

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

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

Development, economy and the 2015 Budget

By PAUL BARKER, Post-Courier, October 31, 2014

Papua New Guinea's economy has been growing for over a decade, strongly for much of that period, even sustaining robust rates when much of the world was mired in the global financial and economic crises. Admittedly this positive trend followed years of sluggish economic performance in the 1980s and successive booms and severe busts in the 1990s, leaving a very low base from which recovery commenced in the 2000s. GDP (gross domestic product) is forecast for a major (once off) leap in 2015, perhaps the highest rate globally for the year, boosted by the PNG LNG project, which commenced production in 2014. Surely, therefore, PNG should be the envy of the region, if not the world, with a 2015 Budget able to fund all the government's and people's aspirations; shouldn't it? Well unfortunately it's not so simple, although certainly, considering PNG's extensive natural resources and their rate of extraction over many years, and other factors, including population, the overall social and economic development of the country, and benefits to the wider population (i.e. social indicators) should be far greater than prevails now.

Some may recall that in 1993 PNG also enjoyed a meteoric (once off) growth rate of 16.8 percent (partly upon the commencement of Kutubu oil production), but that preceded an extended period of economic turmoil, triggered substantially by economic (notably fiscal) mismanagement (i.e. over-spending and unsustainable debt that also undermined the prospects of the rest of the economy). Strong growth rates should certainly not be scoffed at, but nor should they be seen as some panacea or indication of subsequent economic performance, let alone social well-being. External market forces will influence that performance, but domestic factors are generally a greater determinant, including suitability of business and investment conditions and the actions/inaction and capacity of government, notably through the annual Budget process. The sustainability of the process and broad-based benefits are dependent on a combination of attractiveness of the business environment and the level of investment in social development, notably education, and it should be no surprise that many countries that have invested well in social capital, but have limited natural resources, have outperformed in the longer run those dependent upon natural resource extraction, but which have failed to invest in broad-based social development.

GDP is neither a measure of revenue, nor even of economic benefit. It's a gauge of total economic output, but, as with all measures, can be misconstrued, and shouldn't be used exclusively. For some countries it's a more useful indicator of performance than for others. Being a measure of the total flow of goods and services, when there's a major net financial outflow or repatriation of proceeds from a country, for example occurring following major foreign capital investment, say in an extractive industry, then the actual flow or 'product' retained within the country will be much lower than shown as GDP. Other measures, notably Gross National Income (GNI), which deducts what is remitted to investors overseas, (adding earnings from overseas – which for some countries may be considerable, including from mature sovereign wealth funds), better reflect the total domestic income, i.e. to PNG's citizens.

A better measure of economic performance and changing household living standards is GNI per capita, which factors in the annual population growth rate. A high population increase, as in PNG, substantially reduces the average improvements in prosperity (goods and services) everyone gains. [There is strong evidence – acknowledged within affected industries – that PNG could and should gain greater benefits from the utilisation of its (non-renewable and renewable) natural resources, particularly by reducing unproductive business and investment risks and red tape which add costs and uncertainty for genuine investment. There is also a good case for more consistent investment conditions and more informed and professional project negotiations on the part of government. For example, with fisheries, it's not the number of onshore fish factories and associated increased access and harvesting licenses, which will determine long-term benefits to PNG, especially if some of those plants are merely fronts for exorbitant access to fish stocks, with the majority processed offshore.]

GDP measures all activity, whether digging a hole or refilling it. Other measures which assess the national balance sheet, are also relevant, although difficult to calculate, notably accounting for diminution of natural resources, or environmental costs. With many developing countries (including PNG), national statistics are also notoriously unreliable and various economic proxies have been developed, for example one showing annual changes in lighting levels, as appearing in satellite images; with dismal performance in (reliable) power generation and reticulation that would be an unfavourable measure for PNG! Other measures which assess the level of income disparity, and public well-being, notably social indicators (mortality, morbidity and access to education and other services and freedoms) provide more fundamental measures of economic, political and social performance. The so-called 'minerals boom' of the 1990s undoubtedly encouraged unrealistic expectations amongst leaders, and, when combined with the flexing of greater political muscle over the public sector and public purse, contributed to that decade's economic crises, and, by undermining provisions for core public goods, such as infrastructure maintenance, police, education and health

services, ongoing recruitment, succession and standards, undermined the prospects for the next decade and more. *The author is the director of the Institute of National Affairs*

Commentaries

Jubilee report fallout continues



By DAVID LORNIE, Bougainville Bureau Chief, Post-Courier, October 31, 2014

JUBILEE Australia’s controversial report on Bougainville mining demonstrates how careful academics and others must be when drawing conclusions about the post-conflict autonomous region. Whilst Jubilee may have had good intentions, its report “Voices of Bougainville” has inflamed emotions and angered key players. In simple terms, the report canvassed the opinions of an extremely small sample of Bougainvilleans around the Panguna mine area – 65 individuals and one group of seventeen people. It concluded, amongst other things, that villagers in the area did not welcome a return to mining and felt there had not been enough consultation by the Autonomous Bougainville Government. This was seized upon by certain sectors of the international media and social media activists who interpreted the report to be far more representative of Bougainvillean sentiment than it actually was. For example, on September 15, highly influential British newspaper *The Guardian* ran a story under the headline “Opposition to Bougainville’s Panguna mine ‘higher than media suggest’.”

