

**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/>

Porgera workers call for tax exemption on redundancy entitlements

Post-Courier, June 30, 2020

Porgera Mining and Allied Workers (PM&AWU) are calling on the national government to consider tax free redundancy for the 2700 employees of the Porgera gold mine who have been made redundant. Barrick (Niugini) Limited (BNL) announced on Wednesday June 24, 2020, that it had been forced to end employment for majority of its workers who will be retrenched over the coming weeks following the Government's decision not to extend its special mining lease. The retrenchment exercise will cost BNL more than K180 million. Last Friday, the union executives communicated to resident and local mine employees that they will be requesting audience with the Prime Minister and the Internal Revenue Commission (IRC) to consider tax exemptions on the redundancy payments. Union President Dassil Mangapen said 2700 people have been made jobless at such a time when the economy is tough compounded by the challenges of Covid-19.

“Now is the time for us to work together and not to point fingers. Over the production life of the mine we have paid so much through taxes already and so our redundancy payouts should not be taxed as this situation is a direct result of the government’s decision,” Mr Mangapen said. He appealed for co-operation and support and has also called on the Enga provincial leadership to support the cause of the union and the Porgera mine employees. “We now have 2700 mine workers who are left jobless and the government has to do something about helping the mine workers in this situation. “The Prime Minister has continuously reiterated ‘short term pain for long term gain’ and the Porgera mine employees are now feeling that pain. As a responsible government, what plans does it have to rescue the now 2700 jobless mine employees,” he said. The union expresses it has never been confronted with such a situation before and as such is seeking all the advice and guidance to assist the union and workers through this process.

Most of the 116 expatriate employees have already been retrenched and 2650 Papua New Guinean nationals will have their services terminated by the end of July. On Wednesday, Barrick Gold Corporation president and chief executive Mark Bristow said the government has repeatedly refused to enter into meaningful discussions about the issue and the fact that the mine is not operating and therefore not producing revenue has created a financially untenable situation for the company. Mr Bristow said only essential services personnel are required for the care and maintenance program will be retained to ensure the safety of the community, the environment and the mine infrastructure. Meanwhile, Prime Minister James Marape, in a post on his official Facebook account, said: “Porgera workers and contractors and landowners, your government and country have you covered, hang in there if Barrick does not pay you. We are working day and night for you and the country. Short term plan for long term gain.” He said the matter is still before court.

ExxonMobil invests K20m in local projects

Post-Courier, June 30, 2020

A total of K20.6 million has been spent on community investment programs, including education and community-based projects, in 2019. This is according to ExxonMobil PNG’s PNG LNG environmental and social report which was released outlining production and project activities from January to December 31, 2019. The 84-page report highlights multiple facets of the PNG LNG project, operated by ExxonMobil PNG, in what was a milestone year marking 10 years of production in Papua New Guinea. It also marked 10 years of partnership with local landowner companies, Hides Gas Development Company, Laba Holdings Limited and Trans Wonderland Limited. Across its production related activities, the project engaged 13 Lancos companies and 270 non-Lanco Papua New Guinean businesses. By the end of 2019, more than 96,700 hours of training was delivered with more than 2570 courses, to 3964 employees and contractors working in production-related roles on the PNG LNG project.

Managing director, Andrew Barry said he was proud the PNG LNG project could support so many local businesses and create job opportunities for Papua New Guineans. “The partnerships the project has made and generated over the past 10 years, and the support and hard work of the PNG LNG workforce, co-venturers, suppliers, communities, landowners and the PNG Government have contributed to our achievements of 2019. “Supporting these partners is a priority for us. Without them, we wouldn’t be where we are today,” said Mr Barry. Throughout 2019, more than K20.6 million was spent on community investment programs involving education, health, community infrastructure and environmental projects. ExxonMobil PNG’s environment and biodiversity team was recognised for its work to protect and conserve biodiversity across communities in the LNG project areas, receiving the PNG Chamber of Mines and Petroleum award for outstanding environmental initiative in 2019. “We are humbled by the passion our workforce has in protecting this beautiful country and remain committed to safeguarding its unique biodiversity. “We remain committed to creating

partnerships that drive positive change in the communities in which we operate and supporting the Government in its long-term healthcare preparedness efforts, following the global coronavirus pandemic,” said Mr Barry.

Wafi-Golpu to get mining lease in Sept

By JIMMY KALEBE, June 29, 2020, The National

SPECIAL mining lease (SML) for the Wafi-Golpu mining project in Morobe will be given by the second week of Sept, according to Mineral Resource Authority (MRA) managing director Jerry Garry. While announcing that in Lae last Thursday during the Wafi-Golpu mining project updates and special mining permitting process meeting, Garry stressed on lessons learnt from past experiences in the development of the sector. “If the way we have gone through to develop such projects in the past is not right then we should learn from that and change the way we do it now to see improvements,” he said. Garry said priority should be given to resource owners. He said the Waffi-Golpi project was one of the biggest in the world and proper consultations have to be conducted in the presence of resource owners.

Garry said the Wafi-Golpu project would require around US\$2.85 billion (K9.6 million) to actually get the project off the ground. Wafi-Golpu project is ranked number one globally in terms of deposits of high grade copper and gold, he said. “Wafi-Golpu takes almost 50 years to be developed after it was first discovered in 1970 while Frieda River project was discovered in 1967 but yet to be developed,” he said. MRA has already identified all landowners in the SML area and in 2019 it was established that those in the pipeline corridor were not identified. Garry said MRA had been taken to task on that and they were nearing completion of the identification of landowners along the pipeline area. “The Department of Commerce and Industry is organising landowners to come up with their own company to take part during the construction phase.”

MP urges stakeholders to unite

June 29, 2020, The National

MEMBER for Lae John Rosso has called on all stakeholders of the Wafi-Golpu mine to work together and put their differences aside. Rosso said this during a consultative meeting on Thursday in Lae. He said stakeholders needed to appreciate that the delay in starting the mine was to ensure everyone got their fair share. “The delay is not for a bad thing it was for a good reason with our Governor Ginson Saonu doing the right thing by putting a stop to see how we will proceed forward,” he said. “But now let’s put aside all difference, yes, we will argue but must move forward together as Prime Minister James Marape stated that everyone should get fair share.”

Wafi-Golpu mining project: PM wants fair representation

By JIMMY KALEBE, June 26, 2020, The National

PRIME Minister James Marape has called for fair representation from all stakeholders, including landowners and developers during the development processes of the K9 billion Wafi-Golpu mining project. “The project must be fair, just and equitable and all voices have to be heard throughout its progress,” he said. Marape made the remarks during a one-day consultative project update and special mining lease (SML) permitting process meeting with stakeholders in Lae yesterday on the Wafi-Golpu project. He said leaders from all levels have to work in partnership with landowners and other stakeholders and make sure that no-one was left out and there was equality distribution during the different stages of the project. “The Government has realised what has happened in the

past in such impact projects where landowners and other stakeholders were not fully consulted and is now trying as much as possible to get all parties to a common understanding with transparency in all dealings,” he said. He assured stakeholders that his Government would try its best to make sure all parties involved were well represented and that benefits were shared equally. Marape called on responsible government agencies involving in negotiations to be transparent.

MRA: Bill will not stop exploration

June 25, 2020, The National

THE passing of the Mining Amendment Bill 2020 will not stop exploration nor chase away investors, according to the Mineral Resource Authority (MRA). Managing director Jerry Garry told The National: “We do not see any deterrence or severe detriment to exploration in the amendments. “Where the amendment deals with state application to participate in mining and mineral exploration, clearly spells out very specific conditions, after mineral tenements are expired, cancelled or surrendered. “This does mean every tenement holder who has been compliant with all its statutory and mandatory obligations or conditions satisfactorily over a term does not need to worry about losing their tenement. “The normal assessment and MAC (mining advisory council) process will protect the tenement holder. “On the part of mineral and data repository, the companies have always complied with the Mining Act 1992 in terms of providing bi-annual and annual reports with all their data.

“The only inclusion is to tap into the live production data from the operating mines so we can have visibility on how much metals are being recovered or produced. “This is to protect the tax base and also ensure the MRA obtain those data for historical purposes. “The statistics are compelling and clearly reflect a country with weak control mechanisms to protect its tax or other revenue streams from businesses operating here.” Garry said the PNG 2017 EITI Report stated that the mining and petroleum sector contributed 86 per cent of total exports of the country. “From that total export the State revenue is only seven per cent. Furthermore, preliminary assessment by OECD (Organisation for Economic Co-operation and Development) revealed the tax to GDP (gross domestic product) ratio in PNG was very low at 13.7 per cent, well below by 20 per cent when compared to average OECD member countries.” Garry said the legislation was drafted on the instruction of the government which has the prerogative of the legislature to make laws.

Miner flags thousands of job cuts in PNG

Thousands of Papua New Guineans are to lose jobs due to an impasse at a Highlands gold mine. According to Reuters, Canadian company Barrick Gold Corp says it has to [lay off](#) most staff at its Porgera gold mine operations in PNG's Enga province.

Radio New Zealand on 25 June 2020

It is blaming the James Marape-led government's refusal to extend its recently expired lease for the Porgera joint venture. Barrick and Chinese partner Zijin have stopped production at Porgera and put the mine in care and maintenance mode while challenging the lease decision in court. But Barrick says this has created an untenable financial situation. It has flagged job cuts, saying 2,650 Papua New Guineans would be retrenched by the end of July. PNG Prime Minister James Marape, who said in April the government intended to operate the mine itself, has been criticised by his predecessor for his handling of the Porgera lease issue. Peter O'Neill echoed Barrick's warning that refusing the lease would be costly for PNG. However Mr Marape said his government had carefully considered the issue and decided it was in the best interests of the state, especially due to the environmental damages claims and resettlement issues around the mine.



Porgera gold mine. Photo: [Richard Farbelini at English Wikipedia / Public domain](#)



PNG prime minister James Marape (left) arrives in Morobe Province, greeted by Morobe Governor, Ginson Saonu.
Photo: PNG PM Media

'Fairer share'

The prime minister issued a release yesterday saying his government intends to review restrictions on foreign investment projects in PNG. This came as Mr Marape visited the fledgling Wafi Golpu Mining project in Morobe province. Together with Mining Minister Johnson Tuke, he met with the Morobe Provincial Government and landowners of Wafi Golpu to discuss basic principles of distributing benefits as the National Government prepares to net project developers. Regarding recent amendments to PNG's Mining Act and Oil and Gas Act, Mr Marape assured investors that his government is not "changing the goal posts". "However, the present Mining Act will govern the framework of the Wafi Golpu Mining contract that should be secured after negotiations," the release said. According to the government, it wants to advance Wafi Golpu and Porgera projects, as well as other major resource developments such as the P'Nyang liquefied natural gas project before the third quarter of this year. "And to our provincial governments and landowners in those resource areas, please be rest assured that our Government will give you a fairer share within what the State secures from negotiations with developers," Mr Marape said.

Youths against deep sea tailings

BY JANET KARI, Post-Courier, June 24, 2020

More youths have joined a campaign to continue raising the voice of villagers along the coastline of Morobe province to say no to deep sea tailings displacement (DSTP). A clean-a-thon was the platform used by Lutheran youths in Lae to support and continue the voice of those living on the coastlines. The proposed deep sea tailing pipeline outfall from the Wafi Golpu mine project is likely (as in previous media reports) to go out in the coastlines of Huon Gulf district. The Lutheran youths were joined by youths from surrounding areas of Yalu, Butibum and Markham and joined by Catholic, Anglican and United Church youths including a group of cyclists and individuals last Saturday during their second clean-a-thon in the city.

“We stand with our coastal people and say no because we are not sure and not willing to just accept what the company is telling us,” youth leader Yentka Betony said. “This is not because we don’t understand but because we have witnessed what has happened in Basamuk and other areas,” “Company exists within its business lifetime, after that it is the people and environment and we have a responsibility to speak up.” The campaign targets political leaders with two key messages; saying no to DSTP and a call to Morobe leaders and Prime Minister James Marape to push for in parliament a report and recommendations by Constitutional Law Reform Committee to ban all tailings in rivers and seas and make it a law. “It is interesting that many countries deemed it illegal to do so but in PNG it is not. The onus is really on our leaders,” he said.

Institute criticises mining bills

June 24, 2020, The National

THE recent passing of the Mining Amendment Bill 2020 and Oil and Gas (Amendment) Bill 2020 will kill exploration activities in the country, according to an organisation. The Institute of Geoscientists PNG, said the amendments passed by Parliament in the recent sitting were also bad for foreign investment. The organisation is led by University of PNG academics and made up of experts with experience in the industry and academia. The institute, in a statement, believes that the Government had been ill-advised. “The country will not realise this now. But over time, foreign investment will dwindle and the much-needed foreign dollar will dry up leaving not much for international trade,” it said. “To say the least, these amendments are flawed. And the institute strongly believes that these should be shelved or relooked at with proper consultations with the wider community and industry specialists.

“PNG has a favourable geological setting for mining and mineral exploration but the political, legislative and sovereign risks are at a level where it has become too risky for investors who seek continuous long-term investments. “Each country in the world is competing for mining and exploration investment capital where investors seek jurisdictions that allow them to gain favourable or fair returns on their investment. “The amendments to the mining act will be viewed by foreign investors as unfair as the risk of losing one’s investment is increased with the amendments to Section 2, 3, and 7 of the Mining act 1992.” On the Oil and Gas (Amendment) Bill 2020, the institute said under the new sections 56A, 56B and 56C, “the Minister is given unprecedented powers to approve, cancel, sign-off, on applications, renewals or development proposals”.

Frieda River Project assessment to continue

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

ASSESSMENT on the Frieda River copper-gold project in West Sepik is likely to continue after the granting of the Wafi-Golpu special mining lease (SML), according to Mineral Resources Authority (MRA). Managing director Jerry Garry told The National that the Covid-19 had affected the assessment schedule for the Frieda River project. Garry said the proposal for development and SML 9 application (amended) were lodged by the developer, PanAust Ltd, with the MRA in December 2018 for the development of the Frieda River project. He said there were four components to the project:

- FRIEDA River copper-gold project;
- FRIEDA River hydroelectric project;
- SEPIK infrastructure project; and,
- SEPIK power grid project.

“The MRA has completed its preliminary assessment of the proposal for development, except for the Frieda River hydroelectric project, which includes the integrated storage dam facility,” Garry said. “Given the magnitude and implications associated with potential failure, the State has assigned SMEC (Snowy Mountains Engineering Corporation) Consultants to assess the integrity of the dam and also provide remedial measures in the event of failure or an alternate remedy. “The SMEC commenced its preliminary independent assessment review but put on hold temporarily due the Covid-19 pandemic. “MRA was advised that Cepa (Conservation and Environment Protection Authority) has completed its preliminary assessment of EIS (environmental impact statement).

“However, their public consultation/roadshow programme has not been completed along the Sepik River corridor due to stiff opposition from the River communities and staff safety concerns.” PanAust has placed the project under care and maintenance with reduction in their workforce. Only a few employees were retained to take care of the project camp. Garry said PanAust was not actively pushing the project permitting. “Rather it will go along with the MRA and State’s permitting schedule,” he said. “The SML landowners are supportive of the project and want the government to permit it. “Similarly the Sandaun government is supporting the project while the East Sepik government support is contingent on review of the EIS and environment concerns.”

