said. Total bought a 40.1 per cent stake in the project from InterOil in April

last year for US\$429 million (K1.165 billion). The sale was disputed by Oil Search, which claimed it had the right to buy the stake, but lost the case in international arbitration. Total has made few comments on the project, but said Papua New Guinea holds the right to acquire a 22.5 per cent stake in the project once a final investment decision has been made, which would lower Total's stake to 31.1 per cent. InterOil has a 36.5 per cent stake in the project, while Oil Search holds about 23 per cent.

Oil Search suffers revenue slump

Post-Courier, April 23, 2015

Oil Search Limited (Oil Search) has reportedly suffered a 16 per cent revenue slump as oil prices weakened and scheduled maintenance halted production at its PNG LNG plant. According to Australian television SBS news on Tuesday, weaker oil prices and a fall in production have contributed to a slump in revenue for Oil Search. But the oil and gas producer remains on track to meet its full year production forecasts, as it cuts costs to keep its balance sheet in a sound position. Oil Search, which has a 30 per cent stake in the PNG LNG Project in PNG, said revenue fell 16 per cent to \$US472.3 million (\$A611.51 million) or K1.26 billion in the three months to March, compared to the previous quarter. That reflected an eight per cent fall in LNG and gas revenues, and a 37 per cent drop in oil and condensate. The company's own quarterly report has confirmed the fall in its total revenue, reflecting the impact of the global downturn in oil prices on the company's LNG, gas, oil and condensate sales revenue. Oil Search said the average realised LNG and gas price was \$US12.37/mmBtu, down 14% from the fourth quarter, while the average realised oil and condensate price declined 30%, to \$US51.29/barrel.

The report stated that the PNG LNG Project achieved financial completion in February, resulting in the release to the company of more than \$US850 million (K2.28 billion) in cash previously escrowed in PNG LNG Project related accounts. Oil Search has reviewed its business in light of weak global oil and gas prices, but says the company's operational and financial position remains resilient. "In light of the decline in oil price, we believe it is prudent to remove costs from our business and reinforce fiscal discipline to enhance profitability while ensuring we have sufficient financial capacity to pursue our growth opportunities," chief executive Peter Botten said. It comes after the company revised its capital and operating cost budgets for 2015. Oil Search's total production fell five per cent to 6.91 million barrels of oil equivalent in the March quarter, down from 7.24 mmboe in the December quarter. "The decline had been expected because of reduced production at its PNG LNG plant due to scheduled maintenance," the company said. "Production rates were fully restored by the end of the quarter and the company remains on track to meet its 2015 full year production guidance of 26-28 mmboe," Oil Search said. Shares in Oil Search dropped one cent to \$8.09.

Government extends Porgera emergency operations

Post-Courier, April 23, 2015

The Government-imposed state of emergency (SOE) call out operation in the Porgera Valley of Enga Province has been extended for another three months – until July. The SOE call out operation has lasted for more than 11 months since its inception in April last year by the National. Under the command of Chief Superintendent Norman Kambo, troops from police mobile units and PNG Defence Force have tirelessly carried out law and order operations within the Porgera mine perimeters and also other parts of Enga Province when required. So far there has been three troop rotation of both the police and defence personnel taking part in the operation. Police mobile units from Mt Ha-

gen MS 5 and MS 7 and the Delta platoon of the Second Pacific Island Regiment (2PIR) from Moem barracks in Wewak were the first troops deployment.



The second rotation involved police mobile units MS 2 from Port Moresby and MS 10 from Mendi, supported by the 2PIR Bravo platoon, also from Moem barracks. The defence force platoon remained and continued on for seven months when police mobile MS 2 and 10 withdrew after three months and got replaced by MS 11 from Wabag. This third rotation involved troops from the police mobile units MS 12 based at Laiagam in Enga Province and Defence Force Support Battalion from Murray Barracks in Port Moresby. A statement from the SOE command stated that law and order problems are at a containable level but the influx of illegal miners into the mine site demands a proper co-ordinated approach to really address the ongoing dilemma.

It said people have squatted at the mining town of Porgera from all parts of the Enga Province and other surrounding Highlands provinces. Genuine landowners of the mine areas are being alienated from their land. Settlements have mushroomed all over the Porgera Valley, providing haven for the illegal miners to operate from. Access into the mine pit and surrounding stock piles was very easy because of the vast area, which makes it very hard to police. Illegal miners are also very illusive and scale the high wall to different levels to escape being caught by the security forces. Local landowners have called on the Government and Barrick gold mine to relocate them.

Solwara 1 vessel contract awarded

Post-Courier, April 23, 2015

Nautilus Minerals has announced that the order for the supply of the entire electrical installation for the production support vessel for the Solwara 1 Project has been awarded to Siemens International Trading (Shanghai) Ltd, a wholly owned subsidiary of Siemens AG. Mike Johnston, Nautilus' chief executive officer commented that the electrical package marks the fourth major long lead time package to be awarded by the shipyard, Fujian Mawei Shipbuilding. "We are especially pleased to be partnering with another world class, global company such as Siemens. Their involvement with our first seafloor production system, along with other industry heavyweights such as GE Oil and Gas, Sandvik, Soil Machine Dynamics, Rolls Royce, Bedeschi and McGregor, highlights the quality of the system that we are building.

We look forward to reporting on Siemens' progress as the vessel construction progresses." According to a statement released, Siemens will supply the entire shipboard electrical installation for the Company's Production Support Vessel (PSV) to be first deployed for the Solwara 1 Project in the Bismarck Sea of Papua New Guinea. The scope of supply will extend to all main generators, switchboards, transformers, electrical motors and associated systems for power generation, propulsion, automation and distribution. Siemens will also be providing various switchboards and transformers to facilitate power distribution to various items of Seafloor Production Equipment to be built into the PSV during the ship building process.

Bougainville Presidential Candidate Wants Mining Act Changes

Former separatist leader Kauona rejects Panguna mine license

WELLINGTON, New Zealand (Radio New Zealand International, April 23, 2015) – A former Bougainville separatist leader now running for president says he wants modifications to the new Mining Act. Sam Kauona says the legislation passed just before the election process for the autonomous Papua New Guinea region began achieves some of what he had sought but not all. The act vests control of resources in the hands of the landowners instead of in the crown. Mr Kauona takes credit for this, saying he had to battle hard to convince the ABG to make such a radical departure from the Western convention. But he says a key reason he is running in next month's election is that under the act Rio Tinto, the majority owner of Bougainville Copper Ltd, which ran the Panguna mine before the civil war, has still got an exploration licence. "Licence was given before and even in the new law it was given back to BCL. Although restricting them of mining licence, the exploration licence was given back, was recognised." Sam Kauona, who says he recognises that Bougainville needs to re-embrace mining to develop its economy.

Ministry, landowners meet over exploration issues

Vuniwaqa Bola-Bari, Fiji Times via PNG Mine Watch, April 22, 2015

THE Lands and Mineral Resources Ministry deputy permanent secretary Malakai Nalawa today met with members of the Nawaisomo clan to iron out issues regarding the exploration work by the Namosi Joint Venture. The landowners were today informed that all that has been done at this stage was exploration of the land for minerals but no mining has been done, thus lease money will only be given once the lease of their land is allowed when the company feels that they should mine the land for its minerals. But if minerals are not found, landowners will get compensation for the exploration work with accordance to damage done during the time of exploration by the company. The meeting was held at the Namosi Provincial Office in Navua.

Sovereign Wealth Fund needs another function: Webster

The National, April 22nd, 2015

By SHIRLEY MAULUDU

THE Sovereign Wealth Fund (SWF) must have a third function, former National Research Institute (NRI) director Dr Thomas Webster says. Webster (pictured) said a development fund should be established under SWF apart from the stabilisation and savings funds. He said the development fund would take into account major national infrastructure projects so as to address infrastructure development at a broader and national level. The suggestion was from initial submission in 2010 by NRI for establishment of SWF and was presented again during oral submissions on organic law of SWF at parliament yesterday. "A development fund would be the country's critical infrastructure that would help the current generation but would position the country for improvement so that future generations could benefit," Webster said.

"If we put it (funds) in stabilisation fund and it comes to budget, every Member of Parliament will want a slice of that pie and it will be diluted and we'll have small projects here and there. "What we need is critical infrastructure that will transform the country, the highway, shipping, major transport infrastructure for the country and not just electorates or districts but for projects that will benefit everyone." Treasury Secretary Dairi Vele said the structure of the stabilisation fund was adequate. "The issue of having a separate fund is again, you get another group of people, you are building another organisation, you have a whole new bureaucracy that goes behind it and all of a sudden you get a much bigger organisation than one would like," Vele said. "I'm not sure if we need a separate

fund which will always grow because once a major project like Highlands Highway is built, all it needs is maintenance. “National budget can put aside money for the key infrastructures.”

Institute suggests royalties be put in fund

The National, April 22nd, 2015

THE Institute of National Research says part of landowners’ royalty funds from extractive industry projects in the country should be put into Sovereign Wealth Fund (SWF) for everyone to benefit from. Former NRI director Dr Thomas Webster said the institute is of the view that every Papua New Guinean owns the resources, one way or another. In making NRI’s oral submission to the committee yesterday for the establishment of SWF, Webster said: “How do we treat royalties? In PNG we have landowners but we have greater Papua New Guinea. Everybody is the collective landowner. “We (NRI) think that every Papua New Guinean is part to that owning of that resource.

“And we have to recognise that and leave some of that money to the landowner groups and provinces, and the larger community. “We think some of the royalties should come to the sovereign wealth fund so all Papua New Guineans should benefit. “Right now all the royalties are going to the landowners and provincial governments.” Bank of Papua New Guinea Governor Loi Bakani said: “NRI is proposing that part of the royalties belonging to the landowners be paid to the SWF to be spread out and spend among the nation of Papua New Guinea. “That is a good suggestion but that depends on how the landowners will like it.” Bakani, who is a member of the SWF technical team, said that funds that go into the SWF excludes anything that is paid to the landowners, like royalties.

West Papua: mining in an occupation forgotten by the world

by Nithin Coca, Equal Times, 21 April 2015

It is a region rich in natural resources, the biggest source of tax revenue for the fourth most populous country in the world and, under de-facto military rule, it is a place where activists are jailed, tortured, disappeared and assassinated.



A protester from the Papuan Students Alliance holds West Papua’s banned Morning Star flag in Yogyakarta, Indonesia. (Getty/Ulet Ifansasti)

So why doesn’t the world know more about West Papua? Quite simply, because Indonesia’s restive, easternmost region is home to “one of the least covered armed conflicts in the world,” said Bob

Dietz, Asia-Pacific director for the Committee to Protect Journalists (CPJ), of the more than 50-year conflict. There are no official statistics but estimates put the number of Papuans killed by Indonesian authorities at anywhere between 100,000 and 500,000 people. Four decades of heavy restrictions on media and human rights groups' access to West Papua has resulted in a near media blackout. Linked to all this is a United States-based mining giant, Freeport-McMoRan. Though its Phoenix, Arizona headquarters is almost 15,000 kilometres away from the Indonesian capital of Jakarta, it is the country's largest taxpayer. In 2014, Freeport contributed a massive US\$1.5 billion to the Indonesian state coffers. Not surprisingly, a huge percentage of its profits and revenue depends on its Papua operations – and this has wider implications.

“Freeport needs a lot of government security support to operate,” said Andreas Harsono, Indonesia researcher with Human Rights Watch. “In remote areas like Papua, this means less monitoring and more potential rights abuses taking place in their mining operations.” In fact, national police and military are in charge of ‘maintaining order’ so that copper and gold can be safely extracted, and tax revenues can flow into Jakarta. Freeport's massive Grasberg mine – one of the largest open-pit mines in the world, with a minority stake held by global mining giant Rio Tinto – is essentially closed off to outside access. “I like to joke that even if Jesus Christ wanted to visit [West] Papua, I don't think he would get a permit,” said Harsono, noting that official permission requires signatures from 18 separate ministries and security agencies – an impossible task. “Any bureaucracy that requires so many signatures to get a permit means there must be something terribly wrong in the area they want to enter.”

A history of oppression

West Papua (known by the Jakarta administration simply as Papua) forms the western half of the island of New Guinea (the eastern half being the independent nation of Papua New Guinea) and has long been a crown jewel for aspiring global powers. It has, at various times, been controlled by Germany, The Netherlands and Australia, before it was annexed by Indonesia in 1969 in a military-run election in which about 1,000 hand-picked representatives were forced to vote for ascension. West Papua was then ruled with the strongest of iron fists during Indonesia's ‘New Order’ era under General Suharto. “Suharto was a brutal dictator who savagely treated Papuans like animals and ordered many bombings and massacres in West Papua,” Benny Wenda, leader of the Free West Papua campaign told *Equal Times*. These attacks were aimed chiefly at destroying the region's independence aspirations and forcing its people to become Indonesians.

Wenda currently lives in exile in the United Kingdom, travelling around the world to raise awareness of the brutal atrocities committed by Indonesia against his people. He witnessed this personally, when, as a child, the Indonesian military bombed his village and killed members of his family. Natural resources have played a crucial role in the trajectory of Papuan history. Just four years after its annexation, Freeport arrived, marking the beginning of a long relationship which has proved prosperous for the company, the Indonesian government and few others. Meanwhile, the people of West Papua have endured great pain and suffering. There was hope when Suharto's dictatorship fell in 1998, bringing free elections to the archipelago, and even an independence referendum in East Timor, which was itself invaded and annexed by Indonesia in 1975, and faced similar, bloody oppression.

It turned out to be false hope for West Papua. “It looked as though an independence referendum was imminent but the new Indonesian government became incredibly scared of losing West Papua,” said Wenda. “So [Papuan independence leader] Theys Eluay was murdered by the Indonesian authorities, and ever since then, the situation in West Papua has only declined. There have been no real attempts to help with human rights or self-determination from any Indonesian government since.” What has changed, however, has been an even greater investment in resource development, and the continued inflow of migrants from Java and Sumatra, Indonesia's two most populous islands, into

West Papua to manage resource development. “Indonesia’s in-country migration is coming close to making Papuans a minority in their traditional homeland,” said Dietz. Of a population of 3.5 million, only about half are from the hundreds of Melanesian Papuan ethnic groups, with the remainder of the population coming from Javanese, Sundanese, Malay and Madurese migrants, nearly all of whom have arrived since 1969. Moreover, Indonesia plans to further exploit Papua by expanding palm oil plantations into traditionally-held forested land, and increasing downstream mining revenue by building smelters and other industrial facilities along the coast. “I’m concerned with how the government uses [all this] tax money,” said Eric Samudra, a Jakarta-based governance researcher. “Is it being used for the good of the people, especially Papuans? The answer, obviously, is no.”

Disengaged public

Despite the news of police killing four protesters in December, many Indonesians remain silent on their government’s occupation of a minority, mostly non-Islamic people who have been waging a low-level insurgency for freedom and justice. “The problem is most people choose not to do anything about it, while some others believe that nothing can be done,” said Samudra. However, recent documentaries such as the Oscar-nominated *The Act of Killing* are slowly opening Indonesians eyes to the country’s troubled past, which includes a bloody repression of its nascent Communist Party in the 1960s. John M. Miller, the National Coordinator of the East Timor & Indonesia Action Network, who publishes a monthly update on the situation in West Papua, believes that while public awareness is growing, it still has a long way to go before real change can occur.

“The silence is beginning to be broken, but a broad understanding isn’t there yet.” President Joko “Jokowi” Widodo promised to bring greater development and autonomy to Indonesia’s outer islands, and the December killings brought Papua to the forefront of his administration’s efforts. But questions remain about whether he will really be able to change the Papua situation. “We believe President Jokowi would like to make a difference in Papua, and he has already made some moves to do that,” said Harsono, pointing to the president’s pledge to visit Papua frequently and listen to local concerns. “But moving the security and civilian bureaucracy over [West] Papua is not easy.” That is one reason why many Papuan activists, including Wenda, are tired of empty words and want a referendum. “We do not believe that any outcome other than full independence for West Papua can ever be a solution.” On the ground, government policy seems to be going in the opposite direction.

A case in point: the recently-announced smelter, to be operated by Freeport and an Indonesian partner, will be built on traditional Kamoro lands in the Arafura coast, south of Freeport’s existing mining operations in the region. The smelter was negotiated directly between the Indonesian government and Freeport, with no say or consultation from the local people. Not surprisingly, locals groups oppose the smelter, which they fear will further pollute their lands and destroy their traditional way of living. If plans move forward, tensions will likely rise. Dominikus Mitoro, acting chair of the Kamoro indigenous consultative organisation leadership council, stated publicly that “Freeport or any other investor will encounter endless problems,” and that “no business will run smoothly until it leaves [our lands].” According to activists, now more than ever, media access to West Papua is crucial in order to bring global attention to the planned smelter, and to give the world a true understanding of the human rights situation in the region – and Freeport’s role in it. But that access seems unlikely for now. “Indonesia’s leaders appear determined not to lose another part of its far-flung archipelago by having troublesome reporters, international or Indonesian, expose what is happening in Papua,” said Dietz.

Freeport McMoRan declined to comment on this story.

More than 20 mineral firms in Solomon Islands to operate

Pacific Mining Watch via PNG Mine Watch, April 21, 2015

More than 20 mineral companies are seeking exploration and mining licences from the national government to operate in the country. Records the Sunday Star cited show a total of 129 applications have been lodged with the Ministry of Mines, Energy and Rural Electrification. Topping the list are those eyeing offshore exploration. Offshore or undersea exploration is currently being done in Papua New Guinea waters. Documents show Bluewater Minerals (SI) Ltd is seeking to explore a total of 81 tenements in the country's waters. Of those 81, 67 tenements are under valid exploration licence while 14 are still pending the minister's signature. All tenements are located within Temotu province, while one at Kana Keoki in Western Province. Japanese Sumitomo Mining is seeking six tenements in Isabel and Choiseul, but with only one valid exploration licence. Other five tenements are still awaiting the outcome to their submitted application for mining lease to the Mines and Minerals Board.

In Guadalcanal, 22 applications have been submitted for various tenements on the island. Of those companies showing interest, Australia Resource Management has one tenement of valid exploration at Kuma, while their licence for Fauro in Western Province had expired. Solomon Bauxite has one valid exploration license for bauxite on Wagina Island; while Asia Pacific Development Limited had one for Rennell. Solomon Alluvial Mining Ltd is seeking for its Guadalcanal tenement but this was never renewed. Guadalcanal Exploration Pty Ltd is eyeing three tenements at Lower Koloula, Malakuna and Koloula extension on Guadalcanal. Axiom Mining Ltd has two valid exploration and prospecting licenses; one on Guadalcanal and another in Western Province. Solomon Commodities Ltd has two tenements valid under exploration licence on Guadalcanal while AU Capital Mining Pty Ltd has one valid tenement for North West Choiseul.

Linc Corporation Ltd has a valid licence to explore for phosphate and other minerals in Rennell. Worldlink Gold and Copper Ltd have two tenements on Guadalcanal and a valid prospecting licence searches for Gold, copper and other minerals. World Link Resources Ltd had been given two tenements – one on West Rennell and Ziata project in Western province. Solomon Mining resources Ltd has a valid licence for a tenement on Guadalcanal, while is also eyeing three sites on Lithogahira, Isabel. Solomon Islands Gold Pty Ltd has one valid prospecting licence on Guadalcanal. Solomon Islands Property Investment Corporation (SIPIC) had applied for a tenement on Guadalcanal but is still awaiting the minister's signature.

Solomons Cabinet Creates Task Force To Deal With Gold Mine

Gold Ridge Mine tailings dam issues to be addressed

HONIARA, Solomon Islands (Solomon Islands Broadcasting Corporation, April 21, 2015) – Cabinet has approved a task force to deal with issues surrounding the tailings dam at the Gold Ridge Mine site in Central Guadalcanal. The Government has also allocated \$4 million [US\$514,000] towards the work of the task force and has second opinions from international experts on the work of the task force. Minister of Mines, Energy and Rural Electrification Samson Maneka revealed in parliament yesterday the funds were allocated to support the task force in its work regarding the tailings dam at Gold Ridge mine site. "The \$4 million allocation from SIG is a support fund for the task force in its consultations and engagement of international experts to provide second opinion on the recommendations of the task force. At the moment we have a few Permanent Secretaries and Special Secretary to the Prime Minister dealing with the tailings dam issue and at the moment the Cabinet has approved the establishment of the task force to deal with this issue. Hence, the funds are available for the task force to deal with issues concerning the tailings dam. Thank you Chair."

MP for Maringe Kokota, Dr Calwick Togamana raised a question concerning the allocation during committee of supply deliberations on the budget in Parliament yesterday. Parliament also passed the budget yesterday.

Investor eyes Solomon Islands mine

The National, April 21st, 2015

A PAPUA New Guinea investor is eyeing to buy the Gold Ridge mine in central Guadalcanal, Solomon Islands, and create a joint venture with landowners, the Solomon Star reported. The mine was operated by Gold Ridge Mining Ltd (GRML), a subsidiary of Australian firm St Barbara. Gold Ridge was closed last April in the wake of flash floods that hit Guadalcanal and Honiara. It has not resumed operation since and St Barbara now intended to sell the facility. Head of resource policy in the Office of the Prime Minister Dr Christopher Vehe Sagapoa had told Radio New Zealand International a PNG investor has shown interest in the mine. "There is an investor from Papua New Guinea that is coming in to try and create a joint venture with the landowners to purchase the mine from St Barbara," Sagapoa said. "It hasn't come to our knowledge how they have progressed with their arrangements and the Government is not in the arrangements," he added. Last Wednesday, the Solomon Islands Government Prime Minister's Press Secretariat Office posted a media release on social media.

According to St Barbara, the release contained a number of factual inaccuracies which Gold Ridge Mining Ltd (GRML) would address directly with the Solomon Islands Government. "In particular, the statement referred to an amount of A\$100 million (K209m) consideration in relation to the potential sale of Gold Ridge mine to the Solomon Islands Government," the company said in a statement. "This amount is incorrect and bears no relation to the nominal purchase price referred to in the relevant confidential correspondence with the Solomon Islands Government. "The Government advised in March 2015 that while it would no longer seek to acquire the Gold Ridge mine as announced by the former administration in August 2014, it would facilitate a transfer of ownership to another potential mining operator." St Barbara confirmed that it was currently negotiating a potential transfer of ownership of the mine to a Solomon Islands company associated with local landowners. Gold Ridge Community and Land Owners Association chairman Dick Douglas had told Radio New Zealand that they were working with St Barbara and the national government to effect a transfer of ownership to Gold Ridge landowners. "We need to participate fully in this development; we need to have the benefit out of our own resources," Douglas said.

World's first subsea mining vessel to be equipped with MacGregor subsea cranes

International Shipping News, 21/04/2015



MacGregor, part of Cargotec, has been awarded a contract by Fujian Mawei Shipbuilding Limited for two subsea knuckle boom cranes to be installed on the world's first seabed mining vessel. Delivery of the cranes is scheduled for Q1/2017. The order was booked into first quarter 2015 order intake. The 227m production support vessel has a beam of 40m. It has been designed by Singapore's SeaTech Solutions for Dubai-based owner Marine Assets Corporation (MAC). Following delivery at the end of 2017, it will operate under long-term charter to Canadian seafloor exploration company Nautilus Minerals Inc. The MacGregor order consists of two knuckle boom cranes; a 200t active heave-compensation (AHC) subsea crane with the capability to operate to a depth of 2,500m, and a smaller 100t subsea crane.

Mike Johnston, CEO of Nautilus Minerals, says, "We are very pleased to have such a world class supplier providing key equipment for use on our Production Support Vessel. The cranes are an essential component in ensuring operations can be performed safely across all of our large working deck areas. We look forward to reporting on the progress of this equipment as we move closer to production in 2018." "We are delighted that we have been chosen to supply the cranes for this exciting and prestigious new vessel," says Tom Svennevig, Vice President, Offshore Load Handling, MacGregor. "The demands of offshore operations are constantly changing. At MacGregor, we work hard to understand our customers' requirements and to ensure that we are always ahead of the competition in our ability to offer exactly the right hardware for the job, supported by our global service infrastructure." Source: MacGregor

Drilling starts at Star Mountains project site

The National, April 21st, 2015

PAPUA New Guinea-focused mine explorer Highlands Pacific Limited and its joint venture partner Anglo American have started drilling at their Star Mountains copper gold project in Western. The drilling exploration campaign valued at US\$6.5 million (K17.37m), followed a comprehensive aeromagnetic survey carried out over the past three months, and has started at the first hole, located at the Olgal prospect up in the Star Mountains. Highlands said exploration would involve four diamond drill holes, for a total of 3000m, aimed at testing the first two priority targets identified through previous drilling that were carried out. Managing director John Gooding said he was delighted that drilling had started.

"Through the work we have done at Star Mountains over the past three years, we have identified a significant area of mineralisation, and the drilling campaigns planned over the next few years will help us to understand the potential of this new porphyry copper gold province and the extent of mineralisation," he said. "We are very excited to be working with Anglo American at the Star Mountains project, drawing on their extensive experience and using the most sophisticated exploration techniques available to ensure the success of this programme," he said. An exploration camp has been established at Tifalmin, in West Sepik, where an airstrip for fixed wing aircraft will provide logistic support to the drill site. The initial drilling campaign that is managed by Highlands is expected to be completed by the end of September, with test results from this first hole due by the end of July.

Nautilus moves into top gear to start PNG seafloor mining in 2018

ABC Radio Australia, 21 April 2015

Canadian company Nautilus Minerals is once again gearing up to become the world's first deep sea miner of gold and copper at its Solwara 1 site in Papua New Guinea. Since Nautilus resolved a long-running dispute with the Papua New Guinea government in December, it has let contracts with

global giants from Britain's Rolls Royce through to engineering firms, shipbuilders and specialist part makers in China, Germany Italy and more. 2018 has been named as the new start date.

Presenter: Jemima Garrett

Speaker: Mike Johnston, Nautilus CEO

GARRETT: The Pacific is rich in seafloor massive sulphide deposits and in nodules, both of which contain very high concentrations of valuable minerals.

Canadian company, Nautilus Minerals is determined to be the first in the world to mine these deposits but in 2012 a commercial dispute with the PNG government brought its plans at its Solwara site in the Bismark Sea to a grinding halt. In December, the PNG government finally paid the USD\$113 million it owed for its stake in the project. Since then preparations for mining have gone into top gear. The three purpose-built machines needed on the seabed are expected to be delivered at the end of this year and other components will be ready next year. Nautilus CEO Mike Johnston says the final piece of equipment, a specially-designed ship to support mining, will be ready to start in 2018.

GRAB: We are on track for delivery of the vessel in the last quarter of 2017.

GARRETT: You are now in a joint venture with the Papua New Guinea government and PNG has paid for its 15% stake right up to the time of first production. This hasn't been an easy relationship. A dispute halted work in 2012. Even after that when the International Court of Arbitration had ruled in your favour PNG was late with its payments. What is the relationship like now?

JOHNSTON: Oh, the relationship is very, very good at the moment. We have had our first joint venture meeting. Petromin (the vehicle for state ownership) is a very good partner. The issues around the dispute and arbitration, you know, they were different people involved. Our relationship with the government has always been very solid. The dispute was around commercial items which were a little bit tricky at the time but those have all been resolved and we have formed the joint venture and both parties are working together to deliver the project.

GARRETT: Nautilus has all the permits necessary to start mining, including an environmental permit. Activists, dismayed by the impact of mining on land, continue to fight a vociferous campaign against the Pacific becoming the world's guinea-pig for extending commercial development to the sea floor. Mike Johnston says seafloor mining has a much smaller environmental impact than land mining and is also less risky.

