

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

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

Chinese company warns PNG not to refuse mine lease

A Chinese state-owned company has warned Papua New Guinea against refusing to renew its mining lease in Enga province. Radio New Zealand on 30 April 2020



Zijin Mining's Chen Jinghe and Barrick Gold's John Thornton Photo: Supplied

Zijin, which jointly owns the Porgera gold mine lease with Canadian company Barrick Gold Ltd, issued the warning after PNG prime minister James Marape announced that extension of the lease was rejected. Both companies have a 47.5 percent stake in the joint venture, Barrick Niugini Ltd, which *Reuters* reports suspended operations on Saturday. BNL accused the government of not giving formal notification of its decision, nor details of a planned transition. Zijin said PNG needed to negotiate to extend the mining lease in good faith, noting that a failure to resolve the issue could impair relations between the two countries.



Porgera mine. Photo: wikicommons / Richard Farbellini

The joint venture encountered deep opposition from local landowners and residents over nagging issues related to the long-running mine, including environmental and social problems, and minimal economic benefits for the local community. The government said its refusal to renew the lease for a new 20-year tenure had been carefully considered and was "in the best interests of the State, especially in lieu of the environmental damages claims and resettlement issues". The mining companies warned they were willing to pursue all legal avenues to challenge the government's decision and recover any costs that might occur as a result of the denial.



Photo: Supplied

China has in recent years become a major influence in PNG where budget figures show Beijing is the country's biggest creditor. Zijin said that it understood the need for greater benefits distribution among governments, landowners and stakeholders, but warned that ties between PNG and China could be hurt if it was to exit the mine. Meanwhile, Mr Marape in a social media post on Monday said that government would take control of the mine if it closed during the transition period. Yet if the special mining lease extension is not granted, the mine will be forced to close, the company said.

Time to take back what is rightfully ours: Pangu Pati

Post-Courier, April 30, 2020

The decision by the government to nationalise the Porgera mine is correct and deserves total respect and support from the opposition and the developer Barrick, says the Pangu Pati. Pangu general secretary Morris Tovebae said the fact remains that the agreement that binds the two parties in the operations of the mine has ended and it's only natural and lawful that the State, who own the mine, must assume control. "The Pangu Pati therefore fails to understand why the opposition leader Belden Namah and Barrick cannot comprehend this simple fact. "The Pangu Pati also fails to understand why the opposition leader in particular cannot accept the reality that nationalisation, which is transforming a private asset into a public asset on behalf of the people, is the most honourable thing to do by any government of the day." He said for the first time in the country's 40-year history, Pangu Pati, through its party leader and Prime Minister James Marape, was living up to his statement to "take back PNG and to make it the richest black Christian nation".

"Pangu Pati having given PNG political independence, will ensure support for Prime Minister Marape's push to achieve his dream to make the country economically independent through greater control of its resource base. This fact is unfolding. "The nationalisation of Porgera mine and the review of the Wafi-Golpu project agreement are testament to the prime minister and his Cabinet's resolve to fulfill his profound statement to take back PNG. "Like all good things, there is a price to pay for such decisions, and this government accepts that – short-term pain for long term gain is the best way forward. "The balance of trade has never been in PNG's favour. For far too long, we have allowed our resource envelope to be dictated by foreign developers. For far too long we have allowed our economy to be dominated by foreign influence; It's time to take back what is rightfully ours going forward."

Namah slams deployment

By DALE LUMA, April 30, 2020, The National

OPPOSITION Leader Belden Namah has condemned the recent deployment of soldiers to the Porgera mine, saying it is unconstitutional and may lead to another "Bougainville crisis". The 105 soldiers left Port Moresby on Sunday following a friction between the mine operator Barrick (Niugini) Limited and the Government over the non-renewal of the special mining licence. The company is challenging the Government's decision in court. Namah said yesterday there was no call-out order by the Government on the Porgera mine issue, adding that it should not be using the Covid-19 state of emergency to justify such deployments. "Why do we (deploy) 100-plus soldiers to the Porgera gold mine?"

"Where is the call out order?" Namah said. "You cannot use the state of emergency on Covid-19 pandemic to send troops to Porgera to guard the mine." He said there was no coronavirus breakout at the mine. "It is a bad (decision) by the Government to send soldiers to mine sites," Namah said. "It is unconstitutional and you cannot invoke a state of emergency within a state of emergency to

address a totally different situation. “It is not their job. If there is a law and order issue in Pogera, then it’s a job for the police. “Not soldiers.” Namah said the Government should be wary of the ramifications of the decision considering that Barrick was a Canadian company and the second largest miner in the world, and Zijing, its major shareholder, was a Chinese company.

Surge in Covid-19 cases in Papua mining hub

There's been a surge in the number of confirmed Covid-19 cases in Mimika regency of Indonesian-ruled Papua. Radio New Zealand on 30 April 2020



West Papuans have long expressed frustration about the environmental destruction caused by the Freeport mine operations in Mimika regency. Photo: MIneral Policy Institute

Mimika now has 51 cases, the most of any single regency in Papua region. Indonesia's Health Ministry said the number of confirmed Covid-19 cases in West Papua province was 37, and 189 in neighbouring Papua province, with seven deaths overall. Cities near the border with PNG, Jayapura and Merauke, were among the hotspots. But of particular concern to provincial health officials was the surge in cases over recent weeks in Mimika where the major Freeport gold and copper mine was located. Dozens of new cases had emerged in the main town of Timika among a populace which frequently travelled back and forth from other parts of the republic. It comes as the regency experienced a string of deadly clashes between the West Papua Liberation Army and Indonesian security forces. Meanwhile the total number of confirmed cases of Covid-19 in Indonesia was 9,771 with 784 deaths, and almost 1400 recoveries, the Health Ministry said.

Prime Minister warns mining giant Barrick Niugini Limited

Post-Courier, April 29, 2020

PRIME Minister James Marape has threatened to invoke state-of-emergency powers forcing Porgera gold mine developer Barrick to continue mine operations during the transition period. Mr Marape advised Barrick (Niugini) Limited on Monday evening on his Facebook page not to start a fight now but continue operation during the transitional period. He said he would be writing to the mining giant of his intention. “Now that your lease has expired, the legal process is there for Barrick to comply so you can maintain your operation until an agreed exit time we both secure at negotiations when mutual obligations are retired,” Mr Marape said. “Don’t fight me (I am in my country and I lose nothing), work with me for your ease of business during this transition and exit phase (you never know, negotiations may buy you extra mine operation time). “My letter will ask Barrick

to continue operating the mine when we go through this phase, but if you sabotage or close the mine, you leave me no choice but to invoke orders to take over the mine for the sake of landowners and provincial government who should be getting bigger equities, plus the employees and contractors who are presently working with the mine.”

Mr Marape made a call Papua New Guineans to bear with the government in this short term pain for a long term gain. “Don’t be cry babies and pessimist. The world will not end if Porgera closes.” “Don’t just dream and write concept papers and paper proposals in fb (Facebook) and all over the virtual world. Live In the real world, this is 2020, not 1975, no one else will work for you or us PNG, we have to do it ourselves.” The Prime Minister also sent a message to all PNG miners, both in operation and exploration that the government “will not change goal posts in between”. “PNG is a robust democracy that honors all agreements to the text and spirit, congruent to our Mining Act.” “Major amendments to the resource law regimes we doing will be effected post 2025 and will not affect those agreements secured under present regimes. You can have that comfort.”

“However Porgera is a special case and is an exception because Barrick’s lease expired on August 18, 2019. My letter to Barrick is on its way and will explain this and also allude to formal and legitimate processes of government, including Mining Advisory Council deliberation that refused application for lease renewal.” “I have my country’s eight million shareholders including the people of Ipili, Porgera, Enga, environmental footprint areas plus present mine workers to look after. “Go back till your land in agriculture, forestry and fisheries, that’s where our ancestors lived and ruled and our future continues to remain in.” “If you can’t go back home and mobilise your land for agriculture and other business, yet waiting for free handouts, then don’t bother commenting on Porgera , that is my job to do, giving back to my cousins in Enga what is their just due as well as getting more for the country,” Mr Marape said.

My letter to Barrick on the way: Marape

April 29, 2020, The National Business

PRIME Minister James Marape says his letter to Barrick (Niugini) Ltd (BNL) is for the company to continue operating Porgera gold mine in Enga until a proper transition takes place. In a Facebook posting yesterday, Marape said if Barrick (Niugini) Ltd decided to “sabotage or close the mine,” it would leave him no choice but to invoke orders to take over the mine. “Major amendments to the resource law regimes we (are) doing, will be effected post 2025 and will not affect those agreements secured under present regimes. You can have that comfort,” he said. “However, Porgera is a special case and is an exception because Barrick’s lease expired on August 18, 2019. “My letter to Barrick is on its way and will explain this and also allude to formal and legitimate processes of government including the MAC’s (mining advisory committee’s) deliberation that refused application for lease renewal. “I have my country’s eight million shareholders including the people of Ipili, Porgera, Enga environmental footprint areas plus mine workers to look after.

“Now that your lease has expired, the legal process is there for Barrick to comply with so you can maintain your operation until an agreed exit time we both secure during negotiations when mutual obligations are retired. “My letter will ask Barrick to continue operating the mine when we go through this phase. “But if you sabotage or close the mine, you leave me no choice but to invoke orders to take over the mine for the sake of landowners and provincial government who should be getting bigger equities, plus the employees and contractors who are presently working with the mine. Don’t fight me (I am in my country and I lose nothing). “Work with me for your ease of business during this transition and exit phase (you never know, negotiations may buy you extra mine operation time).” Meanwhile, Marape urged the people not to depend too much on resource projects but use their land for agriculture, forestry and fisheries. “PNG and the world need organic healthy

food, coffee, copra, cocoa, vanilla, livestock's, fish. "We have food we can produce to feed ourselves and supply the world."

Avoid disruptions, says Barker

April 29, 2020, The National Business

BELOW is an analysis by the executive director of Institute of National Affairs Paul Barker on the possible repercussions of the Government's decision not to renew the special mining lease for Barrick (Niugini) Ltd on the Porgera gold mine in Enga.

THERE will certainly be some repercussions from this move. At a time when global markets are in turmoil and there's severe economic and social disruption and uncertainty, and when PNG is suffering from a severe shortfall in revenue and economic activity, one might have expected a move to avoid potential disruption to operations, the workforce and revenue. The Porgera value is a very complex place with communities long vying for control. So anyone treading in should do so lightly, with thorough consultation and knowledge of that situation and avoiding disruption. Barrick and its predecessor, Placer Pacific certainly had their difficulties over the years, with criticisms on social and environmental ground, most of which the company denied. However, the company effectively became the authority and the provider of jobs and all government services in the valley, which had a small population when they commenced over 30 years back to a burgeoning community now.

The 30-year-special mining lease concluded last year and the operating company and the two main owner companies could have expected virtually an automatic renewal for a further 20 years, if they put forward a sound proposal and if they had not committed undue failures in the past. Whatever the merits of the Government takeover or transfer plans for the mine, it will require very considerable preparation, capital, staffing and logistics to put into effect, all of which will take time and effort, and resources, which are not in great supply right now.' And in the meantime, the mine would be effectively mothballed and deteriorating and subject to illegal mining operations, and a higher re-commencement cost. The situation is quite dissimilar to that of Ok Tedi, where the landowner situation is simpler and less confrontational, and where there was already a smooth transition to becoming a nationally-owned company nearly 20 years back, before it was also nationalised away from the Western province ownership.

There's no question that there is considerable PNG expertise accumulated over the decades in mining, from management to technical and operational tasks. But bringing them together and making a transfer from an existing operation would be very disruptive, unless it was being done through amicable arrangements with the current owners/operator, which clearly is not the case right now. Barrick (Niugini) Ltd are the operators, own the plant and equipment and employ the workforce but cannot simply sustain operations on some interim basis unless they have a formal lease and right to extract. The Government's aspiration for taking control of PNG resources and the economy is understandable, in terms of the major overseas (and some local) resource grabbing over forests, land, marine resources, and even small businesses and jobs over recent years, and in the face of the major disappointment over the surprisingly low revenue from the extractive sector by the mid-2010s, at a time when the Government envisaged major revenue flows and planned major public expenditure.

This low revenue can be substantially explained by low commodity prices, high costs of development and rehabilitation, droughts and earthquakes disrupting production and undermining returns, however, gold prices remained firm and have actually appreciated in times when capital has fled from more volatile markets. So it's understandable that there's some frustration in the Government. Nevertheless, Porgera is the third largest mine in PNG and the second largest gold producer, contributing over K200 million in revenue to Government and landowners in 2018 (substantially from group tax, but also from company tax, tax credits, royalties etc). There may be an aspiration to

secure greater revenue, and to distribute it differently, including more to landowners, which was also in the companies' proposal. But it does seem critical that a lot more dialogue is needed, and an amicable outcome that does not jeopardise the limited harmony in the Porgera Valley, does not disrupt operations, employment of revenue unduly in 2020, and which does not further undermine shaky investor confidence in PNG at a time when global capital is tight, especially with regards to developing countries, but investment, job creation and revenue desperately needed.

The Government in PNG does not have a good track record in running businesses, with a few exceptions, like the ENB provincial government. The Government really needs to focus its efforts on securing revenue to be able to deliver its core functions more effectively in core infrastructure, health, law and order, education, promoting economic diversification and regulating standards (labour, health, environment etc). It should avoid being unduly deflected into trying to take on the task of running risky and demanding businesses itself, except those it must, and particularly avoid further borrowing or diverting needed funds away from its core services into acquiring or recapitalising commercial ventures, including mining projects.

'Govt scaring investors'

April 29, 2020, The National

OPPOSITION Leader Belden Namah says the Government is creating uncertainty and scaring both foreign investors and local businesses with its decision to nationalise the Porgera gold mine. Namah urged Prime Minister James Marape to immediately name the next operator to replace Barrick Niugini Ltd at the mine in Enga. "Marape must name the new operator of this world-class gold mine to allow for continuity and to assure workers, contractors and landowners that it will be business as usual and they have nothing to fear," he said. Namah said the Government's refusal to extend Barrick's application for a 20-year lease on its special mining lease was "nationalisation of the worst sort that will harm PNG in the long term." "That (decision) is inviting the onset of another crisis while we are already in the middle of one. "He (Marape) is digging the economic hole deeper while his treasurer announces at the same time that PNG is in a recession.

"The signal he (Marape) sends to the investment community is wrong," Namah said. "The fundamentals to sustain the mine are missing. "I see no companies lining up to take up where Barrick Niugini Ltd leaves off. "I see no facts and figures on how the mine is going to be run in the immediate to medium term. "Marape has put out a vague hope that there will be an exit plan to value the assets, future management and operations of the mine as well as resettlement, environmental issues and tax liabilities." Namah said Barrick had no wish to discuss any transitional arrangement. "The company has met with the prime minister four times. "It has put up its proposals including to increase benefits to stakeholders by up to 50 per cent.

"It reports that there has been no response from the Government." Namah also questioned what would happen to the 3,600 employees and contractors following the suspension of the mine. Barrick has paid K4.039 billion in taxes and K224 million in tax credit schemes and half a billion in royalties. He said these were a significant lot of benefits and with plans to lift the mine to a tier one operation, it could only mean more and the Government needed to demonstrate that it had the capacity to do much more than Barrick had done. Namah said the Government had made another hasty decision in the middle of a national state of emergency. "The social environment around the Porgera mine has always been volatile and the deployment of just 100 soldiers to guard the mine will be insufficient if tension mounts over this decision," he said.

Simulierter Manganknollen-Abbau beeinträchtigt die Ökosystemfunktion von Tiefseeböden. Mit dem Tiefseebergbau einhergehende Störungen beeinträchtigen die natürlichen Ökosystemfunktionen und Mikrobengemeinschaften im Meeresboden langfristig.

Alfred-Wegener-Institut, Helmholtz-Zentrum für Polar- und Meeresforschung, 29. April 2020

Tiefseebergbau könnte eine Möglichkeit bieten, dem zunehmenden Bedarf an seltenen Metallen zu begegnen. Seine Umweltauswirkungen sind bisher jedoch nur zum Teil bekannt. Zudem fehlen klare Standards, die den Abbau regulieren und verbindliche Grenzwerte für die Auswirkungen auf die dort lebenden Organismen festlegen. Forschende des Max-Planck-Instituts für Marine Mikrobiologie beschreiben nun zusammen mit Kollegen am Alfred-Wegener-Institut, am GEOMAR Helmholtz-Zentrum für Ozeanforschung und weiteren Instituten, dass mit dem Tiefseebergbau einhergehende Störungen auch die natürlichen Ökosystemfunktionen und Mikrobengemeinschaften im Meeresboden langfristig beeinträchtigen. Ihre Ergebnisse präsentieren sie im Fachmagazin *Science Advances*.