Alluvial miners in Goilala keen for development

June 23, 2020, The National Business

THE Kandilan Simolan Incorporated Land Group (ILG) from Kafano village, Woitape local level government (LLG), Goilala, Central, wants the mining sector in the district to be developed. The newly-certified ILG, which represents 800 people, said this yesterday when receiving their ILG certificate from the Department of Lands and Physical planning. The people, through their ILG representatives, said they had been surviving on the small scale alluvial mining over the past years but wanted their land’s potential in the mining sector developed. They called on local MP and Transport and Infrastructure Minister William Samb to help them bring in a developer into the district. Spokesman Bernard Biari said the people previously depended on coffee but that had slowed due to lack of markets.

“At this moment we survive on alluvial mining, we go around our creeks and rivers and we do mining,” he said. “That’s the only source of revenue that we make to get basic things that we needed in the house or even paying for our children’s school fees. “Coffee is run down and all our coffee plantations are run down. “Our airstrips have closed, cutting off access to the people coming in to buy our coffee and we only depend on alluvial mining.” The landowners said they needed funding

assistance from Samb to help rehabilitate their coffee industry. They thanked the Government for formally recognising them as landowners as they had been trying to get registered for over 20 years. “With the ILG certificate, we can now access proper assistance to develop our resources,” Biari said.

Mining: Public investment favoured: Aopi

June 19, 2020, The National

THE Government has signaled that it favours public investment in the mining sector at the expense of private investment, Chamber of Mines and Petroleum president Gereia Aopi says. He said the amendments to the Mining Act introduced in Parliament last week and statements related to their introduction, would cause private sector explorers and foreign investors to reconsider investment plans in PNG. Aopi said with the Government’s decision not to renew the Porgera special mining lease, PNG’s mineral investment potential had been diminished and its risk profile as an investment-friendly destination increased. “PNG’s development of a world –class mining industry has required billions of kina in private investment over the last 40 years,” he said. “This involved foreign multinational and junior mining companies that have been complemented in the past decade by a healthy group of junior explorers driven by Papua New Guinean mining professionals and entrepreneurs.”

Aopi said the latest amendments to the Mining Act diminished the role of foreign and local private sector investors with privileges accorded to Kumul Minerals or other State-owned entities. “The changes increase tenure risk for existing exploration tenement holders, many of them Papua New Guinean explorers, who may have to offload development rights to a state entity.” He said the changes marginalised landowners and provincial governments by making development forums optional, where Kumul Minerals or another state-owned company took over ground covered by a mining tenement under the new provisions. “The Government strategy is based on a philosophy that privately-owned mining companies, whether multinational mining corporations or locally-owned, have nothing special to offer PNG and that exploration and mining can be more profitably conducted by State-owned companies.”

Porgera: Police, soldiers deployed

June 19, 2020 The National

POLICE and the members of the Defence Force (PNGDF) have been deployed to Porgera in Enga to arrest those taking part in several tribal fights which have claimed more than 60 lives so far, police commander Supt Epenes Nili says. Supt Nili said the members of the PNGDF, who are in the province, had been asked to assist police hunt down fighters and arrest them. He told The National that the fighting at Porgera involved many groups. He said those harbouring or even supporting the fight would also face the consequences. Supt Nili said Enga was developing and Governor Sir Peter Ipatas had initiated change and development and the people of Porgera to work to be part of that growth. He said anyone in possession of firearms or taking part in tribal fights would be arrested and charged. Supt Nili said only a minority of the population was doing this but the impact had devastated many lives and destroyed. He also said that police, with the assistance of the PNGDF, would work to maintain peace and order. He said because sides in the tribal fights were resorting to ambush attacks, there was fear in the community and the authorities were finding it hard to hold peace talks.

New Caledonia nickel ore export bids hit impasse

The government of New Caledonia is poised to refer the impasse over a new mining code to the next meeting of the signatories to the Noumea Accord.

Radio New Zealand on 17 June 2020



Photo: RNZ Pacific / Walter Zweifel

Two of the three nickel mining companies running smelters in the territory each want to sell two million tons of nickel ore to Asia. They said this would cushion the losses incurred by their processing facilities suffering from a prolonged low nickel price. Vale of Brazil is in the process of selling its 95 percent stake in its plant in the south of the main island to Australian interests while SLN, with its smelter in Noumea, fears for its viability if it cannot sell ore to get cash. However the pro-independence parties oppose a law change to allow such sales, describing them as a waste of a resource given that the ore was earmarked for processing onshore. The news agency *AFP* quoted a government source as saying the collegial government repeatedly failed to find a majority to change the mining code and that it was unable to table a bill in Congress. It wants to raise this at the Noumea Accord talks which are usually held in Paris once a year, bringing together pro- and anti-independence signatories under the auspices of the French prime minister.



Photo: AFP

The pro-independence side viewed the plans as a change of model, steering away from being a nickel producer to becoming an exporter of raw material. Last month, the leader of the Palika party, which is a dominant force in the Northern province, described the export plans as disgrace, saying New Caledonians should not have to foot the bill for the mistakes of multi-nationals. Paul Neaoutyine said he would only approve low grade nickel ore exports if it were to be used at smelters where New Caledonian interests hold a majority. He said the Goro nickel ore deposit now held by Vale was gifted on condition that it was processed in New Caledonia. A date for the signatories to meet is yet to be set. The second of three possible referendums on independence from France is due to be held this year. Originally set for 6 September, it is being deferred because of the Covid-19 pandemic, with the French prime minister Edouard Philippe proposing 4 October and New Caledonia's Congress suggesting 25 October.

BCL plans to restart mine

June 17, 2020, The National Business



BOUGAINVILLE Copper Ltd (BCL) carried out a new redevelopment study last year to identify a viable, phased re-start and expansion strategy for the Panguna mine in the Autonomous Region of Bougainville. Speaking at the company's 2020 annual general meeting (AGM) last week BCL chairman Sir Melchior Togolo, said the new work built on a 2012 order of magnitude study which had indicated the redevelopment was viable based on a similar scale to the original operation. "The early outcomes have been quite encouraging in finding that a staged redevelopment approach – as opposed to a single, large through-put development – is potentially viable and could result in the mine becoming operational sooner and with lower early capital costs," he said. Sir Melchior told the AGM that BCL had retained strong levels of support from customary landowners in the Panguna project area, particularly from members of the Panguna Development Corporation Ltd (PDCL).

The PDCL is a 100 per cent landowner-owned and operated company whose members and board of directors are authorised agents for the blocks within the tenement area. BCL has been pleased to provide it with modest support during its establishment phase. Sir Melchior said last year, BCL had maintained an active presence in Bougainville through the work of its project and village liaison officers and had again supported a range of worthy community events and projects. BCL for example assisted the Buka Business Association with its first trade expo to promote local small and medium enterprises (SMEs), it supported vocational training for farmers and teachers and a water supply project. Sir Melchior paid tribute to the people of Bougainville and described last year's referendum

as a “remarkable display of peace and unity”. Following the referendum, PNG prime minister committed to transfer the state’s 36.4 per cent shareholding in BCL to the ABG and landowners.

While this is yet to occur, it would make BCL a company clearly majority owned by Bougainvilleans. BCL reduced expenditure by K2 million last year compared to the previous year and the company remains debt free. The judicial review of the ABG’s previous decision to deny an extension of the company’s exploration licence is expected to proceed this year. Sir Melchior said BCL would continue to constructively engage with all stakeholders during this important post-referendum period for Bougainville. “We will, for example, keep implementing our programme of community support by backing worthwhile local projects and activities, particularly once the threat of the Covid-19 passes,” he said. “Above all else, we will continue to act in the best interests of all our shareholders in demonstrating Bougainville Copper’s intrinsic value as a reliable project partner for Panguna.”

Porgera Mine files for documents

By KARO JESSE, June 17, 2020, The National

PORGERA gold mine operator Barrick Niugini Ltd (BNL) has filed an application in court asking that the State provide all documents and information it had used when it refused to renew the miner’s special mining lease (SML). The application, which was supposed to be heard on Monday, is scheduled for today before Deputy Chief Justice Ambeng Kandakasi. BNL is trying to find out what caused the State to delay its application for SML renewal. The miner had claimed that reasons of refusal of its SML were never disclosed. During the hearing of the case, on several occasions lawyers representing the State and its authorities informed the miner and the court that documents of the refusal were confidential in nature and could not be disclosed.

At contesting BNL’s application seeking leave for a review of a review on State’s refusal of its SML, Solicitor-General Tauvasa Tanuvasa informed the court that the decision by the State was gazetted and could not be reversed. Tanuvasa had said that the miner and the State could only concentrate on the transitional period. However, the miner is still insisting to be given reasons for the refusal and it filed the application. This is because the miner had claim that its application for SML renewal was lodged two years earlier, prior to its expiry date this December. Meanwhile, the miner and the State have come to an agreement regarding a care and maintenance plan regarding the safety and environment of the mine site. The plan was endorsed by Kandakasi on Monday. Both parties will work together to ensure that the mine site is in safe and stable condition during the transition period.

Alluvial gold going out of B’ville untaxed – Barkson

BY PETERSON TSERAHA, Post-Courier, June 16, 2020

Alluvial gold is leaving the Autonomous Region of Bougainville untaxed. Arawa town mayor Augustine Barkson told Post-Courier in Arawa that the government has to introduce a new bill that will tax alluvial miners; because what they are doing still contributes to the destruction of the environment, in which the government is fully obliged to protect. “Without government and the people knowing, and that means that the government misses out on very huge tax, tax that can build roads leading into these alluvial mining areas, or even build a hospital and school in these mining areas,” Mr Barkson said.

He called on the government to start regulating alluvial mining now.” He said for instance, those who reach about 500 grams should pay tax and they should register their gold buying or panning

business with the Investment Promotion authority (IPA) and the IRC. “If the government starts buying alluvial gold from our local diggers and miners here it will be much better because a lot of buyers are afraid of carrying hard cash into Bougainville to buy gold, said Mr Barkson. He was also concerned that many of those selling gold are illiterate and are likely to be cheated by sneaky and dishonest buyers. He is also concerned about the limited information available on the use of dangerous chemicals used during panning.

Tolukuma mine to resume ops: MRA

BY MELISHA YAFOI, Post-Courier, June 16, 2020

The world class Tolukuma Gold Mine in Central Province has a new investor. They have been identified by the liquidator Andrew Pini of Pini Accountants. Mineral Resources Authority managing director Jerry Garry in a press gathering last Friday told reporters that work will begin soon at the mine following Mining Advisory Council’s satisfaction on the new work program provided by the investors. When contacted by this newspaper last night Mr Garry confirmed that the new investor applied under a company name Tolukuma Corporation Limited through advisers Alliance Pty Ltd and Beacon Financial Group. Mr Garry said the investor has submitted their documentation or paperwork through MAC who found it to be satisfactory and have given the investor the ok to do more exploration work on the mine itself. In the submission, the investor stated that K50 million will be spent on phase one (mine refurbishment and environment work) and K15 million will be paid to the liquidator to settle outstanding debts.

He said soon there will be some action happening in terms of refurbishing the mine and conducting more resource drilling to know how much gold is there before they can be granted a mining license. “The biggest problem with Tolukuma mine is that the last operator had not committed to what we call resource drilling. “We need to know how much is there before you go in and mine. Every time you mine we must know how much is in the metal inventory and that has never been done for Tolukuma,” Mr Garry said. “They were trying to sell the project to other partners but there is no metal inventory. “Without the metal inventory you can’t sell the project because people want to know how much gold you have in that project.” He said that was and has always been a challenge for Tolukuma. “The new investor has agreed and made a commitment to do resource drilling to find how much gold is there. “And we will be doing some evaluation work to identify the current value of the mine,” he said. “Because when we give license it will be based on how much metal is there and the production rate that they will be exploiting every year to give us the comfort to permit them for certain number of years.” Tolukuma’s current Mining Lease will expire on the 28 of August 2022.

Seabed mining debate stirs again in the Pacific

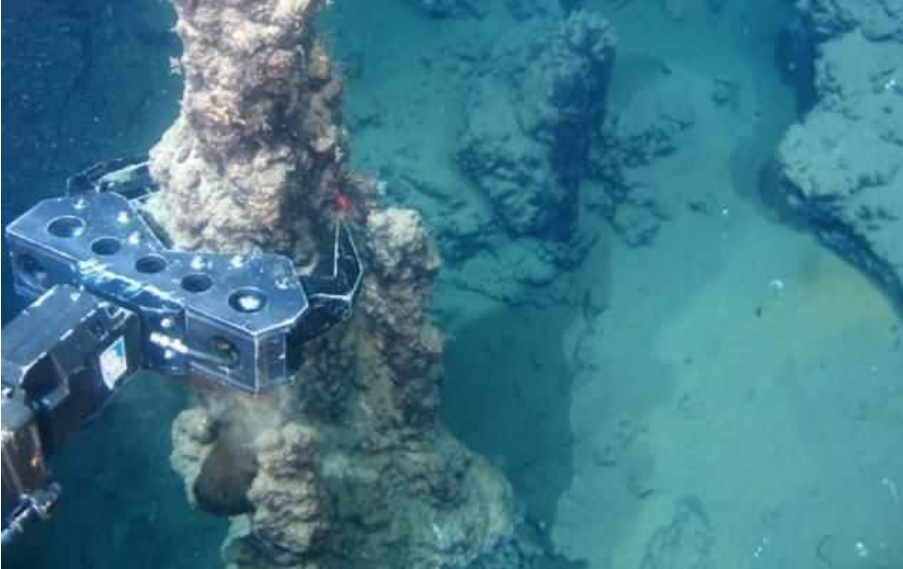
From [Dateline Pacific](#), Radio New Zealand on 15 June 2020

A group of researchers says damages from seabed mining would be significantly less than land-based mining. It's a key finding in a report touted by the government of Nauru and Canadian company Deep Green Metals. Deep Green has a license to explore the seabed in Nauru, Kiribati and other parts of the Pacific's Clarion Clipperton Zone. Johnny Blades reports.

Transcript

Proponents of seabed mining have the Pacific firmly in their sights, yet the industry has yet to find its feet. Holding it back is the great range of unknowns about the potential environmental impacts of mining for metals contained in nodules on the seafloor. One of the report's authors, marine biologist Dr Steven Katona, says these metals are required to produce batteries for electric vehicles to help

the world's transition to a zero-carbon economy. "Make no mistake...there will be damage to the environment down there. It's absolutely clear, You cannot remove 85 percent of the nodules from an area that large (500 km sq) without having substantial damage." But Dr Katona says impacts on wildlife, fauna and humans from sourcing these metals in the seabed would mostly be less than those caused by land-ore mining. His report says that producing metals from nodules has "the potential to generate almost zero solid waste and no toxic tailings". Certain species would recover over time.