JOHNSTON: It is not like building a mine in Papua New Guinea itself where you have to build roads and you've got to stop those from washing away and you've got to build power stations and stop those from being subject to floods and earthquakes and things and you have got to build waste dumps and dams and things. So we don't have to do that. We have got fixed price contracts and our equipment is being built in factories.

GARRETT: Nautilus is investing in health facilities, education and infrastructure and aims to hire Papua New Guineans for at least 50 percent of its new senior and professional jobs. Once mining gets underway 140 staff will be present on the mining support vessel and rosters will be organised to ensure total employment is many times that number. Mike Johnson says Nautilus's role as a good corporate citizen has contributed to its good relations with provincial and national governments.

JOHNSTON: The government of Prime Minister O'Neill is very focussed on trying to raise the standard of living and development in PNG and they see people, companies like us, with our social programs and that, are an additional way for the government to help deliver services to the broader community in Papua New Guinea.

GARRETT: You still need to find around USD\$200 million to get to the production stage. How hard will that be and will the PNG government be upping its stake in the joint venture?

JOHNSTON: Well, we have very supportive shareholders, major shareholders. We don't see it as being a problem. With regards to the PNG government stake they do have the option to take additional equity. They have to make, their first election is, I think in June. To be honest, I haven't spoken directly to them at the moment, about that option, but PNG government has got a lot of things on, too.

GARRETT: There is a lot of talk in PNG about the benefits of mining not getting to the people. Once you get to the stage of mining, what will you be doing to ensure that is not the case with your project?

JOHNSTON: well, we ensure it is not the case for our project right now. You know, we are delivering services, improved sanitation and water, we have a plan, there are 7 wards that we are working most closely with on the west coast of New Ireland. We have a tender out at the moment for the design of the bridges we are looking to put in. So, yeah, the people of the west coast of New Ireland are going to benefit and are currently benefitting from our project, from mining. I think some of the claims from people that say the benefits of mining aren't being felt by the people is not exactly completely true, you know. Over the last 25 years in which I have lived and worked in PNG I have seen enormous changes in the country which a lot of those have been driven off the back of mining investments and LNG, with the LNG project.

PNG Minister To Extractive Industries: Protect The Environment

new legislative framework to prohibit dumping of waste in rivers

By Isaac Nicholas

PORT MORESBY, Papua New Guinea (PNG Post-Courier, April 21, 2015) – Public Enterprises and State Investment Minister Ben Micah has put extractive industries on notice to respect and protect the environment. He said logging, mining, oil and gas companies would not be allowed to dump their waste into the river systems under a new legislative framework currently being developed by Water PNG and Eda Ranu with coordination from the Independent Public Business Corporation. "As much as we want to export our gas, minerals and logs, we must be very careful not to poison ourselves in the process," he said. Mr Micah said the Bougainville crisis started from an environmental issue with the polluted Jaba River which led to a conflict that claimed more than 20,000 lives. "How many more rivers, streams and aquifers are going to be polluted tomorrow because of our mad rush for development of mineral resources, hydrocarbon assets and forest resources?" He said.

Mr Micah added that the National Executive Council has approved the Water and Sanitation (WAS) Policy, it will be used as a guide for the creation of new legislations to protect water resources in the future. "I will be taking a submission to Cabinet to clearly seek NEC approval for Water PNG and Eda Ranu to be the main drivers of the WAS policy. "They will work with other agencies, especially Health Department, National Planning and Environment and Conservation, so that can get support from international agencies that have the latest technology. "We will also have access to low interest rates to help us develop the capacity of Water PNG and Eda Ranu to deliver this very vital service to the people of Papua New Guinea. "I intend to do that by getting IPBC to take the lead in putting together a strategy that will enable Eda Ranu and Water PNG to become responsible for protecting water supply. But firstly, we need to upgrade and improve current services that are being provided in Port Moresby and other urban centres.

Nautilus Minerals Inc.: Vessel Electrical Installation Contract Awarded to Siemens

TORONTO, ONTARIO--(Marketwired - Apr 20, 2015) - Nautilus Minerals Inc. (the "Company" or "Nautilus") announces that the order for the supply of the entire electrical installation for the production support vessel has been awarded to Siemens International Trading (Shanghai) Ltd., a wholly owned subsidiary of Siemens AG. Mike Johnston, Nautilus' CEO, commented, "the electrical package marks the fourth major long lead time package to be awarded by the shipyard, Fujian Ma-wei Shipbuilding. We are especially pleased to be partnering with another world class, global company such as Siemens. Their involvement with our first seafloor production system, along with

other industry heavyweights such as GE Oil and Gas, Sandvik, Soil Machine Dynamics, Rolls Royce, Bedeschi and McGregor highlights the quality of the system that we are building. We look forward to reporting on Siemens' progress as the vessel construction progresses."

About the Electrical Installation

Siemens will supply the entire shipboard electrical installation for the Company's Production Support Vessel (PSV) to be first deployed for the Solwara 1 Project in the Bismarck Sea of Papua New Guinea. The scope of supply will extend to all main generators, switchboards, transformers, electrical motors and associated systems for power generation, propulsion, automation and distribution. Siemens will also be providing various switchboards and transformers to facilitate power distribution to various items of Seafloor Production Equipment to be built into the PSV during the ship building process.

Fight Between Solomons Government, Gold Ridge Mine Continues

Company not allowed to release untreated water from tailings dam

HONIARA, Solomon Islands (Solomon Star, April 19, 2015) – The stoush between the national government and the operator of Gold Ridge mine is continuing. The government rejected applications by the operator St Barbara to be allowed to release untreated water from the tailings dam - which contains high levels of arsenic and cyanide. The mine has been closed since last April's floods - but St Barbara warns that the dam is at risk of overflowing, which could be detrimental to the nearby environment. The Permanent Secretary for the Ministry of Environment, Dr Melchior Mataki, says the company's proposals are insufficient. He says the water needs to first be treated – and the responsibility and costs should be covered by St Barbara, not the Solomon Islands' government. But in a recent statement, the Gold Ridge Mining Limited claimed it has done everything in its power to minimise the risk of overflowing and it called on the Government to approve its plans.

Bougainville mine now in play, government says

Rowan Callick, The Australian, April 20, 2015



Papua New Guinea Prime Minister Peter O'Neill. Source: News Corp Australia

The Bougainville Autonomous Government is convinced Bougainville Copper — which owns a mine containing copper and gold worth more than \$50 billion, as well as a recently reconfirmed exploration licence — is now in play. Bougainville President John Momis last week called on Papua

New Guinea's Prime Minister Peter O'Neill and Rio Tinto to reveal any dealings over Rio's 53.58 per cent shares in BCL. "For over a year now, Mr O'Neill has expressed interest in the national government taking control of BCL," Mr Momis said. "He proposes that PNG operate the Panguna mine in Bougainville in the same way it operates the Ok Tedi mine," which Mr O'Neill's government took over in 2013. The PNG government has hired Peter Graham, who led ExxonMobil's successful construction of the country's first liquefied natural gas project, to manage Ok Tedi mine and potentially to steer other state-owned mining assets.

The Bougainville mine, which was closed by conflict in 1989 and which would cost an estimated \$6.5bn or more to reopen, is also owned 19.06 per cent by the PNG government, and 27.36 per cent by other shareholders. Mr O'Neill confirmed that "we have had discussions with other shareholders of BCL on a range of issues including the reopening of the mine and the disposal of shares by existing shareholders, including Rio Tinto". But, he added, "There are no secret deals, and we are disappointed that President Momis is trying to use this issue at the time of the election" for a new Bougainville government that takes place at the end of next month. "President Momis has been informed of whatever talks we have with other shareholders of BCL, only because the state is the second biggest shareholder," Mr O'Neill said. There would be no talks about reopening the mine, he said, "until landowners and the people of Bougainville are ready".

It is understood the Momis government's concern was aroused by information it had received that law firm Norton Rose Fulbright, which does a considerable amount of work for Rio internationally, had instructions to handle the sale of Rio's shares, and had held discussions with agents in Port Moresby in relation to the deal. A Norton Rose Fulbright spokesman declined to comment when questioned by *The Australian*. The BCL share price suddenly soared by 50 per cent a fortnight ago. The ASX issued a "speeding ticket", asking the company to explain the leap. BCL said it couldn't. Mr Momis, whose government has recently passed new mining legislation that hands back control of all resources to landowners, said: "We cannot allow a new form of colonial dealings in Bougainville's resources to occur." He said that last month he wrote to BCL, seeking advice from either it or Rio Tinto, about whether share transactions between Rio and PNG were under discussion or preparation.

"I received a brief reply from Rio, addressed to BCL but passed on to me, dated March 23. The letter simply stated that 'Rio Tinto ... is reviewing its options with respect to its stake in Bougainville Copper Ltd. This review is continuing'," Mr Momis said. "Secret dealings of this kind are completely unacceptable to the people of Bougainville," he said. "It would be unacceptable to the people of Bougainville for the national government to try to take control of Panguna." Such a move, he said, would trigger demands for immediate independence. Peter Taylor, who has been chairman of BCL for 12 years, told *The Australian*: "the Bougainville government seems to want the mine reopened, but we have to sit down ... and see what's doable".

Seafloor exploration on in Solomons

Solomon Star, April 19, 2015

A major seafloor mining exploration voyage is due to get under way in Solomon Islands at the end of the month. Nautilus Minerals is set to become the first company in the world to start commercial seafloor mining when its operations begin in Papua New Guinea in 2018. It's now set to look for copper and gold in massive sulphide deposits around seafloor hot vents in waters off San Cristobel and the Santa Cruz islands. It will also be doing more exploration in Tonga later in the year.

Mine stoush continues

Solomon Star, April 19, 2015

The stoush between the national government and the operator of Gold Ridge mine is continuing. The government rejected applications by the operator St Barbara to be allowed to release untreated water from the tailings dam - which contains high levels of arsenic and cyanide. The mine has been closed since last April's floods - but St Barbara warns that the dam is at risk of overflowing, which could be detrimental to the nearby environment. The Permanent Secretary for the Ministry of Environment, Dr Melchior Mataki, says the company's proposals are insufficient. He says the water needs to first be treated – and the responsibility and costs should be covered by St Barbara, not the Solomon Islands' government. But in a recent statement, the Gold Ridge Mining Limited claimed it has done everything in its power to minimise the risk of overflowing and it called on the Government to approve its plans.

State company plans to finance oil, gas projects

Post-Courier, April 16, 2015

Papua New Guinea's National Petroleum Company (NPCP) said it is looking to raise billions of dollars to help fund new oil and gas projects, as the South Pacific country battles a sharp slump in forecast revenue from a plunge in prices for the commodities. According to a report by Reuters newswire in Sydney this week, NPCP holds a 16.6 per cent stake in the PNG LNG project, which operator ExxonMobil Corp wants to expand, and has the rights to take up to a 20 per cent stake in the Elk-Antelope fields, the country's largest undeveloped gas resource. Reuters has reported that while prospects for new liquefied natural gas developments globally have been hammered by the fallout from a 50 per cent drop in oil prices since last June, projects in PNG are seen as vital to the country's economy.

"We are getting a financial adviser on board to work out the structure," Robert Acevski, chief financial officer at NPCP, told Reuters by telephone on Monday. "Eventually, we'll go to the market to raise debt on top of our equity to participate in new projects." The projects, which have yet to be finalised, involve multinational firms such as Total SA, ExxonMobil, Santos and Oil Search. Total SA operates the Elk-Antelope fields. Funding an expansion of PNG LNG and any Elk-Antelope development will require NPCP to contribute billions of dollars in the next three years, so it makes sense for it to raise debt well before it needs the money, two industry executives said. "There was a big increase in revenue that was on the cards only nine months ago, all predicated on the LNG revenue, which is of course drastically reduced. It's an issue facing the whole country," said Greg Anderson, executive director of the PNG Chamber of Mines and Petroleum.

"An adviser is expected to be appointed within weeks, with fundraising to kick off later this year or in 2016," Acevski said. The financing would include "plain" US denominated debt. The official said it was too early to give an exact amount, but said it would be in billions of dollars. NPCP managing director Wapu Sonk yesterday confirmed the news report with *Post-Courier* stating: "I can confirm we are in the process of appointing a Financial Advisor so we develop our own Financing strategies for future projects like the ExxonMobil lead PNG LNG Project expansion, Total's Gulf LNG project and other small ones like the Stanley project, Ketu/Elevala, etc..." The managing director, however said: "It's just preparatory work and not financing work," when requested if he was able to disclose additional information.

St Barbara says Solomons mine price tag wrong

Radio New Zealand, 15 April 2015

The owners of the closed Gold Ridge gold mine are disputing a Solomon Islands government report that it is on the market for \$US76 million. The Solomons' government put this figure in a media release but the company St Barbara says both it and the government had earlier agreed on a nominal price for the mine. A spokesperson for St Barbara says that nominal price is confidential. The Solomons government has also confirmed that it will not buy the mine.



The sun setting at Gold Ridge mine, Solomon Islands Photo: Koroi Hawkins

St Barbara says it is currently negotiating a potential transfer of the ownership of Gold Ridge to a Solomons company associated with local landowners. There are also reports that a Papua New Guinea company is interested in a joint venture.

ABG Mining Act has waived proper process

Post-Courier, April 15, 2015

By PATRICK T WUNDAI

Grievous concerns are being raised in light of various extractive industries booming where consultation and due diligence are either bypassed or deliberately ignored for monetary gains. A well known Papua New Guinean professional Mining Expert responding to the manner in which the Autonomous Bougainville Government passed the Bougainville Mining Act said, the manner in which the Mining Act drafted and subsequent passing as law smells fishy and without adhering to free, prior and informed consent (FPIC)," the expert who has over 30 years mining and mining policy experience told this newspaper yesterday.

The expert who has been working with most of the country's mining as well as abroad and requested unanimous said, "the "principles of consultation and consent together constitute a special standard that safeguards and functions as a means for the exercise of indigenous peoples' substantive rights. In the case of Bougainville Mining Act, nothing of these have been taken into consideration though reportedly have consulted and seek consent. "It is a standard that supplements and helps effectuate substantive right; including the right to property and other rights that may be implicated in natural resource development," he added.

The mining engineer explained that FPIC applies also to the extractive industries including the mining and petroleum sector regarding potential changes in resource uses that could significantly im-

pact the substantive rights of indigenous peoples and, where relevant, other forest-dependent communities. "Under these circumstances, consistent with international human rights instruments and other treaty obligations, potentially impacted peoples have the right to participate in and *consent* to or *withhold consent* from a proposed action. "FPIC can have the effect of reversing the historical pattern of exclusion from decision-making in order to avoid the future imposition of important decisions on indigenous peoples, allowing them to continue to live as distinct communities on lands to which their cultures remain attached," the expert said. The *Post-Courier* was made aware that as the *Legal Companion* demonstrates; FPIC has been affirmed and elaborated upon in multiple binding regional and international instruments as well as the interpretative decisions of their monitoring bodies.

Nautilus targets 2018 undersea production at Solwara

The Northern Miner, 2015-04-14

VANCOUVER — It's been a bounce-back twelve months for junior Nautilus Minerals (TSX: NUS; US-OTC: NSUMF), which has overcome a major socio-political hurdle to get back on track to develop the world's first undersea mining operation at its Solwara 1 massive sulphide project 30 km off the coastline of Papua New Guinea (PNG). Nautilus had to temporarily suspend development at Solwara back in early 2013 when it came to loggerheads with the PNG government over the structure of its partnership agreement. The company managed to negotiate a new deal last May, and received its initial, US\$113-million payment in mid-December, which entitles the PNG government to a 15% stake in the project. The company quickly got to work signing a vessel charter and various supply orders it will need to mine a sea-floor massive sulphide (SMS) deposit 1,600 metres beneath the surface of the Bismarck Sea, and is now targeting first production in early 2018. Solwara hosts indicated resources of 1 million tonnes grading 7.2% copper, 5 grams gold per tonne, 23 grams silver and 0.4% zinc. Inferred resources add 1.5 million tonnes of 8.1% copper, 6.4 grams gold, 34 grams silver and 0.9% zinc.

"There have been plenty of highlights since our last update roughly six months ago. The major events include the special charter agreement and ship building contract, which triggered the government payment and formation of our joint venture," commented president and CEO Michael Johnston during an investor update on April 14. "The state has turned out to be a very good partner for us, and that has continued through our recent meetings. We're in the process of commissioning the bulk of the major machinery, and it looks really fantastic," he added. Sea-floor production is a staged process that essentially requires three pieces of machinery, namely: a bulk cutter, auxiliary cutter and collecting machine. The auxiliary cutter takes an initial run to prepare the seabed for the powerful bulk cutter. The two machines collect excavated material, while the collecting machine harvests the cut material by drawing in sea-water slurry with internal pumps and pushing it through a flexible pipe to a subsea pump, and on to the production ship using a riser system.

Nautilus expects to receive all three vehicles by the end of the fourth quarter, along with its riser and ancillary equipment. Johnson added that the design and construction of the vessel is the "critical path" at Solwara, however, since it will have the greatest impact on the company's production timeline. Nautilus entered into an agreement for the charter of a production support vessel (PSV) in early November, which led to a contract with Fujian Mawei Shipbuilding in southeastern China. The PSV will serve as an operational base for the Solwara joint venture, and be chartered to Nautilus for a minimum period of five years for US\$199,900 per day, with options to either extend the charter or purchase the vessel at the end of the contract. "All the companies we've awarded contracts to are significant names in their fields," Johnston elaborated. "Our goal is to continue that theme through the vessel build, and we're basically aiming to produce a high-quality Chinese vessel

hull with well-designed components around the thrusters, cargo handling, cranes, and power units. These will all be designed by major players in the shipping industry.”

The company put down a US\$10 million deposit on the vessel, with another US\$18 million due on the commencement of the charter contract. In an odd twist, Nautilus' contractor Marine Assets — located in Dubai — was the victim of a "cyber-attack" that resulted in the initial US\$10 million being lost. The company subsequently provided a conditional US\$10 million down payment, while an investigation is ongoing. The incident hasn't impacted Nautilus' timeline, however, and it still expects delivery of the vessel by the end of 2017, which should lead almost directly into production. Johnson acknowledged that the company will have to raise additional funds during the interim, and said it expects to publish updated capital and operating figures later this year. “A couple of the key issues in determining those figures include: the government options, negotiations with our processing partner, and the design of the de-watering system,” Johnson continued. “With the vessel build ongoing in China there are clearly significant opportunities for us, and we're in discussions for further partnership opportunities in Asia.”

The PNG government can earn up to an additional 15% in Solwara through a staged process. The state's first 5% option is coming up in June. The company will also be getting back to exploration later this year, as it announced a contract for a seafloor program on its wholly-owned portfolio in the Solomon Islands. The goal is to define SMS targets using efficient multi-beam echo sounder and plume hunting techniques. Plume hunting is a regional geochemical technique involving the discovery of metal rich plumes of material that are ejected into the water column from prospective areas, by natural geological processes. "We're really looking to get our exploration moving again and get the pipeline lined up to provide resources for our mining equipment. It's important to look past Solwara I," Johnston concluded. "We're looking for new systems and we're in the process of organizing the program so we can hit a lot of targets. We have some of the highest-quality commercial seafloor mapping equipment outside of the military." Nautilus has traded within a 52-week window of 20¢ and 79¢, and is up around 132%, or 29¢ year-on-year, at 51¢ per share at press time. The company maintains 445 million shares outstanding for a \$228-million market capitalization, and reported working capital of roughly \$100 million to end 2014.

Mineral resource in PNG still alive

Post-Courier, April 15, 2015

By Gloria Bauai

While word from the PNG Chamber of Mines and Petroleum confirms an activity decline in the sector, the National Government still remains committed to this sector. The Chamber's executive director Greg Anderson said exploration climate is in far better shape than it was prior to 2002 because of supportive government policies and a stable policy environment. In addition to that, the official newsletter *Chamber Nius* reported that the National Government's 2015 budget allocated a funding of K73.7 million for the Mineral Resources Authority (MRA), up from K5.88 million in 2014. Most of the funds are for the completion of outstanding MoA agreements, including Lihir (K20 million), Porgera, Sinivit and Tolukuma (K10 million each), Ramu Nickel (K7 million) and Hidden Valley (K4 million). According to the 2015 Budget, these high levels of expenditure will be maintained at least until 2018 with proposed budgeting of K74.5 million in each of the coming three years.

There has been positive response from companies in the industry from their production aspect. Oil Search is forecasting that in 2015, the first full year of production from the PNG LNG project, company oil and gas production would rise by 33% to 45% to 26-28 million barrels oil equivalent.

This follows a 186% production increase from 6.74 mmboe in 2013 to 19.27 mmboe in 2014, where export revenues rose to an all-time high of \$US1.6 billion from \$US766.3 million in 2013, an increase of 110%. But despite some positive feedback, Mr Anderson said that PNG's mining maps have begun to show vast areas that have been dropped by explorers, with much of the remnants in the Papua region consisting of junior activities for mineral sands and coal. He said big companies such as Ok Tedi, Barrick Gold, Varley, Newmont and Newcrest have pulled out of joint venture farm-in deals and the junior mining companies are feeling the pinch of lower commodity prices even more as they face great difficulty in raising capital for high risk exploration. PNG's newest producing oilfield at South East Manada in PDL 2 has also become the first to end its economic life.

No Secret Deal To Buy Bougainville Mine: PNG PM

O'Neill disputes rumors national government is planning take-over

PORT MORESBY, Papua New Guinea (PNG Post-Courier, April 16, 2015) – The National Government has come under fire for allegedly negotiating with mining giant Rio Tinto to purchase its 53 per cent stake in Bougainville Copper Limited. But Prime Minister Peter O'Neill last night denied the charge and said there were no "secret deals" relating to the future of the defunct copper mine as ultimately it will be the landowners of the defunct copper mine and Bougainvilleans who will make that decision. Autonomous Bougainville Government president John Momis urged the PM to reveal any discussions between the Government and Rio Tinto on the latter's shares in BCL. "Secret dealings of this kind are completely unacceptable to the people of Bougainville and so the ABG," Mr Momis said. "It would be equally unacceptable to the people of Bougainville for the National Government to try to take control of Panguna.

"As I said in my public statement in December: 'Any attempt by the National Government to control mining in Bougainville could cause Bougainvilleans to lose all faith in the BPA (Bougainville Peace Agreement),' he said in a statement. But Mr O'Neill, in response, expressed disappointment that the president is making the Panguna mine an issue on the eve of the Bougainville presidential election. "We have had discussions with other shareholders of BCL on a range of issues including the reopening of the mine and disposal of shares by existing shareholders including Rio Tinto," the PM said. "There are no secret deals and we are disappointed that President Momis is trying use this issue at the time of the election that is taking place today.

"President Momis has been informed of whatever talks we have with other shareholders of BCL, only because the State is a second biggest shareholder," said the PM. "My statements in Arawa and Paguna remain very relevant today, that there are no mine opening talks until landowners and the people of Bougainville are ready. "President Momis should stop blaming the Papua New Guinea Government for all that is going wrong in Bougainville and accept some responsibility as he has been in charge for many years now." Mr Momis said he initially raised his concerns last December and sought clarification with the PM responding in a letter in January stating that the National Government had no plans to take control of the mine. Rio Tinto responded on March 23, saying: "Rio Tinto ... was reviewing its options with respect to its stake in Bougainville Copper Limited. This review is continuing."

New Caledonia President Wants Bigger Stake In Nickel Mining

Germain proposes buying controlling share of Societe Le Nickel

WELLINGTON, New Zealand (Radio New Zealand International, April 14, 2015) – The president of the New Caledonian government, Philippe Germain, has proposed talks to boost the government's stake in the mining company Societe Le Nickel or SLN to 51% of its capital. New Caledo-

nia's three provinces currently hold 34% of SLN and 4% of its parent company Eramet. Mining strategy is one of the main bones of contention between the parties that make up the territory's government. Mr Germain says the government was working to create a mining fund for future generations along the lines of a sovereign wealth fund.

Clan vetting to be completed this year

The National, April 14th, 2015

By SHIRLEY MAULUDU

CLAN vetting for the PNG LNG project impact areas is expected to be completed this year, according to the Petroleum and Energy Department. Secretary Rendle Rimua said the exercise had to be completed before the project revenues were paid to beneficiaries. He said there were some legal issues that needed to be resolved, which the relevant authorities were working on. "There are some legal issues so we are currently working to resolve. "This (clan vetting) is a state matter so many departments involved. "Funding is available but still working on draw down process and date. "The state team is working hard to ensure the task is completed this year," Rimua said.

PNG LNG operator ExxonMobil PNG Ltd supported the clan vetting process, a spokesperson said. "Clan vetting is a government task and not undertaken by the company. "However, ExxonMobil will continue to provide support to the Department of Petroleum and Energy to ensure it is completed as expeditiously as possible." Revenues from the project have started flowing into the country. Bank of Papua New Guinea Governor Loi Bakani said recently that the revenues were being kept at the main government account awaiting establishment of the Sovereign Wealth Fund (SWF). He said the SWF was expected to come into operation next year.

Newcrest: K141m spent on projects

The National, April 14th, 2015

NEWCREST Mining Ltd has spent A\$70 million (K141m) on community projects at its sites on Lihir island, New Ireland and Hidden Valley and Wafi Golpu in Morobe. This figure represented 70 per cent of the A\$97.3 million (K197.05m), the miner spent within its global operations from July 2013 to June 2014. Chief executive officer Sandeep Biswas said: "We recognise that our success is strongly linked to our ability to contribute to economic growth and social development in the countries and communities where we operate." He said the funds included compensation payments to local landowners under formal land use agreements as well as a wide range of health, education, training, infrastructure and local business development programmes. Biswas said Newcrest continued to provide significant financial support to Lihir medical centre to improve overall health of Lihir community and Newcrest's employees and contractors.

He said through Newcrest's on-going partnership with Medicine for Malaria Venture (MMV) there was a significant reduction in malaria cases amongst Lihir workforce during 2014 financial year. He added that Newcrest was supporting a four-year programme aimed to eliminate malaria from Lihir group of islands. "Despite the challenging period, Newcrest was able to deliver a range of direct and indirect economic benefits to governments," Biswas said. "In PNG, Newcrest paid over A\$40 million (K81m) to local, provincial and the national government in the form of taxes, royalties and rates, predominantly from our Lihir operation. "Newcrest paid over A\$150 million (K303m) in salaries and wages to our PNG employees across the Lihir and Hidden Valley operations and the Wafi-Golpu exploration project." Biswas said in addition to infrastructure and community initiatives, Newcrest created economic value in PNG through its commitment to employing and training local people with approximately 6000 employed at Newcrest's PNG operations.

Mineral exploration plunges

Post-Courier, April 14, 2015

After a rapid build up in activity from 2003 to 2012, there has been a dramatic plunge in mineral exploration in PNG, the *Chamber Nius*, from the PNG chamber of Mines and Petroleum's March issue has reported. Greg Anderson, executive director for PNG Chamber of Mines and Exploration says big companies such as OK Tedi, Barrick Gold, Varley, Newmont and Newcrest have pulled out of joint venture farm-in deals. He also stated that junior mining companies are feeling the pinch of lower commodity prices even more, as they face great difficulty in raising capital for high risk exploration. Despite this, Mr Anderson said it is worth remembering though, that the exploration climate is in far better shape than it was prior to 2002, because of supportive government policies and a stable policy environment.