Metallhaltige Knollen und Krusten bedecken viele Tausend Quadratkilometer des weltweiten Tiefseebodens. Sie enthalten vor allem Mangan und Eisen, aber auch die wertvollen Metalle Nickel, Kobalt und Kupfer sowie einige der High-Tech-Metalle der seltenen Erden. Da sich diese Ressourcen an Land in Zukunft verknappten könnten – etwa durch künftige Bedarfe für Batterien, Elektromobilität und digitale Technologien – sind die Lagerstätten im Meer wirtschaftlich sehr interessant. Noch gibt es keine marktreife Technologie für den Tiefseebergbau. Doch schon jetzt ist klar: Eingriffe in den Meeresboden beeinträchtigen die betroffenen Gebiete massiv und nachhaltig. Studien haben gezeigt, dass viele sesshafte Bewohner der Meeresboden-Oberfläche auf die Knollen als Substrat angewiesen sind und noch Jahrzehnte nach einer Störung im Ökosystem fehlen. Auch Auswirkungen auf Tiere, die in den Meeresböden leben, wurden nachgewiesen. Im Rahmen des BMBF-geförderten Projekts „MiningImpact“ nahm das Bremer Max-Planck-Institut (MPIMM) jetzt die kleinsten Meeresbodenbewohner und ihre Leistungen unter die Lupe.



Ein Schwamm wird direkt von einem Unterwasserfahrzeug "ROV" entnommen. (Foto: GEOMAR, ROV Kiel 6000)

Wie steht es um die kleinsten Bewohner des Meeresbodens?

Die nun vorliegende Studie zeigt, dass auch die Mikroorganismen im Meeresboden massiv vom Tiefseebergbau betroffen wären. Das Team um Antje Boetius, *Direktorin am Alfred-Wegener-Institut, Helmholtz-Zentrum für Polar- und Meeresforschung (AWI) und Leiterin einer gemeinsamen Forschungsgruppe am MPIMM und AWI*, untersuchte den Zustand des Meeresbodens ebenso wie die Aktivität der Mikroorganismen im sogenannten DISCOL-Gebiet im tropischen Ostpazifik, etwa 3000 Kilometer vor der Küste Perus. Dort hatten im Jahr 1989 deutsche Forscher in einem Manganknollengebiet in 4000 Metern Wassertiefe den Meeresboden auf einer Fläche mit einem Durchmesser von gut dreieinhalb Kilometern mit einer Egge umgepflügt, um einen Abbau zu simulieren.

„Auch 26 Jahre nach dieser Störung konnten wir die Pflugspuren auf dem Meeresboden klar erkennen“, berichtet Erstautor Tobias Vonnahe, der an den Untersuchungen im Rahmen seiner Diplomarbeit teilnahm. „Und auch die bakteriellen Bewohner waren deutlich beeinträchtigt.“ Im Vergleich zu ungestörten Regionen des Meeresbodens lebten in den alten Spuren nur etwa zwei Drittel der Bakterien, in frischeren Pflugspuren sogar nur die Hälfte. Verglichen mit ungestörten Flächen waren die Raten verschiedener mikrobieller Prozesse auch nach einem Vierteljahrhundert um drei Viertel verringert. „Unsere Berechnungen haben ergeben, dass die Mikroben frühestens nach 50 Jahren wieder ihre übliche Funktion voll ausüben können“, so Vonnahe.



Die metallreichen polymetallischen (oder Mangan-) Knötchen. (Foto: Manfred Schulz TV & Film; Max Planck Institute for Marine Microbiology)

Zugestaubt und durcheinander

So tief unten, fernab von den starken Strömungen an der Meeresoberfläche, ist es gar nicht so überraschend, dass selbst kleinräumige Spuren des DISCOL-Experiments noch zu erkennen waren. „Aber auch die biogeochemischen Bedingungen hatten sich nachhaltig verändert“, betont Antje Boetius. Das liegt nach Ansicht der Forscher vor allem daran, dass die oberste, aktive Sedimentschicht durch den Pflug zerstört, untergepflügt oder aufgewirbelt und von den Strömungen davongetragen wird. In den so gestörten Gebieten können die mikrobiellen Bewohner das „herabregende“ organische Material nur noch eingeschränkt verwerten. Damit büßen sie eine ihrer Schlüsselfunktionen für das Ökosystem ein. Gemeinschaften von Mikroben und ihre Funktionen könnten sich somit als frühe Anzeiger für Schädigungen von Tiefsee-Ökosystemen durch den Knollenabbau eignen – und für den Grad ihrer möglichen Erholung.

Störung in einer anderen Dimension

Alle Abbautechnologien für Manganknollen, die aktuell entwickelt werden, werden zu einer massiven Störung des Meeresbodens bis in eine Tiefe von mindestens zehn Zentimetern führen. Das ist vergleichbar mit der hier simulierten Störung, allerdings in ganz anderen Dimensionen. Ein kommerzieller Tiefseebergbau würde Hunderte bis Tausende Quadratkilometer Meeresboden pro Jahr betreffen, während die Gesamtfläche der Pflugspuren im DISCOL-Gebiet nur wenige Quadratkilometer umfasste. Entsprechend größer seien daher auch die zu erwartenden Schäden, und entsprechend schwieriger wäre es für das Ökosystem, sich zu erholen, betonen die Forscher.

„Bisher haben sich nur wenige Studien mit den Störungen der biogeochemischen Funktion von Tiefseeböden durch Bergbau beschäftigt“, erklärt Boetius. „Mit der vorliegenden Studie leisten wir einen Beitrag zur Entwicklung von Umweltstandards für den Tiefseebergbau und zeigen die Grenzen auf, die der Erholung des Meeresbodens gesetzt sind. Ökologisch nachhaltige Technologien sollten unbedingt vermeiden, die dicht belebte und bioaktive Oberflächenschicht des Meeresbodens zu entfernen.“ *Gemeinsame Pressemitteilung des Max-Planck-Instituts für Marine Mikrobiologie und des Alfred-Wegener-Instituts Helmholtz-Zentrum für Polar- und Meeresforschung*

Originalpublikation

T. R. Vonnahme, M. Molari, F. Janssen, F. Wenzhöfer, M. Haeckel, J. Titschack, A. Boettius (2020): Effects of a deep-sea mining experiment on seafloor microbial communities and functions after 26 years. *Science Advances*. DOI: [10.1126/sciadv.aaz5922](https://doi.org/10.1126/sciadv.aaz5922)

Think tank to Govt: Ensure firms bring onshore forex earnings

April 28, 2020, The National Business

THE Government has been urged to make it mandatory for big resource companies to bring onshore foreign exchange earnings and not park them in offshore foreign currency accounts. The PNG National Research Institute (NRI) said it would address the foreign exchange shortage. It was one of the six recommendations released by a “think tank” last week providing an analysis of progression of the national budget from 2019 to 2020. Authored by NRI director Dr Osborne Sanida, the paper highlighted that “the paradox of foreign exchange shortages required a change in mindset and strategy”. “For the current most favoured companies that keep offshore foreign currency accounts, the Government should negotiate deals with them to require that after servicing offshore loan commitments, the balances/surpluses be brought into the PNG economy, rather than keeping them in offshore foreign currency accounts,” Sanida said. “Given the nature of land ownership in PNG and governance structure, every resource that has been exported is owned by the people, either directly or through the State. “Hence every deal between the Government and resource developers must have the welfare of the people at the centre, if real development outcomes for the people are to be realised.” Other recommended areas of intervention include:

- Taking effective control of the personnel emolument blowouts because the continuation of such suggests a loss of control of the deficit;
- Ensuring stability in the capital budget to grow the economy;
- Promoting job creation and broad-based economic growth to broaden the tax base and increase government revenue;
- Making the resources sector work better in terms of its contribution to government revenue and translating these revenues to grow the non-resource sector for sustainable economic growth and human development;
- Addressing the debt burden issue by promoting broad-based economic growth and increasing the government’s share of revenues from economic growth; and,
- promoting SME development for exporting and import-substitution.

Business community asks PM for review

April 28, 2020, The National Business

THE Government’s decision not to renew the special mining lease for Barrick Niugini Ltd to operate the Porgera gold mine has left businesses in Porgera uncertain of the future, a business representative says. Porgera chamber of commerce and industry president Nixon Pakea said while they respected the Government’s decision, it was made without considering the businesses and community in the impact area. Pakea said the Government failed to consider the factors behind the “detrimental” operation of Barrick, Porgera Joint Venture in Porgera. He urged Prime Minister James Marape to review the decision. “The Porgera mine should be treated (separately from) Ok Tedi or Tolukuma,” he said. “The 70,000 population depend on the Porgera mine. “(Only a) minority oppose the operation of mine. “The ultimate closure of the mine operation is not going to go down well with the people. “More than 15,000 people, including the contractors will be out of jobs. “That is adding to the number of people out of jobs from the Covid-19.” He urged Marape to send his negotiating team to Porgera to get “firsthand information”.

Sir Peter applauds government's decision on mine

By Shirley Mauludu, April 28, 2020, The National Business



ENGA Governor Sir Peter Ipatas has welcomed the Government's decision to refuse Barrick Niugini Ltd's application to renew the special mining lease for the Porgera gold mine in Enga. "We have always had 5 per cent in the mine," he said. "We are a minority player but we have been there since day one. "We always asked for an increase in equity in the mine and I am happy that the Government has made this decision." The decision, however, came as a surprise to Barrick Niugini Ltd (BNL) who had held talks with the Government and the landowners in the hope to continue operating the mine. It plans to challenge the decision in court. But Sir Peter said the company should accept the decision. "Landowners must be happy that this Government has made a bold decision and am sure that they will consider giving greater participation to the landowners and the provincial government," he said.

Prime Minister James Marape said last Friday that the National Executive Council had decided to refuse BNL's application for the 20-year renewal of the licence. Marape said it was based on the recommendation by the independent mining advisory committee (MAC), and that it was "in the best interest of the nation". "The mining advisory committee is an independent committee under the Mining Act (which) thoroughly and carefully went through the application and came up with the recommendation to reject its application for extension," he said. A BNL statement said the Government's decision was "tantamount to nationalisation without due process and in violation of the Government's legal obligations to the firm". It said it would "pursue all legal avenues to challenge the Government's decision".

3,600 jobs will be lost: Miner

April 28, 2020, The National

THE operator of the Porgera gold mine, Barrick Niugini Ltd (BNL), says more than 3,600 people will lose their jobs because of the Government's refusal to renew its special mining licence. The joint venture is between Barrick Gold (47.5 per cent), Zijin Mining Group (47.5 per cent), Mineral Resources Enga owned by the Porgera special mining lease landowners and the Enga government (5 per cent). The application for the renewal was lodged in 2017. Prime Minister James Marape said on Friday that Cabinet recently decided to reject the application "in the best interest of the nation". In a statement yesterday, BNL said the impact on the economy would be "immediate and severe", including the:

- termination of the more than 3,600 people in direct employment with BNL, and loss of work for more than 1,000 contractor companies who employ locals;
- loss of local business contracts to the value of around K400 million per annum;

- loss of 1.5 megawatts in power supply to the Porgera Valley communities, currently supplied at no cost;
- end of support for institutions in the Porgera Valley, including the Paiam Hospital and Porgera Development Authority;
- end of support for the Highlands Highway maintenance;
- end of support for police operations and end to the community emergency services provided at no cost;
- Immediate loss of tax revenue streams, royalties and equity distribution payments, which totalled more than K500 million in 2019.

BNL said the process and policy of rejecting the extension of the special mining lease and nationalisation of the Porgera mine assets presented “enormous financial and reputational risks for local communities, businesses and the country during a time when the country was dealing with the economic impact of the coronavirus pandemic”.

Barrick says PNG govt's refusal of lease extension will be costly

Radio New Zealand on 28 April 2020

The multi national miner at Porgera in Papua New Guinea, Barrick, said the government's refusal to extend its Special Mining Lease will have far reaching effects. The company, in a statement, said it would cause significant harm to the local, provincial and national economies.



Prime Minister of Papua New Guinea James Marape at the Pacific Islands Forum Summit in Tuvalu, 2019. Photo: RNZ / Jamie Tahana

It claimed the refusal and nationalisation of the Porgera mine assets presented enormous financial and reputational risks for local communities and businesses, the regional economy and the country as a whole. The company also said it believed transition arrangements spoken of by the government, with the mine remaining in production, may not be possible under law, and under the circumstances, the company had been forced to suspend operations. It said the suspension was likely be extremely costly, compounding PNG's national debt challenges, and potentially resulting in the permanent loss of the mine. The company pointed out that the Porgera gold mine in Enga Province had been a major strategic asset for the country for many years, contributing approximately 3.8 percent of current GDP, and for the past 30 years had provided about 10 percent of PNG's average annual export income. In addition it said it had paid billions in taxes to the government, along with royalties to the landowners and provincial government, and much more into the wider economy. On

Friday the PNG government said it has carefully considered the issue and decided it was "in the best interests of the State, especially in lieu of the environmental damages claims and resettlement issues", [that the lease not be renewed](#).

World won't end - PNG PM

James Marape said the world would not end if the Porgera Mine in Enga shut down. Mr Marape called for all Papua New Guineans to bear with him. "We can endure short term pain for long term gain. Don't be cry babies and pessimists, because the world will not end if Porgera closes." He told people it was "2020 not 1975, no one else will work for you or us, PNG, we have to do it ourselves." Mr Marape said the people should return to agriculture, forestry and fisheries. He said the world needed healthy organic food, coffee, copra, cocoa, vanilla, livestock and fish.

Govt into negotiations with development partners: PM

April 27, 2020, The National

PRIME Minister James Marape says the Government is into "advanced negotiations" with development partners on multi-billion Kina projects such as the Wafi-Golpu in Morobe, P'nyang in Western and Pasca in Gulf. He was commenting on projects which were in operation or under negotiation, saying the Mining Act provisions, including leases and mining agreements, would continue to apply. He also defended the Government's decision not to renew the 20-year special mining licence to Barrick (Niugini) Ltd which operates the Porgera gold mine in Enga. "Barrick Ltd has been allowed to operate since the lease expired last August. The Government awaited the mining advisory committee's decision, and consistent with that, Government made this announcement." Marape said the state negotiation team would "work with Barrick Ltd during the transition period". "That includes benefit-sharing arrangements with the Enga government and landowners until the final structure of new mining operations is established," he said. Marape assured the landowners and the provincial government that their views on the destruction on the environment and non-resettlement of landowners would be considered. "They will sit at the table as greater beneficiaries of the mine," he said.

Row over mine

By GYNNIE KERO, April 27, 2020, The National

A ROW has erupted between the Government and Barrick (Niugini) Limited, the operator of the Porgera gold mine in Enga, over the non-renewal of the special mining licence. Cabinet, acting on the advice of an independent mining advisory committee, decided to reject the application lodged in 2017 by the operator for a 20-year renewal. It has been the mine operator since 2006. Prime Minister James Marape said the Cabinet decision was in the best interest of the nation. "The mining advisory committee is an independent committee under the mining act and they have thoroughly and carefully gone through the application and came up with the recommendation to reject the application for extension," Marape said. "I want to assure the people this decision has been made in the best interest of our country and in full compliance with our existing laws.

"The lease expired and in accordance with our Mining Act, the mining advisory council has refused the application for the renewal of the lease." He thanked Barrick (Niugini) Limited (BNL) for its "support to PNG and look forward to working together during the transition period." "I request Barrick Niugini Limited to prepare for negotiations with our state negotiation team for operations in the transition period until full exit at a time convenient to all parties." A Barrick (Niugini) Ltd (BNL) statement said the Government's decision was "tantamount to nationalisation without due process and in violation of the Government's legal obligations to the firm". The company "remains willing

to discuss the issue with Marape and his Government in the hope of averting a catastrophic situation for the communities at Porgera and Enga, and for the country as a whole”.

It also said it would “pursue all legal avenues to challenge the Government’s decision and to recover any damages that BNL may suffer as a result of the Government’s decision”. Marape said an exit plan for the Porgera gold mine would take into account the value of assets, future management, operation and legal matters. “The national executive council agreed to enter into transitional agreement with the existing mine operator with priority being given to the development of an exit plan for Barrick that considers all outstanding issues,” he said. “This decision ensures continuity of mine operations while we finalise longer term arrangements.” He said the landowners and the Enga government would be “consulted widely during the transitional period in regard to benefit-sharing agreements and equity participation during the transition period and then into full ownership period”.

73 remanded after clash

By GYNNIE KERO, April 27, 2020, The National

POLICE say 73 of the 154 people who allegedly disrupted mining operations at the K92 mine in Eastern Highlands last week are being remanded at the Beon jail in Madang. Madang police commander acting Supt Mazuc Rubiang said 81 of those arrested had paid their fines and allowed to go home. They included nine juveniles. The fines included K2,000 for adults, or two years imprisonment, and K1,000 for those under 18 years old, or one year in jail. He said the men had entered the mine operated by Canadian miner K92 Mining. “The 73 who didn’t pay were taken to Madang yesterday from Ramu where they had been kept since Friday. Seventy are now in Beon. Three were being (medically) checked after their blood pressure shot up,” Rubiang said. Police from Madang were sent to assist the 30 police officers at the Kainantu gold mine.

Mineral Resources Authority (MRA) managing director Jerry Garry confirmed the incident yesterday, saying the incident was caused by a disagreement between locals and the miner. Locals entered the mine site forcing the company to shut down operations. Garry said Mining Minister Johnson Tuke, who is also the Kainantu MP, visited the mine site on Friday. “We (MRA) are yet to get an update from him (Tuke). All mines in the country are under extreme pressure from Covid-19. We want to find a peaceful solution for both aggrieved parties,” Garry said. K92 Mining reportedly shut down its operation last Tuesday as a result of the locals’ grievances. The Kainantu property covers what was previously mined by Highlands Pacific and Barrick Gold from 2006 to 2009. The 154 were charged with being unlawfully on premises and being in possession of offensive weapons.