Seabed mining Photo: Supplied

"The area that will not be mined is much larger than the area that will be mined. So there will be time for that re-colonisation. About fifteen percent of the nodules will be left in place deliberately. Those that are not buried in sediment will be available for colonisation. So that whole process will go on." But these views about the long-term impacts of seabed mining aren't shared by all scientists. Elsewhere there are stark warnings in a report released last month by the Deep Sea Mining Campaign 'Predicting the impacts of mining of deep sea polymetallic nodules in the Pacific Ocean', drawing on more than 250 peer-reviewed scientific and other articles. Dr Helen Rosenbaum is the Campaign's spokesperson: "Their conclusion is that the impacts of mining deep sea nodules in the Pacific ocean would be extensive, severe and last for generations, causing essentially irreversible species loss and ecosystem degradation. They also conclude that the jury is totally out on the economic benefits of this." Deep Green is pushing its climate change-fighting credentials in the challenge of meeting the world's resource needs. The company's head of Strategy and Business Development Erika Ilves talks of a transition to a resource efficiency that seabed mining would play a central role in.

"If we get this transition right, the virgin metal mining is definitely an industry that's pencilled in as a major source of metals. But for the interim period where we need to build our initial one billion or hopefully fewer cars, so that we can keep recycling, for that period we really need to be careful and compress as much as we can the environmental and social impacts of sourcing virgin metals." But as the discussion around seabed mining in the region swells again, the dire need for more Pacific participation and ownership is as glaring as ever. Dr Stuart Kininmonth, Senior Lecturer at the School of Marine Studies, University of the South Pacific says while there are no courses on the deepsea marine environment specifically, studies in marine geology, management of the high seas and other related areas are on offer.

"So we really encourage anyone really to explore some of those options, in order to essentially have a Pacific grounding in the control of these types of processes, that it's not an external pressure. But

it's a joint issue that needs to be handled delicately, but with knowledge and security in areas that are unknown, and there are lots of these in this field." Meanwhile, Dr Helen Rosenbaum says before plunging ahead to allow seabed mining, Pacific Island countries should consider the experience of Papua New Guinea which lost out by investing in the failed Solwara mining project led by Nautilus Minerals which was the forerunner of Deep Green.

Vale renews bid for nickel ore exports from New Caledonia

The Vale nickel company is lobbying for the export of low grade nickel ore from New Caledonia as it finalises the sale of its assets to New Century Resources of Australia.

Radio New Zealand on 15 June 2020



New Caledonia nickel mining Photo: supplied

To sell the ore, Vale needs to persuade the New Caledonian government to alter the mining code, which provides for Vale's ore to be processed locally. Vale of Brazil wants to sell its 95 percent stake in the plant at Goro, which is the most significant industrial investment in the South Pacific islands region. Pro-independence politicians keep insisting the mining code should be left untouched and if ore were to be exported, it should be sent to plants in which New Caledonia's Northern Province has a stake. In a statement, Vale said there was no plant in New Caledonia which could use the type of ore considered for sale to Japan, China and South Korea. As part of its sale pitch, Vale is being restructured and the refinery shut down, raising concern in the south of New Caledonia over the viability of some of the businesses and sub-contractors reliant on the Vale plant. The nickel sector has been boosted by hopes that the metal will be in increased demand to build batteries for electric vehicles.

Mining the ocean floor the 'greenest' way

The Cook Islands is one of several Pacific nations promoting ocean floor mining as the world's greenest option. Radio New Zealand on 15 June 2020

There are thought to be vast tracts of polymetallic nodules containing valuable minerals, such as cobalt, manganese and titanium, lying on the ocean floor within the Cooks' huge exclusive economic zone. Plans to mine the nodules have long upset environmentalists but Alex Herman, the Seabed Minerals Commissioner, said the minerals were needed, and mining the ocean floor to get them was the "greener" option. "This is all the more important when you look at the impact climate change is having," he said. "So a consequence of that is the demand for minerals associated with a low carbon

economy that leads us to the question then of how these metals going to be sourced, if we are going to move to that low carbon economy."

Bill to bring more benefits, says Tuke

By SHIRLEY MAULUDU, June 15, 2020, The National Business

MINING Minister Johnson Tuke says the country and people will benefit more from mining projects following passing of the Mining Amendment Bill in Parliament last week. Tuke was speaking during a cocktail event on Friday. "What we demand is a fair take. All we want is you (industry) take your fair share and we take ours," he said. "It's not that we want to be nationalistic. No, we need you too. "We need partners. If you want to extend your business in this country, you better be able to fulfil some of your social obligations. That is the licence that will give you a guarantee." Department of Mineral Policy and Geohazards Management secretary Harry Kore said there were three specific issues that stood out from the amendment. "The changes that have been made to the Act basically empower the State to do mineral exploration and also do mining," he said. "That will be done through the State applicant, and the State applicant is an entity nominated by the State to conduct on behalf of the State. "Just for clarity, this is not the revised Mining Act.

"The second thing that is in the revised amendment, is the repository of mineral data as well as exploration and production data. "We have calls from our people that we basically do not know how much is being exported out of the country. "What we have done is to make sure we know exactly how much is shipped out of the country and how much has been sold, and it assists us to know our tax base. "The third one is arbitration. "As per the amendments, all arbitration must be done in PNG and must be subject to the jurisdiction of this country." Mineral Resource Authority managing director Jerry Garry said: "We are not doing enough to collect tax, we are losing about 20 per cent more than other countries. "One of the obvious thing that we detected is that we did not have the visibility to what is produced in every mine around the country," he said. "One of the things was to have advanced process control system to any operating mine. "The idea is to see what is put through the plant and what comes out of the plant."

New bid for Vale assets in New Caledonia

Reports from New Caledonia say a rival bid involving South Korean interests has been mounted to buy the Vale nickel plant which is being sold to an Australian company.

Radio New Zealand on 12 June 2020



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

Last month, Vale said it had struck a deal with New Century Resources of Australia for the Melbourne-based miner to buy 95 percent of its assets. A tentative agreement for a sale was signed, with its financing to be finalised within two months. But the news agency *AFP* said an unnamed South Korean company is part of another bid by Sofinor, which is the majority owner of the Koniambo plant in the Northern Province. The reports said Sofinor would acquire 56 percent and the South Korean company 44 percent. Pro-independence politicians cast doubt on the viability of the Australian bid. They have repeatedly pushed for the nickel resource to be kept in New Caledonian possession. Vale of Brazil bought into the New Caledonian mining and nickel industry after Inco of Canada pulled out of the project.

Landowners assured of benefits

June 11, 2020, The National Business

LANDOWNERS of the Simberi gold mine in New Ireland should not worry about missing out on any benefits, according to Mineral Resources Authority (MRA). Managing director Jerry Garry, when responding to concerns raised by the Simberi Mining Area Association (SMMA) about mining lease extension and related grievances, said through the memorandum of agreement (MoA) process, if there were any increase on gold production, the proportion allocated to them would also go up. “They should not worry about missing out on any benefits because (through) the MoA process, if there’s more gold produced or if the gold price goes up, the revenue stream through what we call the royalty payment will be the same,” he said. “The ratio or the proportion allocated to them is there, and any production increase will mean they will get more royalties. “All these benefits are already locked in, they are not going to miss out on anything.” While commenting on the mining lease extension, Garry said the plan was to convert from oxide ore to sulphide ore treatment without significant material change in the metal output.

Meanwhile, SMMA president Melchie Penge said that they had rejected a warden’s hearing in 2013 as they wanted to review the draft MoA first. Garry, however, said the warden hearing was heard and discussions on the revised MoA had been ongoing. “If they have disputes amongst the landowners, or in any way they prolong the process, the mine would continue to operate,” he said. “They have to leave the in-house political infighting for the landowner executives aside, get the MoA signed so the money can flow to them. “It will be very difficult to negotiate new rates and new benefit streams for them. “When the provincial governments also step in and delay the process, it just add to the disadvantages and list of hindrance to the process. “While we respect the landowners from the smaller mines, we have to also prioritise the major projects that are going to bring bigger revenues to the country.”

Parliament passes mining bill

June 11, 2020, The National

PARLIAMENT yesterday passed the Mining (Amendment) Bill 2020 which enables the State to participate in the development of the country’s mineral resource projects. The Bill, which was tabled by Mining Minister Johnson Tuke, was to provide a legal base for the State to apply for a tenement and develop a mine. Tuke said the current Mining Act 1992, was not very clear on State participation. “It was drafted in a way that was intended to allow only foreign investors to do mineral exploration and mining in PNG,” he said. “It does not enable the State to deal with its mineral resource potential. “In the mineral sector, it is vital that we make these necessary changes to empower the State to participate in the development of our mineral potential.” Johnson said the Bill proposed to establish a mechanism in law whereby the State may reserve land, the subject of expired, surrendered, cancelled or relinquished tenement over which a new application made by the State. He said

the Bill upon its enactment by parliament will come into operation immediately when certification by the Speaker of Parliament.

Bill to give people control over oil, gas extraction

June 11, 2020, The National

THE Oil and Gas (Amendment) Bill 2020 will give the people of PNG control over the extent and manner in which oil and gas is extracted and developed, says Prime Minister James Marape. Marape said the country could not continue to be held hostage by its own oil and gas laws and the new Act would enable officers of the government to regain their self-respect, which elevated their stature “as equals” before sitting at negotiating tables. He made the comment during his statement supporting the passage of Oil and Gas (Amendment) Bill 2020 in parliament yesterday. “The proposed Amendment Bill will undo historical legacies, which have made our country become a generous profit centre for powerful foreign interests in oil and gas,” Marape said. “Our country’s oil and gas laws have been crafted and applied to entice foreign capital and know how.

“This has meant subordination of our ‘national interest’ to ‘commercial interest’ at a great cost to the people of PNG. “Attracting foreign investors and capital is important, but this cannot remain unchecked forever. “Like all countries, PNG grows and changes with time, as do the people of PNG. “So as a tool for development, the law must be adjusted to either reflect or promote those changes.” Marape said as leader of Government, it was his responsibility and privilege to ensure historical legacies that had outlived their usefulness were replaced, with new concepts to enable the people to take control of their economic agenda. “I, therefore, support the introduction and passage of the Oil and Gas (Amendment) Bill 2020 fully,” he said. The Oil and Gas (Amendment) Bill 2020 was introduced on the floor of Parliament yesterday by Minister for Petroleum and Energy Kerenga Kua.

Mining, petroleum licensing criteria changes

By HELEN TARAUA, June 11, 2020, The National

THE Government will be introducing a bill for a new Organic Law to move away from the current concession-based licensing system to a production-sharing arrangement for the mining and petroleum industries, Minister for Petroleum and Energy Kerenga Kua says. Speaking in Parliament during the tabling of an Act on Oil and Gas (Amendment) Bill 2020, Kua said after the new Organic Law was passed by Parliament, the Government would be expected to introduce a number of new bills for a number of acts to provide details for the implementation of new policies. He said the proposed 2020 Amendment Law was intended to alter key outdated sections of the Oil and Gas Act 1998. “Those are sections that inhibit or frustrate the state’s ability to secure the best deal possible from PNG’s participation in oil and gas projects,” Kua said. “PNG continues to be hamstrung by serious gaps or flaws in sections of the Oil and Gas Act which weakened any push under Section 25 of the National Constitution for national interest against commercial interest.

“It is our collective responsibility as members of the people’s House to ensure that PNG claims back on the disparity between national interest and commercial interest which the Oil and Gas Act encourages. “Corrective measures should be taken at the basic or targeted level before having wholesale changes made. “Parliament should begin with targeted approach that serves an immediate national interest agenda.” Kua said one set of changes related to gaps in the sections of the Oil and Gas Act on applications for grants of petroleum development licences. “These are gaps in the Act which weaken the state’s bargaining position when negotiating petroleum and gas agreements,” he said. “The other set of flaws relate to the agreements to which the state is party under the Oil and

Gas Act. Those agreements are given the status of law and given supremacy over the Act. Having such agreement prevail over the Oil and Gas Act.”

MRA to ensure houses built for villagers meet expectations

By CLARISSA MOI, June 10, 2020, The National Business



The Mineral Resources Authority (MRA) says it will take the lead in ensuring that houses built for villagers at the Woodlark gold project in Milne Bay are respectable and up to expectation. Managing director Jerry Garry said this last Friday following recent media reports of houses built by developer Geopacific Resource Ltd that were substandard with respect to material and design. Garry said he had conveyed the authority’s disappointment during a recent communication with the company’s executive. “The chairman (Ian Clyne) himself, was very disappointed as it was not the style of houses that were intended to be built for the landowners,” he said. “We will correct that. “If those houses were constructed, then we now have assurance from the boss of the company that they will stop construction of those houses and MRA will take leadership in ensuring that they build houses to our expectations. “So that is the assurance that I could give to everyone.

“I understand the concerns raised by the local MP (Isi Henry Leonard) that they had been left out and I have written to the provincial administrator assuring him that we will be involving the provincial government in all our discussions on the Woodlark gold project going forward.” Garry said that due to the Covid-19, they were restricted and were not able to send officers to the site. However, Mining Minister Johnson Tuke said MRA staff would be sent to the site to assess the situation as soon as possible. He said with restrictions on movement during the state of emergency as well as other mining issues, the MRA was unable to quickly address the Woodlark issue after it was reported in the media. “This pandemic has discouraged our movement so we have not been able to exercise our due diligence,” Tuke said. “But in the next few weeks, the MRA staff including myself will be deployed on site so we can see what the company is doing. “So that we can give assurance to the people of Woodlark as well as the people of Papua New Guinea.”

Barrick Niugini's application rejected

June 10, 2020, The National

A COURT has rejected an application by Barrick Niugini Ltd, the operator of the Porgera gold mine, for an order to stop State authorities from interfering in its business operation. Deputy Chief Justice Ambeng Kandakasi in the National Court declined to hear the application because he had already ordered both parties last Friday during an application by Barrick to review the State's refusal to extend its special mining lease, to come up with an agreement on the care and maintenance of the mine site. He had said then he would only hear any further applications once both parties had provided the court an agreement on an environment safety plan regarding the care and maintenance of the mine site. The company's lawyer Derek Wood of Ashurst Lawyers, informed the court yesterday that a statement released by the managing director of the PNG Mineral Resource Authority Jerry Garry was deemed "prejudicing the matter pending in court". Garry's statement alleged that Barrick on June 3 had tried to export 23 gold bars worth K46 million along with K70,000 worth of silver. The company on June 6 denied the claim. Wood claimed that the statement had attracted public opinion and asked the court to stop the State and its authorities from interfering in the company's business.

MRDC to be independent of politics, as Act passed

BY GORETHY KENNETH, Post-Courier, June 10, 2020

A change to the Mineral Resources Development Company (MRDC) Act passed by Parliament yesterday now gives authority for a new corporate structure, making it more independent from government influence. Parliament passed the amendment unanimously, 78-0, a Bill Prime Minister James Marape said will restructure MRDC, one of the most successful management companies in PNG today. The MRDC Group has invested in Commercial and Residential Properties, Hotel and Resorts, Airline, Banking, PNG LNG Project, to name a few. They have recently entered the electricity sector through Dirio Power, which is licensed to supply power into the NCD power grid. The assets the MRDC Group owns are valued at around K7 billion. "The group contributes immensely to the national economy as well, and I want to thank the Board and Management of the MRDC group for their solid performance over the years. "This new legislation sets out very clearly for the first time the roles and responsibilities of MRDC," Mr Marape said yesterday.