"The tremendous work done during the build-up period led to new discoveries, most of which require a lot more work. "It has also meant that giant projects at Frieda River and Wafi-Golpu are moving ahead to full scale feasibility in spite of uncertain global conditions," he said. Mr Anderson said in the case of Frieda River, it is in the hands of relatively new owners, PanAust, after Glencore-Xstrata walked away from the project after spending around \$US300 million and deciding to take a huge loss in the process. Also, he stated the Morobe Mining Joint Venture partners, Australia's Newcrest and South Africa's Harmony, are keen to move to a pre-mine development phase for Golpu that will involve expenditure of some K700-800 million in the next three years. "This will include twin declines into the copper-gold Golpu ore body and a range of other necessary infrastructure," Anderson added.

Solomons says no to tailings dam drain

Radio New Zealand, April 13, 2015

The Solomon Islands government says it will not allow untreated water to be pumped from the Gold Ridge mine tailings dam despite a WHO report it commissioned declaring the water safe.



The over-full tailings dam facility at the Gold Ridge Gold Mine on Guadalcanal in Solomon Islands. January 2015. At the time this was captured the water level was one metre from the brink with 3 months to go in the wet season. Photo: copyright Dr Matthew Allen - Australian National University

The Australian owner of the closed mine, St Barbara, says the dam is a flood risk and environmental threat. An official in the Prime Ministers Office, Dr Christopher Vehe Sagapoa, says releasing the water would pose too great a threat. "For Solomon Islands you cannot distance environment from the people or humans. We interact with the environment, we live with the environment we use the water for cooking and all that. To distance the environment in this case from humans is impractical for the downstream communities." Dr Christopher Vehe Sagapoa also says a Papua New Guinea company may link up with landowners and buy the mine. He says lack of finance, expertise and

experience in the industry prompted the government pull out of the tentative deal. "There is an investor from Papua New Guinea that is coming in to try and create a joint venture with the landowners to purchase the mine from St Barbara. It hasn't come to our knowledge how they have progressed with their arrangements and the government is not in the arrangements."

Bougainville Election Results Could Decide Mine Fate

Mine was catalyst for civil war, key to economy

WELLINGTON, New Zealand (Radio New Zealand International, April 13, 2015) – If Bougainville's caretaker president John Momis is re-elected in next month's elections his government will immediately begin discussions on re-opening the Panguna mine. Bougainville goes to the polls for two weeks from May 11th. The huge mine was the catalyst for the civil war that engulfed the Papua New Guinea autonomous region for much of the 1990s. Mr Momis says a resumption of mining is the only way Bougainville can become economically viable and meet the conditions for a referendum on independence which must be held by 2020. He says with the new Mining Law now in place guaranteeing local landowners control of their resources, he is confident Bougainville can safely resume mining. "After the election we will be taking immediate steps to talk to Rio Tinto [the parent company of Bougainville Copper Ltd, which had operated the Panguna mine]. We will find out whether they are interested. If they are not we will try another company. Look you know, we can try others." John Momis says the region needs leaders with experience to prepare it for a referendum on independence. Mr Momis says it is the critical issue in front of the next parliament and it must be conducted whether the region is ready or not. "Hence the critical importance of having a leadership that can take the necessary steps to prepare the people of Bougainville despite the shortage of funds, the lack of capacity and so on and so forth. It is inevitable. You cannot put it off. You cannot put off the referendum."

Rumbles from the jungle as Bougainville mine stirs

Rowan Callick, The Australian, April 12, 2015



The Panguna mine on Bougainville Island would cost \$6.5bn to restart. Source: News Limited

Even the long-suffering Bougainville Copper board, which has witnessed cargo cults, wars, and the closure of its own vast mine, was puzzled when its share price soared 50 per cent a week ago. For this sudden surge of confidence appeared, oddly, to have been triggered by troubling news for the company — the commencement of a new Mining Act passed by the Bougainville autonomous region's parliament, which hands back control of all resources to landowners. The future of the Bougainville mine, which still contains copper and gold worth about \$50 billion, is tied up with its complex past, with the long geopolitical shadow cast by the 1989-2001 civil war on the island — and with cargo-cultist hopes held out by local leaders allied to eccentric foreigners constantly see-

king to seize control of the resources from BCL. The ASX issued a “speeding ticket”, asking the company to explain the April 2 share price leap. BCL replied that it couldn’t. The price had slid back down to 28c by Friday.

The directors of the company, which is 53.58 per cent owned by Rio Tinto, 19.06 per cent by the Papua New Guinea government, and 27.36 per cent by other shareholders, are trying to juggle an enormous range of unknowns and variables, without even the compensating benefits of having a mine to run. It has remained closed since May 1989, and would cost upwards of \$6.5bn to reopen. The big questions hanging over the mine right now include: who will run the Autonomous Bougainville Government after the election due at the end of May? Nine figures are contending the presidency, including several former combatants, with the front runners probably former Catholic priest John Momis, the veteran incumbent, and Sam Akoitai, a former national mining minister. The next government will have the responsibility of setting the parameters for the referendum on independence that must happen at some time during the five years from this July.

What will be the response of the national government led by Prime Minister Peter O’Neill to the new Bougainville mining law? National legislation insists that, as in Australia, such resources are owned by the state. And Mr O’Neill has hired Peter Graham, who led the remarkably successful construction of the country’s first liquefied natural gas project for ExxonMobil, to manage the Ok Tedi mine, which the Port Moresby government nationalised — and may be eager to deploy his skills to reopening Bougainville too, if Rio chooses to sell to PNG. What does Rio itself want? At the end of 2014, it announced from London that it was reviewing its BCL stake. It has not entirely lost its stomach for complex, ever-changing negotiations in developing countries with governments lacking the disciplines of party politics — managing director Sam Walsh only recently flew to Mongolia for talks about the constantly challenging Oyu Tolgoi copper and gold mine there. But it could follow BHP-Billiton, after its Ok Tedi debacle, in placing PNG in the ultimately-too-hard basket.

The key question is what do the landowners want? If they don’t want a mine back, it won’t happen. Many do favour a reopening, since they see no alternative source of income for their families on the horizon — the agricultural potential for Bougainville is all on the coast, rather than in the mountains. But they are themselves split into about nine recognisable factions — whereas at the time the mine was set up, during Australian colonial days, they spoke as a unified group. The legislation does not specifically mention the BCL mine, because it is intended to cover the whole of the highly prospective region, which has since the onset of the civil war attracted growing numbers of carpet-baggers seeking to set up their own private operations — almost always seeking gold — in collaboration with ex-combatants who often retain guns. Formerly, BCL was granted the only mining licence in Bougainville, which it still holds — but from the PNG government — while the Bougainville government now says its legislation supersedes the national legislation, under the accord agreed at the peace conference that ended the conflict. The company is not only governed by legislation, but operated the mine under a contract with the PNG government that remains in force.

Peter Taylor, who has been chairman of BCL for 12 years, said that “the Bougainville government seems to want the mine reopened, but we have to sit down around a table and see what’s doable.” He said he remained confident that “if there’s a will there to get the mine reopened, we will find a way. But we’re talking a long lead time.’ When the first study about reopening was conducted, the copper and gold prices were lower than today — but that’s not the key issue: “We’re a mining business, not a trading business,” he said. “It will happen only if the government and the landowners want it to happen.” President John Momis, who has driven Bougainville’s new Mining Act, said that with it, “we are completely rejecting the terrible past. The Act recognises that all owners of customary land own all minerals in, on and under their land.” And now those who joined the civil war on the side of the Bougainville Revolutionary Army based around the mine site at Panguna, are also entitled, under custom, to share in any proceeds from that land.

Surprise As Solomons Government Not Buying Gold Ridge

New gov position reversal from previous administration

WELLINGTON, New Zealand (Radio New Zealand International, April 11, 2015) – The Australian owner of Solomon Islands Gold Ridge goldmine, St Barbara, says it is surprised the Solomons government has decided not to buy the closed mine. St Barbara chief executive, Bob Vassie, says under new arrangements a sale of the mine to a local company with affiliations to landowning groups is being looked at but he says it is too early to name the company or the conditions being negotiated. "There is a lot of gold resource in that area and it is still a highly prospective area. There is infrastructure there that would allow someone a very good headstart to get into it. And we are offering very attractive terms to allow the industry to continue in Solomon Islands." Mr Vassie says the new government's policy regarding the gold mine is a total reversal of progress made in negotiations with the previous administration.

Bougainville ready to start talking mining

Radio new zealand, 11 April 2015

If Bougainville's caretaker president John Momis is re-elected in next month's elections his government will immediately begin discussions on re-opening the Panguna mine.



The President of Bougainville, John Momis; Photo: RNZI

The huge mine was the catalyst for the civil war that engulfed the Papua New Guinea autonomous region for much of the 1990s. Mr Momis says a resumption of mining is the only way Bougainville can become economically viable and meet the conditions for a referendum on independence which must be held by 2020. He says with the new Mining Law now in place guaranteeing local landowners control of their resources he is confident Bougainville can safely resume mining. "After the election we will be taking immediate steps to talk to Rio Tinto [the parent company of Bougainville Copper Ltd, which had operated the Panguna mine]. We will find out whether they are interested. If they are not we will try another company. Look you know, we can try others."

Nautilus signs deal for Solomon Islands operations

The National, April 9th, 2015

NAUTILUS Minerals has signed a contract with Gardline CGG Pte Ltd to provide exploration services for its Solomon Islands operations this year. The company said the mv Duke would be used to generate targets to expand Nautilus' seafloor massive sulphide (SMS) prospect inventory within its 100 per cent owned Solomon Islands exploration licenses. Nautilus chief executive officer Mike Johnson said the company was excited to resume operations and focused on adding to its high grade SMS prospect inventory by applying high tech exploration techniques the company had been refining since 2006. "This is the second time we have been supported by Gardline in our exploration efforts and we look forward to continuing our relationship with them," Johnson said. According to a company statement, the programme would define SMS targets using efficient multibeam echo sounder and plume hunting techniques.

Plume hunting was a regional geochemical technique involving discovery of metal rich plumes of material that were ejected into the water column from prospective areas, by natural geological processes. The primary objective of this programme was to discover further mineralised systems to support the Nautilus' business model. Among its many anticipated advantages, seafloor resource production would allow aggregation of resources from multiple mineralised systems without need for significant additional capital. A company's spokesperson told The National yesterday that exploration in Solomon Islands would start on May 1. "There are plans for further exploration in other sites of interest, however, at this stage, we cannot speculate until confirmation is given."

Mining Company Compensates Women Raped At PNG Mine

Out of court settlement precludes US lawsuit

By Liam Fox

MELBOURNE, Australia (Radio Australia, April 9, 2015) – One of the world's biggest gold miners will pay compensation to a group of women who were raped by security guards and police at the company's site in Papua New Guinea. The 11 women had threatened to file a lawsuit against Barrick Gold in the United States but the parties have reached an out-of-court settlement. "The women will receive compensation under the Porgera remedy framework, and a payment in connection with their participation in the mediation process," Barrick Gold said in a joint statement with human rights group Earth Rights International, who helped the women in the case. Jane Doe 10, as she is known to protect her identity, was raped in 2010 when she was 14 years old and attending school in Porgera in the country's northern Enga province. Her class had made string bags for police officers who had been brought to the region to boost security around the Porgera mine.

One day several officers approached her and offered to pay for their bags. They said they would take her to an ATM to withdraw the money. Instead Jane Doe 10 said she was taken into the mine site where she alleges one of the armed policeman raped her. "Because of the rape I am now suffering. I would have been somebody if I completed my education," she told the ABC's Pacific Beat program before the settlement was reached. "I was the best student in my class. Because of the rape my future is ruined." Another women, Jane Doe 4, was collecting firewood at the Porgera dump several years ago when she was surrounded by security guards from the mine. "They hit me. They pushed me and I fell on some of the sharp rocks," she said. "Two of the guards, they both took turns in raping me. I suffered very badly."

Rights group hopes settlement has a wider impact

Allegations of brutality have long swirled around the Porgera mine, even before Barrick acquired it in 2006. The allegations came to a head in 2011 when a Human Rights Watch report documented

six alleged cases of gang rape by the mine's security guards. In response Barrick set up what it called a "remedial framework" to provide compensation to victims of brutality. More than 130 women accepted payments of around \$10,000, which required them to forego any future legal action. But Jane Doe 10, Jane Doe 4 and nine other women rejected the offer as grossly inadequate. They teamed up with lawyers from Earth Rights International and planned to file a lawsuit in Nevada, where Barrick has several mining operations. After mediation the parties reached a confidential settlement.

"The women initially did not accept offers through the remedy framework that Barrick had set up but as part of the settlement they will return to the remedy framework to receive compensation," said Marco Simons, the general counsel with Earth Rights International. "I can say that they are pleased with the results they are getting at this point." The confidential nature of the settlement means the women and Earth Rights International are limited in what they can say publicly. Mr Simons said he hoped the case would have a wide impact. "Generally I hope that through this work and similar work being carried out by others that indigenous peoples around the world affected by oil, gas and mining projects are able to gain access to effective remedies," he said. "We hope to prevent similar abuses in the future."

Get Ready For an Explosion of Mining on the Ocean Floor

By Sefton Darby, Vice News, April 8, 2015

Last week, noted billionaire Richard Branson issued a call for more comprehensive protection of the Arctic, which in turn prompted some people to say rude things to him. Several pointed out that Branson's airline and space business ventures depend in no small part on fossil fuels — as Scottish comedian Frankie Boyle tweeted back at Branson, "You own an airline you mad cunt." But the blowback was not the most notable part of Branson's statement. Because while he listed the usual threats like oil drilling and commercial fishing, he also snuck in a mention of seabed mining. And that's a threat you're going to hear about a lot more in the future. Historically, resources like oil and gas and minerals have been easy, cheap, and safe to get at. These days, however, they are increasingly rare, expensive, and difficult to extract. Changes in technology — like fracking — have opened up new sources of those resources. Rising prices have made others — like previously unusable low-grade ores — newly profitable.

But going to faraway places for our resources is the new reality. If you'd asked oil company executives in the 1980s what the big pipeline projects would be in the year 2000, they probably wouldn't have said "Baku in Azerbaijan," and they definitely wouldn't have said "the Chad to Cameroon pipeline." Yet by the early 2000s, both of those projects were well underway, and the bars of Baku were filled with the Scottish, Texan, and Norwegian flotsam that inevitably collects around the world's big oil projects. (A few years back, the world's largest KFC opened in Baku's historic railway station.) And if mining on land is too troublesome, you can always turn to the 70 percent of the planet that's covered in water. De Beers Marine has been dredging for diamonds off the coast of Namibia at depths of around 400 feet for a decade — and at shallower depths for longer than that. An enormous 280-tonne "crawler" on tracks is deployed off the side of a ship where it sucks up diamond-rich material off the seabed. It's just like an M1 tank. Except four times the size. And underwater.

Next up will probably be Nautilus Minerals' Solwara-1 project in Papua New Guinea, which will use similarly massive seabed cutters and collectors to extract copper-gold ore from mineral-rich volcanic vents 5,000 feet down. New Zealand appeared to be getting in on the seabed mining action when two companies, Trans-Tasman Resources and Chatham Rock Phosphate, came up with projects to mine for iron ore and phosphate respectively. Local NGOs, Maori *iwi* [tribes], and the

fishing industry fought back, and recently the government's Environmental Protection Agency declined to grant environmental permits. The fights that are lining up over seabed mining are pretty massive, and that's why people like Branson and Cameron — and a host of environmental NGOs — have been mobilizing.



Mafuta, a new bottom-crawling diamond suction miner in 2013 when it was being built for De Beers, the diamond mining conglomerate. Photo via De Beers.

Google *seabed mining* and you'll find a wealth of groups that are campaigning hard against it, and the EPA's decisions in New Zealand has given them hope. The principal concern of those who oppose the industry is that no one really knows enough about offshore ecosystems and the species that inhabit them to understand what the impact of such mining is going to be. Plumes of disturbed material or pollution could smother corals and severely impact sea life. To fully understand the economic and environmental values of what's down there is going to cost hundreds of millions of dollars of research and exploration. Governments seem inclined to fund only tiny bits of that research, and while mining companies may be able to afford it, no investor is going to put money down without being certain mining will result. And there's a fair amount of skepticism in the NGO community about the quality and integrity of the environmental studies commissioned by mining companies.

This dilemma has pushed the debate to the extremes. On one side sit the developers — who in their right mind, some of them argue, would not want to even try to develop resources that could be worth billions of dollars? Offshore mining companies also point out that undersea mining won't take place literally or figuratively in anyone's backyard. On the other side, environmentalists look at how some resources have been developed on land, and they see any moves into less regulated offshore mining as a particularly steep and slippery slope to the degradation of the rest of the planet. Who will win the debate? A relatively plentiful mineral may actually hold the answer to that question. Twenty years ago, the 5.7 billion humans on the planet consumed on average about 4 pounds of copper per person each year — in their electronics, in their buildings, etc. Today, there are 7.25 billion people, and we each use more than 5.5 pounds of copper per year. The reality of those numbers — and others like them — are going to make mining companies awfully eager to exploit the ocean, and make it awfully difficult for environmental interests to stop them.

Cyanide spillage worries villagers

The National, April 8th, 2015

ABOUT 500 block holders living in the vicinity of the Warangoi River system in East New Britain are concerned about how cyanide spillage from the abandoned Sinivit gold mine is being handled.

Pinvue Emmanuel, the interim chairman of Minamal Welfare Association, said they were disappointed with the way the issue was being dealt with and the lack of awareness by the Department of Environment and Conservation, Department of Health, Mineral Resources Authority and provincial disaster office. He is representing Viviran, Vunakaur, Bitakapuk and Warangoi villages. Provincial administrator Akuila Tubal issued a warning last month to the people living within the vicinity of the Warangoi River not to consume dead fish, eels or any other forms of aquatic life. Villagers both up and downstream were restricted from using the river system for drinking and other purposes until tests were carried out by specialists from the Department of Environment and Conservation. He said despite the warning people were still using the water by crossing with their garden produce and it was a great concern. He said innocents were becoming victims.

Porgera: Rape reprieve

Post-Courier, April 08, 2015

GOOD Friday brought good news for 11 Enga women who had sued the world's biggest gold miner, Barrick Gold Corporation of Canada, for assault and rape by police and security guards at the company's Porgera mine in Enga Province. Threatened with legal action in the US state of Nevada, Barrick Gold agreed to settle out of court and pay compensation to the 11, who were aged between 14 and in their 80s when the alleged crimes took place. The women were represented by lawyers with US-based NGO group EarthRights International. EarthRights International and Barrick issued a joint statement on Good Friday, which said: "Barrick Gold Corporation and EarthRights International (ERI) have negotiated a settlement of claims by 14 individuals from Papua New Guinea, represented by ERI, in relation to a variety of alleged acts of violence concerning the Porgera Mine in PNG.

"Eleven of these individuals are women with claims alleging acts of sexual violence, including rape. Pursuant to the terms of the settlement, the women will receive compensation under the Porgera Remedy Framework, and a payment in connection with their participation in the mediation process which led to the resolution of their claims. "The remaining claims, which relate to alleged deaths, were lodged through the operational grievance mechanism at Porgera, and have also been resolved. All claimants are pleased with this resolution." A spokesman for Barrick said: "Sexual assault is a horrific act under any circumstances and it goes against everything we believe in as a company. We believe we have acted decisively to address the issue of sexual assault at the Porgera Joint Venture, both to remedy past harms and ensure such incidents do not occur again."

ERI, which had worked with the community in Porgera since 2012, had been negotiating a settlement with Barrick during the past three weeks. They said on Friday they were unable to release any further details regarding the specific claims in the deal. The terms meant that ERI would not file litigation on behalf of the 14 clients, it said. Barrick maintains a private security force of 450 security personnel at Porgera mine, according to a Human Rights Watch report in 2011. A total of 137 Enga women and girls had previously been compensated by the miner after the same report identified a pattern of extreme sexual violence, including gang rape and imprisonment, by armed security guards and police personnel at the mine.

Rape ruins victims' lives

Post-Courier, April 08, 2015

ONE of the 11 Enga women represented by EarthRights International (ERI), who is now 18, said she and two friends had been asked by mobile police officers to make string bags for them in 2010, according to an ERI report. But instead of taking them to the ATM machine for payment, the armed

officers took them in the police car to their living quarters at the mine site, where they were raped, ERI reports. Mobile police at the mine are not employed by Barrick directly but have a support agreement with the company. In a statement provided by ERI, the woman said: "The rape has caused me to lose many important things in my life. I used to be a top student in my fifth grade class. I was good at school, and I enjoyed it. I could have really made something of myself if I had been able to stay in school. But after I was raped, everyone knew and my classmates were always talking about me. It was too difficult to deal with, so I dropped out. I tried to go back last year, but the kids said such bad things about me. I was so ashamed that I stopped going."

She later married, but when her husband found out about the rape, they divorced, leaving her to look after a two-year-old daughter alone. Another woman told how she was collecting firewood near the mine's tailing pile when she was seized by an armed Barrick security guard and raped. She said they threw her against sharp stones and she still carries the injuries. Her husband's response to the rape was to beat her and abandon her. She said: "Rape is a very shameful thing in the eyes of my community, and everyone in my community knows what happened to me." She said: "I want to be appropriately compensated for what happened to me, according to Engan culture. I want to be able to live somewhere far away from the mine so I do not have to relive the rape that I suffered and risk the dangers of the dump." The oldest of the Porgera 11, now in her 80s, alleged that she was raped many times. "The remedial framework compensation package is very low by local customary standards," two of the victims said. "To accept it would add disgrace us (rape victims)," another added.

Tolukuma mine to cease operations this month

Post-Courier, April 08, 2015

Petromin PNG Holdings Limited (Petromin) subsidiary Tolukuma Gold Mine (TGM) in Central Province is set to cease operations mid April this year. TGM owner Petromin, who acquired the mine in 2008, has made this known during a visit to the mine site last Tuesday. According to a statement released later that week, Petromin said it has been subsidising operations for the past four years as it struggles with high operating costs, low gold price, lower grades and dwindling resources. Petromin managing director, Thomas Abe, who was among the delegation visiting the mine, pointed out that Petromin had spent large amounts of money in recent years, including over K10 million in the first three months of 2015, for which he said has come despite significant cost savings made at the operation in the past six months.

Mr Abe said the situation is that the mine is unable to produce enough gold each month to cover costs attributing to this, as the sole reason why Petromin is planning to cease operations this month. He said the company is consulting with regulators, stakeholders, employees and local landowners as it prepares to move to a care and maintenance phase. Petromin said it is facing new pressures with a pending restructure significantly affecting income, and the cash drain from Tolukuma has adversely affected its balance sheet to the point that it can no longer keep supporting operations. Furthermore, the company claims the high cost structure of the operation has not been helped by the lack of road access, something the National Government had agreed on years ago, but not yet actioned. According to the statement, Petromin is keen to ensure that TGM's 320 employees receive their full entitlements, and that the welfare of the landowners and settlers at Tolukuma is a priority.

It further stated that the workers want Petromin to ensure they receive full entitlements, and that any engagements of people involved in care and maintenance should be on a separate agreement. Petromin said landowners petitioned the delegation for a special meeting to discuss the implications of the closure, outstanding MOU and other commitments from TGM and Petromin. Petromin's visiting delegation was made up of managing director Thomas Abe and TGM CEO Sam Inguba, ac-

accompanied by Central Provincial Government and Administration representatives Gei Raga and Ambassador Maimu Raka-Nou, who assured locals that the provincial government would assist in any capacity they can to address the local landowners issues.

Porgera gold mine sales in advanced stage: Barrick

Post-Courier, April 08, 2015

Barrick Gold has reaffirmed that the proposed sale of PNG's world class Porgera Gold Mine is progressing well and in its advanced stage. Barrick chairman John Thornton told Financial Times at the weekend that the sales of two gold mines, Cowal in Australia and Porgera in Papua New Guinea, are well advanced. Thornton was quoted as saying: "Although those sales would only meet part of the \$3 billion (more than K8 billion) target; however, there are no plans to try to revive a merger with Newmont Mining after talks failed a year ago." Financial Times reported that Barrick Gold is open to asset sales and joint ventures as it tries to cut \$3 billion from its \$10 billion-plus debt, and rebuild its reputation with investors, Mr Thornton told Financial Times in his first interview since taking over as chairman nearly a year ago. Thornton says he can imagine ABX ceding operational control of some assets, for example to Mick Davis, the former Xstrata CEO who plans to re-enter the mining sector at the head of a P-E firm.

Nautilus Minerals resumes undersea mining exploration

Cecilia Jamasmie, mining.com, April 7, 2015



Computer rendition of Nautilus' floating base.

Canadian seafloor miner Nautilus Minerals (TSX:NUS) said Tuesday it has struck a deal with provider Gardline CGG, which will allow the company resume exploration around Solomon Islands, east of Papua New Guinea (PNG), where it is developing a gold, copper and silver underwater mine. The goal is to expand Nautilus' Seafloor Massive Sulphide prospect inventory by applying high tech exploration techniques the firm has been refining since 2006. The company's CEO, Mike Johnston, said the goal is to expand Nautilus' Seafloor Massive Sulphide prospect inventory by applying high tech exploration techniques the firm has been refining since 2006.

Gardline CGG will supply a vessel, the MV Duke, equipped with a hull mounted Kongsberg EM302 multibeam system, a state of the art seafloor mapping system that provides some of the highest quality seafloor mapping data available, according to Nautilus. The deep sea miner settled a

key dispute with the PNG's government last year, and since then, progress has moved quickly on the Solwara 1 project. The company expects to have all its undersea mining tools ready to go by the middle of next year. It has also entered a charter agreement for a massive mining vessel, which it expects to receive in late 2017. After that, Nautilus expects to start digging up copper and precious metals almost right away.

\$2M PNG Tax Credit Disappears

No infrastructure development that was funded

By Jeffrey Elapa

PORT MORESBY, Papua New Guinea (PNG Post-Courier, April 5, 2015) – A K6 million [US\$2,224,000] tax credit scheme funding for the Gobe Agro Technical High School in the Erave district, Southern Highlands has disappeared with nothing to show for on the ground. A visit to the school by members of the Southern Highlands provincial assembly led by deputy Governor James Mali and chairman of Education Daniel Peipo found that much of the K6 million [US\$2,224,000] funded for the infrastructure developments at the school has gone lost while the only physical development evident is an incomplete staff house and two semi-permanent dormitories like a public market building left idle and in an deteriorating stage. School Principal Thompson Wombulu said that under the Gobe oil project tax credit scheme, a total of K6 million [US\$2,224,000] was funded for the construction of staff houses, classrooms and dormitories. However, he said although the money was released, no development has taken place therefore the school was in need of infrastructure and other equipment to qualify as a high school.

Mr Wombulu said the name of the school sound fancy but school is run down and has no buildings like staff houses, dormitories, classroom, science and computer laboratories, student dining hall and library. He said currently the high school was sharing classroom with the Don Morsely primary school. However he with the increase in student numbers the Primary needs classroom therefore they would soon be told to move and look for their own classroom. He said although the school was established under the Gobe oil project, the project has not benefited the people from the area while landowners continue to play politics, denying the services to the majority of the people in Sembirigi valley. He called on the provincial government through the leadership of Governor Powi to investigate the how the funds have been used as it was a public fund. He also recommended to the members of the provincial assembly to rename the school to Sembirigi High School as there is not use calling it Gobe when there is no assistance from the Gobe project benefits.

He said teacher shortage is also a major problem as few teachers who came to the school left due to lack of facilities and hardship of accessing services, leaving only four of them teaching all the seven subjects. He said despite the problem they kept the school running to serve the community as transferring students out to other schools is difficult for the parents. However he thanked the government of Peter O'Neill for the tuition fee free education policy that has assisted the school with its operation to provide necessary equipment and materials stationaries. He also thanked Governor Powi for prioritising education and for his initiative to fix the high schools and secondary schools in the province and for bring specialist science and mathematics teachers from India. Meanwhile Mr Mali said Gobe Agro technical high school will benefit from the provincial government's maintenance program with more than K40 million [US\$14,964,000] funded to improve the run down facilities in 15 High Schools and 7 Secondary schools in the Province. He said 80 containers of materials for the construction and maintenances of the schools are on the way and work is expected to start soon.