The subhead claimed: “Survey, to be launched in Australian parliament, finds ‘near universal’ opposition to reopening of Panguna mine”. On September 14, the Mineral Policy Institute claimed online that “The report reflects the voices of people living in the vicinity of the Panguna mine”. The next day the ABC carried a report headlined “Report says lots of opposition to Bougainville mining”. This was followed on October 2 with a story which stated the report had found “universal dissatisfaction with the consultation process”. After the Bougainville President came out and attacked the report publicly, social media activists Mine Watch ran a piece saying, “Bougainville President John Momis has come out swinging against a report which reveals deep seated opposition (emphasis added) to the reopening of the Panguna mine”. Mine Watch have used the report to validate its own beliefs in Bougainville mining, which are well-known. Under heavy fire from the President, Panguna landowner groups who were furious at being misrepresented, prominent Bougainvilleans and Australian academics, Jubilee took great pains to explain that “Voices” only represented a very small portion of the Panguna and Bougainvillean population. But, although Jubilee admits “Voices of Bougainville” does not actually represent very many voices of Bougainville it

has been perceived and interpreted as doing so. Panguna Landowners have asked Jubilee to apologise and President Momis has demanded the report be withdrawn.

Ramu: DEC officials explain DSTP finding to Basamuk villagers

Jack Lapauve Jr, EMTV, October 31, 2014

The Department of Environment and Conservation officials spent two days in villages adjacent to the Ramu NiCo Basamuk Refinery site to communicate the important findings of the deep sea tailings placement (DSTP). The team, comprising Dr Lemas Pangum, Mining Advisor with DEC and Gabriel Luluaki, were accompanied by Ramu NiCo Health, Safety and Environment officers, as well as an observer team from the Madang provincial government. The awareness at Mindre and Ganglau villages conforms to a National Court Order whereby the state and the developer (Ramu NiCo) would conduct awareness on the DSTP on quarterly bases to inform the villagers and stakeholders on the operation of the DSTP.

Two main agendas were discussed; namely findings of DEC investigations in June 2014 and key outcomes from an independent consultants study of the marine environment by Ian Hargreaves and associates of Australia. Key findings from the independent audit of the marine environment carried out by Ian Hargreaves & Associates were also conveyed to the communities. Ian Hargreaves and Associates is an independent consultant company from Australia, engaged by Ramu NiCo as required by the environment permit to undertake two-yearly audits of the marine environment. He clarified to the villagers that the survey by the independent consultant concluded that no significant differences were found between results of the 2007 baseline survey and 2013 post-operational survey.

LNG: Department's blunder causes royalty delays

Post-Courier, October 31, 2014

THE Department of Petroleum and Energy's (DPE) failure to facilitate the land demarcation and clan vetting in the K50 billion PNG LNG project has led to the denial of the resource owner's royalty. The department's failure has subsequently led to the parking of their royalties in a trust account created at the Central Bank of Papua New Guinea, further denying their right to access and benefit from their funds. An unhappy resource owner's leader and a critique of PNG LNG Project, Simon Ekanda while learning the news from this newspaper publication of the status of the landowners' royalty said, "this story on royalty parked in a trust account is an insult to the beneficiary landowners". This is the least we expect after all the hype created from the construction phase to the point of sale of the first LNG cargoes," Mr Ekanda, who hails from Hides where more than 80% of the total gas come from said.

Mr Ekanda who failed numerous court proceedings against the state on certain issues relating to the PNG LNG Project cried foul that, "this is a real blunder created by the Department of Petroleum and Energy entrusted to do its job and facilitate all the necessary process for the smooth flow of the benefits." "Right now because of the DPE's failure in doing its job, government and the project itself don't know who the beneficiaries are as no clan vetting has been done or completed, if done to determine the rightful beneficiaries. "Clan vetting, social mapping and land demarcation processes are all prerequisite before any project kicks off as stipulated under the Mining Act 1991."

"Therefore, I would suggest that DPE be abolished and the entire management team be sacked and convert the department into an authority like that of Mineral Resources as it's too weak and incompetent," Mr Ekanda added. A high profile senior manager at one of the biggest petroleum company's when asked to comment on how much support and collaborative effort the department commits the industry player said once, "DPE should not exist. We don't know who is responsible for

what. All phone lines are out of service, the gates of the department seems to be locked and no one seems to be around, especially the top management," the senior executive who has been in the industry and country over 20 years and has a better knowledge of the department told this reporter recently.