"It sets out a clear regulatory framework and trust arrangement, setting clearly that assets held belong to specific beneficiaries and are not public assets or public properties. "It delinks the company from political influence. The State at all times owns shares in MRDC, with the shares held on trust by the Prime Minister. But MRDC can only be directed, supervised, and managed on commercial principles by its Board pursuant to its company constitution. This improves corporate governance, and provides MRDC complete independence from political influence," he said. "Today, MRDC manages landowners and provincial government interests in Kutubu, Gobe and Moran oil projects, the Porgera, Ok Tedi, and Ramu Nickel Mines, and all the PNG LNG landowning companies."

Through prudent management and sound investment decisions, the MRDC Group has grown significantly over the years. Its investment in solid growth and high value assets has ensured landowners and provincial governments receive a sustained level of income from them. A review undertaken in 2015 and 2016 identified potential improvements to MRDC's corporate governance and organizational structure after change was mooted. Landowners were widely consulted in this exercise. Key concerns raised by landowners during the consultation process were that they wanted the ownership of companies that hold trust assets, being MRDC and its subsidiaries, to be set out clearly in legislation; they also wanted a clear governance framework for MRDC set out in legislation, and MRDC to be protected from political influence. The outcome of the review process culminated in the

recommendations to introduce reforms to restructure the company, including repealing the Mineral Resources Development Company Pty Ltd Privatization Act, and replacing it with the Mineral Resources Development Company Trustee Limited Authorisation Act.”

Planned Bougainville mining laws undermine rights - NGO

An Australia NGO says mining legislation before the Bougainville parliament could undermine human rights and environmental controls. Radio New Zealand on 10 June 2020



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

Jubilee Australia claimed the legislation would severely undermine the existing rights of landowners. The three proposed new laws were the result of a move by the government more than a year ago to take direct control of the mining sector, linking up with an Australian company called Caballus. Jubilee's executive director Luke Fletcher said the proposed legislation was ambiguous and vague. "If there is vagueness, it may not be the intention of the vagueness to be able to be taken advantage of, but if there is vagueness it can give the executive officials the ability to take advantage of it, even if there are different people who come into power and take advantage." The NGO compiled a research paper called 'Blank Cheque'

Losses mount for New Caledonia's SLN

Radio New Zealand on 9 June 2020

New Caledonia's loss-making SLN nickel company says \$US75 million is left of the loan it had taken out after another year of losses. Shareholders were told that last year losses amounted to just over \$US90 million, with production falling below 50,000 tons for the first time in 34 years. The nickel producer was hit by protracted industrial action and sabotage at its mining sites. SLN, which is New Caledonia's largest private sector employer, was thrown a lifeline in 2016 when the French state and the SLN parent company Eramet saved it from collapse by giving it a loan worth almost \$US600 million. At the time, the plummeting nickel price caused daily losses of half a million. Despite this year's rise in the nickel price, SLN said it needed to get the local government's approval to sell nickel ore to mainly China in order to continue with its rescue plan. Pro-independence parties however are opposed to SLN's latest export bid after the company already had won the right to export four million tons of ore a year for 10 years. They argue that the resources should be processed

in New Caledonia to sustain local employment. SLN also needs a new power plant for the smelter in Noumea which is due for a furnace upgrade.

Porgera: Court to review decision

By KARO JESSE, June 9, 2020, The National

THE National Court will review the State's refusal to extend a Special Mining Lease (SML) for Barrick Niugini Ltd (BNL), the operator of the Porgera gold mine. The court ordered the judicial review after it granted leave to BNL on Friday. BNL had filed the proceedings seeking review to ensure there were procedural fairness in decision making. The miner claimed that the State had failed to take into account relevant considerations and the decision was made in bad faith. Deputy Chief Justice Ambeng Kandakasi upheld submissions by BNL's lawyer, claiming the miner had sufficient interest and the decision by the National Executive Council (NEC) had affected agreements between the State and miner in a mining development contract signed in May 12, 1989.

The court ruled that BNL through the contract had sufficient interest to file the proceedings as it found that grounds pleaded by BNL were sufficient. Justice Kandakasi found that the State had failed to provide the reasons of its refusal to extend the miner's SML since BNL submitted that application for extension of SML was submitted two years prior to its expiry date. BNL's lawyer Derek Wood, of Ashurst Lawyers, claimed the decision was sudden because the State did not explain why it had taken too long to process the application which was filed two years earlier Justice Kandakasi told both parties that every decision had to come with a reason. "If there is no reason than how can you claim that it is a decision?" he asked. Concurrently, BNL also informed the court that the State had not been responding to its proposed environment safety plan regarding the care and maintenance of the mine site.

Justice Kandakasi ask the State why it had taken so long for the relevant authorities to respond to the safety plan when the decision of refusal was announced in March 11. Solicitor-General Tauvasa Tanuvasa informed the court that it was because BNL had provide less data. Tanuvasa further explained that it was the duty of government authorities to respond to the proposed safety plan. BNL had also filled an interim injunction regarding the decision pending the determination of the substantive review. Justice Kandakasi further ordered the State and the miner to have a conference to come up with a complete agreement regarding the miner's proposed environment safety plan. He ordered that both parties had to present the complete agreement in court on Friday before he can hear any further applications from both parties.

Unease grows in New Caledonia over Vale nickel plant sale

Access to New Caledonia's Vale nickel plant has been restricted by sub-contractors worried about the plant's sale. Radio New Zealand on 5 June 2020

Members of the SAS Goro Mines, which groups businesses tied to the nickel mining venture, set up roadblocks along the main road south of Noumea to pressure the Vale leadership into talks about the impending sale's implications. The president of the Southern Province Sonia Backes went to the scene and vowed to help find a solution. Talks were planned but it remains unclear where they will go ahead and who will join them, with SAS Goro Mines wishing to meet at the French High Commission. Last month, Vale said it had struck a deal with New Century Resources of Australia for the Melbourne-based miner to buy 95 percent of its assets. Vale of Brazil, which acquired the nickel project at Goro when it took over the Canadian miner Inco in 2006, is estimated to have spent \$US9 billion on the plant. Part of original commissioning process involved the inclusion of the local interests which formed SAS Goro Mines to benefit the area's businesses. The sale to New Century

Resources is accompanied by a bid by Vale to sell two million tonnes of nickel ore a year for export which can only go ahead if the mining code is changed. Pro-independence parties are against any such change, insisting that the nickel resource should be processed in New Caledonia as was the original plan.

Govt prerogative to deal with regulation: MRA

June 5, 2020, The National

MINERAL Resources Authority (MRA) managing director Jerry Garry says it is the Government's prerogative on how it deals with the Public Money Management Regularisation Act (2017). He was responding to a Supreme Court decision to declare the Act unconstitutional last week. Garry said however, he trusted that the Government would do its due diligence and exercise greater care in how it treated this issue going forward. "The implementation of the Act meant that the MRA was unable to roll out its programmes and projects effectively, especially safety inspections, management of landowner issues and scientific research for new ore deposits," he said. "When landowner issues arise, MRA's officers are normally required promptly on the ground to mitigate these issues before they escalate.

"However, without financial autonomy, issues have escalated, sometimes leading to closure of mining projects (such as the Kainantu gold mine), making it even more challenging for Government officers to handle," he said Garry said the mining sector was one of the main revenue earners for the country generating about 50-60 per cent of export earnings. "The MRA has to effectively service the industry in order for the industry to generate the much needed cash for the country. "The efficiency with which we operate has implications on the level of production outputs and revenue generation from the mines. "But as I have said, it is really up to the Government. "The MRA will continue to perform its mandates to the best of its ability to service the Government, the mining industry and our people regardless of the challenges imposed by any Acts or regulations," he said.

PNG mines authority fast-tracked Woodlark, says MP

A Papua New Guinea MP says the Mineral Resources Authority has bypassed local government to fast-track construction of the Woodlark Island mine.

Radio New Zealand on 5 June 2020



Construction has started at the Woodlark gold project. Photo: Geopacific Resources

Australian miner Geopacific Resources has raised about \$US28 million for the project on Milne Bay's Woodlark, or Muyua Island. Forecast to produce 1.6 million ounces of gold, Geopacific says its civil works programme commenced on the island in December with the arrival of key supplies and equipment. However, the MP Isi Henry Leonard visited the island last week and said he was

surprised to see the construction of kit homes for the relocation of villagers. He said the authority fast-tracked the work even before the mine development permit, the environmental permit and the benefit sharing agreement have been settled. According to Geopacific, the community supports the project, and more than 100 islanders are working for the miner or its contractors.

Leonard raises concern over Woodlark Island mining lease

FRANK RAI, Post-Courier, June 4, 2020

Concerns have been raised by an aggrieved member of parliament (MP) in relation to government agencies bypassing district and local level government administrations to grant approval on resource development projects. Samarai-Murua MP Isi Henry Leonard raised the concern that Mineral Resource Authority (MRA) has ignored and deliberately bypassed Samarai-Murua district and Murua LLG respectively to fast-track construction work for the Woodlark Island mine without prior consultation. Mr Leonard fired a broadside attack saying MRA's negligence to involve district and LLG administration including local landowners in consultative meetings is disturbing. During a visit to the island last week, the MP was surprised to witness construction of kit homes for the relocation of villagers from Kulumadau was under way. "I am surprised to see that work has commenced during this short span of time. MRA and the developer, Geopacific Resource Limited are fast tracking construction work despite other prerequisites such as memorandum of agreement (MOA), environmental permit, mine development permit and benefit sharing agreement have not been settled," Mr Leonard said.

He said MRA as the lead government agency should set its priorities on the local level governments and the people as its primary obligation to ensure efficient benefits. "I am extending my concern and call to the Minister for Mining Johnson Tuke to immediately sack the Woodlark Island mine coordinator. This MRA co-ordinator for Woodlark mine has failed the Milne Bay provincial government, Samarai-Murua district, Murua LLG and the people of Woodlark Island," Mr Leonard said. He further said stringent measures needs to be undertaken to sort out issues within the government agencies including MRA and weed out corruption, incompetency and malpractices. Meanwhile, MRA could not be reached to respond on issues raised by the MP on the Woodlark Island mine issue. Woodlark Island mine is valued at US\$200 million (K692million).

District church groups receive royalty payments from project

June 4, 2020, The National Business

THIRTY-SIX church groups in Usino-Bundi, Madang, received a total of K111,756.56 in a royalty payout from Ramu NiCo project this week. Mineral Resources Authority (MRA) representative based in Madang, Nicholas Waipuk, presented the cheque to the pastors and expressed MRA's gratitude that the money would finally benefit the genuine landowners through their church organisations. "MRA's real concern is to ensure that the royalties from all the projects in PNG benefit the genuine landowners and not the paper landowners," he said. "It is the landowner executives' wisdom to capture the church component of the royalty under the project MoA (memorandum of understanding) and we are now seeing the benefit to the churches." Waipuk thanked Ramu NiCo, the Maigari landowners association and the churches for working together.

The money was from the one per cent component of the 2018 royalty payout, according to Ramu NiCo management. Ramu NiCo community affairs general manager, Martin Paining, told the church pastors the mine was committed to taking care of its landowners. "Under the Ramu NiCo project MoU, youths, women's groups and landowners receive their royalties including the churches," he said. He urged the pastors to use the funds for the benefit of their communities and

congregations. Maigari landowners association chairman Jacob Winis said his executives would ensure benefits were filtered down to genuine landowners including churches. “The previous executives decided to purchase building materials and other support services for the churches but under my executive, we decided to open a bank account for all churches so that they receive their royalty,” Winis said.

Royalties with bank: Bakani

By SHIRLEY MAULUDU, June 4, 2020, The National Business

ABOUT K300 million in royalties belonging to PNG LNG project impact landowners is still in a trust account with the Bank of Papua New Guinea (BPNG), an official says. BPNG governor Loi Bakani said this was pending proper identification that needed to be completed for genuine landowners. “The trust account is still held at the Bank of PNG,” he told The National. “The ones that are getting their royalties are the ones at the pipeline area, and where the processing facility is. “The ones that are not paid are where the oil and gas are coming from. “It’s over K300 million sitting there in the trust account. “The disbursement of it is awaiting the landowner identification. “We hear it’s been done already but we did not get clear instructions on who to pay to and all that, so that is still pending.”

Meanwhile, according to the recently published Environmental & Social Report for 2019 from ExxonMobil PNG Ltd (EMPNG), the PNG LNG project reached its most significant milestone last year with the completion of 10 years in the country. EMPNG, a subsidiary of Exxon Mobil Corporation, manages operations of the PNG LNG project. Over the past decade, the project has partnered with many government, non-government organisations and communities to position PNG as a world-class LNG supplier. Co-venture partners in the project include Oil Search Ltd, Kumul Petroleum Holdings Ltd, Santos Ltd, JX Nippon Oil and Gas Exploration Corporation and Mineral Resources Development Company Ltd and their affiliates. In 2019, EMPNG celebrated a decade of partnership with Papua New Guinean businesses.

Environmentalist calls on Cooks govt to listen to experts on seabed mining

An environmental activist in the Cook Islands says the government must listen to the experts on the merits of seabed mining. Radio New Zealand on 3 June 2020



Photo: Goldman Environmental Prize

The Cook Islands is reputed to have billions of dollars worth of mineral-laden nodules on its ocean floor and is keen to exploit them. It is opposed to a call for a 10 year moratorium on deep-sea mining as called for at last year's Pacific Islands Forum summit. The Deputy Prime Minister, Mark Brown, said such a moratorium would stifle research. But environmentalist Jacqui Evans, said the government had people looking at the nodules but not on the impact on the water and marine life. "If they listened to the advisors, the ones who have learnt about environmental sampling and who understand what's involved in doing research in marine biodiversity, then they would know that it takes a very long time to gather this information," she said. "We don't know anything about our deep ocean and the impacts of mining on it."