200 girls and women raped: now 11 of them win better compensation from the world's biggest gold miner Out-of-court settlement prevents human rights group EarthRights International filing a lawsuit against Barrick Gold in the United States.
Rick Feneley, The Sydney Morning Herald, April 4, 2015



A group photo of Porgera community women and men who say they were raped or violently abused at the gold mine owned by Barrick Gold Corporation. *Photo: Supplied*

Eleven women and girls who were raped, gang-raped or violently molested in the Papua New Guinea Highlands have reached an out-of-court settlement with the world's biggest gold miner, having refused to accept the "insulting" compensation paid to 120 fellow victims of the company's security guards. "It would be like accepting lollies as compensation," one of the 11 told Fairfax Media. Identified only as Jane Doe 10, she was 14 when she and two teenage friends were raped in 2010 at the Porgera mine, owned by the Barrick Gold Corporation. The Porgera community says security guards and mobile police at the mine have raped more than 200 women and girls over the past two decades. It says men and boys have been beaten, shot and killed for entering the open pit or tailings dumps or going near the mine's property. The 11 women were preparing to sue Barrick Gold in the United States, convinced they would be unable to find justice in PNG. The human rights group EarthRights International had been scheduled to file a lawsuit late last month in Las Vegas because the Toronto-based miner has major operations in the state of Nevada. But the women reached an undisclosed settlement which is likely to be well above the 21,320 kina (\$10,430) they say Barrick offered most of them. The settlement also covered the families of three people allegedly killed in violence at the mine.

Barrick says 90 per cent of the women who came forward with allegations accepted packages ranging from 23,040 to 32,740 kina under a "remedial framework" established in October 2012. It says the payouts were determined not by Barrick but an independent group of PNG women's advocates, and they were at "the upper end of civil court judgments in sexual assault and rape cases" in the country. These women had to agree never to seek further damages, a provision condemned by MiningWatch Canada, which investigated the abuses – as did Amnesty International, Human Rights Watch and legal clinics at Harvard and New York University law schools. But Barrick said the UN High Commission on Human Rights reviewed the remedial framework and the legal waiver was consistent with UN guiding principles. The mine's ever-expanding waste dumps, EarthRights says, give impoverished Porgera women and girls little option but to enter the company's property to scavenge for remnants of gold or to cross the site to reach agricultural land, commercial areas, schools and other villages.

The oldest of the Porgera 11, now aged in her 80s, alleges she was raped many times. Jane Doe 10, now 19, is the youngest, along with another girl who was also 14 when they and an older teenager

were seized by three mobile policemen at the mine. The officers each raped one of the girls. One officer has died but two are awaiting sentencing this month for their crimes. "I brought disgrace to my community and my parents," Jane Doe 10 said, speaking through an interpreter. When she returned to school she had been mocked, such is the social stigma associated with rape. She promptly left school and gave up on an education. She married young but, when her husband learned about the rape, he assaulted her and abandoned her with their young child. The remedial framework compensation package was very low by local customary standards, say Jane Doe 10 and another of the 11 women, Jane Doe 2. To accept it would "add disgrace to the disgrace", Jane Doe 10 said. Jane Doe 2 was collecting firewood near the mine's tailings dump when two security guards raped her. She said they threw her against sharp stones and she still carries the injuries. Her husband's response to the rape was to beat her and abandon her.

Then security guards at the mine raped her daughter, also near the dump. "We are both victims," Jane Doe 2 said, "and now I am finding it difficult to look after my kids as well as my daughter's. "I treated Barrick as one of my sons. I have given my land to Barrick. But in return Barrick has not shown any respect ... so now I am going to file a lawsuit," she said on the eve of the aborted action in Las Vegas. Mother and daughter say they still have no choice but to return to the scene of their rapes to find scraps of gold. In 2008, EarthRights says, Barrick's chief executive wrote in a letter to Porgera leaders that claims of gang rape were "most distasteful, to say the least as you know these allegations to be untrue". Asked if it was slow to accept the abuses, Barrick's vice-president, communications, Andy Lloyd, told Fairfax Media: "When allegations first surfaced, the company attempted to investigate the claims but was unsuccessful in identifying victims or perpetrators. "When Human Rights Watch came to us with credible information, we acted immediately, terminating the employees implicated in the assaults and handing over all information to the PNG police. We regret that we were unable to uncover these assaults sooner."

Barrick bought the mine in 2006 and many assaults predate its arrival. However, a local human rights activist, Karath Mal Waka, from the Akali Tange Association, who acted as translator for Jane Doe 2 and Jane Doe 10, says sexual assaults persist. He says an eight-year-old was raped recently at the mine. Mr Lloyd replied: "There have been no cases of Barrick employees involved in sexual assaults since 2010. We are aware of an incident similar to the one you are describing, however it did not occur on the mine site and it did not involve a Porgera Joint Venture employee." Asked about the shooting of men and boys - which a local association has put at 14 deaths in the past 10 years - Mr Lloyd said: "The mine's security guards do not carry lethal ammunition." Mr Waka says more than 100 rape victims – girls and women, many married – were not covered by the remedial framework and he wants Barrick to reopen that program for them. Mr Lloyd was unaware of any extra claims and said the framework was advertised widely over many months. The amount to be paid to the 11 women is not known. It is unlikely to approach the hundreds of thousands or millions of dollars that juries in the US can award to rape victims.

When Fairfax Media covered the story in February 2011, one woman described how she and three others were raped by 10 security personnel, one of whom forced her to swallow a used condom that he had used while raping the other victims. A 26-year-old woman was allegedly raped while collecting native vegetables near the mine in January 2011 - after Barrick had taken action. Because she resisted, her genitals were repeatedly burnt with a hot rod, the Porgera Alliance alleged. Jethro Tulin, executive officer of the Akali Tange Association, said before the settlement: "Barrick has been raping our wives and daughters and killing our fathers, brothers and sons for years." Catherine Coomans, of MiningWatch Canada, said: "Barrick tried to push the problem under the rug for many years despite regular reports of human rights abuses committed by its security forces, documented by numerous researchers and human rights organisations." In a joint statement after the settlement, Barrick and EarthRights International said: "All claimants are pleased with this resolution."

Mr Lloyd said Barrick took action at all of its mines around the world after after the Porgera allegations came to light, and it had "zero tolerance" for human rights abuses. "Since then, thousands of employees have undergone human rights training, we implemented a new global human rights policy, we have carried out human rights training for local police forces [including in PNG], we have formed a partnership with White Ribbon to carry out awareness and prevention programs aimed at stopping violence against women in communities where we operate. "In PNG, we worked with leading human rights experts to develop the remedy program, perhaps the first of its kind ever implemented by a mining company. We are also funding community-based initiatives ... to combat violence against women." Barrick is negotiating to sell the Porgera mine. Any liabilities from future victim claims would remain with the mine, Mr Lloyd confirmed.

Tolukuma Gold Mine closure starts

The National, April 2nd, 2015

TOLUKUMA gold mine, in Central, is in planning stages to cease operation this month. Parent company Petromin said it was in close consultation with regulators, stakeholders and local landowners as it prepared to move to a care and maintenance phase. Petromin's managing director Thomas Abe and Tolukuma Gold Mine chief executive Sam Inguba were recently at the mine site to discuss the decision to close Tolukuma's operations with employees and landowners. Abe said Petromin had spent large amounts of money in recent years, including over K10 million in the first three months of this year. "This comes despite significant cost savings made at the operation in the past six months. "The situation is that the mine is unable to produce enough gold each month to cover costs," Abe said.

"Petromin itself is facing new pressures with a pending restructure significantly affecting income and the cash drain from Tolukuma has adversely affected Petromin's balance sheet to the point that it can no longer keep supporting operations. "The high cost structure of the operation has not been helped by the lack of road access – something the National Government had agreed on years ago, but not yet actioned. "It would not make sense to put the operation into care and maintenance without thinking that ultimately, the only option left may be to move to a full closure phase," he said. Abe said Petromin would ensure that all 320 employees of Tolukuma Gold Mine would receive their full entitlements. Apart from the full entitlements, it was understood that the workers requested that those involved in the care and maintenance phase of the project were on a separate agreement. Central government representatives who travelled to the site told the locals that they understood Petromin's position and would look for a new investor for the mine.

Miner makes move to secure funding for project

The National, April 2nd, 2015

INDOCHINE Mining has appointed voluntary administrators after being unable to secure funding for its Mt Kare project in Eastern Highlands. The company had been in discussions over a strategic funding agreement for some time, but the remaining interested party recently withdrew its funding offer. As a result, the board of Indochine appointed Martin Jones, Darren Weaver and Benjamin Johnson of Ferrier Hodgson as joint and several administrators. "The company's board is disappointed that despite its best efforts, a funding agreement for the Mt Kare project could not be concluded," Indochine said. "The directors will continue to work with the company's administrators to help them achieve the best outcome for all of the company's stakeholders." PCF Capital Group had been engaged over a deal on Mt Kare, while Indochine was progressing plans to list on London's AIM.

Indochine shares were suspended from trading on March 17 after the company failed to lodge its half-year accounts. The company had cash of A\$413,000 (K842,138) at the end of December and raised A\$500,000 (K1,019,502) in February. However, it has a A\$3.75 million (K7.64m) loan due at the end of next month. Indochine had been aggressively cutting costs, going from a burn rate of more than \$1.2 million a month in the middle of last year to less than A\$250,000. The Mt Kare project, only 15km from Barrick Gold's massive Porgera mine, has resources of 2.1 million ounces of gold and 18.4Moz silver. A previous owner of Mt Kare also went into administration in 2008. Indochine shares will remain suspended.

Sovereign Wealth Fund committee pushes for 100% draw-down

Post-Courier, April 02, 2015

THE bill on the Organic Law on the Sovereign Wealth Fund (SWF) is set to go before the May sitting of Parliament for the third reading. This was made known by Governor of the Bank of PNG Loi Bakani, during a breakfast meeting organised by the Port Moresby Chamber of Commerce and Industry yesterday saying: "There is some on-going work being done." Mr Bakani said the Central Bank is among those involved in some of the amendments to the proposed legislation. He said there are two main things that they would like to see included in the framework and eventually in law. The first he said is in relation to the percentage of inflow of revenue and dividend into the fund. Mr Bakani stressed that the authorities had proposed 100 per cent, however, government had decided on 50 per cent. He told industry heavies and attendees that the working committee would be looking at increasing this back to 100 per cent, opposed to what the government wants it to be. Mr Bakani said the second important aspect of the SWF is on the time frame before the drawdown of the funds. "We had initially suggested 15-years on the drawdown of funds into the budget, but they (government) had opted for a shorter period of five-years, so we are working those amendments.

"There are a few other changes we will also be looking at before the amendments go before Parliament," he said. The governor said the Parliamentary Committee on SWF will be taking charge of the amendments. He said the Secretaries' Committee will be meeting with plans in place for a presentation to be made to the National Executive Council on the recommendations of the amendments, before they go before parliament. Meanwhile, a resource industry expert who requested anonymity told *Post-Courier*; "Such a move by the government to slash the 100% saving from SWF to 50% to drawdown smells fishy." "Why would the government slash it by 50 per cent drawdown of the fund when the economy is too small to absorb billions of kina and has enough money to play around with?" the concerned expert asked. The expert cautioned the government and the Central Bank that such an idea to drawdown the fund in half and within a very short period before reaching savings from maturity, is likened to giving birth to a child and killing it even before the limbs are fully matured to stand on its feet and walk. "Not long, the government will drawdown all the money from the funds and there will be nothing left for its intended purpose with the SWF," the expert added.

Nautilus releases results

Post-Courier, April 02, 2015

Solwara 1 Project operator Nautilus Minerals Inc. (Nautilus) has announced the release of its audited consolidated financial statements for the year ended December 31, 2014, together with Management's Discussion and Analysis and the company's Annual Information Form. In the release, Nautilus highlighted among other achievements the resolving of issues with the Government of Papua New Guinea (State) and forming of the Solwara 1 Joint Venture. Nautilus has also entered into a Vessel Charter with Marine Assets Corporation for delivery of a purpose built Production Support

Vessel by the end of 2017, the advancing of the Solwara 1 Project with the bulk cutter assembled and the commissioning and Factory Acceptance Testing phase (underway), and also confirmed Clarion Clipperton Zone nodule deposit. The Canadian based deep sea miner said on the financial aspect, it has \$US118.8 million (K317.2 million) in cash and cash equivalents as at December 31, 2014.

Nautilus' chief executive officer Mike Johnston said; "We are delighted with the significant progress we made in 2014. "Securing a vessel charter was a major milestone for the Solwara 1 Project. We are also extremely pleased to have formally commenced our partnership in the Project with the State's nominee, Eda Kopa (Solwara) Limited (State Nominee) after receiving its contribution of \$US120 million (K320 million) and we appreciate the State Nominee's continued support." Mr Johnston said the company remains committed to maximising shareholder value by achieving its objective of developing the world's first commercial high grade seafloor copper-gold project and launching the deep water seafloor resource production industry in 2018.

Miners insist on State acquiring 30% equity

Post-Courier, April 01, 2015

The Mining industry is keen to maintain the current arrangements regarding the State's right to purchase up to 30 percent participating interest in new mining projects. Representing the industry, Craig Jones, the executive general manager for Australian operations and projects of Newcrest Mining Ltd, told a taxation workshop last Thursday that this is well understood and accepted by the industry and the government to see the state exercise its right to acquire up to 30 per cent interest in significant mine developments in the mineral sector. However, he also said the industry does not support any changes of increase in the current taxation burden on the resource sector. "We are strongly of the view that any increase in the current tax burden will not only adversely affect the industry, but have a corresponding negative impact on state revenues from the sector," said Jones. He stressed that PNG already has high tax rates equivalent to other resource rich countries, and in context to the environment mining companies operate, he said PNG is not a low taxing environment. "Mining and petroleum sectors already make a significant direct and indirect contribution to the PNG economy. "The level of indirect taxes and community contributions in PNG is high by international standards and the economic multiplier effect, which means that overall impacts of taxes and other contributions by the sector are substantial by any measure."

He also stressed that there is a substantial body of evidence that shows unequivocally that any increases in tax burden will be counterproductive. "It really does underpin the importance of adopting, implementing and efficiently managing an internationally competitive and stable regulatory framework for the mineral sector," he told the tax workshop. He said looking forward, it is also of note that the PNG Development Strategic Plan 2010-2030 aims to more than double the mining operations by 2030, which is an important point that needs to be kept in front of the mind in the current deliberation of tax and state equity participation that applies to the resource sector. "To achieve this goal, PNG needs to be seen as a preferred destination and policy should be structured to differentiate PNG from other resource rich nations to attract investors." He said the resource sector is an important contributor to PNG, making up 75 per cent of PNG's total earnings and furthermore highlighted that PNG's current tax regime is robust and the current mineral tax regime is effective in collecting revenue.

New Caledonia Nickel Smelter In Trouble

Problems with furnaces leads to lower than expected output

WELLINGTON, New Zealand (Radio New Zealand International, April 1, 2015) – New Caledonia's Koniambo nickel company says it has serious problems with its furnaces and will therefore produce far less metal this year than scheduled. The seven-billion US dollar plant was shut for weeks after Christmas after about 500 tonnes of liquid nickel was spilled from one of the furnaces, incurring the company millions of US dollars of damage. The company now says a design flaw will make it necessary to replace the other furnace, which will almost halve this year's planned nickel production of 27,000 tonnes. Its manager has told local media that the setback will force Koniambo to reduce its expenses, which may lead to job cuts. The plant, which was officially opened by the French president Francois Hollande in November, is widely seen as the key industrial site to advance the economy of the mainly Kanak northern province.

Landowner concerns being discussed in review: Department

The National, March 31st, 2015

THE Department of Mineral Policy and Geohazards Management has taken into consideration many of the concerns raised by landowners regarding minerals in the land to which they claim to own. Mineral Policy and Legislation Division acting director Winterford Eko said under the reviewed Mining Act, which is in its draft stages, proper identification of landowners would take place before any mining related activities take place. "The current Mining Act does not have social mapping," Eko said. "Only our colleagues in the petroleum sector under (Oil and Gas) Act 1998 have that. So we are trying to have the same approach in addressing landowner issues. "Social mapping helps identify households using pre-determined indicators that are based on socio-economic factors. "It can help determine which households were benefiting from an assessment and whether or not they belong to the target group.

"They (interested investors in mining industry) must have a community engagement plan before they engage with the communities in the areas that they intend to conduct feasibility studies or mine," he said. Eko said captured in the draft Mining Act was that companies should have resettlement plans for projects when they come to a close. "Companies should tell us upfront apart from getting the minerals and enjoying the revenue that they will get, how are they going to deal with the people and the environment itself, when they are done and leave our shores. That is not in our current Act. How do we resettle our people? That's a very, very big issue. "We just build houses, or send people back into a big area that is dug up, to live in those big holes or we send them to a proper area that they can live a life that they can enjoy when the mine comes to a close." Eko was speaking during a tax review workshop in Port Moresby last week.

Plan for five-year retention licence

The National, March 31st, 2015

THE Mineral Policy and Geohazards Management Department says mining a retention licence will be introduced in the revised Mining Act. Mineral Policy and Legislation Division acting director Winterford Eko said the licence would be for a five-year lease. He explained during a workshop in Port Moresby last Thursday that the licence was "for developers to apply and use for areas that they think would not be so economical to mine ... non-renewable, with very good fees, so that people should be very serious about when they come to mine, they should be genuine investors". Eko said the department, along with concerned stakeholders, was working on completing the draft of the re-

vised Mining Act to have it ready for the May parliament sitting. He said the draft was expected to be completed by today.

He said downstream processing was another area DMPGM would put a policy together for in the reviewed Act. “We will develop a downstream processing policy after we’ve completed the Mining Act Review. The concern is to have a refinery of international standard. Of course we do not have a reliable power source,” Eko said. He said a policy for geothermal resource had been submitted to the State Solicitor for legal opinion and clearance. “We don’t deal with geothermal resource, except for the arrangement between the state and Newcrest for the operations at Lihir,” he said. “The directive from the Government is to take an approach similar to small scale alluvial mining activities but we are mindful of the fact that provision was for a 51/49 per cent...40 to the investor and 51 to landowners.”

Call for action on mine issue

The National, March 30th, 2015

DEPUTY Prime Minister Leo Dion has admitted the failure of provincial authorities and relevant national line agencies to prevent environmental damage at the abandoned Sinivit gold mine in East New Britain. Dion, the East New Britain regional MP, said rather than just talking about the issue, all responsible authorities must take action to protect people’s lives while at the same time ensure that the responsible company was held accountable for its actions. He said it was believed the ENB provincial government has requested K5 million from the National Government to address the situation. He believed that if there was an existing technical committee, with an agreement between the developer – Niugini Gold and the provincial government, as well as routine inspections done, then the company would have been prevented from going overboard or not complying with the agreement.

And because of this failure, the province was now asking the national government for another K5 million to correct something that was supposed to have been amended in the past. He further stated that he was convinced that if the state agencies and line departments carried out their mandated responsibilities, the affected people would not be suffering like this. However, he said that rather than playing blame games, he would be taking up the issue with the Mining Minister to ensure that people’s lives were protected, and urged government officers to learn from mistakes and become more proactive by planning ahead for disasters.

High court restrains gold miner

Post-Courier, March 30, 2015

BY JACOB POK

THE Supreme Court has restrained Barrick Niugini Ltd and the Department of Environment and Conservation from altering the environmental permit for the Porgera gold mine pending the final determination of an appeal currently before the court. The order was issued by Justice Terence Higgins last week at the Waigani Supreme Court. The court specifically restrained Environment and Conservation Minister John Pundari, Secretary Gunther Joku and Barrick Niugini from altering or making any changes to the environment permit number WD-L3 (121) held by Barrick Niugini. In September last year, Mr Pundari finalised the 1996 ministerial determination relating to the sediments compensation at 25toea/tonne, tailings at 63toea/tonne and alluvial gold loss at K650,000. The Minister had also directed Barrick Niugini to pay the balance of the sediments compensation within three months, from September to December 2014. However, this was disputed by Opis Papo, a landowner of the Porgera river landowners affected by the environmental damages by the mine.

Mr Papo appealed against the Minister's determination on the issue of adequacy and other related matters through the proceeding CIA No.82 of 2014 at the Waigani National Court.

Mr Papo also applied to restrain Barrick Niugini from paying the sediment balance. But his application was dismissed by the National Court in December 2014. Mr Papo then appealed the dismissal and the matter is pending at the Supreme Court. Meanwhile, in February, the parent company, Barrick Gold Corporation of Canada announced that it was selling Barrick Niugini Ltd which holds the 95 per cent equity at the Porgera gold mine as it was making losses. Mr Papo then applied to the Supreme Court to restrain Barrick Niugini from exiting before the determination of his appeal and proceeding CIA No. 82 of 2014. Mr Papo submitted that while the environmental damage claims were still outstanding and yet to be resolved through the courts, it would prejudice his case when Barrick Niugini sells its 95 per cent interest and exits Porgera Gold Mine. He submitted that this would certainly cause irreparable damage to him and other affected landholders. The Supreme Court ruled in his favour and restrained the environmental permit from being altered until the pending appeal is fully determined.

Group keen to bring back resources tax

Post-Courier, March 30, 2015

The Tax Review Committee (TRC) are keen on reintroducing a Resource Rent Tax (RRT), most likely in the form of an additional profits tax. A researcher from Monash University, Dr Craig Emerson backed this decision during a research presentation at a taxation workshop last week, arguing that PNG should reintroduce the RRT. "We should go with the additional profits tax, it's worked before, it's worked in Australia, and it applies in relation to the major gas project here," Dr Emerson said. He said obviously there'll be a lot of consideration given to correct rates of tax and the accumulation rate and so on. Furthering his points in the discussion to maximise the benefits of resource revenues through the role of state equity participation and taxation, he opposed the controversial point of state equity participation going up to 50 percent as an option.

"Rather than just what will increase the rate, make sure more of the money does go to the people who own the land. If they're not getting it now, then I'm not sure that increasing the rate of state equity participation to very high level will make sure that they get much of it anyway," Dr Emerson argued. He said PNG should have a modest level of state equity participation directed particularly at the land holders in order for them to feel that they've got a genuine interest, which is a shared concern around here. "It seems to me that the way to deal with that is to deal with the governance issues around the share for landholders of equity participation, rather than dramatically increasing the rate of state equity participation effectively knocking out the additional profits tax and then the government of PNG ending up with the worst of all worlds; companies that are pretty scared of the whole regime, and then even if they do come in, the government not being able to collect a reasonable share of the profits from the development of the minerals for the people of Papua New Guinea," he said.

The mining industry on the other hand, while accepting the merits of the RRT expressed uncertainty about the prospect of its reintroduction. Dr Diane Kraal, another fellow researcher from the Monash University disagreed to the industry's claim that if an RRT were to be introduced, it were to be accompanied by reduction in royalties and company income tax. She said properly designed RRT captures economic rent on quality resources in times of high commodity prices and clarified that if an RRT, perhaps in the form of an additional profits tax were to be introduced or reintroduced to the mining industry, there would have to be different tax rates and different thresholds compared to the additional profits tax being applied to the gas industry. Dr Emerson and Dr Kraal had presented a

paper last year to the Taxation Review Committee on their views on what was the best design of a taxation regime for both mining and oil and gas development.

‘Catastrophic’ impact as Barrick sells assets

By Jane Goldsmith, The Australian Mining Review, March 29, 2015



BARRICK Gold has been hit by allegations of “irreparable” social, economic and environmental change as it flags intentions to offload a majority stake in the iconic Porgera mine, north-western Papua New Guinea (PNG). Porgera landowners representative the Justice Foundation for Porgera (JFP) is seeking billions in compensation from Barrick Gold and its subsidiary Barrick Niugini, alleging that the venture breached agreements relating to environmental standards, the relocation of displaced landowners, and the number of fly in, fly out workers in the area. In late February, Barrick and Barrick Niugini released a statement of intention to sell its PNG interests, which could offload any pending legal claims from landowners to potential buyers. Mineral Resources Enga holds a 5 per cent share of Pogera in trust for the landowners with the Enga Provincial Government.

MRE chairman and director Kurubu Ipara said that Barrick intended to sell its interests without proper notice. “[It will] exit PNG, leaving the landowners with a new owner who will not provide restitution for the damage left behind, or that MRE, the landowners or citizens of PNG will be left with an insurmountable bill to remedy the social and environmental damage,” he said. The allegations against Barrick date back to 2011, after a Human Rights Watch report found Barrick Niugini mine guards had detained women found trespassing on the mine site and “gave them a choice of submitting to gang-rape or going to prison”, Mr Ipara said. “Barrick has responded with dismissive hostility to concerns about its human rights record at Porgera,” the report stated. MRE is a subsidiary of the government-owned Mineral Resources Development Company, which has battled allegations of corruption and mismanagement of its own. Barrick’s move from PNG is a part of a greater debt reduction plan, which also includes the sale of assets in Australia.

Bougainville Government Approves Controversial Mining Law

President Momis accused of ‘forgetting history’

By Aloysius Laukai in Kubu

AUCKLAND, New Zealand (Pacific Scoop, March 27, 2015) – The controversial Bougainville Mining Bill has been passed by the Autonomous Bougainville Government parliament and has been immediately condemned by critics as “forgetting history”. The bill went through the third reading to become a Bougainville law yesterday. It has been adopted in spite of all the negotiations and dissatisfaction expressed by factions of the communities throughout Bougainville. The bill did not go unchallenged but was forced to go through scrutiny by former combatants who demanded certain sections to be removed before they could allow the government to finally pass the bill.

At the time of the passing of the bill, the House was full to capacity as people witnessed the passing of the bill. The member for Central Bougainville and Minister for Communication in the Papua New Guinea National Government, Jimmy Miringtoro, told Radio New Dawn FM from Port Moresby that he was not happy that the ABG had rushed this bill through on the eve of the ABG general elections. He said the ABG should have left the bill to the next government after more scrutiny from all stakeholders on Bougainville. Miringtoro said that pushing the bill through was "not proper" as other outstanding issues were still not yet resolved on the future of mining on Bougainville.

‘Still in dark’

He said that from the beginning he had warned the ABG against the bill, especially when the people were "still in the dark" about how they might lose their rights from their land and resources forever. The minister also said that the bill had been written by "outsiders" like Adam Smith International which had been involved in controversial development policies in the Third World. It was unfortunate the government did not "listen to the cries of the citizens", Miringtoro said. The Australian-based Bougainville Freedom Movement also criticised the passing of the law. It challenged a speech by Bougainville President John Momis yesterday when he was quoted as saying: "With our new mining bill, we are completely rejecting that terrible past," referring to the decade-long civil war over the Panguna copper mine and the environmental degradation.

"Does this mean that President Momis is forgetting his own history and the shocking history of Bougainville Copper Limited (BCL) in its mining operations on Bougainville and what the mining company did to the people of Bougainville and the environment?" said BFM in a statement. "It is a 'terrible past' and will not be forgotten but it should not be 'rejected'." Not once had the BCL or Rio Tinto mining companies ever apologised or compensated the people of Bougainville for the environmental devastation it caused and the "extremely wicked atrocities it inflicted on the people of Bougainville", said BFM. The writs for the election were due to be issued by the Speaker, Andrew Miriki, later today.