Lease extension for PNG's Porgera mine refused

Radio New Zealand on 25 April 2020

The long-running request for a Special Mining Lease extension for Papua New Guinea's troubled Porgera mine has been denied. Prime Minister James Marape made the announcement on Friday saying the National Executive Council's decision to refuse the request from Barrick, was based on recommendations from the Mining Advisory Committee. In a statement, the government said it has carefully considered the issue and decided it was "in the best interests of the State, especially in lieu of the environmental damages claims and resettlement issues", that the lease not be renewed. The NEC agreed to enter into a transitional agreement with the multi-national Barrick, to develop an exit plan. The government said local landowners and the Enga Provincial Government would be consulted widely during the transitional period. James Marape said, despite the threat of Covid-19, work in these sectors of the economy must "proceed full steam ahead". There had been numerous

controversies, claims and counter-claims regarding pollution of water supplies, environmental and social problems, questions around local economic returns and violent clashes in the area.

"Nationalisation without due process" - Barrick

Barrick Niugini Limited challenged the decision, saying it was "tantamount to nationalisation without due process and in violation of the government's legal obligations". The company said it was willing to discuss the issue further with the James Marape government in the hope of averting "a catastrophic situation for the communities at Porgera and in Enga, and for the country as a whole".



Papua New Guinea's prime minister James Marape. Photo: PNG PM Media Unit

However the company warned it was willing to pursue all legal avenues to challenge the government's decision and recover any costs that might occur as a result of the denial. Barrick said since it had first applied for the extension in June 2017, there had never been an indication of alternative plans for the Special Mining Lease or indeed that it would not be extended. The company claimed it had the overwhelming support of Porgera landowners.

P'nyang project talks resume

April 23, 2020, The National Business

OIL Search says discussions on the P'nyang gas project in Western have resumed. In its 2020 first-quarter report released on Tuesday, Oil Search noted that an agreement was needed before the LNG expansion could move into the front end engineering phase. "Formal negotiations between ExxonMobil, on behalf of the P'nyang co-venturers and the PNG Government on the P'nyang gas agreement were suspended in late January," the report said. "Discussions have resumed with the State, aimed at reaching an agreement that is fair and balanced for all stakeholders. "This agreement is required before the LNG expansion project can move into the feed phase. "Oil Search remains committed to progressing the three-train integrated expansion project, a highly cost-effective development, at the appropriate time."

The petroleum company also noted that it had started a series of measures in response to the Covid-19 outbreak, realising that review was underway for further cost-cutting. "Oil Search established a multi-disciplinary Covid taskforce in February to prepare comprehensive plans to mitigate the potential impact of the virus on the health and wellbeing of company staff, contractors and the local community and to support business continuity for production from Oil Search's operated assets. "During the quarter, the company started a series of measures, including suspending discretionary

activities, demobilising non-essential staff from the field, implementing revised field rotations for expatriate staff, establishing quarantine zones in the field and isolating business essential personnel, increasing medical and field supplies and introducing infectious disease protocols.

“ExxonMobil, as operator of the PNG LNG project, has implemented similar measures, consistent with recommendations from the PNG Government, the global health authorities and ExxonMobil practices. “Oil Search has taken steps to reduce corporate overheads, including reducing the headcount across Sydney and Alaska by more than 100 and implementing salary cuts at the board, executive and senior management level.” The report said in addition, a systematic review was underway to further reduce operating and corporate costs and improve the productivity of the firms operated assets.

Ok Tedi’s development arm gets new chief officer

April 22, 2020, The National Business

HAVINI Vira has been appointed as the new chief executive of the Ok Tedi Development Foundation (OTDF). OTDF is the legal entity that manages community development benefits from Ok Tedi mine operations on behalf of the 147,000 river residents living in 158 villages throughout Western. No stranger to OTML, Vira was team leader rural development with OTDF while it was a department of Ok Tedi Mining Ltd. In this role, he led various agriculture, fisheries and forestry pilot projects throughout the CMCA (community mine continuation agreement) communities. He left in 2010 to join the National Fisheries Authority where he also completed a Masters in Biology (Aquaculture) at University of NSW. Returning to OTDF in 2018, he served as executive manager programme services with responsibility for infrastructure development, sustainable programme services, operations and monitoring and evaluation. Vira said his goal had been to improve efficiencies in OTDF’s operations.

Aopi: Best to wait for recovery

By PETER ESILA, April 21, 2020, The National Business

THE finalisation of the resource project agreements for P’nyang in Western, Wafi-Golpu in Morobe, Pasca A project in Gulf and the extension of Porgera mine in Enga are no doubt all important enablers to stimulate a resurgence of the Papua New Guinea economy, says an official. PNG Chamber of Mines and Petroleum president Gereia Aopi however said uncertainty presented by Covid-19 was causing all, including major economies, to slow down significantly and it was about timing and that PNG needed to wait this out. “The oil price has declined, demand is diminished so the extractive projects around the globe are on hold and PNG is not immune,” he said. “The developers have invested significantly and the Government has not sanctioned any of these projects.

“What would be prudent is for the Government to continue to review and evaluate these submissions and place in a holding position so that when the global economy recovers, when demand for petroleum and their mineral commodities shifts, PNG can work with its developers to expedite these projects.” There were a number of resource projects in different stages of project preparedness including Papua LNG, Pasca A, P’nyang gas, Wafi-Golpu gold and Frieda River copper/gold – with each before Government for review and consideration. “Bringing these projects expeditiously to sanction will provide a massive impetus to kick-start PNG’s economy when this tide turns.” However, Aopi said consistency of legislation and regulation was critical to investment in the economy not just the extractive sector.

PNG needs to start big projects: World Bank

By SHIRLEY MAULUDU, April 21, 2020, The National

THE implementation of the new multi-billion kina resource projects such as the Papua LNG and Wafi-Golpu will positively impact the country's external balance of payments, according to the World Bank. It also said foreign exchange inflows in the form of foreign direct investment and external borrowing would be used to import goods and services required for these projects – resulting in narrowing the current account surplus. PNG country office senior country economist Ilyas Sarsenov said the implementation timing of these projects was still uncertain. “So, near-term impacts are unlikely,” he said. Prime Minister James Marape and economist Paul Barker had recently said the economy would receive a huge boost if the two projects start soon. Marape said it was what the economy would need to help its recovery after the impact of the Covid-19. The bank also said a significant share of foreign exchange inflows would be used to buy domestic goods and services, thus keeping foreign exchange in the economy.

Concern over cheques' legitimacy

April 20, 2020, The National Business

DEPARTMENT of Petroleum and Energy (DPE) secretary David Manau says an officer in the department had not followed due processes to distribute the Gobe project 14 incorporated land group (ILG) cheques recently. Manau made the statement following concerns raised by Petroleum and Energy Minister Kerenga Kua last week who said there needed to be transparency in the disbursement of landowner payments. “Clandestine acts such as these recent cheque presentations have led to numerous accusations being levelled against the department,” Kua said. “It creates resentment and allows distrust to fester among landowners and ultimately the real beneficiaries in the villages end up missing out.” Manau said on Friday that the cheques, totalling more than K9 million, were processed by the Finance Department and delivered to the DPE for payment on March 18. “After the cheque signing, our coordination branch officer responsible for Gobe project received the cheques for safe keeping,” he said. However, Manau said the officer did not adhere to following processes prior to distribution:

- Department to brief the minister on Gobe royalty underpayment;
- Transparent method and avenue of payment;
- Minister to make payments given the large amount of money (over K9 million); and,
- Witness (from the Finance Department, Solicitor-General's office, etc) to be present with media coverage.

“I began receiving complaints on March 19 and I wrote to the bank (BSP) on March 20 to dishonour the 14 ILG cheques,” he said. “The bank then assisted to put a stop payment on the bank accounts of the respective ILGs.” Manau said on the same day (March 20), he wrote to Finance secretary Dr Ken Ngangan seeking his understanding and assistance to reprint all the cheques. “The Finance Department provided assistance and the cheques were reprinted on April 1, 2020,” he said. “The minister has made the decision to have cheques distributed to Gobe ILG/clans at the project site village at Samberigi in Southern Highlands. “The minister has also instructed that the Imawe Bogasi clan or stock clan cheque payment must be re-distributed to the nine beneficiary clans (Imawe Bogasi clans) as separate cheques based on their spending. “In consultation with relevant stakeholders, we will do our best to arrange a logistics programme and have the cheques distributed transparently at the project site.”

With TOML acquisition, DeepGreen expands its footprint across the Pacific

DSM Observer, 16 April 2020



Featured Image: Map of CCZ featuring TOML and other DeepGreen lease blocks. Image courtesy DeepGreen.

Last week DeepGreen announced that it had finalized the acquisition of Tonga Offshore Mining Limited, a subsidiary of the former Nautilus Minerals, from Deep Sea Mining Finance, who is overseeing Nautilus's restructuring. Outside of Solwara I, TOML was one of Nautilus's most valuable holdings, and though the acquisition price has not been revealed, it will likely have a significant effect on the bankrupt company's continued restructuring. This places DeepGreen in a strong position to take the lead in the race to reach commercial production. "The TOML project will enable us to bring more critical mineral resources to market to break through the bottleneck and shift away from fossil fuels," says DeepGreen CEO Gerard Barron.

The acquisition also brings with it a trove of environmental data and scientific samples, which could allow DeepGreen to jumpstart the Environmental Impact Assessment process and accelerate their timeline for production, and advantage that will be immeasurably valuable during a moment when most of the world's economy is in pandemic-induced hibernation. Representatives from DeepGreen indicate that at least one Tongan employee from TOML will transition over to DeepGreen, while they will continue working in close collaboration with the remaining contractors. TOML will be DeepGreen's third contract area in the Clarion-Clipperton Fracture Zone. They also hold contracts on a lease through Nauru Ocean Resources Inc. sponsored by the Republic of Nauru and a second lease through a partnership with Marawa Research and Exploration Ltd. sponsored by the Republic of Kiribati. TOML was also Nautilus Minerals' only polymetallic nodule prospect, suggesting that the future of the pioneering company now resides exclusively with seafloor massive sulphides.

Minister questions payments

April 16, 2020, The National Business

PETROLEUM and Energy Minister Kerenga Kua says there must be transparency in disbursement of landowner payments. Kua expressed disappointment in the questionable conduct of the Department of Petroleum and Energy (DPE) staff in issuing landowner cheque payments last month. "Clandestine acts such as these recent cheque presentations have led to numerous accusations being levelled against the department," he said. "It creates resentment and allows distrust to fester among landowners and ultimately the real beneficiaries in the villages end up missing out. "Going forward, I want to see more professional and transparent conduct by DPE staff. "From here on, I will ensure that all landowner cheque payments are done in public where beneficiaries can witness the disbursement of cheques to each clan group. "In this way, should differences arise, it would be up to the

beneficiaries themselves to sort out this matter and no fingers can be pointed to the ministry or department of petroleum.

“I wish to inform all concerned that I have tasked the secretary David Manau to cancel the previous cheques that were raised and organise the reissuing of new cheques to be paid to the individual groups that comprise the Southern Highlands province landowner clans. “As for the Imawe Bogasi clan, their cheque will be further broken down as separate cheque payments to the nine clan groups as per the Sir Moi Avei ministerial determination of May 2003 that supercedes the previous Roy Yaki determination. “Once these cheques are ready, I will personally visit Samberigi to present them to each of these clans. “It is important that landowner representatives also return to their respective villages so that costs of accommodation and transport do not continue to escalate as you remain in Port Moresby. “Charges by these service providers are alarmingly high which means monies that should be disbursed among your people at the village level end up being swallowed up in Port Moresby. “During my term as minister for petroleum, I will do what I can to improve the process.”

Covid-19 and petroleum sector

PAUL Barker, the executive director of the Institute of National Affairs, shares his thoughts with Business Editor SHIRLEY MAULUDU about the drop in global oil prices and the impact of Covid-19 on the country's petroleum sector and other export commodities.

April 15, 2020 The National Business

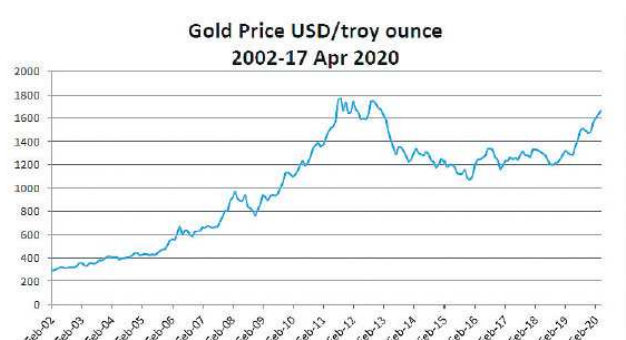
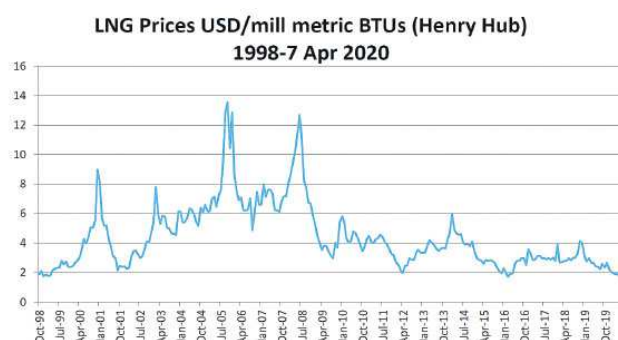
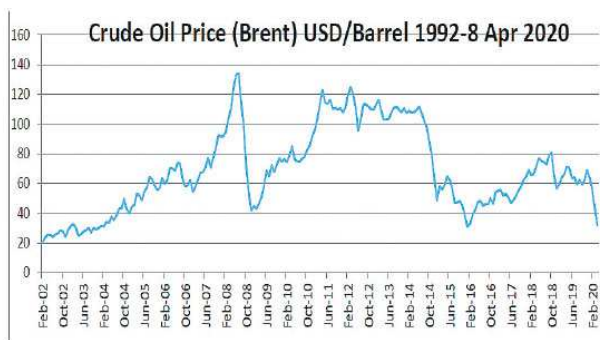
“Oil prices dropped severely from US\$120 (K403.7) a barrel (rent crude) in early 2012 to a low of US\$30 (K100.90) a barrel by January 2016, before recovering steadily to a peak of US\$80 (K269) in October 2018. Since then, it slipped back but remained above US\$60 (K201.80) barrel until January 2020, when an apparent oversupply and weakening prices pushed Opec (Organisation of the Petroleum Exporting Countries) members to push to limit supply to drive prices back up. That exercise not only failed to gain agreement, partly in view of fear of the actions of the non-Opec members that have become increasingly major suppliers. Instead, Saudi Arabia and Russia, two of the largest global oil and gas producers, indicated a major increase in supply, apparently to try and squeeze out the higher cost producers, notably the frackers and other unconventional suppliers. Prices fell heavily.

Then the coronavirus kicked in, slashing demand for energy in transport and industry, first in China and then other parts of the developed economies. The price of oil and to a lesser extent gas tumbled. With Brent crude falling below US\$30 (K103)/barrel, and even slipping below US\$20 (K69)/barrel for some days. The share price of the major and minor oil companies slid heavily and some higher cost oil projects restrained production or were temporarily shelved. Oil companies were desperately avoiding selling oil at prevailing spot prices, and, with storage at capacity, searched out empty oil tankers, not to deliver, but to store oil, hoping to sell in the future at higher prices.

A substantial differential developed between current and future prices. Major oil companies tend to take a longer term perspective when it comes to planning major resource developments. Currently, oil and gas prices are still forced down by Government-imposed restraint on economic activity and, therefore, demand, so there's not the normal demand response to the low prices. With China now cautiously moving out of Covid-19 lockdown, and expected wider recovery of economies over the next months, if virus control measures are successful, demand for energy will pick up again. East Asia, including China, are seen to be the main market for PNG LNG, and China's demand will invariably be strong, and with an increasingly focus on cleaner energy. Gas is widely considered an intermediary stepping stone, as China shifts from its heavy dependence upon high emission coal to

clean energy, and PNG, which has demonstrated itself to be competitive in production and shipping costs, is still an attractive supply source.

It's tougher for the smaller companies, especially more geographically focused, like Oil Search, which is only operating in PNG and Alaska. It's largely dependent upon an aging oil resource, its share of PNG LNG production and the development prospects in major further LNG projects, which have been long drawn out. With the major fall in revenue from oil and to a lesser extent gas (as gas prices have been somewhat shielded by longer term supply contracts) and the lower share price, but continued operating and development costs, it will need extra capital to remain at the table for these planned developments. It will be seeking capital from existing shareholders to retain independence, and to seek to ward off the prospect of uninvited takeover steps. With the price low, some might see this as an attractive opportunity to get in there. How the market judges it and who actually acquires the equity, and whether it does entail any shift in the composition of ownership will be interesting to observe."