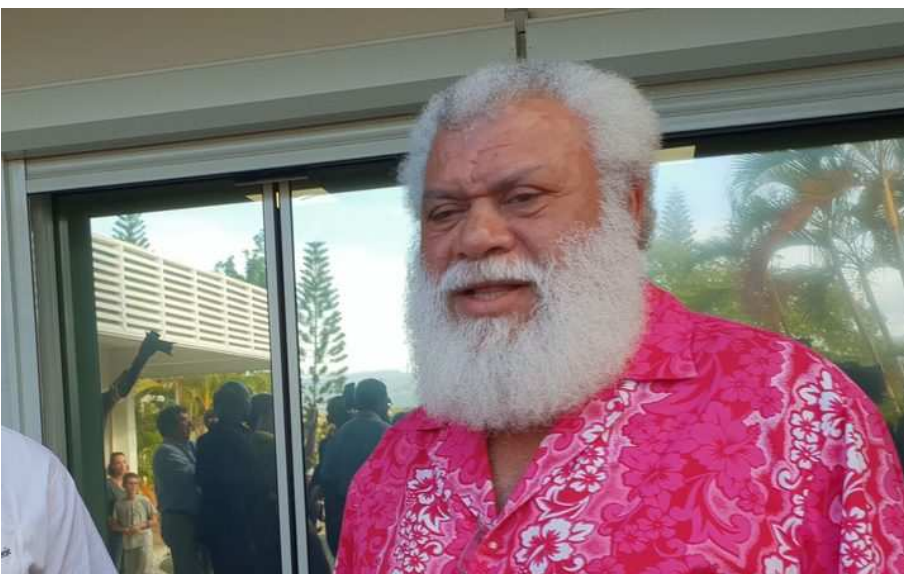
Talks on mining, oil, gas projects in 'very advanced stage'

June 1, 2020, The National

PRIME Minister James Marape says the country will be in a position to know the status of the four mining, oil and gas projects before Sept 16. Marape said discussions on the P'nyang gas project were in "a very advanced stage". The Government will relay in a letter to developing partners its position. He said the Government was also in the process of advancing talks on the Pasca, Wafi Golpu and Porgera projects. "I'll be releasing a letter to our partners in the P'nyang project stating our position as Government," Marape said. "We have already established that Pasca gas and oil fields outside Gulf will be advanced and we are working on advancing the Wafi Golpu project. "Most of you will know that the Porgera lease has expired and the decisions the mining advisory council has taken. "The case is before the court as far as Porgera is concerned. "Our Government has advanced work as far as these four mining and oil and gas projects is concerned. "Within the next three month, before we come to Sept 16, our country should be in a better position to know where we are as far as Porgera, P'nyang gas fields and Pasca and Wafi Golpu projects are concerned."

Bid to overturn New Caledonia ore export permit fails

A legal challenge to overturn the New Caledonian government's decision to allow more nickel ore exports has failed. Radio New Zealand on 29 May 2020



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

The president of the Northern Province, Paul Neaoutyine, had taken issue with the collegial government's decision last year after it approved a request by the SLN nickel company to export four

million tonnes of ore a year for 10 years. This week the administrative court threw out his bid to annul the move. The pro-independence members of the collegial government had opposed SLN's plan, arguing that high quality ore should be processed in New Caledonia and not abroad. SLN, which is New Caledonia's biggest private sector employer, had been running at a loss but survived a severe crisis four years ago thanks to huge loans from its French parent company Eramet and the French government. The sale of ore from its mines to Japan and China was expected to boost SLN's revenues as it implemented a restructure aimed at reducing the costs of producing nickel.

However, concerns remain that SLN will run out of money. On Wednesday, the Palika party, which is led by Mr Neaoutyine, spoke out against a proposed law change to allow SLN and another nickel producers to export ore earmarked for local plants. SLN and Brazilian-owned Vale each want to sell two million ton of ore because of their financial problems. Palika described the plan as a disgrace because it shouldn't be New Caledonians that had to foot the bill for the mistakes of multi-nationals. The party pointed out the Goro nickel ore deposit now held by Vale was gifted on condition that it was processed in New Caledonia. The pro-independence politicians want only low grade nickel ore to be used abroad at smelters where New Caledonian interests hold a majority.

New Caledonia nickel sale plan labelled a disgrace

New Caledonia's pro-independence Palika party has spoken out against a proposed law change to allow two nickel producers to export ore earmarked for local plants.

Radio New Zealand on 28 May 2020



Photo: RNZ Pacific/ Walter Zweifel

SLN, which is the largest private employer and a subsidiary of France's Eramet, and Brazilian-owned Vale each want to sell two million tonnes of ore because of their financial problems. Palika, which is one of the factions of the FLNKS movement, issued a statement describing the plan as a disgrace because it shouldn't be New Caledonians that have to foot the bill for the mistakes of multi-nationals. It said it was unacceptable to sell the ore for a fraction of its value. The party said an alternative existed. It said as a finite resource New Caledonia's ore could be processed by Koniambo, which is the third and locally-owned nickel producer, based in the mainly pro-independence Northern Province. The party pointed out the 'colonial right' gifted the Goro nickel ore deposit to the Canadian company Inco on condition that it was processed in New Caledonia.

Since then Vale of Brazil bought out Inco and this week it was confirmed that Vale was finalising a sale of its 95 percent stake to New Century Resources of Australia. Part of the sale process was a restructure plan, which involved the ore sale as well as the closure of a nickel refinery with its ensuing job losses. Palika said Eramet wanted to boost its share price by now selling ore from the Tiebaghi mine when it for years failed to invest in SLN. Last year, the government already approved a request by SLN to export four million tonnes of nickel ore a year for 10 years. In 2017, SLN survived a business downturn courtesy of a \$US390 million advance from Eramet and a loan of \$US240 million from the French state. In 2016, Vale obtained a \$US200 million loan from the French state to avert shutting its plant which at a cost of about \$US9 billion is the most expensive industrial site in South Pacific islands.

Ok Tedi Mine records K754mil profit

May 26, 2020, The National Business

OK Tedi Mining Ltd has recorded a net profit of K754 million for the 2019 financial year. It represents an increase of K289 million, or 61 per cent, compared to the previous year. Chairman Sir Moi Avei told the company's annual general meeting on Friday: "The company distributed K400 million in dividends during 2019 while investing a further K408 million in the strategically important crusher replacement project. "This project will be completed later this year enabling access to higher grade ore and delivering an increase in production and cash generation in 2022 and beyond. "The results reflect the benefit of improved production and continued cost discipline and were, particularly pleasing given that dry weather had prevented shipping on the Fly River for more than 50 days at the end of 2019.

"Mine production increased by 18 per cent compared to the previous year, while copper and gold production were up by 3 per cent and 9 per cent respectively." Production costs, determined in accordance with the industry standard Brook Hunt C1 measure, decreased from US\$1.22 (K4.12)/lb in 2018 to US\$0.49 (K1.65)/lb in 2019, "comfortably within the lowest cost quartile of global copper producers". "As we move into uncertain times in 2020 due to the Covid-19 pandemic, Ok Tedi Mining Limited is well prepared," Sir Moi said. "At the end of 2019, the company was in a solid financial position holding K357 million in cash and debt-free." But he cautioned that the residual impact of the late 2019 shipping constraints on cash collections in the first quarter of this year, and impacts of the Covid-19 restrictions and ongoing uncertainty would place pressure on the company's financial reserves in 2020.

Australian miner set to acquire New Caledonia's Vale nickel plant

New Caledonia's Vale nickel company says a deal has been struck with New Century Resources of Australia for the Melbourne-based miner to buy its assets.

Radio New Zealand on 26 May 2020

The head of Vale confirmed to media in Noumea that a tentative agreement for a sale was signed, with its financing to be finalised within two months. New Century's chief executive Patrick Walta also confirmed the arrangement to Australian media. Vale's Brazilian parent company put its 95 percent stake in the New Caledonian plant up for sale in December after running up losses in the hundreds of millions of dollars. Vale, which acquired the project in the south of the main island when it took over the Canadian miner Inco in 2006, is estimated to have spent \$US9 billion on the Goro plant. Accompanying the sale plan was a restructure of the operation for which \$US120 million was approved. Up to 140 employees were expected to lose their job once the nickel refinery closed as Vale prioritised making NHC, or nickel hydroxide cake, which is in demand for batteries

for electric vehicles. The restructure also included plans to export two million tonnes of nickel ore a year from a deposit available for the plant.



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

New Caledonia's Vale nickel plant eyed by Australian companies

Radio New Zealand on 26 May 2020

Two Australian companies are reported to be in joint contention to take over the New Caledonian nickel plant up for sale by its owner Vale of Brazil. New Caledonia's public broadcaster quoted an *Australian Financial Review* report which named New Century Resources as a bidder, linked to another Australian company Igo Limited. In February, Vale in New Caledonia said there were three bids to take control of its 95 percent stake, but no names were mentioned. Vale said at the time that it expected to sign off a deal by the end of June. There was also speculation that a Chinese company was poised to acquire the plant which was put on the market in December. Its Brazilian owner had been incurring losses in the hundreds of millions of dollars and decided to pull out after earlier contemplating to mothball the site. Vale, which acquired the project when it took over the Canadian miner Inco in 2006, is estimated to have spent \$US9 billion on the Goro plant. Accompanying the sale is a restructure of the operation for which \$US120 million was approved. Up to 140 employees are expected to lose their job once the nickel refinery closes as Vale prioritises making NHC, or nickel hydroxide cake, which is in demand for batteries for electric vehicles. The restructure also includes plans to export two million tonnes of nickel ore a year from a deposit available for the plant.

Uncertainty clouds future of SLN mine in New Caledonia

Radio New Zealand on 26 May 2020

New Caledonia's biggest private employer says there is uncertainty over its mining site in Kouaoua because of last weekend's arson attacks. The ore conveyor belt at the SLN nickel company's mine was set ablaze in two places, again disrupting production. An SLN spokesperson told local radio that neither the safety of its staff nor of the installations are assured to envisage continued operation. Talks are reportedly scheduled all week amid concern in Kouaoua of the economic impact of the latest incident. The conveyor belt is instrumental because it feeds nickel ore from the mine to the

coast for shipping to the SLN smelter in Noumea. Last month, two men were jailed for raiding and burning SLN staff quarters in Kouaoua during the Covid-19 lockdown. The Kouaoua site, which provides more than a third of SLN's ore, was closed for nearly three months in 2018 as a result of two blockades set up by a local group opposed to expanded mining. SLN has been running at a loss over the last few years.



The conveyor belt at the Kouaoua mine. Photo: SLN

Western gets free equity

May 25, 2020, The National Business



Prime Minister James Marape (right) handing over the share certificate for the Mineral Resources Ok Tedi Ltd to Western Governor Tobai Yoto. – Picture supplied

PRIME Minister James Marape has issued three share certificates for free equity ownership (33 per cent) of the Ok Tedi mine to the Western provincial government. He handed over the share certificates, on behalf of Ok Tedi Mining Ltd, to the Mineral Resources Ok Tedi No.2, Mineral Resources CMCA (Community Mine Continuation Agreement) Holdings Ltd and Mineral Resources Star Mountain Ltd. He commended the O'Neill-led government for the success of the PNG-owned mine. Marape gave credit to O'Neill for the Cabinet's decision to ensure equity was shared properly and given back to the people. "I subscribe to this principle of shared equity, giving respectable equity

back to people who are project area securities,” he said. “The people whose land the resources are extracted from.

“The greatest impact on the environment is felt and the greatest social effect is felt. “This is a flagship state-owned enterprise for PNG and we are thankful for the continuance of the project.” Marape thanked the landowners and people of Western, Star Mountains and all the way down to the floor of the Fly River basin. He said they ensured the mine continued after its first closure. “We now arrive at a time in which a formal share certificate distribution is being made as evidence to that structure of ownership of Ok Tedi mine.” The State owns 67 per cent stake in the copper/gold project at the Ok Tedi mine. The remaining 33 per cent is shared between the three organisations:

- Mineral Resources Star Mountain Ltd – owned by the landowners of Star Mountain;
- Mineral Resource CMCA Holding – owned by those who are in the mine affected areas; and,
- The Mineral Resources OK Tedi 2 – owned by the provincial government for the people of Western.

Two fires at New Caledonia nickel mine site

There have been two suspected arson attacks on the installations of the SLN nickel company, New Caledonia's largest private sector employer, at Kouaoua.

Radio New Zealand on 24 May 2020



SLN Photo: supplied FB

There have been two suspected arson attacks on the installations of the SLN nickel company at Kouaoua in New Caledonia's north. In the early hours of Sunday, the conveyor belt, which feeds nickel ore from the mine to the coast for shipping to the SLN smelter in Noumea, was ablaze in two places. SLN firefighters rushed to the site to control the fire and an investigation was opened. Last month, two men were jailed for raiding and burning SLN staff quarters in Kouaoua during the Covid-19 lockdown. The Kouaoua site, which provides more than a third of SLN's ore, was closed for nearly three months in 2018 as a result of two blockades set up by a local group opposed to expanded mining. The conveyor belt has been repeatedly targeted in recent years, with concern now rising again about SLN's viability. SLN has been running at a loss over the last few years.



SLN smelter in Noumea New Caledonia Photo: RNZ Walter Zweifel

Equity to be decided

By SHIRLEY MAULUDU, May 22, 2020, The National Business

THE Kumul Petroleum Holdings Ltd (KPHL) is yet to decide how much equity it will take up in the Pasca A gas-condensate offshore project in Gulf, an official says. KPHL managing director Wapu Sonk told The National yesterday that the State entity would have to conduct full diligence of the project first. Twinza Oil Ltd is the operator of the country's first gas-condensate offshore project. "KPHL will undertake a detailed and due diligence on the Pasca project operator, their financial and operational capabilities, the license itself, the merits of the project as proposed, economics, technical, operational and development plan including marketing before we decide on our equity option of 22.5 per cent in the project," Sonk said. "Until such a process has been completed, we are not in a position to comment on the project as proposed by Twinza."

Prime Minister James Marape last Friday said Cabinet had endorsed a submission on the Pasca project and was ready to start negotiating a gas agreement with the operator. Cabinet endorsed KPHL as the State's nominee in the project. KPHL is at liberty to decide whether to take up the statutory equity of 22.5 per cent in the project. Twinza Oil this week said a gas agreement for the project would set out fiscal terms to allow it to enter the front-end engineering and design phase later this year. It said the gas agreement would represent a key commercialisation milestone, and is the culmination of years of work by Twinza and the Department of Petroleum and Energy.

Pacific warned of seabed mining's irreversible impacts

A new report into seabed mining in the Pacific warns of irreversible damage to the marine environment. The report, 'Predicting the impacts of mining of deep sea polymetallic nodules in the Pacific Ocean', is a fusion of more than 250 peer-reviewed scientific and other articles.

Radio New Zealand on 21 May 2020

Compiled in conjunction with the Deep Sea Mining Campaign, it said there was a lack of certainty around the proposed methods of companies seeking exploration licenses in the Pacific. But the campaign's coordinator, Helen Rosenbaum, said researchers found the risk of serious environmental damage was high. "Their conclusion is that the impacts of mining deep sea nodules in the Pacific ocean would be extensive, severe and last for generations, causing essentially irreversible species loss and ecosystem degradation," she said. "They also conclude that the jury is totally out on the

economic benefits of this." The Deep Sea Mining Campaign, together with MiningWatch Canada, urged Pacific governments to think twice about licensing companies to mine the seabed. This comes as the focus of a handful of companies and investors zeroes in on polymetallic nodules, which typically comprise several minerals including nickel, cobalt, copper and manganese, in the Clarion Clipperton Zone in the north-eastern equatorial Pacific, and in the exclusive economic zones of several nations.