Bakani: LNG cash awaiting new Sovereign Wealth Fund

The National, March 26th, 2015

By SHIRLEY MAULUDU

REVENUE from the PNG liquefied natural gas project is being kept at the main Government account in Waigani, awaiting the setting up of the Sovereign Wealth Fund, Bank of PNG Governor Loi Bakani, pictured, says. "While the sovereign wealth fund is not yet established, like for any other mineral taxes, they (revenue) come straight to the Waigani public account, which is the main government account," he said. Bakani confirmed that LNG revenue was starting to flow in although "lower due to certain issues relating to the project". "We are already starting to get the LNG revenue," he said. "There are two components of the SWF – one is for stabilisation and one is savings for future generations. "Now we have all the money going into the budget directly. But when the fund is established, you don't bring all the money from LNG revenue into the budget straight away.

"Too much money going in will be subjected to wastage. You channel it through a SWF. That's the purpose of the fund. "Whatever is needed and budgeted for, you draw it down. Whatever is not needed, it stays in the Fund. "At the same time, a component of it is put into the savings fund which is for our future generation. "The whole idea behind (the SWF) is that, if you put too much money into government, the government spends it. And it will raise those type of issues that we are talking about now (low supply of foreign currency in the market)." Bakani said under the Organic Law, the Fund should come into operation in 2016. Prime Minister Peter O'Neill said in Parliament last

month that under the Fund, the Futures Fund and Stabilisation Fund would be established. It is expected to become law after its third reading in Parliament.

State to acquire 30% equity

Post-Courier, March 27, 2015

Mining Review Act Draft in regards to state equity participation and taxation will allow the state to exercise its right in acquiring at least 30 per cent interest in significant mine development projects. Acting director of Mining Policy and Geohazard Management, Winterford Eko, said the current draft will maintain the same approach as the Mining Act 1992, allowing the state 30 per cent participating interest in any mining project. He said from this 30 per cent, the state will hold back 20 per cent, while the other ten per cent is shared in half between the provincial government and the landowner companies where they each get a five per cent share. "The political directive we got is 20 per cent PNG right to the state and the option for sharing the 10 per cent from the state is five per cent to the provincial government and five per cent to land owner companies." He said this options however are not finalised yet, as they will be guided by the Tax Review Committee recommendations to come up on the fiscal process of the revised mining Act, adding that the date of completion for the Act is March 31 this year, which is next week Tuesday.

"When are we going to get the recommendations from the Tax Review committee, that's something for us to liaise with the Department of Treasury as the mandated department, and the Tax Review Committee for us to come up with, because it is the financial modelling that can help us to at least put something with regards to fiscal provisions in the revised mining act before it goes to the politicians to debate on it." Touching on the opportunity to maximise national participation during the workshop on the taxation review yesterday, Eko said the team is also mindful of the Boka Kondra bill which states total 100 per cent ownership to the landowners, where all consultations are to be made between the investors and landowners and not with the state. Further, Eko said PNG needed a sound economic model to help in the mining sector, as the responsible entity or department to establish the effective tax rate and the fiscal provisions to incorporate into the revised mining act.

Ramu Nico hit hard by natural disaster

Post-Courier, March 27, 2015

THE COUNTRY's only nickel/cobalt mine developer in Madang Province is currently hard hit as a result of damages to road and bridges along the Madang-Ramu Highway. Ramu NiCo Management (MCC) Ltd purchases its diesel fuel supply from Lae, Morobe Province, including machinery parts and food supplies for its Kurumbukari Mine in the Usino Bundi electorate. Since the disaster hit the Madang-Lae section of the Highway recently, the company had been resorting to Madang for supplies. However, supplies in Madang are insufficient. Vice President of Ramu NiCo (MCC), Mr Wang Baowen visited the Aumia disaster site, the worst affected section of the Ramu-Lae Highway and saw the severity of the destruction caused by continuous heavy rains with associated massive flooding that washed away three bridges and detoured the road with piles of debris still covering the road.

Dion concerned over mine spill

Post-Courier, March 27, 2015

EAST New Britain Regional MP and Deputy Prime Minister Leo Dion will be taking up the issue on cyanide spillage at the idle Sinivit gold mine with the Minister for Mining because the situation

is now dangerous and life threatening. He said rather than playing blame games, he would be taking the lead to bring the matter to the attention of the Mining Minister to ensure that people's lives are protected. The Deputy Prime Minister also admitted failure by provincial authorities and relevant national line agencies in preventing any disaster at the abandoned mine. "I am convinced that if the state agencies and line departments carried out their mandated responsibilities, our people won't be suffering like this," said Mr Dion.

This manmade disaster has now affected communities downstream and especially those living along the Warangoi River and its tributaries. They have been warned by government officials to keep away from the rivers until further testing is done and preventive measures were being undertaken. This follows an Emergency Authorisation that was issued by the Department of Environment and Conservation to implement preventive measures. Samples were taken from runoffs at the mine site vats early this year which were sent to Lae for testing and the results confirmed high toxic runoff. A detailed testing of the river systems will also be carried out.

Bougainville: Ex-fighters back legislation

Post-Courier, March 27, 2015

GROUPS of ex-combatants in Bougainville have rallied behind the Autonomous Bougainville Government's stance to pass the controversial Bougainville Mining Act. The ex-combatants, representing Bougainville Revolution Army and resistance veteran groups from North and South Bougainville, met with the ABG and its officials on Tuesday afternoon where they expressed their support for the bill to be passed. The bill was the brainchild of the Momis-led government in its efforts to ensure past mistakes that eventually led to the 10-year bloody civil conflict on the island is not repeated. The bill was passed yesterday in the Bougainville House of Representatives and became a law known as Bougainville Mining Act, which vests in landowners a pronounced say on how minerals should be extracted from their lands and what type of development they want in return for the mining of minerals on their land. The new mining law was passed after it went through wide awareness and consultation program throughout the communities in Bougainville.

Bougainville gets new mining law

Post-Courier, March 27, 2015

HISTORY was made yesterday with the passage of a new Bougainville Mining Act in the Bougainville House of Representatives. Consequently, Papua New Guinea laws on mining, including the Mining (Bougainville Copper Agreement) Act, no longer apply in Bougainville. The new law replaces the Transitional Act passed last August and gives exclusive ownership rights over mineral wealth to land-owners. The law gives the landowners the right to say "no" to "exploration" and "mining license", even if exploration rights had been granted in the first place. Bougainville Mining Minister Michael Oni told Parliament his government was "proud of the fact that there is no country in the world that gives such rights and powers to all customary landowners". Mr Oni said the law was widely debated and carefully drafted before it came to the House. The Bougainville government undertook an extensive awareness and consultation program that involved ex-combatants, women leaders and other community groups in the lead up to the new legislation.

The new mining law strips Bougainville Copper Limited (BCL) - the former operator of the defunct Panguna copper mine in Central Bougainville - of its mining licenses. The company instead will be allowed an exploration license, which offers no more than a first right of refusal in negotiations on the future of Panguna mine. "This gives the ABG flexibility to consider other options if BCL decides not to seek a return to mining in Panguna or is unwilling to meet the terms and conditions set by

the ABG and landowners, should negotiations begin," Mr Oni said. The Panguna mine was the igniting point for the 10-year Bougainville Conflict, which claimed up to 20,000 lives. The new mining law also outlines landowners participation equity from mining revenues. Minister Oni said landowners were entitled to five per cent free equity. They are also entitled to purchase up to an additional five per cent within 60 days after the granting of the mining license. Royalties, as a percentage of the value of minerals produced must also be paid to landowners. Landowners are also protected if they are required to be resettled elsewhere.

Bougainville: Excoms support mining bill

Post-Courier, March 25, 2015

By Anthony Kaybing

A GROUP of ex-combatants in Bougainville have rallied behind the Autonomous Bougainville Government to support the passing of the controversial permanent Bougainville Mining Act. The ex-combatants, representing BRA and Resistance veteran groups from North to South Bougainville, met with the ABG and its officials yesterday afternoon (Tuesday) to express their support of the bill and assured ABG President Grand Chief Dr John Momis of their intent. The permanent Bougainville Mining Bill is the brainchild of the Momis led ABG in its efforts to curb mineral resource problems that led to the bloody ten year civil conflict on the island. The Bill if passed will give landowners a pronounced say on how mineral extraction is carried out on their lands and also controls the type of would be developers interested in mining on Bougainville. The Bougainville Mining Department as well as the Bougainville Justice Department have been carrying out widespread awareness on the issue throughout Bougainville to explain the intricacies of the Bill to Bougainville communities.

Despite being hailed as a successful attempt by the government to protect Bougainville's interests there have been certain elements who continue to argue that the bill is a sham and designed to sell Bougainville. Foremost amongst its critics is former Bougainville Revolutionary Army strongman Sam Kauona who claims that the Bill lacks certain details that safe guard Bougainville from being exploited again. But a different sentiment was echoed by Mr Kauona's former comrades gathered in Buka who claimed ownership of the government and in this light respected the ABG's intent on passing the Bill. Spokesman for the ex-combatants, Cornelius Solomon said the Government has done everything to thoroughly explain to the people the new Bill and how it will greatly regulate the extractive industry on Bougainville.

"We cannot continue to undermine the government for it is the very thing that we fought and died for, doing so only renders the purpose of our struggle moot," Mr Solomon said. Mr Solomon said that the ex-combatants were all behind the government and would not resort to creating instability within the region. President Momis and his government also expressed their gratitude to the ex-combatants for taking the initiative to recognize the ABG's efforts to act in the best interest of the people of Bougainville. The Bill will be tabled sometime this week in the Bougainville House of Representatives as the members prepare to sit for the final sitting of the ABG second house since coming into office in 2010 before it goes to the polls in May.

PNG: Ioro people fed up with Bougainville mining tug-of-war

Post-Courier, March 25, 2015

Special Correspondent ARAWA (PNG Mine Watch/Pacific Media Watch)

The people of Ioro are fed up with the tug-of-war between the minority pro-miners and the majority who have had enough of talking about it, say activists from the area. The Ioro constituency covers

the entire Panguna area and has its administrative borders at Kieta, Bana and Torokina. Chiefs, clan leaders and other respected leaders and public servants in Ioro recently convened a meeting in a rare event to look for potential leaders who will represent them. With the Autonomous Bougainville Region government (ABG) elections soon, the people of Ioro do not want to go to the ballot. Instead they want to declare one leader who they feel can truly and fairly represent them. At the end of the meeting, the chiefs all agreed to endorse one candidate for Ioro, surprisingly most of the other potential candidates decided to stand down and allow one contender for the seat. The chiefs and clan leaders are also appealing to other intending candidates in Ioro to stand down and allow one capable person to take up the task of representing them. The people are now eyeing Baka'oboring as a potential leader - he is someone who has brought himself to holistic self-reliance and at the same time knows the issue of Panguna inside out.

Fight independently

Panguna people want a person who is willing to fight independently for his or her people and the independence of Bougainville. Martin Miriori, the man who was in the thick of bringing the Bougainville crisis to the global village's attention, is the person whom the people of Panguna are considering. Community and clans' leaders called the meeting to affirm their support for him. This rare occasion was witnessed by almost all chiefs within Panguna. The Ioro constituency is at the heart of the Bougainville crisis. It will now use this ploy to decide their new member. The village chiefs have come together to call all the population in the constituency to declare one leader into the seat in order to put an end to the debate on the mining issue which has caused much contention. Even the public servants confessed during the meeting that blame for the instability in Bougainville has been blamed on the people of Panguna. Thus, they have stated that Ioro people are ready to take on the fight with a credible representative and carry on with the fight for independence.

State owes landowners K50 million

Post-Courier, March 24, 2015

BY SAMUEL RAITANO

MONIES totalling up to K50 million belonging to oil and gas project sites from the Hela and Southern Highlands are still kept under the powers of the national court due to landowner cases pending in court. This was according to Justin Hayara, a lawyer who has been actively engaged in the landowner issues taken to court in Waigani. He said about K48 million was for the Hela region, especially the gas and oil project impacted areas, and around K2.8 million was for Gobe. He said various issues in court have prolonged and taken new twists, making it complicated to retrieve the funding. Some matters range from those between landowners, state and developers, landowners themselves, and more complicated matters like clan vetting, infrastructure development grants, project agreements and so forth. It is understood that those who have agreed to mediation would see some light at the end of the tunnel soon. Mr Hayara said they try their best to speed up matters but some of the cases are to be found in a way that more time and money would be required before reaching their conclusions.

Meeting discusses resource development

The National, March 25th, 2015

PNG Institute for National Affairs (INA) recently hosted a conference to discuss the resource development and human wellbeing in Papua New Guinea. It was organised by the Australian National University and the Australian Government's International Mining for Development Centre to share knowledge on connecting natural resources wealth and sustainable human development. Areas covered in the workshop included the millennium development goals, health outcomes, measuring

development goals in resource project impact areas and the collection of statistics were presented by various experts. Participants in the event discussed the relationship between the national governments measurement of progress made in the achievement of sustainable human development and the involvement of major resource companies towards sustainable human development in areas affected by their operations. The relationship were considered as practical problems of data collection and interpretation, in order to inform of the development of better policies and guidelines for the measurement of human well-being or sustainable human development, at different geographical scales or different levels of political organisation. National Planning and Monitoring Minister Charles Abel provided an insight on the O'Neill Government's plans for the next five years to an audience of industry, academic and government stakeholders.

Solomons Government Outlines Gold Ridge Plans

Wants to see the mine back into operation

WELLINGTON, New Zealand (Radio New Zealand International, March 24, 2015) – The Solomon Islands prime minister has told the Gold Ridge Community Landowner's Council that the government may look for a company to buy the mine. Manasseh Sogavare has told the community at a meeting that the government itself will not buy the mine, which has been shut for nearly a year, from Australian based St Barbara, but it could facilitate a sale. He says the government, as much as the landowners, wants to see the mine back in operation. Mr Sogavare says a re-opening is critical to a revival of the economy, as well as meeting obligations to employees, landowners and the communities around the mine site.

Deal to improve mine waste management

The National, March 23rd, 2015

THE Japan International Cooperation Agency (JICA) is partnering with PNG to control mine waste management in the country. The deal was signed between JICA, the Mineral Resources Authority, Department of Mineral Policy and Geohazard Management (DMPGM) and Conservation and the Environment Protection Authority in Port Moresby last Friday. Reviews from DMPGM showed that PNG lacked comprehensive policies and regulation frameworks to control increasing mining activities within the country in last decade resulting in considerable amount of mine pollution affecting surrounding environments where mine activities were present. MRA managing director Philip Samar said: "PNG currently has nine operating mines and these mines have their fair share of contribution in terms of mine wastes whether it's generated from the mine, industrial waste from fuel; all of those are waste from mine.

"Look at the next ten years, four next world class mines are set to come on stream ... Wafi, bigger than Ok Tedi, Frieda, Yandera and Mt Kare plus two others. If we are not able to manage the wastage, that put out by the existing nine then we are simply playing a catch up game. Mine waste is something that needs to be managed and managed well." JICA chief representative Shigeru Sugiyama said technical cooperation between the agency (JICA) and PNG would ensure that development of the country's mining sector was economically stable and at same time environmentally responsible. "This cooperation will improve the strategic framework of environmental management focused on waste from mines across the country," he said. "Parallel with framework its output is set to come up with data collection analysis of mine waste. This output is expected to assist the PNG Government in the mining sector, to elevate the capacity of capturing and monitoring the overall impact of mining activity and contribute to improve the transparency in the sector."

Officer urges bodies to fast-track processes on environmental issues

The National, March 23rd, 2015

STATE agencies dealing with environmental issues from the Sinivit Mine in East New Britain are urged to fast-track processes and address them promptly as people's lives were at risk. Provincial environment and conservation officer Florence Paisparea, giving an update by a technical working committee on disasters in the province, said the provincial government was only waiting on State agencies such as the Department of Environment and Conservation and Mineral Resources Authority to carry out the next step to rectify chemical pollution from the abandoned mine. These included detoxicating the contaminated Warangoi River and outflow at Ganai seafront in the Bitapaka LLG. Paisparea said tests conducted recently on samples from the river system showed that the treatment pond for cyanide and other chemicals used at the mine contained 20 parts per million of chemicals, while the vats contained 20 parts per million as well. She said this was "very high concentration." The permitted environmental safe content was five parts per million. Paisparea emphasised that the public was not to use or go near the river until tests cleared it. She appealed to national agencies responsible to fast-track processes required to get specialists in and also the neutralisers needed to detoxicate the chemicals that included cyanide and other metals like copper, mercury and zinc. Pollution from the mine was blamed for dead eels and fish discovered along the river system. That prompted officials to warn people to keep away from the river until tests were done.

Government warns of possible spillage

The National, March 23rd, 2015

EAST New Britain provincial administrator Akuila Tubal is warning people living near the Warangoi River not to eat dead fish, eels or any other form of life in the river. Tubal, who is the chairman of the provincial disaster committee, is concerned with cyanide spillage from vats at the Sinivat Mine site that could have found its way into the river system. A report by the provincial disaster technical team that had been working on the containment and awareness programme on the spillage said that down-flow of heavy rain water from the ranges where the mine was located had increased. Tubal said the team was also asking people living both upstream and downstream not to use river water for drinking or washing until tests were carried done by Department of Environment and Conservation. He urged fishermen not to fish in the Ganai area of the Bitapaka LLG or the mouth of the Warangoi River until further notice. He appealed to the public to have proof of dead marine and aquatic life before making reports to the provincial disaster technical team.

Statoil's historic disclosures blow holes in Exxon and Shell's campaign for secrecy

Transparency campaigners call on the U.S. Securities and Exchange Commission to follow Norway's lead Global Witness, 19th March 2015

The Norwegian energy giant Statoil today became the first major oil company to publish its payments to governments under a new, mandatory transparency standard being rolled out across the world. As the Securities and Exchange Commission works to create a similar transparency rule for US-listed oil and mining companies, campaigners in the Publish What You Pay coalition are calling on U.S. regulators to follow Norway's lead. (1) Norway is the first country to bring the standard into effect, which requires oil, gas and mining companies to disclose the revenues they pay into government coffers – such as taxes, royalties and licence fees – for all countries they operate in. (2) Greater transparency will enable citizens to monitor payments worth hundreds of billions of dollars each year, and hold their governments to account for how the money is used.

In line with the Norwegian standard, Statoil has published a highly detailed report of its payments, broken down by each of its oil extraction projects worldwide. Statoil's disclosures deal a major blow to efforts by a small number of backward looking oil firms, including ExxonMobil, Royal Dutch Shell and BP, to weaken the U.S. transparency rule. (3) As members of the U.S. oil industry association the American Petroleum Institute (API), these companies are lobbying for a much looser model of reporting in the U.S. which would allow them to hide payments, and to anonymise reports by withholding the identity of the company making them. (4) These demands are based on speculative claims that a strong U.S. transparency rule will be too costly for industry to comply with, and that it will harm companies' competitive position. Norway's exemplary lead shows that these arguments are unfounded.

"Statoil's disclosures skewer claims made by some companies that it is not practicable for them to publish reports which reveal their identities and show payments for each of their projects. Unless transparency rules include these elements, they will give companies a licence to continue making corrupt payments. Norway has shown the way by implementing a reporting standard that is fit for purpose, and rule-makers in other jurisdictions need to take note," said Dominic Eagleton, senior campaigner with Global Witness. Statoil's report also undermines attempts being made by oil and mining industry groups to circumvent the UK's extractives transparency law, which was passed in December 2014. (5) The industry bodies have drafted voluntary guidelines for implementing the UK law that encourage companies to continue hiding payments. Statoil's report emphatically rejects the approach to reporting taken by the industry bodies on a key element of the guidelines. (6) "We commend the UK government for creating a strong transparency standard. Now it must take note of Statoil's disclosure and face down industry attempts to cover up payments," said Eagleton.

Statoil is a major operator in Angola, with substantial investments in offshore fields in the northern province of Zaire. Its report shows production entitlement payments from a single project of over US\$1.1 billion in Zaire, and tax payments of US\$240,000,000 from another project in the province. Manuel Pembele Mfulutoma, head of the civil society organisation Adjudeca which works with communities in Zaire province, said: "Zaire has natural wealth in abundance yet its citizens live in deep poverty. Project-level transparency will allow us to track these massive payments and ensure that they are used how they should be – to improve living conditions for the Angolan people."

Statoil's report also reveals large payments made by the company in other oil-rich but corruption-prone countries including Nigeria, Libya and Azerbaijan. In Nigeria, where Statoil has a 20% stake in the country's largest deep water oil field, Statoil has reported tax payments of over US\$354 million from a single project. In contrast to some of its oil industry counterparts, Statoil is a strong supporter of mandatory project-level reporting, and has called on regulators in other jurisdictions to establish transparency rules that match those in Norway and the EU. (8) "As the European standard is hard law, the Securities and Exchange Commission needs to ensure its rules come into line with Europe. Otherwise it risks creating duplicative reporting burdens for companies listed in multiple jurisdictions and an uneven playing field for business, which is in no one's interest," Eagleton added.

Notes

1. Statoil's report is available here: www.statoil.com/annualreport2014. The U.S. Securities and Exchange Commission is developing a similar reporting standard for US-listed extractive companies, which will implement Section 1504 of the Dodd-Frank Act: bit.ly/1GdYzBJ The Publish What You Pay coalition promotes greater transparency in the global extractive industries, and is made up of over 800 civil society organisations from more than 60 countries: bit.ly/1wQSRQ
2. Norway is required to introduce the regulation by the EU Accounting and Transparency Directives, which were passed in 2013: bit.ly/1EVt426
3. ExxonMobil, Royal Dutch Shell and BP are members of the American Petroleum Institute (API), an oil industry pressure group. The API filed a lawsuit in October 2012 to overturn the original SEC rule to implement the

U.S.'s extractives transparency law (Section 1504 of the Dodd-Frank Act). ExxonMobil, Royal Dutch Shell and BP refused to dissociate from the API lawsuit when asked to by civil society organisations: bit.ly/1DsSEe9. After convincing a judge to suspend the original Section 1504 rule, the API is now calling for the SEC to re-issue a weaker rule for the U.S. law that would aggregate payment data above project level and keep the reporting companies' identities hidden from public view: <http://1.usa.gov/18Tc7qI>. Representatives from ExxonMobil, Royal Dutch Shell and BP have taken part in several meetings with SEC officials to discuss the implementing rule for Section 1504 of the U.S. Dodd-Frank Act since October 2013: <http://1.usa.gov/1InVPbG>

4. See API submission to the SEC, November 2013: <http://1.usa.gov/18Tc7qI>
5. The UK Reports on Payments to Governments Regulations 2014 are analogous to the Norwegian law, requiring UK-domiciled and UK-listed extractive companies to publish the payments they make to governments for all countries of operation on a project-by-project basis: bit.ly/12RGpb2.
6. The voluntary guidelines are being produced by the International Association of Oil and Gas Producers and the International Council on Mining and Metals. A draft of the industry guidelines from November 2014 is available here: bit.ly/1uB1nRo. The document has been modified slightly since November. The guidelines state that if a company makes payments indirectly to a government via a partner company in the same joint venture project, these payments do not have to be disclosed. A legal opinion obtained by Global Witness states unequivocally that this goes against the letter and intent of the law. In marked contrast to the industry guidelines, Statoil has reported in line with the law and disclosed production entitlement payments made on its behalf by other companies. The industry guidelines also state that companies can group together distinct projects and report on them as a single project if the projects are "operationally and geographically integrated", or if the legal agreements that establish the projects are on "substantially similar terms". Global Witness's legal opinion states that this element of the guidelines also goes against the letter and intent of the law.
7. See page 19 of Statoil's 2013 Sustainability Report: bit.ly/1mpU4Ky

LNG boom to have limited impact on Australian living standards

By: Esmarie Swanepoel, Mining Weekly, 19th March 2015



Photo by Bloomberg

PERTH (miningweekly.com) – Despite boosting Australian output and incomes over the next few years, the ramp-up in liquefied natural gas (LNG) production was not expected to have much of an effect on Australian living standards, the Reserve Bank of Australia (RBA) reported on Thursday, owing to the high level of foreign ownership in the sector, as well as the low labour intensity required during the production phase. In its March quarterly bulletin, the RBA noted that LNG exports were expected to increase substantially as a number of large-scale LNG projects started production within the next few years. In value terms, the LNG sector was expected to become the country's second-largest commodity export by 2018, after iron-ore. The start-up of the Queensland Curtis LNG project and the Gladstone LNG project, combined with the strong performance of the existing plants, was forecast to increase LNG export volumes by 11% during 2014/15, to 26.2-million tonnes.

However, the RBA pointed out on Thursday that the decline in LNG investment and the ramp-up in production and exports was expected to affect Australia's economic output and national income in a

number of ways. The RBA stated that as investment in the LNG sector continued to fall, it would subtract from the gross domestic product (GDP) growth over the next few years, as the construction of large-scale projects was gradually completed. As the projects began to ramp up production, the bank estimated that LNG exports would contribute around 3/4 percentage point to GDP growth in 2016/17. The timing of the boost would depend on whether these projects were completed on schedule and how quickly production was ramped up. As production of LNG gradually stabilised at a higher level, the boost to GDP growth would dissipate, although GDP would remain at a higher level.

Meanwhile, the rise in LNG export receipts was expected to affect the domestic economy in a number of different ways, the RBA said, pointing to household incomes, which would be boosted for those employed in either the LNG investment or production phase. However, the bank noted that liaison and company reports suggested that the production phase of LNG was highly capital intensive and would not require as much labour as the investment phase. Meanwhile, government revenues were also expected to rise as LNG production increased. Federal government revenue would increase through corporate tax income and the petroleum resource rent tax, while some state and territory governments will receive higher royalties. The RBA noted that the magnitude of the increase to revenues would depend on the prevailing oil price and royalties arrangements between state and territory governments and LNG producers, and the extent to which tax payments would be reduced by deductions.

Fiji's Tuvatu Gold Mine Gets Green Light

Mine hopes to produce a million ounces, create 200 jobs

By Litia Mathewsell

SUVA, Fiji (Fiji Times, March 19, 2015) – Employment opportunities are expected to significantly increase this year at Tuvatu Gold Mine where a license to mine has been approved by the Ministry of Lands and Mineral Resources. Mineral Resources director Malakai Finau confirmed the approval was issued on February 22, and they were working on other lease documents before the lease was granted. Located in Sabeto outside Nadi, the mine is being developed by Canadian-based Lion One Ltd, whose lands and permit manager, Moape Navia confirmed this latest progress. "We are now waiting on the terms and conditions of this mining lease, which should be finalised soon," he said yesterday.

"To date, the exploration phase has been about \$56 million [US\$27 million] in expenditure and another \$100 million [US\$48 million] will be invested to build the mine." The base employs about 40 workers, which Mr Navia said would likely increase to 200 this year when the mining development commences, after waiting for about a year for the mining licence to be given the green light. "We hope to extract a million ounces of gold which will be processed here and sold to markets and refiners overseas, likely in Australia," he added. The company obtained a 21-year surface lease from the iTaukei Land Trust Board, with a premium of \$700,000 [US\$337,000] paid to landowners in Nagado and Korobebe villages in Ba Province.

War of words over Ok Tedi

Post-Courier, March 19, 2015

Polye: The truth is out, PM is desperate to serve foreigners

O'Neill: This nonsense reeks of racism

OPPOSITION Leader Don Polye has branded Prime Minister Peter O'Neill a hypocrite over the "nationalisation program" of OK Tedi Mining Limited. He accused the Prime Minister of undermi-

ning Papua New Guineans and local professionals and experts in the awarding of senior positions at the mine operations in North Fly, Western Province. Mr Polye said in a statement yesterday that Mr O'Neill was favouring outside business interests ahead of the best interest of the people and the nation. The Opposition Leader, who had previously worked at OK Tedi as a contractor, said he knew the mine's operations and it did present a challenging experience for Papua New Guineans but it was not beyond Papua New Guineans to manage.