Commodity Markets relevant to PNG April 8, 2020, – (INA – April 8, 2020). As an update, here are crude oil price and LNG prices pertinent to PNG (data from various sources, including ICO, ICCO, Index Mundi, LME, Market Insider, Business Insider, Oil Price.com)

Ok Tedi mine unaffected so far

By PETER ESILA, April 15, 2020, The National Business

THE approval of major resource projects around the country will boost economic recovery, says a mine executive. Ok Tedi Mining Ltd chief executive and managing director Peter Graham told The National that production and sales from the mine were so far unaffected by the Covid-19 and state of emergency. "I am sure the Government is evaluating ways to stimulate economic recovery once it is safe to do so," he said. "Approval of large resource projects would boost confidence and as those projects ramp up, they would contribute to economic recovery." Prime Minister James Marape indicated last week that talks were on-going on speeding up resource projects such as Pasca A in Gulf, P'nyang in Western and Wafi-Golpu in Morobe. According to the PNG Chamber of Mines and Petroleum, export revenue from petroleum and mineral products hit a record K27.6 billion in 2018, compared to K25.4 billion in 2017.

Graham said Ok Tedi's aim was to keep operating as long as safety measures were in place. He said production and sales from Ok Tedi were, so far, unaffected. "We are ensuring that workers who are on site have rostered breaks to ensure that fatigue does not become an issue," he said. "Crews who were on site when the state of emergency was declared have remained. We are not rotating crews at this time. "Some employees have left the site to be with their families and we are temporarily standing-down some employees whose jobs do not immediately impact production and whose work can be deferred. "We are not laying off employees. "Local contractors are also demobilising some of their employees."

'Project Sepik' calls for PNG Govt to halt Frieda mining project

Radio New Zealand on 9 April 2020

In Wewak a group called 'Project Sepik', says the Papua New Guinea government should say "no" to the proposed Frieda River mining project. The East Sepik civil society group said there had been inadequate environmental impact statements conducted. The copper and gold mine was being planned by an Australian-registered, but Chinese government -owned company, called PanAust. Project Sepik made the call after the views of 10 independent experts on the impact statement went to PNG's Conservation and Environmental Protection Authority. The expert reports were sought by Project Sepik in collaboration with the PNG legal advocacy group, the Centre for Environmental Law & Community Rights.



Frieda River heading north to join the Sepik River. Photo: Facebook - SEPIK Capital, PNG - Wewak Urban Local Level Government

They noted the developers of the Frieda project could not show mine waste could be stored in such a way that the Frieda River wouldn't be damaged. They also noted that, given the development would be in a seismically active area and subject to extreme rainfall, a ruptured tailings dam could cause catastrophic damage. In addition they said there was no evidence that free, prior and informed consent had been given by all of the landowners - something they note is essential for an environmental impact assessment. And the impact assessments didn't include the information necessary to show that a comprehensive analysis was done. This included details about the operation and closure of the mine, an assessment of the proposed airport, and a resettlement plan for the 4 villages requiring relocation. "The 100,000 people who live on the Sepik don't want this mine," said Emmanuel Peni, the co-ordinator of Project Sepik.

"It will not bring the promised benefits to my people and it will endanger the beautiful Sepik river, which provides us not only with our home but our livelihood and also defines our identity." Project Sepik's push came as it joined with two Australian NGOs, Jubilee Australia and Aidwatch, in launching a campaign called "Save the Sepik." Jubilee Australia's Luke Fletcher referenced the OK Tedi disaster saying they were still tracking the ongoing tailings disaster in Bougainville. "In both cases the tailings released into these rivers contaminated and killed fish, caused mass flooding and the spread of contaminated mud, decimated land previously used for growing food and led to the leaching of heavy metals in a chemical process called acid rock drainage," Mr Fletcher said.

"The Australian-sanctioned destruction of PNG's natural environment must end now with the rejection of PanAust's irresponsible plans for the Sepik." Natalie Lowrey, the co-ordinator of Aidwatch said the Sepik region was a haven of biodiversity and home to some of PNG's rarest plants and animals. "It is the largest unpolluted freshwater system in Papua New Guinea and one of the largest and most intact freshwater basins in the Asia Pacific." "Yet if the mine were to go ahead, the region could face catastrophic and permanent destruction," Ms Lowrey claimed. Comment on the call made by the NGOs was sought from the company by *RNZ Pacific*, but there has been no response to date.

Developer says extension of lease beneficial

April 8, 2020, The National Business



Barrick Niugini Ltd (BNL) says the Government's extension of its Porgera mine lease will guarantee additional economic benefit for the country. It was responding to a statement by Prime Minister James Marape regarding the extension of the mine lease. Barrick said it held positive discussions with the legitimate landowners on the future of the Porgera mine. The Porgera Landowners Association and the company agreed that the application to extend the special mining lease should be granted by the Government as soon as practicable. "We firmly believe that the best possible outcome for the landowners and the nation is the continued operation of the mine by BNL under the revised and improved benefit-sharing arrangements as proposed by Barrick Niugini Ltd (to) the Government over the past eight months." The special mining lease extension application was filed in July 2017. It said the economic benefits proposed by BNL would result in a benefit-sharing outcome "that provides a fair and equal sharing between the developer and PNG of the economic benefits that arise from mining at Porgera". It said the terms were "more favourable than the 50/50 arrangement that Prime Minister James Marape had called for". "By extending the Porgera special

mining lease, the Government will be guaranteeing significant additional economic benefits for PNG, and will have heeded the voices of the legitimate Porgera landowners," the company said.

Call for NZ police help in probing West Papua killing

An Indonesian human rights expert has called for New Zealand police help after a deadly attack on mine company staff in West Papua. Johnny Blades, Radio New Zealand, 8 April 2020



Andreas Harsono Photo: Human Rights Watch

Last week's shooting attack at PT Freeport Indonesia's offices in the leafy town of Kuala Kencana near Timika left a New Zealander dead and two other employees seriously injured. A faction of the pro-independence West Papua Liberation Army claimed responsibility for the attack, with police saying the shooters immediately fled to the surrounding forest. The Liberation Army has made no secret that it is [targeting the operations of the Freeport mine](#), a major source of revenue for Jakarta, in its ongoing war against the Indonesian state. The mine at Mt Grasberg has been a focal point for armed conflict for many years. There have been dozens of killings in and around infrastructure related to Freeport's operations in Mimika regency over the past two decades. Human Rights Watch's Andreas Harsono said that in the vast majority of these cases, no one was held to account in the justice system. Mr Harsono previously conducted extensive research into one high profile case that did eventually make it to the courts - the 2002 killing of three teachers, including two Americans, along the road to Freeport's mine. "Indonesian police arrested seven Papuans. They were forced to confess, tried swiftly in Jakarta and sentenced to between eighteen months to life imprisonment," Mr Harsono explained. "Some Indonesian soldiers who allegedly sold the bullets (used in the attack) and were present near the killing site were unfortunately not questioned."

In Mr Harsono's view, New Zealand police should offer to help Indonesian investigators with a probe into last week's deadly attack. "Criminal investigation in a place as wild, remote and murky as Timika, with numerous competing interests, need a professional, investigative team," he said. "Many people have body guards, and many armed gangs with their respective ethnic affiliation operate in Timika." Mr Harsono said in addition, around 3,000 Indonesian soldiers were hired by Freeport itself to provide security for its local operations. Among this menagerie of security forces interests in Mimika, some groups are trying to undermine others or justify their own presence, especially when business interests or lucrative contracts are at stake. A spokesperson for the New Zealand police told *RNZ Pacific* it could not comment on investigations outside of its jurisdiction. Yet without an independent investigation, the likelihood is that those who killed 57-year old New Zealander Graeme Thomas Wall last week in Kuala Kencana will escape justice.



Freeport security personnel looking on at the Freeport McMoRan's Grasberg mining complex, one of the world's biggest gold and copper mines, located in Indonesia's remote eastern Papua province. Photo: AFP PHOTO / OLIVIA RONDONUWU

However, a member of Papua's regional parliament, Laurenzus Kadepa, said Indonesia's government should allow an independent probe with involvement of international human rights experts, the United Nations and also New Zealand. Mr Kadepa is concerned that, left to local police, there will be no clarity about how the attack was staged, nor justice served, as with previous deadly attacks in the Freeport mine area over the years. Indonesia's military and police have been engaged in ongoing conflict with the Liberation Army's guerilla fighters since the latter escalated its attacks on security forces in 2018 in the central Highlands region of Papua province. Indonesia's military forces are conducting ongoing operations in the region to hunt down the Liberation Army's fighters, whom police routinely describe as an armed criminal gang.

Not all factions of the Liberation Army are on the same page - the West Papuan independence movement's fractures are perhaps their deepest among the armed indigenous guerilla forces. "Violence in the Freeport area is historically always connected to the rivalries among these Papuan groups plus the divide-and-rule strategy of the Indonesian military," Mr Harsono said. Meanwhile, the President of the Alliance of West Papuan Baptist Churches, Reverend Socratez Yoman, said he was suspicious about the attack, given the history of killings in the area, and the fact that this latest edition took place in an area tightly guarded by Indonesian security forces. According to him, there are interests who seek to discredit the West Papuan independence movement in the eyes of the international community.

"Because we know, we realise that the West Papua struggle, led by the United Liberation Movement for West Papua, is a peaceful way, a dignified way, not just violence." Furthermore, Reverend Yoman suggested that the killing of a New Zealander could even have been by design to erode support in New Zealand for West Papuan independence aims. "New Zealand citizens strongly support West Papuan peace struggle about human rights abuses," he said. Mr Harsono said while killings in the region around Freeport were not uncommon, the killing of foreigners was. But even if international assistance with an investigation transpires, history provides a less than encouraging sign for full justice. Because Americans were killed in the 2002 attack, the Federal Bureau of Investigation got involved in the case. Yet human rights groups say the FBI was not given access to all relevant information, which might explain the questionable convictions that followed.

Kua: Project talks on hold

By SHIRLEY MAULUDU, April 7, 2020 The National Business

FORMAL talks on the development of the Twinza Oil's Pasca A project in Gulf will begin once the Covid-19 pandemic passes, says Petroleum and Energy Minister Kerenga Kua. Kua told The National yesterday that Twinza, the project developer, was ready to begin talks with the State. "Twinza is ready to go ahead (with Pasca A negotiations)," he said. "We have a draft submission in place for the project. "As soon as the prime minister allows us to go ahead, the paper will go to Cabinet." Prime Minister James Marape said last weekend that the economy needed to see major resource projects off the ground quickly. Marape mentioned Wafi-Golpu in Morobe and the P'nyang gas project in Western. Economists and heads of financial institutions recently suggested that the economy needed those projects off the ground quickly. Kua said talks and submissions were on hold right now because of the Covid-19 pandemic around the world.

On the P'nyang gas project in Western, Kua said informal talks between the State and developer were ongoing. "I don't want to raise any expectation yet. ExxonMobil has the opportunity to come with better plan for all joint venture partners," he said. Meanwhile, Kua said ExxonMobil, the operator of the PNG LNG project, was doing its best to maintain production and the export of LNG. He said it had led to increase in transport costs as normally LNG carriers would have to wait eight days before they were cleared. Because of Covid-19, it is taking 14 days for the ships to be cleared and turned around, he explained. It adds to transport costs for the project operator if it is to maintain the export schedules. Kua said the country could be getting nothing from the project this year. "We may be expecting nothing this year," he said. "This is subject to the oil price war between Russia and Saudi Arabia and Covid-19. "This will be a very bad year for all of us; it's impacting every industry and the whole economy."

Victory for the ocean: Court rules protecting the environment is bottom line in seabed mining case by Greenpeace & KASM, 3 April 2020

Kiwis Against Seabed Mining (KASM) and Greenpeace today hailed the decision by the New Zealand Court of Appeal denying Trans-Tasman Resources (TTR) permission to mine the South Taranaki Bight as a victory for the oceans. The Court of Appeal confirmed today that the proposed seabed mining operation, that would dredge a 66 square kilometre section of the seabed off the coast of Patea for ironsands, does not meet numerous environmental and Treaty of Waitangi principles and therefore could not go ahead. "This sends a powerful message that New Zealand waters are not open for pillage by seabed miners. We doubt very much that any future investor would now have the appetite for throwing money at what is clearly a lost cause," said Cindy Baxter, chairperson of Kiwis Against Seabed Mining. "This three-year process has been a long, drawn-out battle, underlining the need for a ban on seabed mining. This is the third New Zealand application and again the seabed miners have lost, at enormous expense to local communities, iwi, environmental groups and industry," she said.

Jessica Desmond, oceans campaigner at Greenpeace, says now is not the time for further exploiting our oceans. "We have to step back and recognise that seabed mining is simply too destructive to go ahead. We don't know enough about our fragile marine environment and what mining could do – but the science shows the impacts would be negative," she says. "This particular mining operation would put endangered Hector's dolphins, blue whales, seabirds, and coral life at risk. It's a risk we cannot afford. "Our oceans perform a myriad of vital services to humanity – from feeding communities to providing breakthroughs in medical science. It is high time we protected them from harmful activities. "This seabed mine would have set a very bad precedent for other companies waiting in the wings. Today's decision will be felt across the Pacific where communities are fighting other

similarly damaging huge seabed mining projects.” Just last month, the UK Government committed to not sponsor nor support the issuing of any exploitation licences for deep sea mining projects until there is sufficient scientific evidence about the potential impact on deep sea ecosystems. They also want to see strong and enforceable environmental standards in place before any mining could go ahead.

Prominent environmentalist Sir David Attenborough has also warned of potential irreversible harm that could be done through seabed mining. Today’s decision upholds a High Court decision last year that quashed the EPA consent granted to TTR. The Appeal Court decision also upheld several important points of law the groups had cross-appealed on, as the High Court had rejected these arguments. These included: including the relevance of international law, the meaning of the legislation regulating New Zealand’s Exclusive Economic Zone, its object and purpose, the precautionary principle, the relevance of the Resource Management Act regime, and a financial bond to ensure future environmental harms can be addressed. Other possible seabed mining bids could come from companies holding either mining or exploration permits off New Plymouth, Waihi Beach, and the Chatham Rise – where Chatham Rock Phosphate has already failed in its first attempt, and has been telling investors it is waiting for this decision to be resolved before it reapplies.

Rio Tinto remains responsible for Panguna mine damage says report

The Australian Human Rights Law Centre claims the mining giant Rio Tinto remains responsible for multiple human rights violations caused by pollution from the Panguna mine on Bougainville.
Radio New Zealand, 2 April 2020



Theonila Roka Matbob Photo: HRLC

The mine, the catalyst for the bloody civil war on Bougainville and responsible for widespread environmental destruction and social dislocation there, had been shut since 1989. Rio Tinto walked away from involvement in Panguna in 2016, giving its shares in its subsidiary, Bougainville Copper Ltd, to the Papua New Guinea and Bougainville Governments. The company defended its lack of action in dealing with complaints about Panguna, saying it had followed the laws of the time. The Human Rights Law Centre had now produced a report called '*After the mine; Living with Rio Tinto's deadly legacy*', which looked at the continuing impact. It revealed that communities living around the mine still had to cope with contaminated water, destroyed farm land, and a range of serious health issues. It quoted a local teacher and landowner, Theonila Roka Matbob, from a downstream village, Makosi. Ms Matbob pleaded for the company to return to Bougainville and address the urgent problems she claimed it created. "The Panguna mine devastated our communities

physically and culturally and we are still living with the consequences," she said. "Our land is destroyed and our rivers are poisoned. Kids are drinking and bathing in the polluted water and getting sick. New areas of land are still being flooded with the waste from the mine.

"We urgently need Rio Tinto to come back and deal with these problems so our communities can find healing." The report's author, Keren Adams, who is a Legal Director for the Human Rights Law Centre, believed Rio Tinto's failure to address its Panguna legacy was shameful. "Rio Tinto's decision to cut and run from Panguna without addressing the massive problems created by the mine is an appalling breach of its responsibilities," she said. "This is not a historical issue, it is an ongoing human rights disaster and Rio Tinto must immediately act to address it." Ms Adams said if Rio Tinto failed to face up to the massive problems its Panguna mine created it would "remain in serious violation of its human rights and environmental obligations." The Human Rights Law Centre called on Rio Tinto and BCL to fund an independent assessment of the mine to identify the most urgent health and safety risks to communities, and establish a substantial fund to address these problems and assist with long-term rehabilitation.



Photo: RNZ / Johnny Blades



A local youth looks over the Panguna mine Photo: RNZ / Johnny Blades

Meanwhile the *Guardian* newspaper reported a spokesman for Rio Tinto saying: "BCL was compliant with applicable regulatory requirements up until the mine's operations were suspended in 1989." The spokesman said Rio Tinto acknowledged concerns raised in the Human Right Law Centre report but could not comment because it had not been able to enter the mine since 1990. The spokesman said the ongoing, extremely challenging security situation was one of the reasons for the 2016 share transfer. "We believe the best means of addressing any current issues is through the owners of the mine working directly with the people of Bougainville."