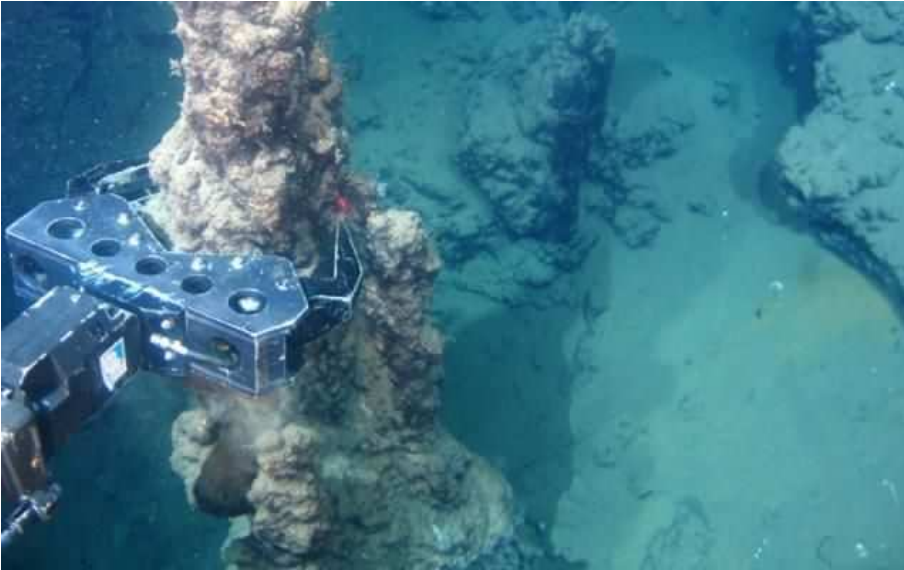
The Deep Sea Mining Campaign warns that if nodule mining is allowed to take place in the Pacific Ocean, species such as the Sperm Whale could be adversely affected. Photo: WILLYAM



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

Tonga, Nauru and Kiribati recently granted exploration licenses to subsidiaries of, or companies linked to, Canada-based DeepGreen Metals. Dr Rosenbaum said these countries should consider the experience of PNG, which lost out by investing in Nautilus Minerals' failed Solwara mining project in the Bismarck Sea. "The people who were present in that company at the time, they ramped up Nautilus' share price, and they jumped ship at the height of that share price with quite nicely in the hands of personal wealth, and they started a new company Deep Green." Deep Green said its mining plans were geared around minimising environmental impacts with an aim for "zero tailings".

In its promotional statements, Deep Green said confronting climate change and meeting the resource needs of nine billion people were "the biggest challenges of our time". "Electric vehicles and renewable energy are part of the solution, but we know that scaling these globally will require hundreds of millions of tons of new metals. "We believe that producing these urgently needed battery metals from polymetallic nodules from the deep ocean is society's best option."



Seabed mining Photo: Supplied

PNG undersea mining law close

The Papua New Guinea Deputy Prime Minister, Davis Steven, says the government will announce a new policy to manage maritime resources soon.

Radio New Zealand on 19 May 2020



Papua New Guinea Deputy Prime Minister, Justice Minister and Attorney General, Davis Steven. Photo: PNG PM Media Unit

This comes after the collapse of Solwara 1 in the Bismarck Sea, a project intended as a world first in deep sea mining. *PNG Business News* quotes the minister saying the Solwara 1 project continues to remind the nation to be careful in how it deals with maritime resources. A team is being set up to look into why the project, in which the previous PNG government had invested hundreds of millions of kina, failed. Mr Steven said the terms of reference for the investigation had been

determined but that he was also seeking legal advice. Last year, Nautilus Minerals, the Canadian company that planned to develop Solwara 1, was delisted from the Toronto stock exchange. The PNG government later backed a Pacific call for a ten year moratorium on deep sea mining.

Landowners set to receive benefits

By KARO JESSE, May 19, 2020, The National

A GROUP of Kutubu landowners from Southern Highlands will finally be paid their benefits after a four-year court battle. The landowners from Kutubu PDL (petroleum development licence) 2 are set to access their royalties and equity payments that were stopped in the first quarter of 2016. The National Court yesterday dismissed proceedings filed by Yaferaka incorporated land group (ILG), in which it was granted a restraining order on April 15, 2016. Justice Thomas Anis also ordered that the interim injunctions in place be lifted as well, prior to the case dismissal. Yaferaka ILG is one of the 117 members which make up the Namo’Aporo Landowner Association (NLA). NLA is made up of registered land groups incorporated by landowning clans from the Fasu tribe which is one of the two major tribes in Kutubu where the current Kutubu petroleum project is situated.

In 2016, Yaferaka ILG filed a court proceeding claiming that the Kutubu project was a project commissioned under the Petroleum Act and in which no social mapping was conducted and appealed to the court to restrain payments of royalties and equities to landowners unless social mapping was conducted. The court granted the interim restraining orders. In 2019, NLA filed an application in court seeking to dismiss the proceeding and lift the injunction as it claimed that the proceeding was filed by a previous management committee. NLA through its lawyer Edward Waifaf submitted that the restraining orders granted on the latter date was when NLA was under the administration of Sakai Kei as the public officer and he was also the chairman of Yaferaka ILG when he filed the proceeding. NLA management was changed on June 8, 2019, and the new management claimed that the restraining order obtained by the previous administration was prejudice.

Government, Twinza ready to start negotiations for gas project

May 19, 2020, The National

TWINZA Oil Ltd says a gas agreement for the Pasca A gas-condensate project will set out fiscal terms to allow the project to enter the front-end engineering and design phase later this year. In welcoming the announcement by Prime Minister James Marape that the National Executive Council had endorsed a submission for development of Pasca A gas-condensate field in Gulf, the company said the Government was ready to start negotiations on a gas agreement for the project soon. Twinza, in a statement yesterday, said the gas agreement would represent a key commercialisation milestone and was the culmination of several years of work by Twinza working in close coordination with the Department of Petroleum and Energy. The department had set out a timetable to complete the remaining legal and regulatory requirements pre-requisite for granting a petroleum development licence and setting the project on its path to becoming the first offshore field development for PNG.

Twinza chief executive office Ian Munro said: “We have been working constructively on the Pasca A development with the Department of Petroleum and Energy and I am delighted that this co-operation has brought us to the point where we are now on the verge of opening the Gulf of Papua to its first production and a new wave of offshore exploration drilling. “The planned development will not only provide significant investment and jobs for PNG but also a source of LPG (liquefied petroleum gas) for the local market. “PNG has developed a strong reputation as a reliable supplier of LNG (liquefied natural gas) into the premium north-east Asian market. “We look forward to

building on this through the production and export of Pasca A gas and being open for business to facilitate development of third party fields via Pasca infrastructure.”

The Pasca A field will produce around 200,000 tonnes per annum of LPG providing volumes into the local market. An economic impact study commissioned by Twinza in 2018 indicated that the addition of locally-produced LPG could displace imported cargo and increase competition in the LPG market, benefiting both consumers and the PNG economy. Twinza envisages that the Pasca A field will become a critical piece of infrastructure in Gulf that will enable timely development of other discoveries which can utilise spare capacity at the facilities. Several offshore discoveries can potentially be regarded as commercial if they are aggregated through a Pasca infrastructure “hub”.

Authority welcomes Morobe government’s decision to withdraw legal proceedings

May 18, 2020, The National

THE Mineral Resources Authority (MRA) has welcomed the recent decision by Morobe Governor Ginson Saonu to withdraw legal proceedings against the State in relation to the Wafi-Golpu copper-gold project. Managing director Jerry Garry said the project had been put on hold because of the court case filed by the Morobe government challenging the memorandum of understanding signed last year by the joint venture development partners Newcrest Mining Ltd and Bulolo, and the Peter O’Neill-led government. The Government and the Morobe government agreed last week to move ahead with the special mining lease (SML) approval process. The total project is estimated to cost around K17 billion. Garry said the court injunction had prevented everyone from doing anything on the Wafi-Golpu project. Consequently, all the statutory assessment process by the MRA had to be suspended. Mining Minister Johnson Tuke and Saonu last Thursday signed the tentative timetable proposed by the provincial government. However, the State through MRA development coordination branch will finalise its work programme after consulting stakeholders including the development partners. They will announce a schedule for the following activities:

- To formalise the landowning groups for the SML pipeline corridor and deep sea tailings placement outfalls;
- To hold stakeholder meetings through the development forum process for the memorandum of agreements on benefit sharing agreements;
- To concurrently re-initiate dialogue with the joint venture partners for the mining development contract;
- TO conclude technical assessments review financial modelling and prepare assessments for mining advisory council’s consideration;
- TO ensure that environment permitting process is completed in timely manner because the environment permit is a mandatory requirement for SML permitting; and,
- TO finalise compensation agreements.

Garry said Prime Minister James Marape’s assurance to the developers that Wafi-Golpu would be permitted under the current laws “is wonderful news”. “We will convey our intensions to the developer and we are looking forward to recommence our assessment and negotiations processes by end of May,” he said.

Mine negotiations to start

May 18, 2020, The National

CABINET has endorsed a submission on the Pasca Offshore Gas/Condensate Project in Gulf and is ready to start negotiating a gas agreement with the operator Twinza Ltd. Prime Minister James

Marape last Friday said they also agreed that the composition of the state negotiating team (SNT) led by the Minister for Petroleum Kerenga Kua should be the same as the one for the Papua LNG and P'nyang project. It is chaired by the Chief Secretary Isaac Lupari. The committee members are Petroleum and Energy secretary (deputy chairman), Treasury secretary, managing director of Kumul Petroleum Holdings, State Solicitor, managing director of the Mineral Resource Development Corporation, Governor of Bank of PNG, Commerce and Industry secretary, and the commissioner general of the Internal Revenue Commission. "The NEC (national executive council) has approved funding for the operations of the SNT and direct it to commence and conclude negotiations for the signing of a gas agreement over the next couple of weeks," he said.

Cabinet endorsed Kumul Petroleum Holdings Ltd (KPHL) as the State nominee. KPHL is at liberty to decide whether to take up the statutory equity of 22.5 per cent in the Pasca A project. "Based on the Open Book Economic Model, the Pasca A Project cost projection ranges between US\$2.5 and US\$3 billion (K8.6-K10.3bil) to commercialise the gas resources with a provisional exploration expenditure (or sunk cost) of US\$87.8 million (K302mil). "The project is expected to provide better overall returns for the 10 to 12 years project production life span and while it is (relative to the PNG LNG and Papua) a small project, it is expected to contribute significantly to our economy over the life of the project." He said the gas agreement must be signed before a petroleum development licence was granted.

Government to announce ocean policy

By MICHELLE AUAMOROMORO, May 15, 2020, The National

THE Government has created an ocean policy to manage Papua New Guinea's maritime resources that will be announced soon, Deputy Prime Minister Davis Steven says. He said this in light of the discontinued Solwara 1 project which was supposed to be one of the country's main maritime projects involving deep-sea mining. "The Solwara 1 project continues to remind us, as a nation, to be careful in how we deal with our maritime resources, the blue economy that we have," he said. "So in that context, look out for our ocean policy." Meanwhile, a team has been put together to investigate the project and why it failed to eventuate. Steven said a significant amount of money had been invested into the project and it was secured through a bank loan. He said the terms of reference into the investigation had been determined but he was also seeking legal advice.

"There is legal advice being sought because, if I have to, I can go to court immediately instead of doing an investigations because I feel that this case should not have been allowed to happen in the first place," he said. "That is not a criticism to anybody." Steven also clarified that it was not within the Government's priority to put off the Solwara 1 project. "Our Government's priority right now is to reform the law, take back PNG using lawful means, building investor confidence, building industry, building capacity but what belongs to the people of Papua New Guinea must be given to the people and not by stealing but by the right way." Steven said the Solwara 1 project had the potential to contribute to the country's economy. "For me, Solwara 1 project has potential, however, we have to be careful in the absence of a policy, in the absence of a framework, to protect our resources."

K17bil mining project signed

By GYNNIE KERO, May 15, 2020, The National

THE special mining lease for the K17 billion Wafi-Golpu gold project is expected to be granted by September, says Prime Minister James Marape. Touted as one of major resource projects in the pipeline urgently needed to boost the economy, the Morobe-based investment is expected to create around 2,500 direct jobs during construction, another 850 ongoing operations jobs and more

indirect jobs. Capital investment is expected to be around K9.1bil (US\$2.8bil), with total capital expenditure estimated to be around K17.4 billion (US\$5.4bil) over the estimated 28-year life of the mine. Yesterday in Port Moresby, the Government and the Morobe provincial government agreed on a tentative timeline for the initial stages of the project located in the districts of Huon Gulf and Bulolo. Morobe Governor Ginson Saonu and Mining Minister Johnson Tuke signed the documents. The developers are Newcrest Mining Limited from Australia and Harmony from South Africa. Marape said the signing signalled the start of project negotiations. “

We have had some roadblocks and court cases challenging the memorandum of understanding signed with the developers during the O’Neill -led Government,” he said. “I thank the developers for (now cancelling that) the agreement. “We should get moving with this new process and in the right direction.” Marape said the Morobe government initiated the talks yesterday on behalf of the landowners and the districts. “We envisioned to expedite this processes without me as PM preempting the entire length of this process,” he said. “From May to July, we want to complete this process. “Our investors are in the loop. “They know what we are doing. It is important that the Government, provincial government and landowners come up with a paper before we talk to the developers.” The proposed timeline is:

- May 31 to June 30: Government, Morobe government and landowners to meet in Lae to agree on a joint position;
- July 1 to July 15: They through the State Negotiation Team meet with the developers to submit their position;
- July 20: Signing of the memorandum of agreement to mark the completion of the development forum, and a joint communique;
- Aug 1: Agreement on the timetable for the signing of the mine development contract, granting of the special mining lease.

Under the agreement signed previously, Marape said about 10 per cent equity was lost. It was why the matter was taken to court. Morobe Governor Ginson Saonu said no stay on the development forum or the progress of the mine would be sought in the Supreme Court, “provided all parties are committed to working together.”

Miner spends over K325mil in operations

May 15, 2020, The National Business

THE K92 Mining Ltd has spent more than K325 million in refurbishing the Kainantu gold mine, restoring and expanding its operation since it acquired it from Barrick in 2015. Company chief executive John Lewins said in 2019, they paid more than K14 million in taxes, customs duty and levies. “This is expected to increase to over K30 million in 2020 and approximately K100 million in 2021 as production ramps up,” he said. Since 2015, K92 has created more than 900 jobs directly, or for contractors on site, with 60-plus per cent for local communities and 95 per cent for nationals. “Since the beginning of 2018, K92 paid K60 million in wages to PNG employees, including K22 million to employees from communities, paid almost K40 million in taxes and duties, over K13 million in royalties and K10 million in superannuation contributions for employees.

“During this period, the company also paid over K35 million to businesses owned by landowners or in joint venture with landowners.” This year, the company expects to pay more than K40 million in wages to PNG employees, K6 million in superannuation, K30 million in tax, K11 million in royalties, K3.5 million in MRA levies, K30 million to landowner businesses and joint ventures, and K5 million in community infrastructure, compensation, education, support and training. The company also committed K1.5 million to its Covid-19 fund to assist the Government, Eastern Highlands and

Morobe. “K92 is also one of the most active explorers in Papua New Guinea, having spent K25 million in 2019, with a similar budget for 2020.”