He said the Opposition had done its research on Papua New Guineans, professionals and technicians and found they are more capable than expatriates. Mr Polye maintained that Mr O'Neill should have given the top job of chief executive officer or managing director of OK Tedi Mine to a Papua New Guinean. "The truth that the Prime Minister gifted the top job to an expatriate simply means that the PM's claim to believe in PNG professionals and managers is an absolute falsehood. "The PM has been nationalising OK Tedi mine, giving the impression that he has been doing it for Papua New Guineans and for national interest. "Now the truth reveals that he has been so desperate to serve foreigners and his personal interest, what an embarrassment," the Opposition Leader said.

LNG: Billions spent on landowners

The National, March 19th, 2015

By SHIRLEY MAULUDU

EXXONMOBIL PNG Ltd has spent K4.52 billion on landowner companies in the impacted areas of the PNG LNG project. The company said in a statement that in total more than K11 billion had been spent in the country since the start of the liquefied natural gas project four years ago. "To date, ExxonMobil PNG's total in-country spending has reached more than K11.37 billion with K4.52 billion spent on Lanco (landowner companies) services," a spokesperson said. "The PNG LNG has invested significantly in developing the capacity of landowner companies to help them build long-term sustainable businesses." ExxonMobil PNG was responding to three major landowner companies which had criticised the National Government for not giving full recognition to local companies in the project impact areas, especially in the awarding of major contracts.

The company said its enterprise centre in Port Moresby was an initiative of the PNG LNG project. "The centre supports PNG businesses, in particular landowner and other local companies, by building business skills, facilitating access to employment and business opportunities and ensuring efficient communication with ExxonMobil PNG, contractors and sub-contractors," the spokesperson said. More than nine trillion cubic feet of gas is expected to be produced over the life of the project. The Central Supply and Tenders Board clarified last week that the awarding of contracts for works in the PNG LNG project impact areas came under the responsibility of the project developer.

InterOil records profit, remains upbeat on Elk

Post-Courier, March 19, 2015

InterOil Corporation (InterOil) yesterday announced a positive year ending result highlighted with a \$290 million (K768.21) full year profit and \$715 million (K1.89 billion) liquidity. Also highlighted in the results were statements affirming the Elk-Antelope being potentially the lowest cost new-build LNG project globally, as well as the announcement of the selection of LNG concept before end of the second quarter of this year. InterOil said the company is well placed for development of the Elk-Antelope gas field in Gulf province, potentially the lowest cost new-build LNG project in the world. In addition, InterOil said it has identified five targets, outside of Elk-Antelope, with a potential of 17 trillion cubic feet of gas equivalent (Tcfe) of gross contingent and prospective resource.

InterOil chief executive Michael Hession said the past year has enabled the company to focus on developing Elk-Antelope and maintaining its exploration effort in the Eastern Papuan Basin, one of the world's most exciting emerging hydrocarbon Provinces. "Independent analysis suggests Elk-Antelope is the most competitive new-build LNG project globally, with potential for superior returns even at low commodity prices," Mr Hession said. "We are well placed with liquidity of \$715 million and an anticipated certification payment to meet our commitments and pursue the LNG project timetable. "We have had five consecutive discoveries in the Eastern Papuan Basin where we hold a premier license position.

We are now planning five wells outside of Elk-Antelope to target about 17 Tcfe of gross contingent and prospective resource; eight Tcfe of which could be targeted by appraisal wells at Bobcat, Raptor, and Triceratops-3 plus nine Tcfe by exploration wells at Antelope-South and Wahoo," the CEO added. In releasing financial results for the fourth quarter and full year to December 31, 2014, the company reported a net income of \$289.8 million (K791.52 million), primarily due to completing its Elk-Antelope transaction with Total SA and the sale of its refinery and downstream businesses to Puma Energy. "We implemented structural changes in 2014, which allowed us to run our business more efficiently while building a strong foundation for growth," he said. "These changes included establishing a new management team, renewing our board, strengthening our balance sheet and streamlining our operations."

Gold giants on hunt for Barrick mines

Bridget Carter and Gretchen Friemann, *The Australian*. March 19, 2015

Newcrest, OceanaGold and China's mining goliath, Zijin, are among the seven to eight contenders pursuing Barrick's two gold mine assets, according to sources, despite the increasingly skittish conditions for the yellow metal. Indicative bids on the Credit Suisse-run process are due on April 2 but prospects are now fading for a \$1 billion price tag. It's understood up to eight contenders have entered the race for the two mines on the block, the Cowal mine in NSW and the Porgera project in Papua New Guinea. However, value expectations for the two assets have dwindled with a deal likely to be struck at about the \$800 million mark. The more bearish price assumptions gained greater strength last week after UBS published a research note assessing Cowal's value, by far the larger and more attractive asset, at \$665m.

While the Swiss bank's analysts highlighted that operating gold mines tended to change hands for less than the approximate net present value, insiders pinpointed \$700m as a reasonable price tag. Porgera, located in PNG's highlands and beset by numerous social and environmental challenges, is expected to fetch close to \$100m. Barrick's decision to jettison the bulk of its Australian and PNG assets — it will retain a half share in Kalgoorlie Consolidated Gold Mines, which runs the Super Pit, has long been in the offing. The Canadian miner, and the world's largest gold producer, considered divesting Cowal, 350km west of Sydney, two years ago when the gold price was far higher the outlook far rosier. Back then the mooted price hit close to \$800m. While many regard Zijin, the Chinese mining group that owns most of Norton Gold Fields as among the most likely suitor, it's understood gold and copper producer, Newcrest, is also casting an eye over the portfolio. News of its involvement comes as the Melbourne-based miner continues to feel the pressure from a class-action lawsuit launched last year by Slater & Gordon.

That case, which had been expected to start later this year, has now been delayed until early 2016. It's understood Newcrest and Slater & Gordon have squabbled over the scale of provision of information so far with a hearing scheduled next week in the Melbourne federal court aimed at resolving the discovery problem. However, the looming class action, characterised by many investors as a minor irritant, has left little dent on the miner's acquisitive ambitions. OceanGold is also viewed as

a contender given its intentions to expand to three or four producing assets in two to three countries. UBS ranked the company as the fourth most likely buyer for Barrick's mines, with Independence Group considered the most logical suitor due to its healthy balance sheet, a refreshed board and keen growth aspirations. Barrick's auction comes amid an increasingly uncertain outlook for the yellow metal as a rally in the US dollar continues to pile on pricing pressure. These conditions are unlikely to sway the Canadian miner's course though as it tackles a near \$US3bn (\$4bn) debt pile.

Barrick Gold faces legal action in PNG over Porgera mine

By: Esmarie Swanepoel, Mining Weekly, 19th March 2015



Photo by Bloomberg

PERTH (miningweekly.com) – Gold miner Barrick Gold was facing a legal challenge at its Porgera mine, in Papua New Guinea, with landowners in the region claiming billions of dollars in compensation. The Justice Foundation for Porgera (JFP), which represents landowners in the Porgera region, has submitted a position statement to Barrick and its subsidiary Barrick Niugini outlining irreparable losses as a result of social, economic and environmental damages caused by the Porgera gold mine. Displaced by the mine's activity, 14 landowner clan agents of the Porgera special mining lease formed the JFP. The group claims that landowners' subsistence and livelihoods were catastrophically changed as a result of the near doubling of the openpit mining rate and that Barrick Niugini, a subsidiary of Barrick, had breached agreements pertaining to environmental standards, the relocation of displaced landowners and the number of fly-in, fly-out workers to the region.

JFP reported that a group of specialists, including lawyers, scientists and film crew, have conducted a fact-finding mission to the area to gather data and evidence to support the group's claims, with the evidence secured including photographs of impoverished townships, harsh living conditions and poor quality infrastructure. It also includes testimony from landowners, including women who claimed to have been gang raped and families who allege that they have been forcibly removed from their land without compensation. The JFP pointed to a 2011 Human Rights Watch report, which found that Barrick Niugini-hired mine guards, detained women found trespassing on the mine site and "gave them a choice of submitting to gang rape or going to prison". The report also stated that "Barrick has responded with dismissive hostility to concerns about its human rights record at Porgera".

In February this year, Barrick announced plans to sell its 95% share of the Porgera mine, to help reduce the company's debt by at least \$3-billion by year-end. The gold miner's joint venture partner, Mineral Resources Enga (MRE), which holds the remaining 5% interest in the Porgera mine in trust for landowners with the Enga provincial government, has expressed its displeasure at the development. "Barrick will sell its interests without proper notice and exit Papua New Guinea leaving the landowners with a new owner who will not provide restitution for the damage left behind, and

MRE, the landowners or citizens of Papua New Guinea will be left with an insurmountable bill to remedy the social and environmental damage,” said MRE chairperson and director Kurubu Ipara. Barrick’s share of gold production from the Porgera operation reached 493 000 oz in 2014, and in 2015, the mine was expected to deliver between 500 000 oz and 550 000 oz to the gold miner.

Porgera: Government has not addressed issues, foundation says

The National, March 19th, 2015

THE Justice Foundation for Porgera says the National Government has not addressed claims by the landowners of the Porgera gold mine in Enga. Chairman Jonathan Paraia said the foundation was formed to seek justice for the landowners who had suffered “significant and irreparable losses” as a result of the social, economic and environmental damage caused by the mine over the past 25 years. He said a claim was lodged in a position statement with the Mining Minister in 2013. “As detailed in the position statement, the landowners claim that the mining development contract and the special mining lease issued on May 12, 1989, are invalid and therefore null and void,” Paraia said. “These documents have had no legal effect since the documents were signed.” He added that the landowners claimed the Porgera Joint Venture had been trespassing on their land for more than 25 years. Paraia said the State Solicitor replied to the position statement last year “but failed to sufficiently or adequately” address the landowners’ claims. Paraia said the foundation informed the Minister for Mining that the State Solicitor’s response to the position statement was misconceived. “It did not address the claims made by the landowners, contained errors of fact and law and was evasive,” he said.

Porgera: Landowners told to verify land claims

Post-Courier, March 19, 2015



By *JEFFREY ELAPA*

A principal landowner of the giant Porgera gold mine in the Enga province has called on illegitimate landowners to verify their portion of land before misleading the public. Chief Timbalu Iweipe said in response to a newspaper report by Jonathan Paraia, a paper Port Moresby landowner who claims to be the principal landowner of the mine. Chief Iweipe said from Porgera that so-called paper landowners have been misleading the people for too long and called on Mr Paraia and others to verify their partition of land in the special purpose mine lease areas before making statements in the media. He said the organization led by Paraia has been misleading the public, including the investors, the government and other stakeholder when he does not own any land in the SML area. “I’m the principal chief landowner and I want to make it clear that there are no other principal landowners of the SML area.

Just last week, thousands of landowners have stage a peaceful protest march against any paper landowners that are based in Port Moresby trying to pursue our concern by instituting an investiga-

tion team into the environmental damages and other landowner concerns. We had enough of paper landowner and we call on Paraia to tell us what hectare of land he has in the SML to call himself a principal landowner. “Enough is enough and we are fade-up with so-called landowner who does not represent the landowners. Our only mouth piece is the Porgera landowners Association led by Tony Mark Ekepa,” he said. Mr Paraia has to stop as he does not own any land in the SML area to represent us, instead he was only trying to misled the people and the public. “Therefore we oppose any other paper landowners. If they claim to be landowner then they should tell us how many hactres of land they have in the SML area and not just to go on the media,” he said.

He said the Porgera landowners Association is satisfied with several independent research organizations that have conducted studies on the environmental damages and other landowner abuses and that was sufficient and there is no need for any other investigations or studies needed in Porgera. He said some of the independent studies carried were by the University of Technology in Lae, the Colombia University, Harvard University, Human Right Canada and others. He said paper landowners have cheated the people for the past 25 years and does not want to be cheated again this time as all landowner issues have been pursued by the Association. He said if any genuine organization want to help should work together with the association to pursue the people’s interest.

Crater restarts operations in PNG

By: Esmarie Swanepoel, Mining Weekly, 18th March 2015

PERTH (miningweekly.com) – ASX-listed Crater Gold Mining has resumed mining operations at the High Grade Zone mine, at its Crater Mountain operation, in Papua New Guinea. The company was ordered to cease mining activities in late December, pending the conclusion of a Papua New Guinea Mines and Safety Inspectorate inquiry into the circumstances surrounding a November vehicle accident, which claimed the life of the driver. Earlier this month, Papua New Guinea issued a notice of relaxation of the cessation order, allowing Crater Gold to restart operations. The junior said on Wednesday that drive development had now restarted on three gold bearing veins within High Grade Zone delineated from previous underground development and diamond drilling, carried out in 2014. Additional drives would also be started before the end of the month, increasing the number of headings being developed to around seven, thereby improving flexibility. Initial production of gravity concentrates would be smelted and sold into Papua New Guinea. At full capacity, the Crater Mountain operation would produce about 10 000 oz of gold in its first full year of operation, at an all-in cash cost of around A\$400/oz over its five-year mine life.

Government to test level of toxins in river systems

Post-Courier, March 17, 2015

BY GRACE TIDEN

A detailed testing of river systems will soon be carried out in East New Britain Province by relevant authorities following the discovery of cyanide leakage at the Sinivit gold mine last month. Authorities fear the recent strong winds and heavy rain will contribute to further leakage from the site. This manmade disaster has now affected communities downstream and especially those living along the Warangoi River and its tributaries who have been warned by government officials to keep away from the river until further testings are done and preventive measures being undertaken. Environmental officer Florence Paisparea who was speaking during a radio awareness program said disinfection of the vats and heap pads and testing of the river systems will be done when a team from DEC and MRA arrive in the province. She also said their awareness to the communities have been ongoing and just recently, they were at Ganai where the mouth of Warangoi River is located to conduct awareness. The people in the area were urged not to use the river or nearby sea to fish.

She said fish samples have also been sent to Lae for testing and the results will be made available soon.



Waragoi River, contaminated from the mine activities going on up stream.

The Sinivit gold mine located in the Baining mountains of the province was left idle by a Canadian company New Guinea Gold Limited late last year. The Baining mountains is where most of the province's major rivers originate. A provincial monitoring team was put in place to do an assessment at the mine site and monitor cyanide laden vats and heaps earlier this year following the theft of special canvases used to cover these heaps and vats and the continuous rainfall in the area. The mine has around 17 vats with some located on ridges and near cliff edges. An emergency authorisation was issued by the Department of Environment and Conservation to implement preventive measures to minimize or stop further cyanide spillage at the idle mine. Samples were taken from runoffs at the mine site vats last month's which were sent to Lae for testing. The results confirmed that a runoff had high level of toxic.

Landowners want State of Emergency at gold mine

The National, March 16th, 2015

AUTHORITIES dealing with environment issues at the Sinivit gold mine in East New Britain have been urged to fast-track a submission to Cabinet and declare a state of emergency at the mine. Chairman of a landowner group Douglas Augustine said the current wet weather condition warranted the declaration of a state of emergency because of the likely damage caused by the leakage of cyanide. Provincial authorities are concerned about the threat of a cyanide spillage into the river systems. The vating system had been left unattended since Canadian developer, New Guinea Gold left the mine last July. The Department of Environment and Conservation in January issued an emergency authorisation instrument for the mine. A submission paper has been prepared after the inspection and assessment of the environment near the mine and approved by the ENB provincial executive council.

Nautilus Minerals CEO Mike Johnston Talks Underwater Mining

By Teresa Matich, Copper Investing News, March 15, 2015

To be sure, Nautilus Minerals is one of the more interesting mining companies out there. Its project, Solwara 1, lies on the seafloor near Papua New Guinea, where the company is planning to mine high-grade copper and gold deposits. To find out a bit more about underwater mining, Resource In-

vesting News (RIN) had a chat with Mike Johnston, CEO of Nautilus, at the 2015 PDAC conference in Toronto. In the interview below, Johnston discusses what makes Solwara 1 so high grade, and speaks to questions about the environmental impacts of underwater mining. He also touches on New Zealand's recent rejection of underwater mining projects, and about Nautilus' partnership with the Papua New Guinean government. Overall, it was interesting to get some insight into the world of underwater mining and how Nautilus intends for its project to work.



RIN: The resource at Solwara 1 has an exceptionally high grade of 7 percent copper and 6 grams per tonne gold. Why is that?

MJ: Well, very simplistically it's because of the hot fluids which come up from deep in the crust. As soon as they reach the seafloor they go from being 400 degrees Celsius and a pH of 2, and they have to basically reach equilibrium with seawater at depth, which is 2.6 degrees Celsius and a pH of 8. To do that, they have to completely change their chemistry, which means they have to drop all the metal they're carrying almost instantly.

That's where you end up with [high-grade] material like this. So very, very high grade. So all the copper that's in that fluid gets dropped within half a meter ... and it forms these chimney deposits, [which are] very high grade. And in the case of Solwara 1, and most of our other systems, they also contain a lot of precious metals — as you said, 5 grams of gold, which on land that would be a high-grade gold deposit.

RIN: Okay. And given all those benefits you just mentioned, New Zealand did reject underwater mining recently. How is Nautilus reassuring investors in light of that?

MJ: Well, the two projects that have been in the news from New Zealand recently are both very shallow-water projects. They're what we call "dredging" — the first project was in about 50 meters or 60 meters of water depth, so quite shallow. Ours is [at about] 1,500 meters, so we're in very deep water. The second [New Zealand] project was at a water depth of about 200 to 250 meters. Both projects were given mining licenses by the New Zealand government. The problem is actually in the legislation in New Zealand, and it's specific to New Zealand. The environmental legislation has been written by their environmental department and doesn't allow any development. This is just blatantly ridiculous. They either have to fix that or they've got a serious problem.

We're really happy where we're working in Papua New Guinea. They have a very strong mining industry in Papua New Guinea, very good regulations. They have separate environment departments and mining departments, and we are monitored by both of those separately and they have independent verification. It's a very good system.

RIN: Speaking of the environment, you must get questions about environmental impact. How does Solwara 1 affect the deep-sea, mid-sea and surface levels, and what is Nautilus doing to mitigate that?

MJ: What we did was a very extensive environmental impact assessment of the project — right at the start, before we submitted our permit. In that process, we did a lot of independent studies by researchers from the United States, Australia, Canada, Europe, and those experts in their fields all produced various reports about the project and about the Solwara 1 site. Critical to those assessments was the full water column current analyses which we did ... and those studies show that it's

physically impossible for any activities on the seafloor to impact above 1,300 meters water depth. So everything happens below 1,300 meters. That's due to the fact that deep water is colder and denser than shallow water, and the two don't mix — in Solwara 1, they don't mix at all. Where they do mix on the planet is at the poles, when the surface water gets cooled right down and starts to freeze. Then it's at the same temperature and density as the deep-sea water ... so that keeps everything within the confines of the mine.

Our system is designed with a very, very strong environmental focus. What we have is a steel riser system and a pump at the bottom of that riser system. We pump the mined material from the bottom of the ocean up into the vessel, where we separate the ore from the water and the slurry. The water then gets pumped down return pipes — steel pipes on the side of the main pipe — all the way down to where the pump is at 1,500 meters and then it's exhaust at that point. It goes right back to where it came from, but before it goes back, we actually filter it to 8 microns. [That's] actually arguably cleaner than it is down in the bottom, because there's ash and all sorts of volcanic activity happening down on the bottom of the sea. So we put it back probably cleaner than what it is when we take it out.

RIN: Okay. And finally, you've partnered with the Papua New Guinean government for the project. What sort of support have you seen from it?

MJ: The Papua New Guinea government is very supportive of the mining and petroleum industry in general. The prime minister, and various ministers, have said to me personally that they no longer want to be on the sidelines of resource development in their own country. They want to be active participants.

The government now has a policy of taking equity and new projects. They really like the Solwara 1 project ... because of all the benefits; it doesn't have waste, we don't have tailings in our project. We don't have waste dumps. All the things which people don't like about mining on land essentially are not there for deep-sea mining.

So the Papua New Guinea government has taken up a 15-percent equity stake in the project, and it supports the project. In fact, it supports it so much that it paid all of its share in advance for the project. We have found the Papua New Guinea government is a very good partner to have. They're very supportive. They work with you. They tell you when things are going well; they tell you when things are going bad.

The government's ownership is also separated from the regulatory arms of the government. So the Mineral Resources Authority, which is a separate entity that manages mining projects and their compliance, is separate to Petromin [PNG Holdings]. They have different ministers. And then the environment department is also responsible for monitoring environmental compliance — with your mining license conditions, your environmental conditions — and that's got a separate minister and is separate from Petromin as well.

The government separates its regulatory and investment arms, and is treated just like any other investor. It's a very good system.

RIN: Thanks for joining me.

MJ: It's been a pleasure.

Seabed mining risk to New Zealand's unique marine life: scientist

Xinhua News Agency, Global Post, October 13, 2014

WELLINGTON, Oct. 13 (Xinhua) -- Seabed mining around New Zealand's volcanic exclusive economic zone (EEZ) areas could destroy unique underwater ecosystems and have profound effects on sea life, a leading marine biologist warned Monday. Professor Jonathan Gardner, of Wellington's Victoria University, said the active geological nature made parts of the EEZ, which totaled about 5.7 million square kilometers, of great interest for the mining of seabed minerals. One such area was the Kermadec Volcanic Arc, where breaks in the submarine crust of the Earth's surface allowed cold seawater to enter into the rock, where it was heated, Gardner said in a statement. The hot wa-

ter, containing metals such as gold, copper, silver, zinc and rare earth elements, was forced out of the ground to form chimney-like hydrothermal vent systems, called seafloor massive sulphide deposits, which were potential sites of future mining activity.

Associated with the deposits were well-developed and often unique biological communities that would be damaged or destroyed by mining. "Initial assessments of global mineral wealth from the seafloor put the value of these resources well into the trillions of dollars. Increasing world demand for minerals, plus technological advances, have combined to make deep-sea mineral extraction a possibility right now," he said. Large areas had been licensed for prospecting as far back as 2002 and research, funded by the government and by industry, was identifying and characterizing the location and extent of mineral deposits.

"Based on the size and economic potential of mineral deposits, the mining industry suggests that one in every 10, or perhaps one in every 20, seafloor massive sulphide deposits may be economically viable and therefore mineable," he said. "Because vent sites may act like 'stepping stones' for dispersal of animals along a ridge, it is crucially important to understand the impact of mining activity at each site. The loss of an individual site to mining activity may have profound consequences on the stepping stone model of connectivity among vent sites if animals cannot disperse beyond it." Further debate was needed in New Zealand so that informed decisions could be made about the balance between exploitation and conservation that the country wished to pursue, said Gardner.

British firm takes over ownership of mine

The National, 13th of March, 2015

K92 Holdings International Ltd is the new owner of the Kainantu mine in Eastern Highlands after completing the purchase of the mine from Barrick Kainantu Ltd. With this purchase complete, the British miner now owns 100 per cent of the mine, including leases and licences, which have been granted for a period of 10 years in accordance with PNG Mining Act 1992. Although the cost of purchase was not made known, it is understood that K92 and Canadian industrial giant, Otterburn Resources had last year secured a loan of US\$15 million (K39m) from a mining lender, to be used to restart the Kainantu mine. The loan would be repaid to the lender through monthly deliveries of gold from September 2015 to December 2016. K92 chief executive officer Ian Staker said the purchase was another achievement into the reopening of the gold copper mine. "It is important to note that when we develop and implement our future plans to test the significant exploration potential at Kainantu, we will have the benefit of access to a substantial volume of historical exploration data." Activities planned by K92 onsite include the refurbishment of the existing mill and the Irumafimpa Mine underground infrastructure, underground and surface drill testing of the untested area between Irumafimpa to Kora and exploration targeting of potential undiscovered high grade deposits.

Barrick responds to compensation claims

Post-Courier, March 13, 2015

Barrick Gold Corporation subsidiary Barrick (Niugini) Limited, the operator of Porgera Gold Mine, yesterday responded to claims made by various landowner factions regarding the Porgera Mine. In a statement released, the company noted that the PNG Government, through the State Solicitor, had already provided a formal written response to the claims stating its belief that the claims were without legal merit. "Barrick shares the State's view that these claims are made without any legal basis," a spokesperson for the company said. "Having said that, Barrick is always willing to discuss directly any issues of concern with stakeholders of the Porgera Joint Venture (PJV). "We join with

the State in encouraging the use of established formal channels to discuss any concerns or issues that stakeholders may have," the spokesperson said. Barrick (Niugini) Limited, on behalf of the Porgera Joint Venture, is the operator of the Porgera Gold Mine in Enga Province. The Porgera Mine employs over 2,500 Papua New Guineans, and contributes approximately 11% of country's total annual exports.

Harmony finds copper-gold deposits in SHP

Post-Courier, March 13, 2015

South Africa's Harmony Gold said it has discovered gold and copper deposits at its Kili Teke exploration site in Southern Highlands, which could be similar to its other resources in the Pacific Island nation. Harmony, Africa's fourth-largest bullion producer, said in a statement on Wednesday there was potential to develop its latest find into a major copper-gold deposit similar to its flagship Wafi-Golpu project and the OK Tedi or Frieda River facilities. The Wafi-Golpu project, a joint venture with Newcrest Mining Ltd, holds 20 million ounces of gold and 9 million tonnes of copper. Initial drilling tests at the Kili Teke project, for which Harmony hold an exclusive licence, revealed higher grade levels of the two minerals of up to 0.74 percent for copper and 0.57 grams per tonne of gold, the company said in a statement. "New discoveries are one of the best avenues to create shareholder value," Chief executive Graham Briggs said.

Group acknowledges local artist for EITI logo design

Post-Courier, March, 13, 2015



Mr Wissink presenting Gregory with his certificate at the Morobe Mining Central Services office in Lae.

Gregory Dukduk, the brains behind the artistic PNG Extractive Industries Transparency Initiative (PNGEITI) Bird of Paradise logo, was recognised with a certificate of appreciation from the organisation. Gregory, a Lae resident and an artist by merit, was presented with the certificate by Morobe Mining's general manager for sustainability and external Rrelations, David Wissink, on behalf of PNGEITI Multi Stakeholder Group. Gregory thanked PNGEITI and PNG Transparency International for choosing his logo design. "I'm privileged to be part of something that promotes honesty and transparency for the purpose of development. In the years to come, I can look at the logo and say it's my contribution to PNG's efforts in getting the extractive industry to disclose its profits and the government to show how it uses the money." PNG was accepted as an EITI candidate by the international EITI Board in March last year. Now it will implement the EITI Standards by ensuring more transparency of payments to government from oil, gas and mining companies in the country. The EITI Standards have two components; companies publish what they pay, and governments publish

what they receive in an EITI report. The process is overseen by a multi-stakeholder group made up of PNG government agencies, companies and the civil society.

Money flows to casual gold diggers in Solomons

Radio New Zealand, March 12, 2015

Around 200 people in Solomon Islands have set up camps in the pits at the closed Gold Ridge mine on Guadalcanal and have taken over gold production at the site. The local goldminers met and spoke with Australian National University researcher, Matthew Allen, during his trip to the mine in February.



A man from Nusuta village in Solomon Islands digs for ore in Gold Ridge's pit 3 also known as Kupers. Photo: Copyright Matthew Allen, January 2015.

Dr Allen who is studying the political economy of mining in Melanesia and is currently in Bougainville says the women in some of the families say they are earning more money mining for themselves than they ever did when the mine was operating. "The women were really happy that since the mine has closed access to the pits has been much easier for them and has been providing them with direct access to cash income which they can use for things like school fees and for taking their kids to clinics and to the hospital and so forth."