Operations continue at Freeport mine in Papua despite killings

Radio New Zealand, 1 April 2020



Freeport's Grasberg mine in Papua, Indonesia. Photo: AFP

Operations at the massive Freeport gold and copper mine in Papua continue despite Monday's deadly attack on the company's employees. A 57-year-old New Zealander employed by Freeport was killed in the attack at PT Freeport Indonesia's offices in Timika, while two other employees were seriously injured. The multinational said the scene of Monday's deadly attack has been secured with the help of police. A spokesperson for Freeport, Riza Pratama, said it has evacuated all employees from local offices after the attack, which the West Papua Liberation Army has claimed responsibility for. He said operations at Freeport's massive Grasberg mine complex 70 kilometres away were unaffected. The Liberation Army said it launched Monday's attack because Freeport ignored its warnings to stop mining in Papua. A series of deadly attacks by the group's guerilla fighters on police and military in the mine area last month already made clear that Freeport is a target.

NZer killed in shooting attack in West Papua

A New Zealander has been shot dead at an office of a mining company in West Papua. Indonesian police said Graeme Thomas Wall, a 57-year-old employee of miner PT Freeport Indonesia, was among several people shot in an attack by armed criminals.

Johnny Blades, Radio New Zealand, 31 March 2020

The attack took place yesterday afternoon at a Freeport office in Timika in Indonesian-administered Papua province. Two other people sustained serious injuries in the attack and had been hospitalised. Freeport said four other people sustained minor injuries. Indonesian authorities have pointed blame for the deadly attack at an armed faction of the West Papua Liberation Army led by a local commander named Joni Botak. Police said that together with Indonesian military, they were hunting for the shooters who had fled into the jungle after the attack. A spokesman for Freeport, Riza Pratama,

said that Indonesian security forces had helped to secure the company's premises in the wake of the shooting, evacuating all employees from local offices.



Paramedics attended to the site where a victim lay following the shootings at Freeport's premises in Timika, 30 March, 2020. Photo: Indonesia Police

The attack comes in the same regency where the West Papua Liberation Army had claimed responsibility for recent deadly attacks on police and military connected to the lucrative mine operations. The Liberation Army, a disparate force of guerilla fighters, had declared war on the Indonesian state, with whose security forces hostilities have escalated since late 2018 in Papua's central highlands region. Indonesia's Ambassador to New Zealand, Tantowi Yahya, has condemned the shooting attack. "The armed criminal group in Papua always claims they will only attack security forces. The fact shows that the majority of their victims are civilians," he said. "The shooting in Kuala Kencana will only add the burdens of the people and the security apparatus in Papua, who are now working hard in containing the Covid-19 epidemic. "Our deepest condolences to the family of the victims. We stand ready to help when needed."



An Indonesian policeman on hand as employees of PT Freeport Indonesia take shelter in the immediate aftermath of a deadly shooting at the mining company's premises in Timika, Papua, 30 March 2020. Photo: Indonesia Police

However, the United Liberation Movement for West Papua, the non-military arm of the Papuan independence movement, cautioned against blaming at the Liberation Army. "The ULMWP urges the

international media to treat claims about the shooting with extreme caution," the Movement's chairman Benny Wenda said. "There is a long history of the Indonesian military carrying out killings, posing as West Papuans, in order to justify further militarisation, security deals and crackdowns." Meanwhile, the Freeport community was mourning the loss of Graeme Wall, who had worked with the company for the past 15 years as a technical expert.

"We are saddened by his passing and are working with his family at repatriating his remains," Mr Pratama said. The spokesman said the company was working with its security personnel and police, "constantly evaluating the situation to decide on the next steps". Mr Pratama said Freeport's mining operations in the highlands of Mimika regency had not been impacted by this incident. He added that the company's efforts to prevent the spread of coronavirus would continue. "Since the COVID 19 outbreak we have put in strict protocols of physical distancing and other hygiene measures as well as travel restrictions to minimize the risk of infections while maintain our production." In recent days, Papua province's Covid-19 response team recorded two confirmed cases of the virus in Mimika.

LNG: Landowners can expect share

March 24, 2020, The National

LANDOWNERS from Juha in Western can expect their share of royalties from the PNG LNG project this week, Mineral Resources Development Company (MRDC) says. This announcement followed a visit by officers from MRDC and the Petroleum and Energy Department to Kiunga over the weekend. According to MRDC, the visit aimed at finalising the remaining paperwork for the Western fraction of the PNG LNG pipeline segment one beneficiaries. Segment one has 13 beneficiary clans – four from Western and nine from Hela. MRDC said they would be receiving 1.78 per cent of K21.9 million which was earmarked as cash benefits for the entire PNG LNG pipeline landowners from segments one to eight. The cash benefits (K21.9mil) is 40 per cent of royalties from 2016-2018 and equity from 2014-2016, totalling K54.26 million. Of the remaining 60 per cent, half will be spent on community infrastructure projects, while the other half will be retained in the future generation trust fund for investment.

Nomad local level government president Daba Sodu, representing pipeline landowners from Western, said the people of Juha segment one were joyous because this would be the first time they will be receiving benefits from the resource project after years of waiting. "Our children will now benefit," Sodu said. "We are thankful you are here with us to share this wonderful news." Deputy provincial administrator Rupert Tabua said: "This is the first of its kind, it's a special day for the people and for us." The team is expected to continue onto Hela to meet with the nine clans there in coming days. To date, the MRDC has completed payments for segments seven, eight, four and five and is currently working on crediting accounts for segment three beneficiaries.

ExxonMobil says PNG operation will go as usual

March 20, 2020, The National Business

EXXONMOBIL's PNG operations continue to operate normally, according to a company spokesperson. The spokesperson made the statement following reports in Reuters this week which said ExxonMobil would make "significant cuts" to spending in the face of the unprecedented slide in oil prices due to the global coronavirus outbreak, which sent the company's shares to a 17-year low. When The National asked whether the company's PNG operations would be affected as a result of this decision, the spokesperson said: "Our PNG LNG project continues to operate normally." Reuters on Monday reported that US crude futures settled under US\$29 (K97.56) a barrel, down from

US\$61 (K205.22) at the start of the year. The decline has cut new drilling and led producers to seek price cuts from suppliers. Weaker demand and rising supply could lead to a six million barrel per day surplus by April, further pressuring prices. Exxon shares fell on Monday to US\$34.49 (K116.03), a level last touched in 2003, and sent its dividend yield to a record 10.1 per cent. The stock gained US\$1 (K3.36) in late trading on the expense cuts. “We are evaluating all appropriate steps to significantly reduce capital and operating expenses in the near term,” Exxon chief executive Darren Woods said in a statement. “We remain focused on being a safe, low-cost operator and creating long-term value for shareholders.”

Bird: Study on Frieda coming

By PETER ESILA, March 20, 2020, The National Business

EAST Sepik Governor Alan Bird says studies conducted on the Frieda River project are being finalised and will be published soon. The study was conducted by experts from the province to determine the consequences the project might have on the environment and, particularly, on the Sepik River. “Those studies are being finalised now, as soon as they are completed, we will publish them,” Bird told The National yesterday when giving an update on the progress of the study. He said earlier that the provincial government had committed K500,000 last year to the study. Bird said many of those experts were locals from a wide range of sectors in mining, environment and conservation and agriculture.

He said the study looked at the mine plan, economics of the plan, and the mine in relation to agriculture, water quality, environment and also the socio-economics of the entire project. Bird earlier said it would be a considerable decision given that a company spends hundreds of millions on exploration over many years. He said only the facts would determine the future of the project. The Frieda River Copper-Gold project in East Sepik is one of the largest undeveloped copper gold deposits in the world, containing 12 million tonnes of copper and 19 million ounces of gold. It can generate 170,000 tonnes of copper per annum, and 250,000 ounces of gold per annum. The Frieda River Project consists of the infrastructure project, the copper-gold project, hydroelectric project and power grid project.

SMEs in alluvial mining sector

Below is an overview of the alluvial mining sector in PNG provided by the Mineral Resources Authority (MRA). March 19, 2020, The National Business

STATEMENTS and questions have recently been made and raised in Parliament on the alluvial sector. Our PNG alluvial sector is an SME (small and medium enterprise) of considerable significance to the economy, especially in the rural setting. The Mineral Resource Authority (MRA) wants to ensure that such statements are accurate within the context of the current alluvial mining regulations which apply to all who operate in this important sector and SME environment. It is important to note that policy underpinning regulation of alluvial mining under the Mining Act 1992 (Act) has reserved alluvial mining sector for Papua New Guineans. It is also important not to confuse the issue of exploration licences with alluvial mining leases (AML). The former is generally for exploring non-alluvial ore sources. Specific regulatory controls exist for allowing AMLs to co-exist within these licence areas and rules for objections are prescribed in the Act.

However, an exploration licence (EL) holder has two options if an AML is applied over the EL area: 1 to object to the Mining Advisory Council which will uphold it if it is demonstrated that the EL holder will suffer material detriment to exploration or future mining if the AML is granted; and, 1 can negotiate with the AML applicant to agree on how alluvial mining may co-exist within the EL

and the required controls to allow this. The fee structure prescribed by the Act is set at very low levels depending on the size and scale of alluvial mining operations contemplated. However, it must be recognised that mining is a complex and expensive undertaking and there are some critical technical, financial, environmental, safety and social requirements to be met and observed.

With an one-off application fee of K250, rental of up to K15 per annum and no security deposit requirement, entry into alluvial mining through an AML has been purposefully kept low and does not cover cost of regulatory administration. The reality is that many Papua New Guineans cannot afford to undertake large mechanised mining operations as they do not have access to capital or bank funding. These larger scale operations might achieve higher levels of production and therefore revenue, but without additional capital funding, technical and management expertise and necessary specialised equipment, it is prohibitive for national developers. The regulatory framework provides for and controls this national and international investor support through tribute agreements and minority entry to larger operations.



MRA and the small scale mining and training centre

MRA is the regulatory authority for the mining sector in the country. For the alluvial sector, it operates under prescribed regulatory regimes established by the Mining Act 1992 and Mining (Safety) Act 1977. It also has a small scale mining branch located in Wau, Morobe, from where it operates a nationally accredited alluvial mining training centre. The training facility conducts in-house training courses over four levels and can accommodate up to 32 training candidates on site. The facility was funded by the European Union and opened in 2009.

Alluvial sector facts

The 2019 alluvial gold export revenue through licenced gold exporters (regulated by the Bank of PNG) totalled K549,698,436. Silver accounted for K2,051,239. The total of K551,749,676, is a new revenue record. Production of gold for 2019 was 119,904 ounces, slightly less than 2014 record. The difference in revenue is because of the significantly higher average gold price throughout 2019. MRA gold levy revenue for 2019, imposed under the MRA Act 2018 was K2,199,952. This was as a result of the increase in the alluvial gold levy from 0.25 per cent to 0.5 per cent from last May 29. With current world volatility caused by the Covid-19, the slump in oil prices and stock markets and uncertain economic activity in key economies, gold price has benefitted significantly and has hit peaks exceeding US\$1,700 (K5,807) an ounce this month. This level of pricing is very positive for the alluvial sector and PNG as a whole, given that gold exports represent around 70 per cent of all PNG mineral export revenue.

For every US\$100 (K341) increase in the gold price, PNG mineral exports increase by more than K670mil based on total 2019 gold production of 2,214,428 oz. However, gold is a very volatile commodity and regarded as a safe haven in troubled economic times. It can drop as quickly as it rises. But so far for this first quarter of this year, gold price remained on average over US\$100 higher than last year's average. The top licenced gold export companies are Itaiprezioli SPL and Golden Valley Enterprises, who together account for over 98 per cent of alluvial export revenue. Questions remain over illegal exporting of gold, which MRA believes may have increased because of the foreign exchange crisis. All alluvial gold and silver data is based upon the formal exports through the Bank of PNG and Customs regulatory process. SSMB has now certified 5,112 alluvial miners through its training programmes since 2009, including 79 at the top mechanised mining level four.

With exception of tenement information, MRA holds no reliable data on the number of people participating in the alluvial sector in PNG, especially given the rural and remote locations of many of these community-based, non-mechanised operations. We do know from our training initiatives, tenement regulation, convention presentations, regional activities and local knowledge that numbers run into the many thousands. Until a comprehensive database of such information can be established these numbers will remain purely conjectural and largely unknown, and MRA takes the view it is best not to guess as this can be misleading. The mercury project is expected to provide greater detail on the numbers involved within the sector. Outreach training programmes have been undertaken in Morobe, New Ireland, Eastern Highlands, Milne Bay, East New Britain, Manus, Western, East Sepik, Chimbu, West Sepik, Central and Madang. More than 3,053 miners have been trained through the outreach programme since its inception in 2013.

Several alluvial conventions and trade shows have been held in Lae and Goroka since 2014 to promote the sector and bring stakeholders together to discuss common themes, innovation and to educate on the regulatory environment. As of this month, there are 31 active mining leases (for alluvial purposes). There are 118 active alluvial mining lease tenements. There are 11 AML and 119 ML conversion tenements awaiting completion of assessment for grant under the Mining Act 1992 – these are historic pre-1992 alluvial tenements whose tenement and mining rights have been preserved under transitional provisions. Therefore, active alluvial mining tenements make up approximately 40 per cent of total active mining or exploration tenements in PNG. Many of these alluvial tenements are supported by registered tribute agreements, which support the financial capacity and operational requirements of alluvial tenements. These allow access by investors into alluvial mining lease operations on a joint venture basis and are also regulated by MRA.

Regulatory regime

The Mining Act 1992 sets out the basis for regulation of the alluvial sector in PNG. Essentially, alluvial mining is reserved for Papua New Guineans, especially on their land. The key reservations are that a mining lease (for alluvial purposes) shall:

- be for a term up to 20 years but may be extended for up to 10 years;
- be over an area not more than 60sqkms in a rectangular or polygonal shape which is marked out or surveyed;
- be supported by proposals for development which prove a resource to support the term, area and operation as well as set out the technical and financial capacity of the applicants;
- hold an environment permit issued by Cepa to protect the environment; and,
- be subject to monthly production and royalty reporting obligations.

A mining lease anticipates a large scale alluvial mining operation and could, at the minister's option be subject to a development forum and a benefit sharing agreement.

Compliance and monitoring

Subject to the size and scale of the proposed operation, mining is a cost intensive undertaking with

numerous regulatory obligations. Alluvial operations are often in remote and inaccessible locations throughout rural regions of PNG. The logistics of development in such circumstances requires considerable funding, specialist heavy equipment and expertise. An ML can be a major mining operation and cannot be contemplated without careful planning, adequate and reliable funding, a proven resource, technical and management expertise and cooperative working relations with the impacted community and landowners. MRA's role as regulator is to ensure that all requirements are able to be met or have been complied with. Once a lease is granted compliance will be monitored and a monitoring committee is under trial to provide an additional level of assistance to selected tenements by way of oversight and advice to ensure developments occur and issues between parties are resolved for financial benefit of all parties, especially where tribute agreement relationships exist.

Unauthorised Mining (Sect 161, 166 and 167 of Mining Act)

The MRA has powers to seek information on any mining activities, especially illegal activity. The police may be enlisted to assist in enforcing powers to close down unauthorised mining and to disable equipment by seizure, impounding or otherwise. These powers include a right to prosecute for offences and fines of up to K10,000, imprisonment for up to four years and orders may be granted for rehabilitation of a mining site.

Challenges

The problems that frequently occur within the alluvial sector, and which unfortunately lead to numerous failed mining ventures, are well known. The remoteness of many of the operations and lack of awareness of regulatory requirements are contributing factors. Unauthorised mining is another factor as it will often involve others operating within areas they have no right to be. Problems and challenges include:

- landowner and land boundary disputes leading to relationship and access issues;
- lack of trust and cooperation between mining partners;
- lack of transparency and fairness in management and administration of the development;
- failure to appreciate complexity and cost of mining;
- commercial partners taking advantage of landowner naivety, and landowners frustrating access, development and operation;
- use of mercury which is hazardous to health and environment; and,
- illegal export of gold.

Wafi-Golpu Negotiations Have Not Recommenced – Newcrest

Matthew Vari, Post Courier, March 16, 2020



NEGOTIATIONS into Morobe's Wafi-Golpu project is still pending according to project joint venture partner Newcrest Mining Limited. Newcrest Mining PNG country manager Mr Stanley

Komunt said this in response this paper queries in relation to comments made by Mining Minister Johnson Tuke last month on government's intention to resumes negotiation following the dismissal of the memorandum of understanding in court case relating to the project. Mr Komunt said the main reason for uncertainty was the relays [sic] in the proposed revised mining act, which is still yet to be passed by government and how concerns raised may be factored into the amended act. "We from the JV's point of view have not made a commitment as yet to progress any discussions. "There is a couple of reasons why and number one is more to do with the current discussions on the revised mining bill.

"We really don't know where that is going to end. Whilst the Prime Minister has given us, the industry and SNT (State Negotiating Team) team to go and back and since our meeting in January 17 in Brisbane. "He has given us two months and we have been meeting last month now and we are slowly getting there but there is still some major, not so much disagreement, but misalignment I would say," Mr Komunt pointed out. Komunt pointed out other particulars also in the air such as benefit sharing, royalty and contracts have all been relayed to the minister responsible for mining. "Whilst we appreciate, the company, not only us but the industry appreciates that country needs to get a better share and we want to make sure that is realized through the negotiations that we will have. "We are not quite there yet to start the negotiations for Wafi. We have relayed that to the minister. "Because if the revised mining act changes it will have an impact on the project economics and how we have done our planning and that is a major concern and we can't do anything. Prime Minister Marape has indicated his government is set on delivering the project, a point Komunt added the PM is well aware and supportive of an understanding going forward.