Bougainville election hopeful emphasises Panguna role

A former Bougainville chief secretary says re-opening the Panguna mine is a must if the region's economy is going to develop quickly. Radio New Zealand on 14 May 2020



Access to Bougainville's Panguna copper mine is controlled by landowners. Vehicles going up to the mountainous mine area must first pass Morgan Junction checkpoint. Photo: Johnny Blades / RNZ Pacific



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

Chris Siriosi is planning to stand in the Teua Constituency on the west coast of the main island in elections this year in the autonomous Papua New Guinea region. He is the leader of the Bougainville People's Congress Party, which was originally headed by Bougainville's first president, Joseph Kabui. This year's regional elections are the first in Bougainville since it held a non-binding independence referendum. The vote late last year resulted in an overwhelming majority of Bougainvilleans voting for independence from PNG. Negotiations over how to implement the result are ongoing.

According to Mr Siriosi, how to develop an economy is the consuming issue in Bougainville now and this has to centre on the Panguna copper mine. He said the mine, which has lain idle for more than 30 years after being at the centre of Bougainville's civil war, "is the economic entity that is immediately available to Bougainville. All the other options are long term. Agriculture is long term." Many people remain opposed to Panguna re-opening, but Mr Siriosi puts the blame for any division on the way some foreign investors have inflamed the community. He said that while Bougainville will need foreign investment the new government will need to do this wisely.

NGO not giving up Bougainville battle with Rio Tinto

An Australian human rights group is re-assessing its strategy as it tries to convince the owners of mining giant Rio Tinto to repair the damage done by its Panguna Mine in central Bougainville.

Radio New Zealand on 13 May 2020



The Panguna mine, November 2019, three decades since Rio Tinto's operations were forced to close. Photo: RNZ / Johnny Blades

The environmental and social destruction wrought by the former operations of the mine, of which Rio was majority owner, sparked the Bougainville civil war three decades ago. The Human Rights Law Centre, working with Bougainville landowners and the Catholic Church had sought to raise the matter during Rio Tinto's recent shareholder meetings in Britain and Perth. Written questions were submitted to the meeting in London but the response from Rio chairman, Simon Thompson, was the line the company has used now for a number of years. He told the shareholders that Rio Tinto acknowledges the concerns held in Bougainville but that, they believe, the company was fully compliant with the standards that applied at the time. The Law Centre's legal director, Keren Adams, said there were other ways for the Bougainvillean groups to achieve some redress, including legal redress.

Confirmed covid cases at Freeport cluster in Papua pass 100

The mining company PT Freeport Indonesia has increased efforts to test for, and treat people with Covid-19, in Papua. The number of confirmed covid-19 cases in Mimika regency, where Freeport operates one of the world's largest gold and copper mines, has reached 110.

Radio New Zealand on 13 May 2020



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

Local health officials have reported dozens of new cases in the past week in the regency, mostly connected to the local operations of Freeport. It is the biggest cluster of cases in Papua province whose overall confirmed covid-19 cases reached 322 yesterday, according to Indonesia's Health Ministry. Freeport's Grasberg mine operations employ thousands of workers, many of whom travel back and forth from other parts of Indonesia and overseas. Boosting testing and contact tracing in a bid to stop the spread of the virus, Freeport said it had also increased the capacity of treatment and isolation rooms at Tembagapura Hospital, as well as ventilators.

A statement released by the mining company said it was doing extensive testing to help maintain safety among its employees, who number over 25,000. "We now have approximately 50,000 rapid and PCR (Polymerase Chain Reaction) test kits at the jobsite, which allows PTFI to quickly detect and isolate those who have been infected, provide necessary medical treatment and take appropriate mitigation measures." Freeport said it was also providing greater testing capacity for the wider community in Mimika to alleviate the pandemic's burden on the public health system. It said treatment of confirmed cases had been working well, and the recovery rate of those infected was good. Three people with confirmed covid cases have died in Mimika of the six overall deaths in Papua to date.

State, miner yet to agree

By KARO JESSE, May 11, 2020, The National

PORGERA gold mine operator Barrick Niugini Ltd (BNL) and the State have not come up with any resolutions regarding resolving issues arising from the transition period following the Government's refusal to extend the miner's special mining lease. These were directives given by the National Court on April 30, after the miner took the matter to court seeking a judicial review of the Government's decision. Barrick and the State were given directives by the court to cooperate to collectively address the situation under the clause 19.1 (d) and (e) of the Mining Development Contract which was signed in May 12, 1989. Section 19 allows the Porgera Joint Venture to remain in mine for a one-year period following expiry date to remove and recover assets and equipment including explosives, and to ensure that the mine area is safe and in a stable condition, having regards to natural conditions as well. Deputy Chief Justice Ambeng Kandakasi on Friday told both parties that environment conditions of the mine was a priority.

Barrick lawyer Dereck Wood of Ashurst Lawyers, informed the court that no resolutions were made prior to court directives during meetings convened last Monday and Tuesday between the parties.

Wood asked the court to allow both parties to have further discussion on the matter. State lawyer Tauvasa Tanuvasa told the court that this was due to BNL insisting on reopening of the mine during the meetings and not adhering to discussion on matters of transition period. Tanuvasa informed the court that the mine was not in good condition following a report obtained from PNG Chief Inspector of Mines Lave Michael. Michael reported that there was an overflow of water in the mine's centre pit due to the stop of operations and this was hazardous to the environment which could cause the underground mine to collapse.

The report prompted Michael to write to the miner to address the situation. Justice Kandakasi told both parties not to issue directives to each other but cooperate to address the situation to avoid prejudice. The court was also informed that there were no regular inspections on mine and the environment. Tanuvasa explained that the State was ready to comply with its obligation under Clause 19.1 (c) and the decision by the National Executive Council (NEC) for the refusal of the Special Mining Lease was gazetted. The court will be forced to use its powers under the section 57 of Constitution if no resolutions were made. Parties will return today to present their resolutions to the court.

Govt still wants PNGSDP control

May 11, 2020, The National

DEPUTY Prime Minister and Minister for Justice and Attorney-General Davis Steven says the Government will pursue legal proceedings against the PNG Sustainable Development Programme Ltd (PNGSDP) to ensure it is accountable to the State. Steven announced this on Friday, adding that while the decision of the Singapore Court of Appeal dismissed the appeal by the State against PNGSDP, the judgment also found that there was an "intuitive attraction" in the State's case which was persuasive. "The government will take all steps necessary, including pursuing further legal proceedings against PNGSDP to ensure that PNGSDP is accountable to the Independent State of Papua New Guinea, manages and utilises its assets to promote sustainable development and advance the welfare the people of Western Province and other parts of Papua New Guinea," he said. The State brought claim against PNGSDP in the Singapore Courts in 2014 for breach of its agreement with the State and a charitable purpose trust. The High Court of Singapore did not grant the State's claims on the basis that there was no such agreement and trust. The State appealed the decision to the Singapore Court of Appeal, and the appeal was heard in February 2020. Steven said the recent judgment of the Court of Appeal highlighted that the objects is clause in the Memorandum of Association of PNGSDP defined the very purpose of PNGSDP's existence, which is to primarily:

- Promote sustainable development within; and,
- Advance the general welfare of the people of PNG, particularly those of the Western.

The object's clause was also effectively incorporated within the programme rules, which specifies the manner in which PNGSDP must be administered and how its assets must be utilised. Steven said the Court of Appeal clarified that PNGSDP could not amend the objects clause (thereby changing the purpose of the company and how its assets should be used) without seeking the State's approval, which was contrary to the position taken by PNGSDP previously. He emphasised that the Court of Appeal also found that any breaches of the programme rules by PNGSDP could be directly enforceable against PNGSDP by the State. Steven said the government was concerned that the current directors of PNGSDP failed to provide the level of improvement to the lives of the people since its incorporation in 2001, and despite purported expenditure of hundreds of millions of dollars on development projects in Papua New Guinea and the Western.

"The unsatisfactory manner in which PNGSDP has been run since 2012 has resulted in a significant decrease of PNGSDP's total assets of about US\$144 million (K487.4million) from US\$1.513

billion (K5bil) in 2012 to US\$1.3 billion (K4.3bil) in 2018. “The depletion of PNGSDP’s assets are partly due to excessive and unjustified expenditure by PNGSDP on administrative and governance expenses totalling over US\$65 million (K216mil) from 2013 to 2018, as well as various unjustified transfers of funds from the long-term fund of PNGSDP which is specifically meant to be used to promote sustainable development after the closure of the Ok Tedi Mine. “We have reviewed our legal position, including the provisions of the Ok Tedi Supplementary Bill pursuant to (under) which civil claims for general damages in law have been directed to the State as a result of investment activities of PNGSDP in PNG. “These issues were not before the court in Singapore. “In fact, the Supreme Court decision in Singapore has helped clarify and enhanced our position in a possible cause of action which the Papua New Government will or may commence against PNGSDP.”

The Porgera mine in PNG: some background

Written by John Burton, Glenn Banks, DevPolicyBlog, May 7, 2020



Porgera Gold Mine (Wikimedia Commons: Richard Farbellini)

Breaking late on 24 April 2020, Papua New Guinea Prime Minister James Marape announced that his government would not renew [Barrick Niugini Limited](#)'s (BNL) mining lease at the Porgera gold mine. At present BNL is a joint venture between Barrick Gold (47.5%), [Zijin Mining](#) (47.5%), the Enga Provincial Government (2.5%) and the Porgera landowners (2.5%).

The decision was widely reported by industry media sources as a government takeover: it had [forced out](#) BNL and [taken control of](#) or [snatched](#) the mine. This is a narrative centred on the portrayal of PNG as a risky place for investment and that ‘jittery investors’ will flee the country whenever the government tries to assert the [resource nationalism](#) embedded in the [Constitution](#), where the state is to control ‘major enterprises engaged in the exploitation of natural resources’.

This is not the first time that Porgera has been in the sights of nationalistic government moves, nor is it the only mine in the country that has had vexed relationships with the state over licences, taxes, environmental impacts, and ownership. In this blog, we look at the historical context and survey a range of reactions to Marape’s announcement.

Historical context

BNL began life as the Porgera Joint Venture in 1988 with the shareholding split between Placer Pacific (30%), Highlands Pacific (30%), Renison Goldfields Consolidated (30%) and the PNG

government (10%). The mine opened in 1990 and began producing a million ounces of gold a year. At the time, the government owned [20% of the Ok Tedi](#) mine and [19.1% of the Panguna](#) mine in Bougainville. Over time the government stake has risen and fallen. In what the *Business Review Weekly* called the [Porgera Coup](#), the winner of the [1992 national elections](#), Paias Wingti, demanded a further 20% of the operation after claiming the government had been duped. After six months of turmoil, a deal was reached to sell 15% to the government. From a highpoint of 25% in government hands, 5% was divested to the Enga Provincial Government and the landowners and the remainder progressively diluted over five prime ministerial terms (Chan, Giheno, Skate, Morauta, Somare), reaching 0% in 2003, when DRD Gold, then operating the small [Tolukuma](#) mine, acquired the last parcel.

The original 30-year Special Mining Lease [gazetted](#) in August 1989 fitted the mine plan, which envisioned an end to mining in 2006 (a 40-year lease could have been applied for). By 2002, mine closure had been pushed out to [2012](#), and rising gold prices in the mid-2000s postponed closure planning indefinitely. In applying for a 20-year extension in June 2019, which the PNG [Mining Act](#) does not compel a government to grant, BNL suggested the mine could remain productive [beyond 2039](#).

What do observers think about the non-renewal?

The resources media line is ‘investment risk’. This rings hollow given that this was the script for months during the 1992-93 raid by Wingti and there was no perceptible change in PNG’s standing as an exporter of minerals. When Lihir Gold raised capital on the ASX two years later, its shares were [keenly sought](#). Current industry anxieties focus on the government’s hard-line in talks with Exxon over the [P’nyang gas project](#), permitting for the [Wafi-Golpu project](#) in Morobe Province, and the slow progress in advancing the [Frieda River project](#) in Sandaun Province. Recently, the State got burnt trying to pay for its equity in the PNG LNG project (see the PNG [Ombudsman Commission’s report](#)) and Marape has no magic wand to make things different at Porgera. By contrast, a policy response could have, but has not, addressed the recent [collapse of resource revenues](#) – PNG’s [EITI reports](#) show that the two leading miners, Barrick and Newcrest Mining (PGK46 million and nil corporate income tax paid between 2013 and 2017, respectively) have led the way on tax minimisation.

Barrick’s CEO, Mark Bristow, who met Marape four times in 2019 to talk about the lease, reacted angrily on 24 April 2020, saying Marape’s decision was [tantamount to nationalisation](#) and BNL would pursue all legal avenues to assert its rights. Already the courts [have ordered](#) the parties to meet to resolve the dispute. Bristow’s counterpart at Zijin, Chen Jinghe, [wrote](#) to Marape on 27 April 2020, saying that if Zijin’s investment at Porgera was not properly protected, it could [damage relations between China and PNG](#). He pointed out that BNL owned the mining facilities and, once dismantled by BNL, it would be costly for a new operator to replace. The Chinese ambassador to PNG, Xue Bing, told the ABC that the [continuous and stable operation](#) of the mine was in both countries’ interests. At Porgera itself, the decision cuts across many unresolved issues at the mine. Landowner spokesmen have said they recently negotiated an amicable agreement with BNL and claim that the decision by the government is [contrary to the views of a majority of clan leaders](#). On the other hand, a group owning 27% of the land leased for the mine said they [supported](#) Marape’s decision but BNL could not leave before settling the [lawsuit](#) they have brought in the National Court for damages. No single representative body has ever had unanimous support. The comments suggest that the government did not consult them beforehand.

Porgera has been the site of many long-running sagas concerning [human rights](#), [resettlement planning](#), [downstream environmental](#) and [water](#) issues, in-migration, ‘[illegal mining](#)’ by locals and migrants on the mine’s leases, and [conflicts over compensation payments](#) – which have been implicated in [heightened levels of violence](#) over the past 30 years. Forcing BNL off the mine does

nothing to advance [what the company was doing](#) to resolve these things, or make the [dilemmas of development](#) go away. The existing proxies for the state, notably the Porgera Development Authority, have [performed poorly](#) in improving services and infrastructure for Porgerans. Replacing the current operator with another has not particularly sprung to local minds, as it stands to disrupt local businesses and employment. Marape's plans are unclear, but the fact that he has communicated at greatest length on Facebook ([here](#) and [here](#)) does not suggest he has a ready-to-go team on hand to effect an orderly transition.

Barrick and Zijin's legal obligations for mine rehabilitation are unclear if they are sent away, nor do we know if either could really dismantle the facilities and sell the mining equipment. If BNL were forced into an abrupt exit, the perverse result would be that the first mine to produce a meaningful [mine closure plan](#) would escape its implementation. Marape, he of the slogan 'Take Back PNG', is not the first Prime Minister to strike against a mine. Paias Wingti tried it 28 years ago and his immediate predecessor Peter O'Neill nationalised Ok Tedi. O'Neill only had to do a bit of parliamentary paperwork to acquire Ok Tedi, given its [strange corporate arrangements](#), so it has continued normal operations to the present. To bend the old miner's trope about PNG being '[elephant country](#)', if Marape sees elephants he wants to jump on the back of, he better have a well-thought-out plan, or else it will be he who has the elephants on his own back.