An artisanal miner from Nusuta village in Solomon Islands showing the gold produced from two to three hours work at the Charivunga river, Gold Ridge. Photo: Copyright Matthew Allen, February 2015.

Dr Allen says the miners are using very basic methods, digging up the ore and washing it out in streams over astroturf-like material to catch the gold. He says a family can produce five grams of gold on average per day which they sell to local gold dealers for US\$22 per gram, which is a substantial income by Solomon Islands standards.

Water In Solomons Gold Ridge Tailings Dam Declared Safe

WHO study suggests controlled release into river will be OK

WELLINGTON, New Zealand (Radio New Zealand International, March 12, 2015) – The World Health Organisation has found the main water at the tailings facility at Gold Ridge Mine in Solomon Islands meets international standards. The WHO carried out an assessment at the request of the Solomon Islands government after concerns about the health of communities near the site. The December tests assessed whether discharging untreated water in a controlled way for a few months into the Tinahula River would be detrimental to the health of the people nearby. The WHO says toxicological testing confirmed the untreated dam waters are not toxic to humans. The WHO Representative to Solomon Islands Audrey Aumua says more than 3,000 people live in communities downstream from the dam and their health and safety is a priority.

[PIR editor's note: RNZI reported that 'Around 200 people in Solomon Islands have set up camps in the pits at the closed Gold Ridge mine on Guadalcanal and have taken over gold production at the site.']

Board appoints new OK Tedi boss

Post-Courier, March 12, 2015

Peter Graham, formally of ExxonMobil, has recently been appointed by the board as managing director and chief executive officer of OK Tedi Mine. Prime Minister Peter O'Neill announced this refocus in OK Tedi's management to the business community, saying this will now ensure that management of the mine continues to adhere to world's best practices. In addition to this, Mr O'Neill outlined developments that are progressing in the mining sector despite huge impact on the industry from global commodity prices. "I want to assure you that to date we are working closely with developing partners in the Wafi-Golpu project. "There are some changes to the structure of development to that project, but I can assure you that we are very much on course for the delivery of a world class mine in the Wafi-Golpu area. "We are also encouraged by new interests that has been expressed in the Frieda Project, with our new partner PanAust. "The Government has already put them on notice that we will exercise our right to take up to 30 per cent of that project," Mr O'Neill said. The Prime Minister added: "We will work together in ensuring that we will deliver a world-class project in the Frieda area of our country." He also assured them that the same focus is given to other sectors in PNG as well.

Mt Kare Landowners want mine developer to start work

Post-Courier, March 12, 2015

The landowners' umbrella company in the Mt Kare gold project has called on all stakeholders to put any differences aside and allow the developer to begin the construction phase. Pes Watai, the chairman of Mt Kare Gold Development Corporation, which represents the 17 major clans in the prospect, yesterday said the Mt Kare gold and silver project was getting one step closer towards the construction phase and a conducive environment should be provided by stakeholders for the mine to start. Mr Watai thanked the Enga Provincial Government for taking the initiative to play a major role as the host government of the project in completing the land investigation report, in which right-

ful landowners were identified, verified and agents appointed accordingly to represent the major clans with genuine landowners.

He said the Mt Kare project issue was sensitive and ongoing and the Enga Provincial Government's involvement has paved the way for the construction phase to start. The prospect lies on the border of Enga and Hela provinces. "The LIR was completed in a timely fashion without any major issues as witnessed by representatives from the National Government Departments, consultants, developer Summit Indochine Mining Ltd, the people of Mt Kare, Paiela and Enga," Mr Watai said. "As the Chairman of the 17 landowner groups under MKGDC, I call on all parties to put our differences aside for the developer to begin the construction phase without any delay." He said his people have waited for 30 years to benefit from their resources.

Nautilus awards cargo contract

Post-Courier, March 12, 2015

The order for cargo handling equipment for use on Nautilus' production support vessel has been awarded to Bedeschi SPA, a state-of-the-art cargo handling system company in Italy. Nautilus Mineral Inc said this is the second major equipment contract to be awarded by the shipyard, Fujian Mawei Shipbuilding Limited, the company responsible for design and construction of the vessel. Nautilus chief executive officer, Mike Johnson, is excited about this relationship and says they are happy to be building relationships with such long established and reputable world class supplier to the global port and shipping industries, as they work toward the completion of their first vessel. Nautilus said in a statement that this state-of-the-art cargo handling system will be used on the production support vessel to load de-watered materials into four storage holds and is designed to recover the material from the storage holds and transfer it directly to a handymax vessel for shipment to China. Nautilus further stated that the use of Bedeschi system reduces costs associated with material handling from that originally expected and eliminates the need for multiple handling of material, improving the safety of marine operations around the vessel.

Last year Nautilus entered into an agreement with Marine Assets Corporation (MAC) for charter of a vessel to be first deployed for use at the Solwara 1 Project. It was announced that MAC had entered into a contract with Fujian Mawei Shipbuilding to design and construct the vessel in accordance with Nautilus' specifications. This vessel will first serve as the operational base to extract and transport high grade copper and gold material from the Project site, in the Bismarck Sea, after funding is secured to complete development of the project. When completed, the vessel will measure 227 metres in length and 40 metres in width with accommodation for up to 180 people and generate approximately 31MW of power. All of the below deck mining equipment will be installed in the vessel during the build process to minimize the equipment integration to be completed following delivery of the vessel. The vessel is expected to be delivered by the end of 2017.

LNG landowner companies want more than 'crumbs'

The National, March 11th, 2015

CONCERNED landowner companies are claiming they are not benefiting from contracts as spin-off benefits from the multi-billion kina PNG LNG project. Local umbrella landowner companies – Hides Gas Development Company (HGDC) Ltd, Trans Wonderland Ltd and Laba Holdings Ltd – said they were being fed "crumbs" while multinational and outside companies continue to get contracts that are supposed to be awarded to these landowner companies. HGDC chairman Tuguyawini Libe Parindali said Government had not kept to its promise and the three landowner companies were missing out big time on businesses that would have gone to landowners of the project. "Big con-

tracts are going out to outside and foreign companies at the expense of the landowner companies. We are fighting an uphill battle although we have what it takes to deliver quality outcomes at competitive rates,” Parindali said. “We are ready to bid for any jobs being procured but if the outside companies come in with the ‘inside information’ on the same job and bid, they get preference over the local companies.

“It is coming to a stage where the Government is not executing their national content plan properly and the local landowner companies are missing out on business and training opportunities and as a result, many locals and Papua New Guineans are being left unemployed.” Parindali said the contracts were mostly to do with high impact projects such as bridges, buildings, etc, in the LNG project impact areas – mostly funded by Government as part of its commitment to the landowners. Parindali added that HGDC, Trans Wonderland Ltd and Laba Holdings Ltd were compliant companies audited by ExxonMobil PNG Ltd and assessed by the Enterprise Centre. However, with them being overlooked for business opportunities was a “big slap in the face” for them and their shareholders who gave up their land to host the PNG LNG project.

Prime Minister voices optimism at growth of mining sector

The National, March 11th, 2015

DESPITE low energy prices, the National Government is working closely with investment partners to continuously develop the country’s mining and petroleum sector, Prime Minister Peter O’Neill says. He highlighted that Papua New Guinea had recently joined the club of liquefied natural gas (LNG) exporting countries in the world. Addressing a meeting with the Australia-PNG Business Council in Sydney, Australia, yesterday O’Neill said: “I know that Papua New Guinea is not an easy country to invest in and conduct business, but you must agree with me that it is getting easier. “As a LNG exporting nation, we (PNG) accept that there are global factors which are beyond our country. We need as a country to adjust to the world low LNG prices which are going to have some long term effect on our economy into the future. “We are working closely with ExxonMobil, our managing partner of the first LNG project in ensuring that we deliver a third train in the current project.

“We are happy with the resolutions of the arbitration that took place between Oil Search and InterOil in the development of the Elk/Antelope resource in Gulf. “I want to state clearly that in the gas and oil sector, the Government has introduced a legislation to introduce the long outstanding Sovereign Wealth Fund (SWF). “We are working with the development partners in the Wafi-Golpu project (Morobe) there are some changes to the structure of the development to that project but I can assure you that we are very much on course to the delivery of a world class mine. “We believe in our new partner PanAust for the Frieda River project (West Sepik), the Government has already put them on notice which we will exercise our rights to take up the 30 per cent stake of the project.” O’Neill told the meeting that the government has recently-appointed Peter Graham, former managing director of ExxonMobil PNG Ltd, as Ok Tedi Mining Ltd managing director and chief executive officer. “We (Government) are refocusing the management of Ok Tedi mine, we recently appointed Peter Graham of ExxonMobil which will now ensure that the management of that mine continues to adhere to the world’s best practices,” he said.

Nipa Kutuba home of the first oil project in PNG

Post-Courier, March 11, 2015

By *JEFFREY ELAPA*

NIPA Kutubu the home of the first oil project in the country has not changed although the Kutubu oilfields has been producing oil for the last 22 years, local MP Jeffery Komal said. Speaking during the launching of the district 5 year development and the launching of several projects in the Nipa Kutubu district at Nipa in the Southern Highlands, Mr Komal said that much of the wealth of our country today is because of the successful operation of the petroleum industry since the first oil in June 1992. He said the country has benefitted from the export of oil for 22 years and the successful development of the PNG LNG Project would continue to benefit the country. Mr Komal said his district needs to be held in high regard for providing a stable environment to business to succeed but it never happen.

“Today, when I look at the growth of Tabubil and Kiunga as a result of Ok Tedi, the good services available to the people of Lihir Island and other communities near resource developments, I am deeply saddened by the contrast with the poor, run-down and totally inadequate services that we find in the Nipa Kutubu district and specifically those in the Kutubu and Mt Bosavi Rural LLG areas. We have poor schools, barely operational health facilities, terrible roads and awful communications; sometimes I am in fact ashamed to say I am from this part of the oil producing country,” he said. “As the petroleum industry grew over the years, the social services available to people in Nipa Kutubu should have grown along with it but that has not happened,” Mr Komal said.

He said Oil Search has grown as a company, PNG has developed as a nation, export revenue has been earned by all the stakeholders but unfortunately the Nipa Kutubu District, the oil and gas district has not progressed. “This has to change from today, and I intend, Mr Prime Minister, to ensure that this really does change. We cannot keep milking the petroleum riches from our provinces and not be putting something back, we need change, and our people need some real development,” he said. He added that all stakeholders in the petroleum industry, the NPCP, MRDC, including the State as a major beneficiary, will continue to reap the financial rewards of the oil and gas industry for the next 40 years. He said the least the National Government can do is to ensure that communities in the petroleum district particularly the Nipa Kutubu District need to have access to adequate education, health and better road so that people are able to travel to the provincial centre of Mendi.

UN Report Calls For Solomons Tailings Dam To Be Dewatered

Abandoned Gold Ridge Mine dangerously close to spilling over

WELLINGTON, New Zealand (Radio New Zealand International, March 10, 2015) – The United Nations and the World Health Organization are calling for the immediate de-watering of a tailings dam at the closed Gold Ridge Mine in Solomon Islands, which is dangerously close to spilling over. A researcher from the Australian National University, Dr Matthew Allen, visited the dam in January and has recently cited UN and WHO reports from a survey conducted in May last year. He says they call for immediate action and an end to a standoff between the Solomon Islands Government and Goldridge land owners with the Australian mine owner St Barbara. "There would still be some risk there would still be some uncertainties but as far as I know, you know the reports make the point very strongly that those risks would be far outweighed by the potential environmental catastrophe that would ensue if the dam wall was to be breached."

Officials await funds for mine pollution survey

The National, March 10th, 2015

THE Fly River provincial administration is yet to carry out a survey on the Indonesian communities affected by the alleged environmental damage caused by the Ok Tedi mine. Fly River provincial border officer Richard Aria said the administration was still awaiting funds to conduct the survey.

Aria was responding to Foreign Affairs Minister Rimbink Pato's statement that the provincial affairs department was conducting a survey on the Indonesian communities affected by the mine and that a report would be released soon. The Indonesian communities living along the Papua New Guinea-Indonesian border are affected by the pollution in the Fly River system built up from mine sediments. Pato said former Indonesian President Susilo Bambang Yudhoyono and PNG Prime Minister Peter O'Neill signed 11 memoranda of understanding in Jakarta in June 2013. Pato said one of the requirements was to establish a joint environment sub-committee to address the alleged pollution in the Fly River. Since 2010, Indonesian border officials had been raising their concern through the annual PNG-Indonesia joint border talks.

Leaders challenged to defend PNG's natural resources

Post-Courier, March 10, 2015

POLITICAL leaders and elites of the country have been urged to put on their thinking caps to reflect on the scale and extent of exploitation of the country's natural resources. Natural resource and land advocate Simon Ekanda in supporting Trade and Commerce Minister Richard Maru who in the Sunday Chronicle dated January 5, stated PNG Resources are raped by foreigners and asked: "Why are they (political leaders and elites) not speaking up and defending our nation?" The Mama-Papa Graun Association president said: "No one is alarmed or concerned about the way in which foreigners are exploiting our natural resources in a massive scale from mining and petroleum to logging and land grabbing and alienation. It is frightening indeed" Mr Ekanda said. "Minister Maru needs strong support from all his colleagues in Cabinet and in Parliament. "Why are elected leaders keeping silent when our nation is being raped as correctly stated by Minister Maru?" Mr Ekanda asked.

The PNG indigenous rights and land ownership advocate said the raping of natural resources started off with Paguna Mine in Bougainville in 1970s where landowners' rights and land were grossly abused and alienated. "When they asked for a review of the mine's benefits, they were labelled as rebels or terrorists. "History confirms that our consecutive Governments were quick to listen to foreign exploits while our own people's concerns are always brushed aside. "The PNG LNG Project is another classic example of rape of our oil and gas resources. "Our own Government plus most 'people' who claim to be representatives of the people in Parliament appear to be enemies of their own people," he said. The outspoken advocate stressed that those who are supposed to defend and preserve the rights, land and resources of Papua New Guineans have either gone to bed with foreign exploiters or are simply ignorant of what is going on. "I fully support Minister Maru for speaking out the truth and showing true leadership without fear or favour.

"I will fully brief Minister Maru as to how the PNG LNG Project has raped my gas fields in Hides and why I want him to protect the landowners from the proposed P'nyang Gas Project. "As I release this statement to the media, all the landowners of the PNG LNG Project are still waiting for ExxonMobil to pay them their royalty after 11 months of selling LNG. "By law, landowners are to be paid royalty every month. "The State failed to direct ExxonMobil to identify genuine landowners before the project's various Agreements were signed as required by Law. The State became ExxonMobil's puppet. "That is why I am convinced that the PNG LNG Project raped my gas fields in Hides," Mr Ekanda reiterated.

Barrick, government queried on liabilities of Porgera mine

Post-Courier, March 10, 2015

Porgera Landowners Association chairman, Tonny Mark Ekepa has called on Barrick-PJV and the National Government to carefully analyse all mine created liabilities and landowners' outstanding

issues, including both environmental damages and MOU commitments. "We demand the National Government and Barrick PJV calculate them into monetary value and attach it as a separate price tag for liabilities alone, along with its 95% share market price. This means there should be two separate sales prices; for the 95% value and the mine created liabilities value to be paid to affected landowners," Mr Ekepa said. He said any investor willing to buy Barrick PJV's 95% share, must pay up front all liabilities to the landowners.

However, Timothy Andembo said assets and liabilities go together and it was hard for Barrick PJV to separate it. He said the new investor who buys Porgera mine will take on the liabilities. Mr Andembo said Barrick has already decided to sell off all its businesses and assets in PNG and that decision still remains until further notice. Mr Andembo, who is also a local from the Porgera valley and a mining engineer by profession, said the government gave license to Barrick to destroy the environment for the purpose of a mine and the landowners have no right to claim. He added assets and liabilities of all businesses go together and therefore, in the case of Barrick, all assets and liabilities will go together. Ipili Porgera Investment (IPI) chairman, Jolson Kutato said the landowners were ready to buy Barrick 95% shares if it sold at a good price.

Other speakers at the forum urged landowner factions including the Porgera Justice Foundation, Porgera Landowners Association, Porgera Women Association, Porgera Women in Business, Young Generation and other groups in the valley to work as a team to peruse the people's interests and fight with Barrick PJV to address these outstanding issues. They said at the moment all these associations are working in isolation and the people are confused and Barrick is taking advantage of it. The public forum was organised by the office of the Member for Lagaip-Porgera Nixon Mangape for Barrick to clarify as to why it was selling its 95% shares in the Porgera mine and also iron out other landowner issues.

Porgera Landowners claim \$US4b from Barrick

Post-Courier, March 10, 2015

Barrick Niugini Limited's intention to sell its 95% shares in the Porgera mine was a commercial decision and there was no need for landowners to know. If Barrick only sold its shares in Porgera mine, the landowners would have been informed. However, Barrick decided to sell all its businesses in the country (PNG) including the Kainantu mine in Eastern Highlands and other exploration licenses in the country, and there was no need for the landowners in Porgera to know this commercial deal. Barrick PJV Community Relations manager, Timothy Andembo said this during a public forum at the Porgera station last Friday, when asked by landowners why Barrick did not inform them of its intention to sell its 95% shares in the mine. Mr Andembo said Barrick's decision to sell off all its businesses in PNG was part of a decision to sell off all Barrick mines and assets in Asia Pacific after making losses.

He urged landowners not to make an issue of why Barrick never told them of its intention to sell its shares because Barrick was a commercial entity of its own, and the landowners had no say in the management and affairs of the company. Landowner and Member for Lagaip-Porgera Nixon Koeka Mangape said Barrick should have informed the landowners of its intention to sell its shares in the Porgera mine. "Barrick never told us but we found out ourselves. We are not happy so before it goes it must pay our claim of more than \$US4 billion or more than K10.4 billion that we have in place at the moment," Mr Mangape said. He said the \$US4 billion plus claim was for breach of contract agreements including Special Mining Lease landowners' resettlement packages, Fly in Fly Out agreement projects, infrastructure including roads and bridges, social and environmental damages. Mr Mangape on behalf of landowners from both Special Mining Lease (SML) and Lease for Mining

Purposes (LMP) said the claim was genuine and if Barrick doesn't pay, they will take it to the international arbitration.

"Enough is enough. How much it costs will not stop me. Now I have wings and the legs to fight and I will fight to the end, not through gun battle like Bougainville did but through the courts," Mr Mangape said. The MP said he had expert lawyers and scientists already working on the ground pursuing the \$US4 billion claim, and all affected landowners must work with them and give the support they need. "This is a fight not only for Porgera but Enga and PNG as a whole because everyone will benefit," Mr Mangape said. He said Barrick must pay the liabilities first before it sells its shares to other investors. Barrick did not respond to queries from the *Post-Courier* yesterday.

Issues taken seriously, minister says

The National, March 9th, 2015

THE departments of mining and environment and conservation are taking the situation at Sinivit gold mine in East New Britain seriously, Mining Minister Byron Chan (pictured) says. He was responding to concerns raised by Governor Ereman ToBaining on the threat of a potential cyanide spillage into the river systems due to the unattended mine vatting system since Canadian developer New Guinea Gold stopped production last September. Chan said he was aware of the situation at Sinivit and that as of last week, officers from the mining and environment departments and the Mineral Resources Authority were in the province to assess the vats and check on skeleton staff. "I believe there is a current threat to the eco-system and possible damage to environment and possible spillage of waste into Warangoi River that is being assessed and a report will be submitted to my office by next week," Chan said.

"Currently the directors and the company have lodged a license renewal application but my department is unwilling to renew it due to the current situation at the mine site and nearby communities. "Officers are attending to this matter seriously and we will hold those responsible for whatever outcome of that report. "At this stage, I am not happy with the performance of the company and we have not re-issued their licence for operation." ToBaining said the developer, without notice to provincial government and landowners, deserted the mine and left behind a skeleton staff, including a caretaker mine manager, to monitor the mine's vat tailing system. He said according to preliminary on site inspections by provincial administration officers and Department of Environment and Conservation officers, the unattended vats posed a real threat to the ecosystem and general community with regards to out flow of waste to the river system.

Petromin to shut Tolukuma mine

Post-Courier, March 09, 2015

The Board of Petromin Holdings Limited (Petromin) is seriously considering steps to close Tolukuma gold mine (TGM) in Goilala district. This announcement has come following the board meeting last Friday to decide the future of Tolukuma. Petromin board chairman Sir Brown Bai said in a statement that the decision is being considered as attempts to bring in a credible partner has not been successful. "High operating costs and continuous subdued gold price has been a challenge for TGM and Petromin to continue with the operation and sustain the cash support required on an on going basis. "Petromin has been losing money funding TGM for the last four years and with falling gold prices, Petromin can no longer sustain TGM," Sir Bai said.

He says the management has been advised to consult with appropriate regulators and stakeholders before a final decision is taken. "The Board is aware of regulatory issues that Petromin has to com-

ply with and as a Papua New Guinean company owned by the State, we wish to be responsible in terms of meeting various compliance requirements. "The process of consultation will commence with relevant stakeholders," he said. He also adds that other companies within the industry have also been affected by the price cycle and have made some tough decisions to cut back on their operational expenditure.

Kainantu mine plans to create jobs for locals

Post-Courier, March 09, 2015

The reopening of the Kainantu mine in September under new developer K92 Mining, will create new jobs enough to employ 300 – 400 locals in the area and the Highlands region. Chief operations officer, Brian Leuck says the company will be hiring almost exclusively nationals, where 97 per cent of the workers will be of PNG nationality, while the other 3 per cent will be made up of expatriates. "We are hoping to hire the bulk of them from the local region. We're not sure yet what the ratio will be but our preference of course, if they're qualified, will be to hire them from the local communities," Leuck says. He adds that the company will also be conducting technical training to equip locals with necessary skills to work at the site.

"For the next 2 months we'll be doing mining studies like mine planning and metallurgical work to get the mill ready again and in approximately two months, we'll begin hiring the bulk of the people needed for the underground mining and milling." Leuck adds that previous owner, Barrick Niugini, has done a good job in the community in terms of gaining their support and keeping them informed. "We found the community to be quite supportive of our project and we look forward to working closely with them in the future to bring economic benefits to the area." "Having worked in other countries, I've heard PNG has a reputation of being a difficult place to do business but I've found it much easier to do business here than I expected," he says.

Kainantu Mine to reopen under new owner

Post-Courier, March 09, 2015

The Kainantu Mine that had been dormant for almost six years is expected to be reopened and commence operations in September this year under the new ownership of a Canadian private company called Otterburn Resource. Otterburn has acquired K92 Holdings after completing all transactions with Barrick Gold last Thursday in Port Moresby. The company ownership and all shares were transferred to Otterburn with the signing of an Escrow Agreement witnessed by representatives of both parties, releasing all funds for the transaction from a trust account to Barrick's account. This ownership transfer has come after Otterburn, later to be renamed K92 Mining, closed a US\$62 million (K136.80 million) deal with Barrick Gold about a year ago, to purchase its copper-gold mine. Speaking to *Post-Courier* last Friday, K92 Holding's chief operations officer Brian Leuck said the initial output of the mine would be approximately 50,000 – 60,000 ounces of gold per annum. "We hope to increase that once we develop the core deposit, which will take about two to three years to develop and we hope to ramp it up to about 80,000 – 90,000 ounces per annum after two or three years.

"The current mine life or permit is 10 years but if we include our inferred reserves, there is enough ore there to mine for at least 20 years and we hope for longer," Leuck said. According to Leuck, refurbishing of the mine and mill should commence within one or two months and production is expected to commence in September. In the meantime, they await word from the mine inspector before they will be in operation. While expressing satisfaction at the success of the transaction, Leuck on behalf of the company, thanked the Mining Minister Byron Chan, Barrick Gold and the Mineral

Resource Authority for their help with the whole process. "Everyone was very co-operative so the outcome was better than expected in terms of the length of time it took and how difficult it was." He says while the main corporate office will be in Canada, the headquarters may be at the mine site as they hope for all operation to take place from there. According to a global mining newspaper *The Northern Miner*, the new developer of K92 has an experienced team with an enviable record. The Kainantu Mine was sold to Barrick Gold in 2007 by Highlands Pacific at a purchase price of \$141.5 million. The mine closed after about six to seven months of operation and had been dormant since.

Union calls on govt to extend permit review

Post-Courier, March 06, 2015

The Union of Watut River Communities Association Inc (UOWRC) are seeking an extension for the review period of Environmental Permit Application of Wafi-Golpu Mine. A community based organisation that deals with mining and environmental issues of Morobe Province, has called on respective authorities to extend the dates for the public review of Environment Permit Application of Wafi-Golpu Advance Exploration and Feasibility Support Activities to another month. The UOWRC Association Incorporated has made this call to the Department of Environment and Conservation as well as the Mineral Resources Authority and Morobe Provincial Government, saying the 28-day span from February 16 to March 18 is not sufficient as they have raised the fragile environmental risk in impacted communities. President Reuben Mete says given just 28 days to collect relevant comments of the 'to-be-approved' Environment Permit Application shows that the concerned authority's interest is somewhere else. He is calling on all relevant authorities to conduct consultation with the Local Level Government along the Watut and Markham River to get fair comments from genuine land owners who will be living with mining impacts in the near future.

Mete says Morobe has a rich mining history and such a rush approach should be nothing but a joke on our leadership and our intellectuals under our own nose, while emphasising that the experience of Hidden Valley impacts on Watut River should not be repeated. He also pointed out that Paguna Mine in the AROB, Ok Tedi in Western, Misima in Milne Bay, Tolukuma in Central Province are some of the environmental catastrophes in mining history that should not be repeated. Mete says coming from Bulolo District, they have seen the negative mining impacts with minimum benefits of mining done to the environment by Australians in the past, and to see Australia's Mining Giants Newcrest repeating it again is uncalled for and should be condemned in the highest possible terms. He said Morobe Mining Joint Venture operator – Australia's Newcrest Mine and South Africa's Harmony; who owns 50:50 shares have a bad reputation in paying out nuisance compensation payments as low as K4 and K11 for Environment and Improvements damages with an average payment of K200 – K300 compensation. MRA couldn't comment after queries sent, however they acknowledged receipt of the queries from *Post-Courier*.

Geologists explore new mine

Post-Courier, March 6, 2015

Mt Tundaka which is located between Kandep, Southern Highlands and Hela provinces is set for mining and exploration by an investor company, the Pacific Petroleum Mineral Resource Limited, from Israel. According to geologist the mining at Mt Tundaka would have a lifespan of 200 years of gold, oil and gas explorations that would commence in June. Peter Mondol, chairman of Somaip Pii Isi the clan in which Mt Tundaka is located, wants to make it clear to the public that Mt Tundaka shares borders between the three provinces of Enga, Southern Highlands and Hela and not Enga Province alone. He says from historical background Somaip Pii Isi is the first born in the family of the landowner, which are made up of 15 tribes of the Mt Tundaka area.

Northern Territory seabed mining moratorium extended for three years

CountryLiberals, March 5th, 2015

The Northern Territory Government will extend the moratorium for exploration and mining activities for minerals on the sea floor for a further three years. Minister for Mines and Energy, David Tollner, said this extension will allow for reviews that are currently being undertaken by the Environment Protection Authority (EPA) and the Aboriginal Areas Protection Authority (AAPA) to be completed. "By taking a go-slow approach, we are looking after our unique Territorian lifestyle, while also protecting the marine flora and fauna," Mr Tollner said. "We are waiting on reviews by the EPA and AAPA on the actual or potential impacts on our marine environment.