Gold price climbs higher

March 16, 2020, The National Business

GOLD price hit peaks exceeding US\$1,700 (K5,780) an ounce this month, according to the Mineral Resources Authority. This is due to the current world volatility caused by Covid-19, the slump in oil prices and stock markets and uncertain economic activity in key economies. "This level of pricing is very positive for the alluvial sector and PNG as a whole, given that gold exports represent around 70 per cent of all PNG mineral export revenue," the MRA stated. "For every US\$100 (K340) increase in the gold price, PNG mineral exports increase by more than K670mil based on total 2019 gold production of 2,214,428 oz. "However, gold is a very volatile commodity and regarded as a safe haven in troubled economic times.

"It can drop as quickly as it rises. "But, so far, for the first quarter of 2020, the gold price remains on average over US\$100 (K340) – higher than the 2019 average." In 2019, alluvial gold export revenue through licenced gold exporters (regulated by the Bank of PNG) totalled K549,698.436. Silver accounted for K2,051.239, bringing the total for the sector to K551,749,676 – a new revenue record. MRA said gold production in 2019 was 119.904 ounces, slightly less than the 2014 record. The difference in revenue is because of the significantly higher average gold price in 2019.

Miner condemns killings

March 16, 2020, The National

BARRICK Niugini Ltd (BNL), operator of the Porgera mine in Enga, has condemned the killing of at least nine people during an outbreak of tribal violence that occurred last week in Porgera Valley. BNL executive managing director Anthony Esplin confirmed local reports that at least nine people, including women and children, died following a further outbreak of violence linked to a tribal conflict between two warring groups from Tari in Hela. "I can confirm that yesterday (on Wednesday)

there was an attack by armed men near Suyan village approximately five kilometres from the Porgera mine, with at least nine people, including women and children, fatally shot by the attackers,” Esplin said. “Police personnel are currently in attendance at the scene, and are investigating the murders with the assistance of local community leaders from the Porgera law and order committee.

“BNL understands that this continuing violence is part of a long-running conflict between two outside groups who are currently residing in and around the Porgera Valley. “We condemn these killings in the strongest terms and join with the local community in calling for an end to this senseless violence. “While we have confirmed that no mine employees were involved in this incident, the ongoing violence affects everyone who lives and works in Porgera valley – they are living in fear as a consequence of this conflict and the general decline of law and order in Porgera and beyond,” he said. “Together with the community leaders of Porgera, we call on the Government and provincial government to act swiftly in bringing those responsible to justice and will provide any appropriate support needed to bring about an end to this violent criminal behaviour.”

Group wants deep-sea mine permit, licence cancelled

March 16, 2020, The National



A GROUP of people concerned about the implications of deep-sea mining wants the Government to cancel the environment permit and mining licence granted to Nautilus Minerals Niugini Ltd. The group is led by Jonathan Mesulam of the Alliance of Solwara Warriors, Peter Bosip, the director for the Centre of Environmental Law and Community Rights, Marie Mondu, the development secretary of the Catholic Bishop’s Conference of PNG and the Solomon Islands, and Cardinal Sir John Ribat, the Archbishop of Port Moresby, in association with the Catholic Bishops’ Conference, Coffee Industry support project, Caritas and the Social Communication of CBC PNGSI. Mesulam said there was a lot of debate and opposition to the project since 2011 and with the project being declared “a failed project” the goal was achieved and asked the Government to go further and cancel its mining and exploration licence.

“The Solwara 1 Project has been declared a failed project in a public statement by the managing director of Mineral Resources Authority Jerry Garry in The National of Jan 24, 2020,” he said. “The mining licence was given in 2011 and there is no mining, why is the company still holding onto the licence? “The Government has to cancel the licence before the end of this year,” Mesulam said. “As stewards of the sea and future, we are now giving notice to the responsible ministers to cancel the seabed mining licence ML154.” Bosip said the deep-sea mining in PNG was the first of its kind in the world and “we do not know the negative impacts of it”. “We do not know the best method of mitigating its negative impacts that will arise, we are not prepared to face the negative impact of deep-sea mining.”

PNG transfers remaining BCL shares

Carmella Gware, Loop PNG, March 13, 2020



The PNG Government has fully transferred its entire 36.4 percent share in the Bougainville Copper Ltd to the Autonomous Bougainville Government. This was one of the resolutions reached during the first, and possibly the final, post-referendum Joint Supervisory Body meeting held on Thursday, the 12th of March, at Port Moresby's APEC Haus. It was the first Joint Supervisory Body, or JSB, meeting to be held since the referendum last year. It is also the last JSB as its name has been changed to Joint Consultative Body, and this body will continue to provide oversight to the post referendum consultation processes. During the JSB, teams from the PNG and Autonomous Bougainville governments, including President John Momis and Prime Minister James Marape, sat together to decide a future for Bougainville. The sixth out of the 13 agendas discussed and passed included the transfer of Bougainville Copper Ltd shares. The JSB noted that in 2017, the National Executive Council made a decision for the National Government to transfer 17.4 percent from its 36.4 percent shares to the landowners of Panguna.

Following that, on the 13th of December, 2019, at the joint announcement of the Bougainville Referendum results, Prime Minister Marape further announced that the National Government will transfer to ABG its remaining 19 percent of the BCL shares. "This JSB affirmed that the entire shares of Bougainville Copper be passed to Bougainville Mining Ltd – the Bougainville Government and Bougainville people's subsidiary company," the PM, flanked by the ABG President and members of their technical teams, told media after a full day of meeting. Rio Tinto and the ABG both own 36.4 percent each while public shareholders hold the remaining portion of the share capital. Apart from BCL shares, the PNG Government has made it clear that the constitutional Restoration and Development Grant (RDG) will be given to support the budget on Bougainville while the National Planning Ministry has been directed to clearly define the K100 million commitment and report back in the next Joint Consultative Body meeting this year. The JSB has also acknowledged and accepted the democratic choice of the Bougainville people for Independence.

Barrick supports training of police personnel in province

March 13, 2020, The National

BARRICK Niugini Ltd (BNL), operator of the Porgera gold mine, has again thrown its support behind training of police personnel in Enga. BNL senior manager for asset protection Aaron Zampogna said that the Porgera mine continued such support in efforts toward restoration of law and order in the troubled Porgera valley. "From PJV's (Porgera Joint Venture) perspective, we are happy

to support the local police in their training and again in any future training,” he said. The two-week frontline supervision training, began last Nov 4 and was attended by members of the Porgera police and also Mobile Squad members on deployment to Porgera under Police Operations 2019 (PO19). Zampogna urged the participants to use their acquired skills in their daily duties. “Don’t abuse them,” he said. “Use them when they are needed. “Use them for the right things, not for personal reasons.” Porgera community-based restoring justice initiative has had a close working partnership with agencies in the law and justice sector over the years. Royal PNG Constabulary acting commandant for the Bomana Police College Chief Insp Erwin Maritua acknowledged that funding was the greatest challenge for the college. As a result, he said, they were unable to support the work of regional and principal training officers (RTOs and PTOs).

Govt to fast-track entitlements: Kua

By SAMUEL BARIASI, March 13, 2020, The National

THE Government will fast-track the outstanding entitlements of 4.27 per cent additional equity to the landowners of the liquefied natural gas project in Hela and other impacted provinces. Petroleum and Energy Minister Kerenga Kua told landowners in Port Moresby yesterday that the National Executive Council had decided on Wednesday that the Kumul Petroleum Holdings Ltd would manage the equity funds. “This (additional equity) has been a long outstanding issue with no real action taken but we have agreed now that it will be quickly addressed,” he said. Kua told the landowners that about K1 billion in benefits was available for them. He assured the landowners that K368 million in royalties was in a trust account with the Bank of Papua New Guinea. “Another K500 million in equity is under the control and management of Mineral Resources Development Company (MRDC),” he said. But he said most of these funds could not be released because of pending court cases and injunctions. Kua urged the landowners with court cases to resolve their differences and withdraw their court cases so that more than 60,000 people in project impacted areas could benefit from the development projects on their land. “The court cases are depriving you from benefiting.”

K4.9mil for pipeline landowners

March 13, 2020, The National [National](#)

THE PNG LNG pipeline segments three, four and five will receive their shares of project benefits totalling K4.9 million this week, according to the Mineral Resources Development Company (MRDC). They follow the 37 major beneficiary clans in segment seven, Kikori, who were the first to receive their shares – K9.2 million out of K21.9 million earmarked as cash benefits for the entire pipeline segments of the project recently. MRDC launched the payment exercise in Kikori, Gulf last Wednesday witnessed by the Minister for Petroleum and Energy Kerenga Kua and Gulf Governor Chris Haiveta. The three segments (3, 4 and 5) are part of eight segments along the 679km pipeline transporting gas from Hides in Hela to Caution Bay outside Port Moresby. The pipeline runs through five provinces – Hela, Southern Highlands, Gulf, Western and Central.

Segments three, four and five beneficiaries are from Moran, Kutubu and Gobe in Southern Highlands and have a total of 77 clans as per their respective ministerial determinations (G359, G360 and G361 of 2018). Segment three has 20 major clans and 27 sub clans who will share K850,000, segment four has 10 major clans and 10 sub clans who will share K1.5 million while segment five has 10 major clans and will share K2.5million. Director representing segments four and five on the board of the pipeline trust company Gas Resources Pipeline Ltd (GR Pipeline), Telabe Babena, expressed his appreciation and relief saying he was glad the people would finally receive their benefits. “It’s been a long wait, many people have died and gone without seeing the benefits promised to

them almost seven years ago when the project started,” he said. “I am glad this day is finally here, this is a start and for those of us here now we can enjoy this benefits in a positive way.”

David Attenborough calls for ban on ‘devastating’ deep sea mining

Proposed mining of seabed could destroy unstudied ecosystems and disrupt vital carbon-storing functions, says naturalist. Karen McVeigh, The Guardian, 12 March 2020



Deep sea corals provide habitat to a variety of organisms that could be destroyed by deep sea mining. Photograph: NOAA

Sir David Attenborough has urged governments to ban deep sea mining, following a study warning of “potentially disastrous” risks to the ocean’s life-support systems if it goes ahead. The study, by Fauna and Flora International (FFI), warns proposed plans to mine the seabed could cause significant loss of biodiversity, disruption of the ocean’s “biological pump”, and the loss of microbes important for storing carbon. The process, requiring machines operating thousands of metres under the sea, could also create plumes of sediment that smother areas far from the mining sites and kill wildlife. Dozens of exploratory licences, two of which are sponsored by the UK, have already been granted for huge tracts of the sea bed, ahead of a race to mine commercially for ores and minerals such as copper, used in mobile phones and batteries.

But the rules to govern the responsible exploitation of this global resource are not finalised – they are expected to be completed at a meeting in July at the UN International Seabed Authority. Attenborough, the vice president of FFI, said deep sea mining could create a “devastating series of impacts” threatening processes critical to the health and function of the oceans, and called on governments to be guided by scientists. “Fauna & Flora International is calling on global governments to put in place a moratorium on all deep sea mining – a call I wholeheartedly support,” Attenborough said. In a foreword to the report, Attenborough said it was “beyond reason” for countries to consider the destruction of deep sea places before they have understood them or the role they play in the health of the planet.

Attenborough said: “The rush to mine this pristine and unexplored environment risks creating terrible impacts that cannot be reversed. We need to be guided by science when faced with decisions of such great environmental consequence.” FFI warned that human activity was already putting a huge strain on the oceans, which have absorbed a third of our carbon emissions and 93% of the extra heat trapped by the rising concentration of greenhouse gases. Oceans are becoming more acidic because of the carbon dioxide dissolving into them, fisheries are under pressure as a result of over-exploitation and there are hundreds of huge “dead zones”, it said. Pippa Howard, director at FFI and lead

author of the report, called for a moratorium on deep sea mining. She said: “The conclusions we have come to after extensive study could hardly be more troubling.

“From methane release to disruption of the ocean’s life-support systems and the destruction of un-studied ecosystems, the risks of deep sea mining are numerous and potentially disastrous.” Louise Casson, of Greenpeace’s Protect the Oceans campaign, said the UK government’s holding of exploration contracts for deep sea mining was at odds with its position as a “global ocean champion”. Casson said: “The UK government now has a choice to make: listen to industry and press ahead with this dangerous new practice, or listen to scientific warnings, public concern and the creator of Blue Planet himself and ban deep sea mining.” A government spokesman said: “The UK continues to press for the highest international environmental standards, including on deep sea mineral extraction. “While we have sponsored two exploration licences, these allow only for marine research to understand the effects of deep sea mining. “We will not issue a single exploitation licence without a full assessment of the environmental impact.”

BCL: BML to gain Govt shares

March 13, 2020, The National

THE Government will give all its shares in the Bougainville Copper Ltd (BCL) to the Bougainville Mineral Ltd (BML). The BML will manage the shares on behalf of the Autonomous Bougainville Government (ABG) and the Panguna landowners. This was agreed to by Prime Minister James Marape and ABG President John Momis in the final meeting of the Joint Supervisory Body (JSB) in Port Moresby yesterday. The Government owned 36.4 per cent of the BCL shares since 1975. In 2017, the National Executive Council decided to transfer 17.4 per cent of its shares to the landowners of Panguna. Last Dec 13, the Government decided to transfer the remaining 19 per cent of its shares in BCL to the ABG.

The JSB has directed the Treasury Department, Kumul Minerals Ltd to effect the immediate transfer of the 36.4 per cent shares in the BCL to the BML. Marape also wants the transfer of all (government) powers to the ABG, except for Foreign Affairs, Defence and the PNG currency. “These functions have to be transferred as soon as possible to enable Bougainville to have economic independence,” he said. Momis said it was the first time to hear Marape confidently transferring all the powers to ABG as stipulated in the Bougainville Peace Agreement. “These are the functions we have been lacking to build our economy since getting autonomy status in 2005,” Momis said. “When we have these powers, it will enable us to generate our own economy.”

Company gets high-grade gold results in Milne Bay

March 12, 2020, The National Business

KINGSTON Resources Ltd has received high-grade gold results from recent trenching which has defined a new gold target at Umuna East within the 2.8 million-ounce Misima gold project in Milne Bay. A new area of trenching adjacent to recent drilling has produced gold mineralisation assaying up to 12.3 g/t (grams per tonne). The work is being done as part of Kingston’s strategy to define early mill feed at the project on Misima Island. Kingston Resources managing director Andrew Corbett said: “Umuna East is continuing to emerge as a priority focus for us in terms of delineating areas of shallow mineralisation that can underpin potential starter pits at Misima. “The latest geo-chemical results from trenching highlight an exciting new shallow target immediately adjacent to our recent drilling and in an area with the potential to improve the existing resource.”

The trenching was undertaken to follow up the results of the company's drilling campaign announced in January which confirmed the presence of significant shallow gold mineralisation at Umuna East. Kingston is drilling the Ewatinona and Abi prospects within the Quartz Mountain area which is expected to contribute to a potential upgrade and possible expansion of the existing 220,000-ounce inferred resource at Ewatinona. Following completion of this programme, it is anticipated that follow-up drilling will be undertaken at Umuna East where the new trench results will guide follow-up drill holes to delineate additional potential gold mineralisation in an untested pocket of Umuna East. Corbett said they would continue to focus on improving their understanding of the area to increase confidence in the resource model.

Limestone project set to re-open

By PISAI GUMAR, March 12, 2020, The National Business

MOROBE's pioneer limestone project in Buang in Bulolo that ceased 20 years ago is set to operate as the first-ever mining lease owned by landowners in country. The Explominers Geoservices Ltd (EGL) technical assessment report on ML (mining lease) 28 upon advice from mining advisory council saw the Bayawaha Limestone Company Ltd (BLCL) as the leaseholder and proponent of the development of its limestone resource. According to EGL, the aggregate business BLCL has more than adequate resources to sustain the planned production rate of 600,000 tonnes per annum for more than 20 years of the mine's lifespan. EGL report highlights four various blocks and its mineral deposit value. Block A contains 33.5 million tonnes (97.4 per cent CaCo₃), block B-32 million tonnes (90 per cent CaCo₃), block C-58 million tonnes, (80 per cent CaCo₃) and block D-31million tonnes (80 per cent CaCo₃).

BLCL chairman Julie Towak Yakam said they had acquired the ML license, environmental permit and incorporated land group (ILGs) certificates. Towak, the widow of project principal late Yakam Bom, said it was a struggle to acquire relevant documents purposely to ensure landowners and children to own the mine, set up crusher on site and a plant in Lae to produce and supply hydrated lime powder. "We need only K10 million to build the plant and I urged the government to create a way for us through the small and medium enterprise scheme," she said. To acquire a loan from the National Development Bank to get the project begin soon. "The loan will be repaid within five months period," Yakam said. "If Prime Minister James Marape boasts about 'taking back PNG' similarly to Governor Ginson Saonu claiming to 'take back Morobe' then this is the way forward," she said.