Price level delaying projects

By SHIRLEY MAULUDU, May 7, 2020, The National Business

THE recent collapse in the liquefied natural gas (LNG) prices may delay some major petroleum projects, an official says. Kumul Petroleum Holdings Ltd (KPHL) managing director Wapu Sonk told The National that the delay could take between 12 and 24 months. "The LNG prices have been soft (dropping) in 2019 and continued to drop in early 2020 due to the oversupply in the market," he said. "The current spot market prices of below US\$2 (K6.70) per mmbtu (one million British thermal units) in LNG prices recently is a result of the Covid-19 pandemic which has impacted the demand for LNG. "Coupled with the drop in demand has been the drop in oil prices where WTI (West Texas Intermediate – a grade of crude oil used as a benchmark in oil pricing) future price hit below zero, at negative (-US\$37 (-K124.23/bbls).

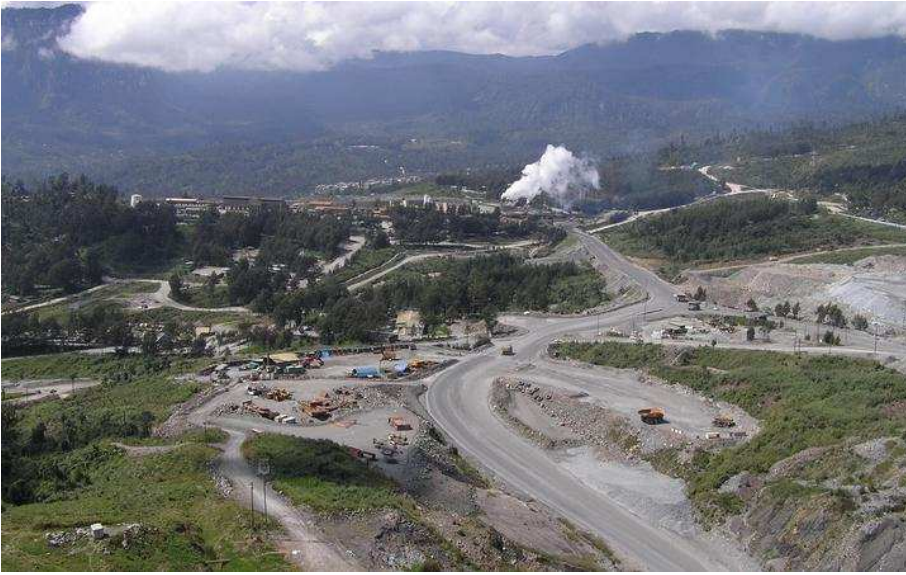
Oil prices have recovered up to US\$30 (K100.72)/bbl (barrels) for Brent crude, but this is still 50 per cent lower than where the price was late 2019. "The LNG and oil price collapse has a huge impact on Kumul Petroleum Holdings Ltd revenue, its ability to pay dividend, tax etc to the State. "And all the joint venture partners in PNG LNG project face the same challenges for 2020 financial year. "The collapse in prices also affect the timing of when Papua LNG, P'nyang, Pasca or any other petroleum development projects as most of these capital intensive projects only get funded when there is demand and market for the product." Sonk said in the long term, "the window of opportunity for LNG market that Papua LNG and P'nyang were targeting remained but delayed by maybe two years (2027 onwards)".

Mining industry worried about PNG emergency restrictions

The mining industry in Papua New Guinea is worried about new restrictions in resource project areas as part of the national Covid-19 response. Radio New Zealand on 7 May 2020

The official in control of PNG's State of Emergency, police commissioner David Manning, has announced restrictions on movement of personnel and assets at resource project sites. Furthermore, there are to be no gatherings of more than five people around a project area. Mining Minister Johnson Tuke said he had told worried mining companies it was best if they met with the Mr Manning to

discuss their concerns about the restrictions impeding their business. "It's now up to the mining companies to explicitly outline and tell them the significance of that engagement . Maybe the Controller might not know what happens in the mining environment."



The Porgera gold mine in PNG's Enga Province Photo: [Richard Farbelini at English Wikipedia / Public domain](#)

He said that before the SOE was declared, a team comprising himself, the Chamber of Mines, and representatives of companies mining in PNG met with the Police Minister Bryan Kramer. "So basically the Controller should know," Mr Tuke said. "Again, we've got to be mindful of the pandemic as well as the mining to progress too, so in a way we've got to be very mindful of our actions." "The call is for the SOE (controller) and he has made his recommendations, and that's fair. "That's fair, but again if it is very stressful to the industry then obviously they can go and talk to the SOE controller to work together and harmonise the environment."

Call to pressure Rio Tinto over destruction in Bougainville

The Catholic Church on Bougainville and local landowners have called on investors in Rio Tinto to force the company to address the legacy of environmental destruction they say was created by the Panguna mine. Radio New Zealand on 6 May 2020



Photo: RNZ / Johnny Blades

The mine, which had been shut down for 30 years, sparked the destructive civil war on Bougainville, over the environmental and social damage. Rio Tinto, which is holding its annual general meeting today, is no longer involved with Panguna, having walked away four years ago. Australia's Human Rights Centre reported a landowner, John Ibouku, saying pollution from the mine was creating huge problems for people living nearby. "Our rivers are filled with copper. Our children get sick from breathing the dust from the tailings waste. We have almost no land left on which to grow crops to feed ourselves. The company must take responsibility." Another landowner, Bernardine Kiraa, said downstream communities were being flooded by waste from the mine.

"There is no control over the tailings waste so it moves downstream and causes the river to go everywhere." Father Polycarp Kaviak said the mine left a disastrous legacy, environmentally, socially and spiritually. He said the situation for communities living near the mine was highly dangerous due to the pollution of rivers and the enormous quantities of mine waste which continued to flood villages downstream. Mr Kaviak said he believed Rio Tinto needed to take urgent action. The Legal Director at the Human Rights Law Centre, Keren Adams, claimed Rio Tinto had a clear legal obligation to help clean up the mine site and shareholders should call on the company to take action. Rio Tinto has consistently said it has no responsibility for the damage, saying when it operated in the 1970s and 1980s it worked under the relevant legislation of the time.



A lake in the pit of the long defunct Panguna mine in Bougainville. Photo: www.travelinspired.co.nz

Oil Search to cut production in Papua New Guinea

Radio New Zealand on 6 May 2020

Oil Search is considering cutting its oil production in Papua New Guinea from July. The company's managing director, Keiran Wulff, told the Macquarie Australia Conference that weak prices, soft demand, and a full inventory were prompting it. Mr Wulff said the company is in talks with the PNG government about potentially cutting its oil output. "We will make a decision shortly as to whether or not we will continue with our marketing or whether we will shut in our crude for a short period of time. Some of those discussions obviously need approvals," Keiran Wulff told the conference. Last year Oil Search produced 1-point-57 barrels of oil in Papua New Guinea.



LNG Project site (run by project partner Oil Search) in Nagoli, Hela Province, Papua New Guinea. Photo: RNZI / Johnny Blades

PNG state loses Singapore legal battle

A Singapore court has dismissed an appeal by the Papua New Guinea state in its bid to gain control of the Sustainable Development Programme Limited. The former government of Peter O'Neill launched legal action over the matter in 2013 after its controversial take-over of a lucrative mine. Radio New Zealand on 5 May 2020



Photo: AFP or licensors

In making its [ruling](#), the Singapore Court of Appeal has upheld a court decision from a year ago which quashed the PNG government's claim to the Singapore-registered Programme. SDP holds a trust fund worth about \$US1.4 billion intended for the people of Western province after the end of the operations at the lucrative Ok Tedi copper and gold mine. Six years after Mr O'Neill's government expropriated the mine six years ago, the state has exhausted legal avenues and failed in its claim for control and oversight of the company. SDP was established in 2001 when mining company BHP Billiton divested its majority share in mine to SDP. The divestment followed legal action by Western Province landowners over extensive and long lasting environmental damage caused by the mine operations, particularly its riverine tailings disposal system.

Shortly after last year's Singapore court decision against PNG, Mr O'Neill was replaced by James Marape as prime minister, but state lawyers still proceeded with the appeal process. The state had argued that it was entitled to control the programme, as enshrined in a "partly oral, partly written agreement". But the court found that no such agreement existed. Following a bitter and expensive legal battle with the programme, the state has now been ordered to pay its costs. SDP, in a press release, described the legal case as an expensive exercise where the money, spent by both the state and SDP could have been better directed towards development programmes. The SDP programme has a focus on projects to develop delivering health, education, livelihoods and enabling infrastructure in Western. Its directors said they would continue to protect the long-term fund by defending the company against any future claims.

Leaders told to unite, despite differences

BY FRANK RAI, Post-Courier, May 4, 2020

Porgera mine landowners have called on Special Mining Lease (SML) leaders to put aside their differences and unite to serve the interest of all landowners. Speaking on behalf of 24 Lease for Mining Purpose (LMP) agents, Siapu Andita, chairman of LMP 61 told a media briefing in Porgera last week that SML landowner leaders should cease their infighting and unite to serve the people. Backed by 24 LMP leaders, Mr Andita made mention of Porgera Landowners Association (PLOA) and Porgera Justice Foundation to unite and restore normalcy. The LMP agents are landowners who have allocated their land for mining purposes which include the Kairik airport, Paiam township, Alipis and Suyan camp sites, stock pile sites, Wali Creek limestone, water supply and electricity pylon amongst others. He said PLOA, Porgera Justice Foundation and other smaller associations in Porgera valley should unite to talk on issues affecting landowners and how best landowners would benefit when mining resumes with a new SML.

Another LMP agent and youth leader, Jackson Paraia expressed similar sentiments saying it was time the leaders should come to Porgera and address the people. Mr Paraia said it was crucial when the mine has 'shut down' operations and tension combined with confusion was looming among the populace, adding that leaders were needed to restore normalcy in Porgera. "The two associations claiming to represent landowners should come back to Porgera valley rather than hiding in Port Moresby. Immediate issues are here that needs leadership and direction. "The infighting and differences will not bring tangible benefits but satisfy greed and selfishness of few," the youth representative added. He called on the leaders to represent the people and not to play politics and incite confusion amongst the landowner population.

MRA urged to speed up deal between K92 mine, stakeholders

By ZACHERY PER, May 4, 2020, The National Business

EASTERN Highlands Governor Peter Numu is calling on the Mineral Resources Authority (MRA) to speed up the signing of a memorandum of agreement (MoA) with K92 Mining Inc and stakeholders. Numu made the call during a press conference in Goroka on Thursday following a recent clash between the landowners and company. "The real issue is not about bad road conditions. It is a leadership issue that is been going on in Bilimoia, but recent meetings have helped to address this issue," he said. "They are now waiting for the MRA to sign the agreement with K92 Mining." Numu recently led a provincial delegation to the mine site and met with the developer and landowners who want MRA to speed up the MoA. "The current MoA in place for the landowners and stakeholders to benefit from the mine was the one signed with previous developer Barrick Niugini," he said. "We need to have a new MoA with K92 Mining."

He said the new MoA would pave way for landowners to share benefits from the mine. Several attempts to get comments from MRA were unsuccessful. Meanwhile, the recent clash between the mine and landowners resulted in the temporary suspension of operations. Mining Minister Johnson Tuke said the company, Bilimoia Interim Landowner Association (BILA), MRA and the Mining Ministry was committed to working together to ensure that there was no repeat of this type of incident. “A major focus will be completing the outstanding review of the existing memorandum of agreement, which has suffered repeated delays outside of the control of the company or BILA,” he said. Tuke said the MoA underpinned the relationship between the company, community and Government and set out commitments from various parties. Operations are now returning to normal and at this point the company does not think the incident will have a material effect on production for the quarter.

Marape assures employees of their jobs

By SHIRLEY MAULUDU, May 1, 2020, The National Business

THE Government has assured employees of Barrick Niugini Ltd (BNL) that they will not lose their jobs. Prime Minister James Marape issued the statement yesterday following the Government’s decision not to renew Barrick’s special mining lease (SML), which is the operator of Porgera gold mine in Enga. In a statement earlier this week, BNL said about 3,600 employees of the mine would be affected as a result of the decision. “To all staff at Porgera that is laid off at this time, we are working to restore you all back to work at the earliest,” the prime minister said on Facebook. “Hang in there. “Your loss of income will be compensated and none of you will lose your job. “You will be back working when the mine is opened,” he said. Marape also gave similar assurance to the mine’s contractors. “To all contractors of Porgera, you will still be required,” he said. “To all land owners of Porgera, this is your moment. “You will sit on the table as greater free equity owners. “To PNG, don’t panic and be mentally strong.

“Short term pain for long term gain. To Barrick, we appreciate that you have been part of us since 2006. “I am sure you made your handsome profit so be kind to us, we (are) doing what is within our law. “My apologies to those workers and contractors affected by this lease expiry period, but you will all be back soon, trust me.” Meanwhile, in a letter to its employees dated April 27, 2020, BNL said all their entitlements would be honoured. “As executive managing director for BNL, representing the shareholders Barrick and Zijing, I confirm that all of your entitlements, benefits and payments are guaranteed and will be honoured no matter what the final outcome of this situation,” executive managing director Tony Esplin said. “Apart from this being a core principle for bother companies, it is also a PNG Employment Law requirement.” Esplin also highlighted several areas the company raised with the Government in response Marape’s announcement last Friday. Some of which include:

- BNL does not have a formal advice that the SML extension application has been denied; and,
- BNL believed it had a right according to PNG law for SML to be renewed.

Troop deployment to PNG mine ‘unconstitutional’ - Namah

The deployment of soldiers to Papua New Guinea's Porgera mine is unconstitutional, according to opposition leader Belden Namah. Radio New Zealand on 1 May 2020



Papua New Guinea Defence Force soldiers Taurama Barracks, Port Moresby, 2016. Photo: [Public Domain](#)

Rights for the massive gold mine in Enga province are in dispute after the government refused last week to extend the special mining lease of Chinese Canadian joint venture Barrick Niugini Limited (BNL). The company said it would suspend mining while it considered legal action but the government said mining must continue until an agreed exit time. Mr Namah said 105 soldiers left Port Moresby for Porgera on Sunday without "a call out order". He said the government used the Covid-19 State of Emergency to justify the deployment even though there was no outbreak at the mine. "Where is the call out order? You cannot use the state of emergency on Covid-19 pandemic to send troops to Porgera to guard the mine." Mr Namah told [The National newspaper](#). "It is unconstitutional and you cannot invoke a state of emergency within a state of emergency to address a totally different situation," he said. "It is not their job. If there is a law and order issue in Porgera, then it's a job for the police. Not soldiers."



Porgera gold mine. Photo: [Richard Farbelini at English Wikipedia / Public domain](#)

Earlier this week, Prime Minister James Marape said he would write to the miner to ask it to continue operating while its exit was negotiated. "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 land owners and provincial government who should be getting bigger equities," Mr Marape said in a Facebook post. "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)." BNL, joint owned by Canada's Barrick Gold and China's Zijin, first applied in 2017 for an extension to its 20-year special mining lease. It said the government's decision not to extend was "tantamount to nationalisation without due process and in violation of the government's legal obligations". Zijin, a Chinese state owned entity, warned PNG this week it needed to negotiate to extend the mining lease in good faith, else relations between the two countries would be affected. Mr Namah said the government should be wary of upsetting Barrick Gold and Zijin.