"This Government has decided the best course of action is to continue the current arrangements until all of the requested information is available for consideration. "There needs to be appropriate measures in place to ensure the avoidance of sacred sites as a part of any exploration or mining of seabed mineral resources. "Labor gave the go-ahead to a mining company to explore the seabed around Groote Eylandt, only to pull the rug from under them once they had invested in the project. "This is not a process this Government is willing to rush. Territorians enjoy a fantastic outdoor lifestyle, with boating and fishing a key part of that."

Gulf landowners query payment of LNG royalties

Post-Courier, March 05, 2015

The facilities, pipeline and wellhead landowners of the multi billion kina Gulf LNG Project are in a state of confusion as to when their lawful royalties will be paid into the respective landowner companies. Facility and pipeline landowners of Segment 7 in the Kikori area of Gulf province yesterday expressed concerns with *Post Courier* saying: "We are in the dark as to when our royalties on the LNG Project will be paid into our respective wellhead landowners, facilities and pipelines area landowners accounts." Project participants or partners in the project like Oil Search, Santos and NPCP have disclosed their share of the equity and when are we as wellhead, facilities and pipeline landowners getting our royalty payment?" a concerned Ben Eraru asked. Mr Eraru who is chairman of Kope Waterway Holdings, whose land and waterway in which all LNG barges and cargo ships pass through said: "It's not fair for resource owners to be waiting for and being denied their rightful entitlements.

"Our royalties were determined through various agreements and Ministerial Determinations through the Umbrella Benefit Sharing Agreement in Kokopo and also provides for the Oil and Gas Act of 1998. "We are talking about what rightfully belongs to the resource owners and facility owners of this multi billion kina project. "We have reports of our facilities owners receiving their royalties but why not us? Is it because the Department of Petroleum and Energy failed to do a thorough clan vetting to determine the royalty benefit or for some other reason?" Mr Eraru stressed. Andrew Dairi, chairman of Kerewo Marine Resource added that the wellhead, pipeline and facilities owners royalties have flown into Government coffers since the first shipment of LNG cargoes and is being parked in the trust account with the Central Bank of PNG.

"We know millions of our royalty money is parked in the Central Bank, but we are lost as to when our royalties will be paid to us. "There were instances where Government puts its hands on various trust accounts and funds designated for landowners at the ignorance and silence of the landowners. We fear that our royalty funds sitting in the trust account may be misused by Government or elite landowners who have networks in the government system. We want the Government to tell us when our royalties will be paid," Mr Dairi added. ExxonMobil PNG Limited told media recently that the

landowners royalties were paid and has been flowing into the Central bank and is being kept in a trust account.

NZ seabed mining: We need to look below the surface

PHIL MCCABE, The Dominion Post, 04/03/2015



Mike Scott, STRONG MESSAGE: Protesters campaign against seabed mining at a gathering at Raglan, Waikato.

OPINION: In the wake of two out of two failed seabed mining applications in less than a year, the sensible move for our Government at this point would be to place a moratorium on seabed mining in New Zealand waters. The first Environmental Protection Agency (EPA) decision denying an iron sands proposal off Patea, Taranaki, last June stated that, overall, the application was premature. And that is precisely the point. Moratoria have been placed in both the Northern Territory of Australia and Namibia to allow for more information to emerge and time for the people and authorities to better understand the implications of seabed mining. Seabed mining has grown considerably in the consciousness of New Zealanders. Before the double denial from the EPA on the first two applications to mine for minerals in our Exclusive Economic Zone (EEZ), awareness was restricted to those pushing for - and against - the novel industry establishing itself off our shores.

On the one hand we have a Government standing with open arms bellowing, "Haere mai, we've got minerals, come get 'em world", and its call has been answered by the few who smelled the gold in them hills, pouring millions of dollars on the application process, only to be denied by the very regime that invited them in. Then we have coastal communities, affected iwi and existing users of the marine environment uniting and spending countless hours and considerable resources fighting to protect their values, way of life and existing livelihoods. The reality is that it's an extremely complex situation and, it seems, no-one is prepared to back down at this point. There is too much at stake. It cannot be denied that mining for minerals from the seabed, as proposed by the two companies, is destructive. Scientifically, we have only scratched the surface when it comes to understanding the complexities of our marine environment, let alone what the effects would be if the untested activity of large-scale mining were introduced.

And no-one in the world has done seabed mining of this kind yet. The science and the engineering are new, and untested. Should we be the guinea pigs? Our EEZ is massive: 20 times our land area and it is poorly understood. But the Government should not be relying solely on industry to fill the information vacuum. Its opening up of these areas was premature. The EPA, in its Chatham Rock decision, said "it is incontestably the case that there remained significant gaps in the data and information provided about the consent area's marine environment as well as uncertainty about the impact of the proposal on existing interests and the environment". It is time for the national discus-

sion that one would expect for an issue that touches the core of New Zealand values and is of such potential significance to our environment and economy.

The Environmental Defence Society has called for a spatial planning exercise for our EEZ. I imagine that would be a considerable process but it would go a long way to resolving many of the unresolved issues that have surfaced. Kiwis Against Seabed Mining, supported by by other groups, called for a moratorium on seabed mining in October 2013. In light of these decisions, it makes more sense than ever, offering time for a civil and proper process to take place. The other options for Government would be to do nothing, which would be fine by us, as the bar has clearly been set high enough to stop applications in the absence of information. Or it could bend to commercial pressure and roll back its legislation to favour industry, lower environmental standards and reduce the ability for we, the people, to have a say in the health of our oceans. That would be entirely unacceptable.

PNG not impacted by investment from resource sector

Post-Courier, March 04, 2015

There seems to be literally nothing to show on the ground from huge commercial investments in the country, despite reports of billions of kina being invested from the entire resources sector, a resource advocate said. Reacting to Oil Search Limited's reports on investing more than K25 billion in the last 10 years as reported in various media and financial results, President of Mama-Papa Graun Association Simon Ekanda said, "there is literally nothing, especially on the socioeconomic lives on the communities impacted by the operations of various commercial activities." "Let me tell you some classic examples of this. Oil Search operates a gas plant at Hides that has been supplying electricity to Porgera gold mine for over 25 years. Very interestingly the communities living at Kulu villages; few metres away from the plant site has no electricity connected to their homes," the PNG LNG Project challenger in various court proceedings told *Post-Courier* yesterday. "If large corporate entities tell us that they have pumped billions of kina into the economy of this country, where is the evidence? Such investments by large corporate giant could be true but it's not reflected on the ground.

"The impacts of such billion kina investments are not being felt by the communities around the country let alone the various tax credit schemes where only a few benefit from in the name of resource development. How many of these investments are being felt by communities where major foreign corporations operate? And how much of the country's natural resource extracted is yet to be measured," the collective indigenous ownership advocate said. Mr Ekanda stressed that the country is host to many world class resource developments like PNG LNG Project, Ok Tedi Mine, Lihir Gold Mine, Porgera Gold Mine, Misima Gold Mine, Bougainville Copper Mine, and those under development stages, but the returns that all these resources extracted cannot be measured by the impacts felt and seen on the ground by communities and general Papua New Guineans at large. The outspoken Tuguba chairman from Hides LNG project area also called on the Government to account for and do a resource audit and revenue audits on all resource projects for the last 40 years and so forth, to ensure transparency as well as to correlate that figures released by various corporations is real.

Petromin to determine future of Tolukuma mine

Post-Courier, March 04, 2015

Tolukuma gold mine's (TGM) future will be discussed by the board of Petromin this Friday, managing director of Petromin PNG Holdings Limited (Petromin) Thomas Abe said. Mr Abe said this following reports on social media stating that Petromin was in the process of closing the mine over

the weekend. Information on social media (Facebook) stated that this announcement was made known to staff by the management and all critical services at the mine have been placed under care maintenance since. "Petromin has been funding Tolukuma for sometime now and its future will be discussed by the board of Petromin on Friday," Mr Abe told the *Post-Courier*. George Gusi, chairman of the Yulai Landowner Association (YLA) from the mine impacted area said he was not aware of any plans to close Tolukuma.

Mr Gusi explained that in the case where the mine is to be close, for the satisfaction of all parties; the government, stakeholders and relevant landowners are to meet and be formally informed of the closure where necessary arrangements will be made. "There is something called the mine closure plan and we never had this," he said. But sources from the mine have confirmed that there has been talk by management at Tolukuma on the closing of the gold mine. The sources also claim there has been no work for almost a month now and are awaiting final words from the board meeting to be held this Friday. In a related case, YLA chairman George Gusi said their petition to Petromin PNG presented last month has not been addressed yet. According to Gusi, among points mentioned in the petition, YLA had asked Petromin to sell the mine if they were not capable of handling Tolukuma. He said this petition still stands and is calling on Petromin to address it.

Porgera Mine effects probe

The National, March 4th, 2015

AN independent specialist team is in Enga to help in the investigation of environmental damage caused by the Porgera gold mine. The team will investigate outstanding benefits claims by the people of Porgera and Enga. The team was led by landowner groups, including shareholder and chief landowner Jonathan Paraia. "We have brought in experts to help us so that Enga will follow formal procedures to deal with the issue rather than weapons like it happened in Bougainville over the Panguna mine some years ago," he said. He said the landowners' plea for support from the National Government "have fallen on deaf ears". "There is no bridge between the National Government, the people of Porgera and the mining company," Paraia said.

Chief Minister must rule out destructive open cut seabed mining in the Territory

Australian Marine Conservation Society, 3 March 2015

A coalition of groups, including the Australian Marine Conservation Society (AMCS), Environment Centre NT and Protect Arnhem Land have called on Chief Minister Adam Giles to permanently ban seabed mining in the Northern Territory. The existing moratorium on seabed mining in NT waters introduced by the previous Territory government is set to expire this week, on 6 March. "Open cut sea bed mining is like taking a giant grinder to the sea floor, destroying the habitats of our precious marine life and smothering fish feeding and nursery grounds," Jacqueline Taylor, AMCS Northern Marine Campaigner said.

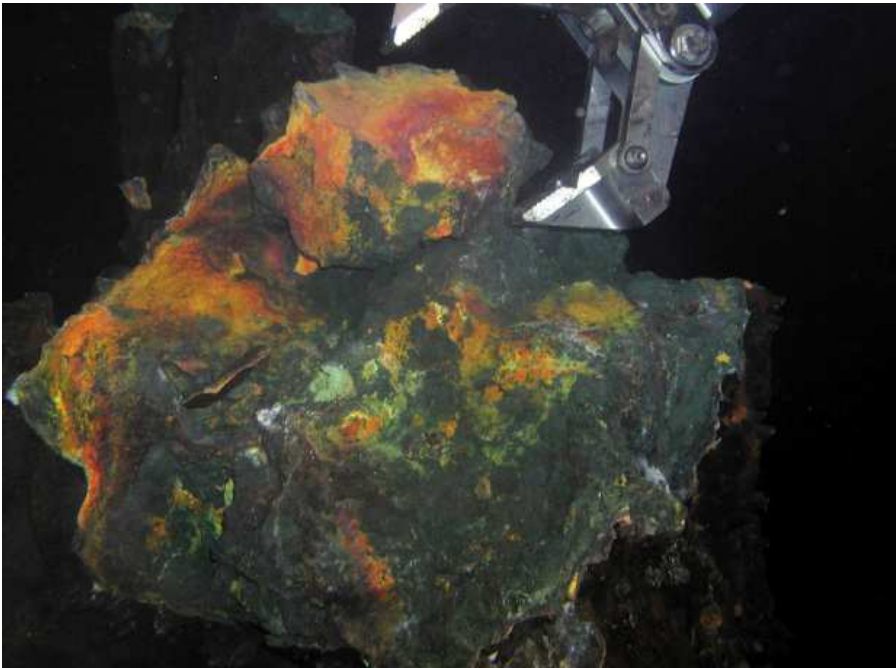
"The moratorium on seabed mining was first put in place to protect precious places such as Roper River mouth, the seagrass beds and islands of the Gulf near Borroloola, and Elcho Island from open cut seabed mining. We now need a permanent ban. "When Chief Minister Giles supported a ban on open cut seabed mining he was right in saying that the mining was unproven science and could damage the environment. "We have major problems with pollution and failed remediation of mines on land in the Northern Territory. We can't pretend that open cut mines on the seafloor can be safely managed without massive damage to the marine environment." Protect Arnhem Land representative, Helena Gulwa said "many Traditional Owners and residents of West Arnhem Land are concerned about damage that seabed mining would have on our sea country and the coastal environ-

ment. These areas are rich in cultural and historical sites, tribal burial grounds, dreaming and song lines.

“Areas like seagrasses and mangroves, support turtles and dugongs and are vital to the culture and livelihoods of our communities. “We’re concerned about the future of our children and the future for Australians. The government must permanently ban seabed mining. Mining companies keep coming back wanting access to sea country and we need protection,” said Helena Gulwa. Environment Centre NT Acting Director Anna Boustead said “destroying the seafloor habitat that our marine life and communities depend on is short term thinking at its worst. The Northern Territory has some of the healthiest tropical seas in the world but they won’t stay that way unless we manage them carefully by protecting them from destructive activities such as seabed mining.” David Morris of the NT Environment Defenders Office said “the Government can easily make the ban permanent. That would be consistent with the bipartisan position up until now that seabed mining is too destructive for our seas.”

Nautilus on track to seafloor production, but funding challenge remains

Peter Koven, Financial Post, March 3, 2015



Nautilus Minerals via Bloomberg News A "hand" of a remote operated vehicle, ROV, picks up a piece of rich gold-copper ore recovered from the seafloor in 1,700m of water in the Bismarck Sea offshore New Ireland, Papua New Guinea in April, 2006.

The investment community has always been a bit skeptical of Nautilus Minerals Inc. When you’re trying to be the first company to ever mine minerals off the ocean floor, it’s only natural that some people won’t believe it until they see it. But that day should be coming soon, chief executive Mike Johnston said in an interview. Nautilus settled a key dispute with the government of Papua New Guinea (PNG) last year, and since then, progress has moved quickly on the Solwara 1 project. The company expects to have all its undersea mining tools ready to go by the middle of next year. It has also entered a charter agreement for a massive mining vessel, which it expects to receive in late 2017. After that, Nautilus expects to start digging up copper and precious metals almost right away. “As soon as we’re happy everything has been incorporated onto the vessel and it’s working as it should, we’ll bring it straight down to PNG. The government’s very eager to get the vessel as early as we can and get the mine in production,” Mr. Johnston said.

Of course, one big barrier remains: capital. Nautilus has spent about US\$180 million to date, but will need significantly more money – potentially around \$200 million. That is almost as much as the company’s current market capitalization. Raising that amount through equity, if it can be done, would be extremely dilutive. But Mr. Johnston maintained the company has a number of other options. Royalty and streaming companies were interested in Solwara 1 before the government dispute, and he thinks they might get interested again now that it is settled. The state of Papua New Guinea has an option to boost its stake in the project, and the company is looking at potential joint ventures with mining companies, service providers, or offshore oil and gas firms. There is still skepticism out there, but Mr. Johnston said the PDAC crowd is getting genuinely excited about his story. “It’s a lot more exciting than going to Caterpillar and buying some trucks,” he joked.

Government to help affected mine communities

The National, March 3rd, 2015

THE Government has taken steps to help Indonesian communities affected by the alleged environmental damage caused by the OK Tedi Mine, Foreign Affairs Minister Rimbink Pato said on Friday. Pato said the Provincial Affairs Department was doing a survey on clan lineage, demography and tribal structure on those affected communities so that they would receive similar benefits that PNG people had been getting from the mine. “We should have some outcome report soon,” Pato said. He said former Indonesian President Dr Susilo Bambang Yudhoyono and PNG Prime Minister Peter O’Neill signed 11 agreements in Jakarta on June 17, 2013, to establish a comprehensive partnership between the two countries.

Pato said one of these agreements was to establish a joint environment sub-committee. The sub-committee will address alleged water pollution of their communities in the Fly River caused by the Ok Tedi mine and other environmental issues along the border areas. The Indonesian communities along the PNG-Indonesian border are allegedly affected by the pollution in the Fly River system built up from the mine sediments. The Fly River in Western is believed to have crossed about 15 kilometres into Indonesia to affect the communities before re-entering the PNG side. Since 2010, Indonesian border officials had been unsuccessfully raising that concern through the annual PNG-Indonesian joint border conference. They had submitted their draft terms of reference on Sept 13, 2013 during the 30th border meeting in Bogor.

Confirmation of cyanide in river systems near gold mine

The National, March 3rd, 2015

LABORATORY tests on samples collected from river systems near Sinivit gold mine in East New Britain have confirmed the presence of cyanide. Recently a technical team comprising officers from the Department of Environment and Conservation, Mineral Resources Authority and the provincial administration collected water samples at the Rapmaringa and Nengmutka rivers that were sent to the National Analytical Laboratory at the University of Technology in Lae to verify if it contained cyanide. According to provincial authorities, tests indicated that the flow out was very high, with cyanide over the safe level. A state of emergency has been declared recently by the Environment Department to detoxicate the cyanide contamination and contain potential pollution within the vicinity.

That follows concerns from provincial authorities and landowners on the threat of a potential cyanide spillage into the river systems due to the unattended vatting system since the Canadian developer New Guinea Gold stopped production in September last year. The provincial government endorsed K300,000 to address immediate dangers of the environmental damage whilst awaiting funding as-

sistance from the National government. Random samples comprising river life were collected last week and would be sent this week to Lae for further confirmation. The local people were now showing great concern that since they were told not to use the river systems, it was affecting businesses especially with fishing cooperatives and they wanted to know when they could start using the rivers again. People in the Riet and Arabam areas have alleged defects in fish species.

Meet to discuss concerns raised over river contamination

The National, March 3rd, 2015

BY ELIZABETH VUVU

DISCUSSIONS are expected to take place this week between the East New Britain administration, the Department of Environment and Conservation and the Mineral Resources Authority (MRA) to iron out issues on Sinivit gold mine. This follows concerns from provincial authorities and landowners on the threat of a potential cyanide spillage into the river systems due to the unattended vating system since Canadian developer New Guinea Gold (NGG) stopped production in September last year. One outstanding issue to be discussed was for NGG to take responsibility over the matter. Since its abrupt departure, the company has not made any made their stand clear to provincial authorities about the matter. The developer has allegedly not complied with environmental requirements in building a barricade around the vat heaps to contain the spillage and treated instead of flowing direct into the river streams.

NGG submitted a care and maintenance application to MRA last year. Care and maintenance is used to describe the processes and conditions on a closed mine site where there was a potential to restart operations at a later date. During this phase, production is stopped but the site is managed to ensure it remains in a safe and stable condition. Over the weekend, MRA's deputy chief inspections (mines) Michael Lave and geo-technical assessment manager Gabriel Kuna conducted a follow-up visit to the mine and nearby communities with Sinivit mine project caretaker James Norum. After the inspection, they said some vats were in danger of collapsing due to a landslip nearby and the presence of heavy cyanide smell meant that the chemical level in the vats was rising due to heavy rainfall. A technical team from the provincial administration has been conducting awareness in affected areas.

Landowners set to get mining licence

Post-Courier, March 3, 2015



Peter Malex, chairman of Koekam Holdings umbrella company, holding the microphone with Koekam tribe landowners all in favour to receive an alluvial mining licence at Kompam station.

By SIBA MESA

The people of Kompiam-Ambum district in Enga Province hosted a hearing for the Kompiam district gold project at Kompiam station, conducted by the Mineral Resources Authority (MRA) deputy chief mining warden, Vele Gauu. He was there to hear landowner's views of the alluvial mining lease and to clear misinformation and procedures on how to apply for licenses to do alluvial mining. Mr Vele advised the landowners that rules of applying for mining licences and bringing investors to mine must be strictly followed by interested applicants or else it will be considered illegal and eventually lead to closure. Eleven applications were lodged by the landowners of Malipin tribe, including two sub-clans of Poreylin tribe.

From the 11 applications, seven were lodged by Peter Malex, who is the chairman of Koekam Holdings umbrella company. These are the principal landowners of the Timin River where the gold is found. The hearing went well as landowners of the Malipin tribe agreed to receive a licence to do alluvial gold mining, however, tension grew when the neighbouring tribe that consist of five council wards objected. The opposing tribe was lead by Bob Moyo, Nick Naniya, Yoanes Nen and Willie Piane. Mr Malex said theopposing tribes are out of the boundary and do not have rights to object, their interest is for previous licence ML153, which has already been cancelled. The objection tribe had previously brought in two Chinese investors to mine. According to Mr Vele, these investor companies where doing illegal mining so the MRA had to cancel their licences. Mr Malex said he is taking action for his rightful land area and wants the other objective tribes to agree and bring an investors into their area in a legal way for everyone to benefit.

State nets USD418m in LNG revenue

Post-Courier, March 02, 2015

By PATRICK T. WUNDAI

THE State as an equity or share holder in the \$US19 billion PNG LNG Project has netted US\$418 million as its share from the project revenue. This news was relayed by a shareholder in the project, state nominee, National Petroleum Company of PNG (NPCP). NPCP managing director Wapu Sonk confirmed this with this newspaper at the weekend when asked about the state's status on LNG revenue. Mr Sonk said: "NPCP received \$US418 million, about (K1.15 billion, calculated at current rate) from the PNG LNG Project revenue distribution just completed. "We received much less this time because we advanced some of those revenue prior to financial close for the purchase of Oil Search shares in late December, CUE Energy purchase and also paid dividend to the state in early January," Mr Sonk said.

NPCP is the third largest equity partner with 16.5% in the project after Oil Search which holds 29%, while ExxonMobil PNG Limited (EMPNGL) as the operator holds 33.2% equity in the project. Attempts to have EMPNGL disclose the total revenue so far from more than 65 LNG cargoes that has been distributed to the rest of the shareholders failed. However, Oil Search in its financial statement released last week stated that it had received more than \$US850 million (K2.26b) in the first project distribution. Other equity holders are Santos 13.5%; Nippon Oil 4.7%; Mineral Resource Development Company 2.8%.

Group demands government to release K12 million

Post-Courier, March 02, 2015

By JACOB POK

A group of landowners from the Angore PDL 8 LNG project site in the Hela Province has been camping outside Moale Haus in Port Moresby for the last few weeks demanding the Department of

Trade, Commerce and Industry to release their MoA funds. The group of landowners comprises women, children and elderly persons. They have been frequenting the Moale Haus where the department is located on a daily basis and gathered outside in makeshift tents with mini plea-cards to demand the department for the payment. They claimed that K12 million in business development grant was paid by the government last year and was parked at the department and they wanted it to be released to them.

Their spokesman, Kevin Laitindipu, said other land groups had received their payments, except them, and they were still struggling to get theirs. "We are here to peacefully petition the department and call on the Minister Richard Maru to consider our plight and release the money to us. We are the very host of the Angore PDL 8 but we haven't received anything since the construction phase through to the shipment of the PNG LNG gas," Mr Laitindipu said. He said the minister should consider their plea and use his ministerial discretion to pay them. "More than 60 LNG gas shipments have already been made and we are still begging for our dues. This is totally a slap in our face and we want our payments to be made as per the MoA in Kokopo," Mr Laitindipu added. He called on Mr Maru to consider their demand and release the payment.

Tolukuma Landowners upset over approval of MoA

Post-Courier, March 01, 2015

By GLORIA BAUAI

THE recent approval of the Tolokuma MoA by the National Executive Council (NEC) has not gone down well with a resource association that represents those affected by the Tolokuma Gold Mine operations in the Goilala and Mekeo area. Auga Dilava Resource Association is disappointed that the people of Goilala in the Woitape LLG; Wards 3, 4 and 5 were not properly represented and included in the revised MoA despite reports in the media last week that all stakeholders had agreed. The association's executive officer Benjamin Uvi explains that Auga-Dilava has been fighting for the affected landowners rights in regards to environmental damages since 2010 with no help from any government authority, and this news on the approval is a slap in the face. He says there's a total of 13 gold reserves in Goilala that are currently under exploration and Petromin has not consulted with landowners in this area. Instead, it seems the agreement has been revised only with representatives of the Mekeo area, who are not the only affected.

"We are very upset that NEC has gone ahead to approve this....they're talking about IDC, two per cent of stakeholders...this is not clear with us. They need to talk to us in regards to this MOA, how they approved it, in what kind of way and what is the benefit. "If we cannot fit into the MOA, what about going to an MOU, so that the MOU can make some understanding that we have some benefit that is tied to the group. We would like things to be done in a proper way so that proper agreements with proper parties are included," said Uvi. The association whose membership comprises of landowners and villagers from Goilala, Woitape LLG down to Mekeo, is calling on Government to consider their request on a Memorandum of Understanding as per advice of the Mineral Resource Association (MRA).

Fears that a seabed mining 'marine industrial revolution' could wipe out habitats worldwide

Tom Bawden, The Independent, 27 February 2015

The world's oceans are poised for a seabed mining frenzy amid a "marine industrial revolution" that threatens to destroy habitats and wipe out species, an expert has warned. Some industry estimates claim as much as a third of future mineral production could come from beneath the oceans. More than 25 exploration permits have been granted, covering 1.2 million square kilometres of seabed, an

area five times the size of the UK, much of it in the Pacific Ocean. They cover a range of minerals, from gold and silver to copper, nickel and rare earth metals used in mobile phones, laptops and solar panels. Although the mining is yet to begin, numerous projects are preparing to launch in the next few years, raising concerns among scientists and campaigners that they could wreak havoc on wildlife. Furthermore, the more general and rapid industrialisation of the oceans – through fish farms, offshore wind turbines and shipping – means sea life may not be able to escape the environmental devastation suffered by the land for much longer, warns Dr Douglas McCauley, of the University of California, Santa Barbara.



Some industry estimates claim as much as a third of future mineral production could come from beneath the oceans

What is particularly concerning is that the oceans seem to be in a transition phase, moving from a position in which most of the damage comes from harvesting – such as depleting fish stocks – to one where the habitat is being degraded, which poses a deeper threat, said Dr McCauley. He likens the transition to one in which animals are hunted individually to one in which their homes are ravaged. “It is impossible not to be concerned about seabed mining when this much of the ocean is at stake,” Dr McCauley told *The Independent*. “Our starting assumption ought to be that excavating the floor of the ocean is not going to be great for species that called that seabed home,” said Dr McCauley, who has just completed a study into “human-caused animal loss in the oceans”. Greenpeace International oceans campaigner Richard Page was even clearer about the dangers. “The last thing our polluted, over-fished, carbon-warmed, acidifying oceans need is a new industry destroying the seabed. What they do need, urgently, is a global network of marine reserves to act as sanctuaries,” he said.

Proposed methods vary, but much of it will involve scooping up mineral-rich polymetallic “nodules” – tennis ball-sized chunks of rock – and breaking them up on the surface to release the minerals. The waters off Papua New Guinea, New Zealand, Namibia, Mexico, Peru and Hawaii are thought to be mineral-rich. David Cameron has said he wants Britain to be at the forefront of the seabed mining industry, which he claimed could be worth up to £40bn to the UK over the next 30 years. The Government has teamed up with US defence giant Lockheed Martin and secured a licence to explore an area twice the size of Wales in the Pacific Ocean. Meanwhile, the world’s first deep-sea mining robot is being built by Newcastle engineering firm, Soil Machine Dynamics. It will be used by a Canadian firm, which could start extracting copper and gold off the coast of Papua New Guinea next year. A spokesman for the Department for Business, Innovation and Skills said: “Our partnership... remains an exciting prospect that has real potential to be a new source of valuable metals – including rare earth elements – that are vital to many new innovations such as mobile phones and new carbon technologies. However, commercial exploitation remains some years away and can only proceed after proper survey and evaluation of environmental impacts.”