"We have the resources, the knowledge and skills and the government needed to appreciate and empower us to own and developed it ourselves rather than to depend too much on foreigners." Late Bom and Julie operated the mine since 1968 when ML 28 was under New Guinea Containers (NGC) and expired in 1989. Late Bom passed on in 2009 leaving Julie that struggled since 2010 until she acquired the ML 28 title in 2015. Yawing Bom, Julie's brother-in-law said the soft launching on March 7 was to inform clan members about company operational structures, directorship, shareholdings, clan participation and beneficiaries. He said the three clans under Katumani tribe include Bayakwasang, Bayasangas and Baiyune are united under Kawasang landowners association are also the BLCL directors and shareholders.

Tribal fighting kills 11 in PNG's Highlands - reports

There are reports from Papua New Guinea's Highlands region that as many as 11 people have been killed in tribal fighting. Radio New Zealand on 12 March 2020



Homes in Western Highlands province, Papua New Guinea Photo: RNZ / Johnny Blades

Three children are among the dead after clashes between two warring tribes from Hela province that spilled over into neighbouring Enga province. The *Post Courier* reports that the fighting has centred on Enga's Porgera Valley. It is the latest in a series of recent clashes, one of which claimed the life of a policeman, and another which resulted in the killing of a number of missionaries. The paper said that fighting led to a police raid but a local leader said the houses burnt down by security personnel belong to innocent people. Meanwhile, the Hela tribesmen, from the Tari area, have refused to leave and return home.

Papuan liberation movement calls for miner to stop operating

The United Liberation Movement for West Papua is calling for mining company Freeport to stop operating in Papua until local conflict ceases.

Radio New Zealand on 11 March 2020



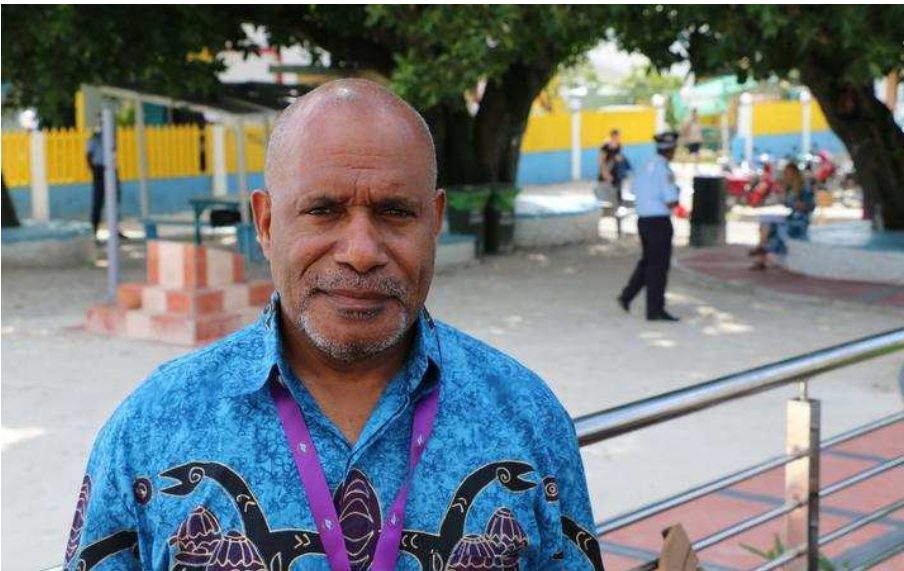
Freeport-McMoran mine in West Papua. Photo: AFP PHOTO / OLIVIA RONDONUWU

Violent [clashes have broken out](#) between Indonesian security forces and the West Papua National Liberation Army near the Freeport gold and copper mine. The Liberation Army has claimed responsibility for the shooting deaths of an Indonesian soldier and a policeman in the Freeport area since late last month. It also said it had injured several police while it targeted the lucrative mine as a symbol of the Indonesian state it had declared war against. The Liberation Movement chair, Benny Wenda, said Papuan military fighters had a right to defend ancestral lands against an invading force. Mr Wenda accused Freeport of providing support to Indonesian forces to carry out mass killings, and depopulate local villages. Freeport should stop operating in West Papua until bloodshed ceased, he said.



West Papua Liberation Army fighters. Photo: Supplied.

"Freeport has long been the single largest tax payer to the Indonesian colonial state, taxes which are used to buy the weapons which kill my people," Mr Wenda said in a statement. "There have always been West Papuans who, with the support of the people, defend themselves, their mountains and their forests. They are the West Papuan home guard. "The people of West Papua have lived on their lands for tens of thousands of years. Until Indonesia came there was no mass killing, deforestation or pollution. Now, our land is a hunting ground for the Indonesian military."



West Papuan independence campaigner, Benny Wenda. Photo: RNZ / Jamie Tahana

Papua region police chief Paulus Waterpauw has told local media that security forces are looking to arrest members of the West Papua Liberation Army which has been staging ambush attacks on his personnel. PT Freeport has warned its employees in Papua about heightened security risks in the area, advising them to stay vigilant. Meanwhile, the *New York Times* reports that almost 2000 West Papuan villagers have fled the area due to the shootouts between the Liberation Army's guerilla fights and Indonesian forces. A local disaster mitigation agency chief, Yosias Lossu, said buses owned by PT Freeport Indonesia evacuated about 1000 villagers, mostly women and children, since last week. Another 800 villagers were evacuated with assistance of police last Friday, he said.

PNG production issues plague Newcrest

Derek Rose, Australian Associated Press, March 11, 2020



The Lihir gold mine in Papua New Guinea

Australia's largest listed goldminer says it expects to produce around 10 per cent less gold than previously forecast due to underperformance of its mines in Papua New Guinea and Western Australia. Newcrest Mining now only expects to produce 2.1 to 2.2 billion ounces of gold this financial year, down from a forecast of 2.38 to 2.54 billion ounces it made on January 30. The goldminer said increased production at its Cadia mine in central-west NSW and Red Chris mine in British Columbia, Canada won't be enough to outweigh shortfalls from its Telfer mine in WA and Lihir mine in PNG. Lihir, located on an extinct but geothermically active volcanic crater on Aniolam Island 900km northeast from Port Moresby, is proving to be particularly difficult, Newcrest said.

"Lihir has been challenged by difficult mining and geothermal conditions, leading to a sub-optimal blend of ore feed to the plant," Newcrest managing director and chief executive Sandeep Biswas said. That lower grade material ore proved problematic to the mine's material handling systems and flotation recovery, Newcrest said. "Operating improvements planned at Lihir for the remainder of FY20 will be insufficient to address its shortfall in production." Newcrest also announced it had found a "pod" of high-grade mineralisation at its Havieron Project, 45km from its Telfer mine in WA. Mr Biswas called the mineralisation "amongst the most impressive seen in recent memory" and said Newcrest was excited about mining it. Newcrest said it would study the potential of Havieron into commercial production in about three or four years.

SLN reopens New Caledonia's Thio site

New Caledonia's biggest private sector employer, the SLN nickel company, has resumed operations at its mining site in Thio after [shutting down](#) operations last week.

Radio New Zealand on 10 March 2020



SLN smelter in Noumea New Caledonia Photo: RNZ Walter Zweifel

SLN said it had taken that step for the safety of its staff and to protect its installations. A freighter due to load nickel ore for the smelter in Noumea was blocked amid a lingering dispute over the company's restructure. Reports say talks between customary leaders and striking subcontractors eased the situation. However, they say freighters at the SLN site in Kouaoua are still unable to load ore as subcontractors are maintaining their blockade. SLN wants to change the working week by getting employees to put in more hours on working days in return for working fewer days. As part of plans to increase productivity, SLN also wants some people to work on Sundays which continues to be opposed. SLN has 2000 staff but over the past seven years it has run up losses of about \$US1 billion.

MRA embarks to reduce mercury usage

The Mineral Resources Authority (MRA) recently launched a project to reduce the use of mercury in small scale mining operations. Cedric Patjole, Loop PNG, March 8, 2020



Alluvial miners at work on Bougainville

The Project aims to identify the extent to which mercury is used in the industry and how it is used and by whom, in a bid to mitigate health risks. On March 6th, the 'Reducing Mercury Use in Papua

New Guinea's Alluvial and Small-Scale Gold Mining Sector' Project was launched in Port Moresby, following a workshop with key stakeholders and project partners. The Alluvial Mining industry is one of the largest small to medium enterprise sectors in PNG that engages thousands of rural small scale miners. It is also a sector that is great health risks due to the usage of mercury. "This project is designed to get a better understanding of our alluvial sector general, and more specifically to identify the extent to which mercury is used how it is used and by whom," said MRA Executive Manager of Regulatory Operations, Roger Gunson. "In addition, it will track the supply trial and identify the regions where it is used. The data collected relating to the sector will be entered into a database administered as part of MRA's land-folio tenement system.

"This will be able to better inform on policy development, resourcing, training and sector needs." Gunson, said the Alluvial Mining is one of the biggest revenue earners for the country with K550 million recorded in 2019. He said this is similar to revenue generated by smaller mines such as Simberi Mine. However, the use of mercury in extracting gold poses major health risks to the miners. "Unfortunately, in many parts of PNG gold is extracted through the use of mercury. This is a danger to the health of miners, their families and communities as well as we have heard from the workshop today. "Hence, we have a paradox, we want the gold and we want to be able to seek it, but we also have a health risk that sits alongside it," said Gunson. The project is funded by the US Department of State and implemented by Artisanal Gold Council (AGC) in conjunction with the MRA.

Alluvial Sector Revenue at K550m in 2019

Patrick Tom, Post Courier, March 9, 2020

The country's alluvial sector production and revenue has climbed to K550 million in 2019, an increase of K140 million from what it earned in 2018. Mineral Resource Authority regulatory operations manager Roger Gunson revealed during the launching of the Reducing Mercury in PNG ASGM sector last Friday that last year the country's alluvial sector generates revenue of K550 million, and produced 120,000 OZ (ounces) of gold. When put that in perspective that's similar to a medium size mine like Simbari mine in New Ireland. Mr Gunson said gold represents 70 per cent of mineral revenue, adding that current the gold price as of last Friday was at almost US\$1670 an ounce filtering with historic highs. "The high gold price is beneficial for PNG and the alluvial sector," he said.

"For every US\$100 increase in the gold price, our mineral revenue increases by over K650 million," said Mr Gunson. He said that provides some perspective on the significance of gold to our economy. "From the grassroots miners working the rivers and streams boost their rural household income, through to the national government collecting taxes." "The sector is one of the largest small and medium enterprise directly benefits those communities that involve in alluvial gold mining," said Mr Gunson. He also pointed out that PNG alluvial sector has a significant component of the overall mining industry of Papua New Guinea. It has been operating since 1881.

Employees warned over heightened security risks at Papua mine

Employees at the Freeport mine in West Papua have been warned about heightened security risks in the area. Radio New Zealand on 6 March 2020

PT Freeport Indonesia has told staff they and their family may notice an increased presence of security personnel. This follows a [series of attacks](#) on Indonesian security forces in the area around Freeport's Grasberg gold and copper mine in Papua province. The West Papua Liberation Army has claimed responsibility for the attacks. It said it shot dead an Indonesian soldier in the area at the weekend, and on Monday [injured up to eight police](#) on the road to the mine. Freeport has advised

employees to remain vigilant and report anything suspicious they encounter. In its update to employees, the company has also instructed measures employees should take when they hear shots. The Grasberg mine has long been a major source of revenue to the Indonesian state. PT Freeport Indonesia, a subsidiary of US-based company Freeport McMoran, was recently compelled to divest 51 percent of its equity in the mine to Indonesia. The West Papua Liberation Army said it was targeting the mine operations in its war on the Indonesian state. The road between Mimika's capital Timika and the Freeport mine, about 125km long, is guarded by an estimated 3000 Indonesian security forces. According to [human rights researchers](#), dozens of people have been killed and over 500 injured in shootings along the road in the past 17 years.

New Caledonia's SLN suspends operations in Thio following strikes

New Caledonia's biggest private sector employer, SLN nickel, has suspended its operations in Thio following weeks of industrial action. Radio New Zealand on 6 March 2020



Photo: RNZ / Johnny Blades

The mining site in the north of the main island had seen strikes since mid-January as opposition continues to a restructure, which was agreed on in 2018. SLN said it had taken that step for the safety of its staff and to protect its installations. A freighter due to load nickel ore for the smelter in Noumea was blocked in Thio this week by a group of subcontractors resisting the restructure. SLN wants to change the working week by getting employees to put in more hours on working days but in return to work on fewer days. As part of plans to increase productivity, SLN also wants some people to work on Sundays which continues to be opposed. SLN has 2000 staff in New Caledonia but in the past seven years it has run up losses of about \$US1 billion.

Minister directs department to focus on Pasca project

March 6, 2020, The National Business

PETROLEUM and Energy Minister Kerenga Kua has directed the department to focus on the Pasca condensate and gas field project located almost 100km offshore in the Gulf of Papua. This is to ensure a gas agreement is in place towards the middle of the year. “The developer, Twinza, has already complied with many requirements under the Oil and Gas Act which enabled me to sign off on ministerial determination last August so they could proceed to the next phase of commercialising the project,” he said. “With the instruction from Prime Minister James Marape, the Department of Petroleum has set a timetable to ensure further legal and regulatory requirements are satisfied before

a PDL (petroleum development license) can be granted,” he said. “In compliance with the Oil and Gas Act, a development forum will take place between the provincial and national governments. “We anticipate this to take place once arrangements such as finance are in place.”

Kua said the project was 95km out to sea and beyond the fishing grounds of landowners. “Therefore, it will be the first project in the country not to have any landowners,” he said. Kua said Twinza had been operating in PNG since 2011. “With this determination, I am confident that Twinza can convert the Pasca gas to LPG (liquefied petroleum gas) for our domestic and regional market,” he said. The project will increase the national gross domestic product and export earnings, boost Government revenue and create jobs. It should also provide a catalyst for further resource development in Gulf by providing third party access to stranded gas resources for processing and export via the Pasca A platform. The direct impact of the project is projected to deliver capital investment of US\$624mil (K2.086bil) in terms of the life of the project. Recurrent operating expenditure, including a significant level of local spending on support services, is expected to average US\$41mil (K137mil) per year over the life of the project. Further returns to Government may arise from equity participation in the project.

LNG: Govt will consider concerns: Kua

By GYNNIE KERO, March 6, 2020, The National Business

THE Government will consider concerns raised by landowners when it reviews the PNG LNG agreement signed in 2008, Petroleum and Energy Minister Kerenga Kua says. Kua was responding to concerns raised by the pipeline landowners in Kikori, Gulf, during a visit there on Wednesday. Kikori is segment 7 of the multi-billion kina project and its 37 clans received K9.2 million-plus yesterday. Segment 7 director Wauro Oumabe stressed on Wednesday the need for the agreement to be reviewed as it was long overdue. He said allocations to beneficiaries needed to be raised. “We will start the review with developers (project) and at the same time incorporate issues for landowners and review them together,” he said. “We need your (landowners) cooperation.

“The PNG LNG agreement signed in 2008 was due for review in 2018. “For some reason it wasn’t.” On the roll-out of benefits for pipeline landowners by Mineral Resources Development Company which began this week, Kua urged the segment 7 clans to use their money wisely. “Projects (such as PNG LNG) will not be here forever,” he said. “Spend (your share of the benefit) here in Kikori – spend it on your wife, husband and children. “Give them a good education, good health and prepare them properly for the life beyond the project. “Build a house. “Don’t rush to get a dinghy in Kerema or go all the way to Port Moresby and blow your income and return home empty-handed and wait for next year. “Put the money where it will matter.”

Landowners to take up shares in project

March 6, 2020, The National Business

LANDOWNERS along the pipeline areas of the PNG LNG project will take up shares in a power project, according to the Mineral Resources Development Company (MRDC). Managing director Augustine Mano said they were working with the landowner trust company to make prudent investments, which were already reaping good results. He told pipeline landowners in Kikori, Gulf, on Wednesday, about the plant site landowners’ investments at the Dirio power project in Central. “These investments are returning 12 per cent or better, and that is very good,” he said. “The plant site landowners hold 12.5 per cent shares in Dirio power, a project with a better rate of return than most big projects that people talk about. “Dirio will secure their future, as it will be in the forefront of the Government’s drive to increase household access to power nationwide in the years to come.

“The pipeline landowners will also take up shareholding in Dirio Power.” This week, MRDC announced a K31.3 million royalty payment for the pipeline landowners for the period from 2014 to 2018 and an equity payment of K23.16 million covering 2014 to 2016. Mano noted that Greenfield landowners in Hela and Western had various disputes pending in court which delayed the opening of their bank accounts and election of directors. “Therefore, the benefits they are entitled to remain in trust.”

LNG: K9.2mil for Kikori landowners

By GYNNIE KERO in Kikori, Gulf, March 5, 2020, The National

MORE than K9.2 million will be paid into the bank account of 37 major clans in Kikori, Gulf, today, Mineral Resources Development Company (MRDC) managing director Augustine Mano says. He was in Kikori yesterday for the announcement of the payment to landowners. Kikori is segment 7 of the PNG LNG project and will receive 44.47 per cent (K9.2m) of the K20.7 million earmarked as the 40 per cent direct cash benefit payment to segments 1 to 8. Yesterday’s event marked the start of the delivery of benefits for PNG LNG project pipeline landowners starting this year. Gulf Governor Chris Haiveta urged the pipeline landowners to be responsible with how they use their money and share it equally among all clan members. Petroleum and Energy Minister Kerenga Kua thanked the landowners for their patience in the past 11 years. Kua discouraged landowners in project areas from rushing to court to settle disputes as court injunctions only delayed the benefit-sharing processes.

The pipeline landowners live in remote villages in Hela, Southern Highlands, Western, Gulf and Central. The 679km pipeline transports gas from Hides in Hela to Caution Bay outside Port Moresby. It runs through native land, entitling them to royalty and equity benefits from the PNG LNG Project. Since 2014, their royalty and equity benefits have been held in trust pending the completion of landowner identification, the opening of clan bank accounts, and the election of directors to the board of landowner companies. In the past three years, officials from the MRDC, the Department of Petroleum and Energy, Kumul Petroleum Ltd and Bank South Pacific travelled to these remote areas to complete the process, which is a requirement of the Oil and Gas Act. The landowners are divided into eight segments. Segments 1 to 6 live in Western, Hela and Southern Highlands. Segment 7 live in Kikori and segment 8 in Central.

Mano said: “With benefitting clans identified in the ministerial determinations, bank accounts opened, and landowning trust company directors appointed, the requirements of the Oil and Gas Act have now been met. “The royalty payment for the pipeline landowners is for the years 2014 to 2018 and totals K31.3 million. “Equity payments total K23.16 million and is for 2014 to 2016.” The total is K54.26 million, of which 40 per cent will be distributed as cash benefits through bank accounts, 30 per cent for community infrastructure projects, and 30 per cent retained in the Future Trust Fund for investment. Mano said landowners of segment 6 (Gobe) would not receive their benefits as they had disputes pending in court. Mano said MRDC wants to replicate for the pipeline landowners the kind of community infrastructure projects and investment that were improving lives in the plant site area in Central. The plant site, or portion 152 landowners, have been receiving their benefits since 2017 as they were the first to meet all the requirements of the Oil and Gas Act. These landowners have so far received K33.67 million in royalty, and K21.54 million in equity benefits, totaling K55 million.

Developer looking forward to talks

March 4, 2020, The National Business

BARRICK Niugini Ltd says the company looks forward to the ongoing engagement with the Government to extend the duration of the Porgera special mining lease. General manager (corporate and legal) Anthony Smare said this would be the key priority for this year. “We look forward to re-engaging with the national government and the state negotiating team in the coming days and weeks to discuss the proposals put to the Government in late 2019,” he said. “We believe these define a fair distribution of benefits derived from the mine.” Porgera Joint Venture (PJV) produced its strongest operational and financial results in more than a decade, delivering positive returns for the joint venture partners. The partners include landowners and the Enga government, as well as significant economic benefits to Papua New Guinea as a whole. Those benefits include an advance payment this week of an additional K59 million in corporate income tax paid by Barrick Niugini Ltd, for a total of over K215 million for 2019.

Smare said the mine exceeded budgeted gold production for the year by approximately 16,000 ounces. “In terms of both operational and financial performance, 2019 has been one of Porgera’s best years for more than a decade, with a total of 597,000 ounces of gold produced at an all sustaining cost of US\$1,002 (K3,300) per ounce and direct operating costs on target at US\$338 million (K1.01b),” he said. “As a consequence of our performance, the mine also made an enormous contribution to the PNG economy during 2019 through expenditure on goods and services, and the payment of taxes and royalties. In the light of an exceptional performance by the mine and the sustained increase in the gold price during 2019, the company has estimated that an additional corporate income tax of just over K59 million is payable to the national government in relation to the 2019 year. “We are pleased to be able to provide this advance payment to the Treasurer this week, ensuring the Government has access to ongoing funding for important public services.” The Porgera Special Mining lease expired last August.

Allseas acquires ship for deep-sea mining in partnership with DeepGreen

By Daniel Brightmore, MiningGlobal, 3 March 2020



Allseas, in partnership with DeepGreen, has acquired a former ultra-deepwater drill ship for conversion to a polymetallic nodule collection vessel. Vitoria 1000 is 228m long, 42m wide, and can accommodate 200 people. She will be a part of the deep-sea mineral collection system to responsibly

recover polymetallic nodules from the ocean floor and transfer them to the surface for transportation to shore. The nodules contain high grades of nickel, manganese, copper and cobalt - key metals required for building electric vehicle batteries and renewable energy technologies. The ship will be converted to accommodate the pilot nodule collection system currently being engineered by Allseas. As a former drill ship, her configuration is well-suited for modifications that will enable the deployment at sea of a 4.5km-long riser currently being developed by Allseas. After the nodules have been collected and taken to shore they will be processed using a metallurgical flowsheet developed by DeepGreen. The strategic acquisition of the vessel represents a key milestone for the partnership, which leverages the world-leading offshore engineering capabilities of Allseas to propel DeepGreen's mission to source the metals needed for a more sustainable future with less environmental and social impact.

Alluvial mining making K300mil

By PETER ESILA, March 3, 2020 The National Business

DEPUTY Prime Minister Davis Steven says very little wealth is captured in the alluvial mining industry, which was still categorised in the informal sector and needed government intervention. There is currently no policy of alluvial mining in Papua New Guinea even though about K300 million worth of alluvial gold was exported every year and the activity was happening in all provinces, according to the Sustainable Alluvial Mining Services (Sams). At least 300,000 people are directly engaged in alluvial mining. "Our people are digging, they are selling, they are making money but they are in the informal sector," Steven told The National during an information session in Port Moresby on Saturday. "Millions of rural people indirectly benefit from it." Steven, the Esa'ala MP, is currently funding a pilot alluvial mining policy programme in his district with Sams.

"Very little of that wealth is being captured in the national wealth and that is another challenge that we need to recognise," he said. "You put the statistics that we have in Central Bank and MRA, alluvial space in PNG is according to Central Bank record, the sector produces an equivalent of estimated 1.5 million ounces of gold per annum, that is recorded," he said. "What is not recorded, we do not know. "But the point is that how much of it is going to the taxes, coming into the mainstream banking, so that is not for the village people to correct but that is for the government to correct. So that is one of the areas where our government is forcing on with more scrutiny, more interest and attention." Sams founder Immaculate Javia said the sector was under researched despite existing for over 100 years. "There is no specific policy for this sector, so these are some realities that we want to amplify this," she said.

Porgera mine produces strongest results, highest in 10 years

March 2, 2020, The National Business

THE Porgera Joint Venture (PJV) produced its strongest operational and financial results in more than a decade, delivering positive returns for the joint venture partners, the company said in a statement. The partners include landowners and the Enga government, as well as significant economic benefits to Papua New Guinea as a whole. Those benefits include an advance payment this week of an additional K59 million in corporate income tax paid by Barrick Niugini Ltd, for a total of over K215 million for 2019. Barrick Niugini Ltd general manager (corporate and legal) Anthony Smare said the mine exceeded budgeted gold production for the year by approximately 16,000 ounces. "In terms of both operational and financial performance, 2019 has been one of Porgera's best years for more than a decade, with a total of 597,000 ounces of gold produced at an all sustaining cost of US\$1,002 (K3,300) per ounce and direct operating costs on target at US\$338 million (K1.01b),"

Smare said. “As a consequence of our performance, the mine also made an enormous contribution to the PNG.”

Mining in Ok Tedi would end around 2027: Exec

By PETER ESILA, March 2, 2020, The National Business



OK Tedi Mining Ltd in Western invests about US\$20 million (K66.46 million) annually in drilling for reserves, chief executive and managing director Peter Graham says. Graham said current exploration was focused near the Mt Fubilan mine and within existing special mining lease (SML). “The most prospective targets indicate underground rather than open pit mining,” he said. Graham said the life of the mine, based on current reserves and mining rate, would end around 2027. “The mine is limited by an agreement with communities on the amount of waste material mined and placed in waste dumps,” he said. “Without this limitation, mine life would be longer. “Efforts are therefore being focused on potential stable waste dumps, in-pit waste disposal and a potential tailings storage facility.”

Meanwhile, OTML is a major producer of copper concentrate for the world smelting and refinery market in Germany, India, Japan, South Korea and the Philippines. The mine exports copper as a concentrate which contains gold and silver. From start of operations in 1984 to end of 2018, Ok Tedi has produced 4.83 million metric tonnes of copper, 14.8 million ounces of gold and 32.7 million ounces of silver. In addition to the SML, OTML holds a portfolio of several exploration leases (ELs), other leases for mining purposes (LMPs) under the PNG Land Act. Apart from its direct monetary contribution, OTML is also involved in Western’s development through tax credit scheme and other infrastructure projects such as health centres, school classrooms, houses, roads, airstrips, jetties, water supply and communication systems for the villages.

Companies leave communities to grapple with mining’s persistent legacy

John C. Cannon, Mongabay, 28 February 2020

- *The destructive legacy of mining often lingers for communities and ecosystems long after the operating companies leave.*
- *Several large, multinational mining corporations have scrubbed their images — touting their commitments to sustainability, community development and action on climate change*

— but continue to deny accountability for the persistent impacts of mining that took place on their watch.

- A new report from the London Mining Network, an alliance of environmental and human rights organizations, contends that these companies should be held responsible for restoring ecosystems and the services that once supported communities.



The scale of excavation for copper and gold in the 1970s and 1980s at the Panguna mine, then one of the world's largest open-pit mines, was massive: It swallowed up surrounding tracts of forest and farmland and wiped out wildlife populations on the island of Bougainville off the coast of Papua New Guinea. The company that operated Panguna, a predecessor of London-based mining giant Rio Tinto, dumped the mine's contaminant-loaded wastewater into local streams for more than a decade and a half, killing off fish and rendering them too polluted for human use.



A mill at the Panguna mine, Bougainville. Image by Robert Owen Winkler

Neither the Papua New Guinea government nor the company stepped in to protect the environment, even after local communities, reeling from the impacts, sounded the alarm on the mine's effects on their health, lives and livelihoods. Those tensions festered, and soon a war for Bougainville's independence began. Fighting throughout the 1990s killed some 20,000 Bougainvilleans, and though a 2001 peace treaty granted Bougainville a measure of autonomy, the effects of the conflict and the mine still linger. The company abandoned the mine in 1990, leaving it under the control of the Bougainville Revolutionary Army, and in 2016, Rio Tinto officially handed over its shares in the mine to Papua New Guinea and Bougainville.

“There is, in my personal view, an obligation of Rio Tinto to come back and to contribute to cleaning up the mess they left behind,” Volker Boege, who has studied the conflict and co-directs the Peace and Conflict Studies Institute Australia in Brisbane, said in an interview. “The effects of mining will be with the people on the ground long after [the] mining ceased.” Holding Rio Tinto and other corporations accountable once they’ve relinquished their control of mines remains a difficult task, according to a new [report](#) published Feb. 19 by the London Mining Network, a consortium of environmental and human rights groups.



Equipment at the Panguna mine in the early 1970s. Image by Robert Owen Winkler

Rio Tinto said in a 2016 letter written by a company executive that the operation of the Panguna mine “was fully compliant with all regulatory requirements and applicable standards at the time.” But for Boege, who wrote the case study on the Panguna mine included in the London Mining Network report, that assertion doesn’t address the company’s ethical responsibility. “I think it’s not good enough to just say, ‘We followed the legal obligations of the early 1970s or late 1960s,’” Boege said, “because everybody knows that this enables this kind of environmental destruction that people are suffering from even today.” The report details lays out similar stories throughout Oceania and Southeast Asia.

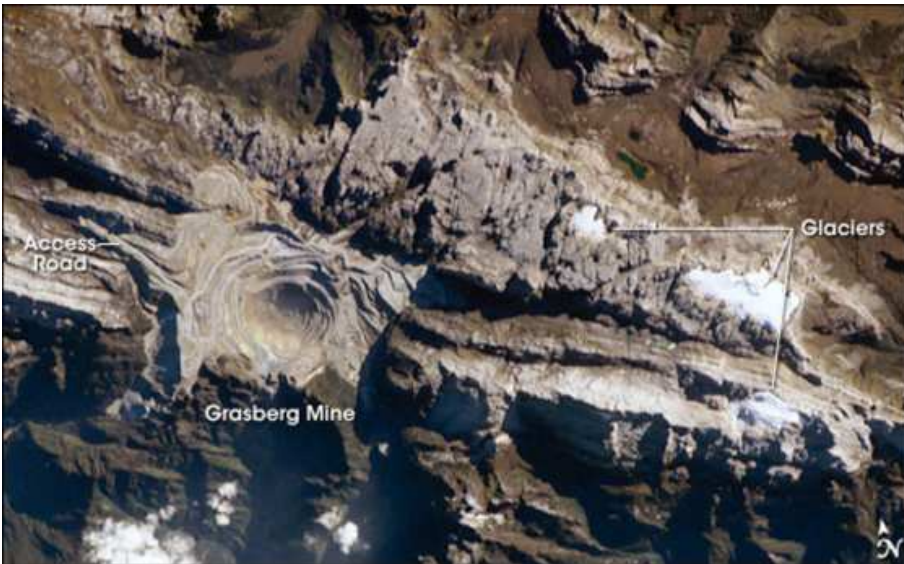
In western Papua New Guinea, BHP, a mining company with headquarters in Melbourne and London, elected to go with riverine tailings disposal — the same waste management strategy that polluted waterways around Panguna — for the Ok Tedi mine, a gold and copper deposit that BHP excavated until 2002. Situated amid forested mountains, the mine has been blamed for a 95% drop in fish numbers in the Ok Tedi River and degrading 2,000 square kilometers (772 square miles) of forest. Researchers figure that Ok Tedi has affected the livelihoods of around 40,000 people who depend on fishing, hunting and gardening. Hannibal Rhoades, head of communications for the London-based NGO Gaia Foundation, said that companies like BHP often lobby governments for less stringent regulations. In Ok Tedi’s case, BHP persuaded the government to go along with riverine tailings disposal in the early 1980s.

Papua New Guinea, like many resource-rich countries, has struggled to develop economically. As a result, leaders are often amenable to legal conditions favored by the company so they don’t lose a possible source of revenue. While that’s a familiar pattern, said Rhoades, who wrote the Ok Tedi case study, it shows that governments too must be held accountable for protecting their citizens and the environment. In addition to the companies’ role, he said, “It’s a game of power influence at the state level.” Across the border in Indonesia’s half of New Guinea Island, the massive Grasberg gold

and copper mine sidles up to the flanks of some of the region's tallest mountains. Nearby, rare (and shrinking) equatorial glaciers cling to the summit of Puncak Jaya, towering 4,884 meters (16,024 feet) above sea level. Still in operation today, the mine pumps an estimated 200,000 metric tons of waste into the Ajkwa River every day, contaminating a source of drinking water for local communities. Rio Tinto had been involved in the mine from 1996 until 2018, when it sold its stake to Indonesia's state mining company, PT Indonesia Asahan Aluminium.



The Ok Tedi mine in western Papua New Guinea. Image by Ok Tedi Mine CMCA Review



The Grasberg mine as seen from space. Image by ISS Crew Earth Observations Experiment and the Image Science & Analysis Group, Johnson Space Center

An investigation by *The New York Times* in 2005 found that Rio Tinto's partner, U.S.-based mining company Freeport-McMoRan, had been paying tens of millions of dollars for Indonesian military and police to protect the operation's employees. Local residents, such as Yosepha Alomang of the indigenous Amungme people, say that these government security forces in fact were there to deter local communities through intimidation from voicing their concerns. But Rio Tinto says that when it sold its stake for \$3.5 billion in 2018, its responsibility to address the problems for the local environment and communities that the mine has created ended as well, according to a case study written

by Andrew Hickman, a researcher with the London Mining Network. Hickman, Boege and Rhoades agree that challenging such contentions by companies that were once involved is an uphill battle.

The success of using the courts varies. Several lawsuits against BHP for its operations of Ok Tedi yielded a settlement with the company, but BHP didn't stop dumping waste in the river. In 1996, Alomang and other leaders sued Freeport unsuccessfully in the United States. The London Mining Network advocates for the continued development of a United Nations treaty on transnational corporations that would codify protections for human rights. Boege said that such “globally applicable guidelines” were necessary. But “they are not a panacea,” he said. “The problems can only be solved in the specific local context.” Another tactic has been to bring local leaders like Alomang to the annual general meetings of companies such as BHP and Rio Tinto so they can speak with executives and shareholders about the problems their communities face. Requests for comment from Mongabay to BHP and Rio Tinto went unanswered.



The Grasberg mine in 2007. Image by Alfindra Primaldhi

Companies have responded in their approach, however — at least as far as changing the narrative around the impacts of resource extraction. Rio Tinto, for example, says that a future “low-carbon economy” will rely on the minerals it produces, and touts its moves toward carbon neutrality in its operations. Hickman calls such moves to scrub a company’s image “window dressing.” He also said that, when confronted with the testimony of leaders such as Alomang, these companies “have learned to be polite, but underneath the politeness is a fist of steel.” That’s because the changes to operations, whether to make them more environmentally friendly or to ensure that communities are better informed, often lag behind the rhetoric put forth, the Gaia Foundation’s Rhoades said. “It’s great that there’s that narrative and the investors are more active,” he said. But across much of their operations, he said, “their PR still far outstrips the genuine efforts on the ground to change practices.”