Meanwhile, ExxonMobil PNG Limited, the operator of the billion kina project confirmed that the royalties are currently parked in the Central Bank awaiting the clan vetting exercise to be completed. Lead media and communication advisor Rebecca Arnold told *Post-Courier*, "regarding royalties, the government has established a trust account at the BPNG into which the PNG LNG Project is depositing royalty payments until the clan vetting process is complete." "Royalty payments are being paid monthly by the Project into this account. Completion of clan vetting is the responsibility of government. "The clan vetting process will identify the landowners to receive royalties, and how royalties will be shared. "The trust account is intended to safely hold the royalty payments for their intended purpose until clan vetting is complete and funds can be distributed," Miss Arnold said. Attempts to confirm from DPE as to whether the clan vetting process has been completed were unsuccessful.

New Ireland: Landowners oppose exploration

Post-Courier, October 31, 2014

Company breached taboos

The executives of ANIR Island Resources Owners Association (AROA), a village association from Namatanai district in the New Ireland Province are objecting an exploration activity by an Australian company. The landowners through their AROA have disputed MAYUR Exploration Company and Mineral Resources Authority (MRA) officials' trip to New Ireland this year was in breach of their customs and traditional taboos. The landowners said that despite villagers' decision last year to restrict further survey and explorations on the Island, representatives from MRA and MAYUR Company allegedly insisted and paid a surprise visit to the island. AROA chairman Paul Penua Mimfin told the *Post-Courier* yesterday that the villagers had previously made attempts in preventing exploration by displaying various traditional objects of disapproval such as the traditional gorgor and salat plants, pigs jaw, and coconut broom sticks.

Mr Mimfin said, "as part of the official procedure, we gave an objection form and letter to the Mining Warden Mr Vele Gau to present to the MRA during a meeting last year but this was not taken heed off or responded to favourably". The chairman said that one of the primary reasons of their objection is due to the fact that they expressed their concerns for the damages done by other companies for the past 24 years (since 1984) to the Authorities Responsible, (2009 Environmental Report by MRA Environmental Scientist Miss Gretel Ngason). "I must also say here that legal action is being underway to stop all explorations on the Island. "All various authorities including the national government, and officials from the MAYUR Company were also informed during the consultation meeting held last year," he added. The landowners are now appealing to the government and other relevant authorities to assist in taking their grievances into consideration. Meanwhile, the MRA could not be reached for comment after phone calls were rang out while MAYUR's official contact details couldn't be obtained to contact for comments.

Landowners protest in Porgera

Post-Courier, October 31, 2014

MORE than 3000 people in the mining township of Porgera, Enga Province, took to the streets in protest against Barrick Porgera, the developer of Porgera gold mine, on the termination of the

contract of a local cleaning service company. The people, especially the landowners from the Porgera Special Mining Lease (SML) area petitioned and demanded that Barrick Porgera and its management reverse their decision to terminate the janitorial contract and reinstate it in full to their SML landowner company Total Cleaning & Housekeeping Services (TCHSL) forthwith. The directors, shareholders and stakeholders proceeded with the presentation of their petition to Barrick Porgera, represented by the executive general manager Greg Walker and his senior management. The landowners said no one in authority has been looking into their grievances, especially with the current status of the mine MoU review process on hold and Barrick Porgera's "arrogance in undermining landowners and their authority". Nelson Akiko, spokesman of the SML company, said yesterday, "I gave up my land and mountain 25 years ago for the mining activity and the company was created and contract was given to me in appreciation to sustain my clan's and my life." Mr Walker accepted the petition and promised to respond on November 10 – the date that the landowners had agreed to.

Anthropology exposes how miners shape our world and our views of it

Sally Babidge, *The Conversation*, 30 October 2014

Miners do much more than extract minerals and make profits. All over the world mining corporations are collaborating with governments, local populations and NGOs. Their logos, mottoes and CEOs seem to pervade the news media, including the social sections. The Australian government recently repealed the mining tax. In September, the Queensland parliament passed the Mineral and Energy Resources Act, which has removed citizens' rights to object to 90% of new mines. This is part of the mistaken move by late capitalism: allow mining companies to regulate themselves and at the same time play a powerful role at all levels of society. Mining has become an industrial actor central to many of the most compelling socio-ecological debates of our time. These include the place of corporations in politics, environmental management and climate science, the ethics of resource use, and the global unevenness of development and social change.

A flurry of new books from social anthropologists examines mining corporations, mining impacts and mining conflicts. But what can anthropologists tell us about mining that we didn't already know? In part, anthropologists help to reveal how the "corporate effect" is produced: how an entity comes to be singularly powerful despite internal inconsistencies. This fracturing of power through description of its social process is admittedly sometimes slow to appear in print. But perhaps the most useful aspect of anthropological analysis to the broader public in the past 50 years, and particularly in the past ten, is the work examining corporations.

Mining corporations have a vast reach

Recent ethnographies, one by Marina Welker and the other by Stuart Kirsch, are different takes on how we might understand how mining corporations make our world and the problems with leaving them to it. Social anthropologists are perhaps most known for their work among Indigenous Peoples in relation to mining conflicts. Many also work inside mining companies as staff in corporate social responsibility (CSR) sections, in mining NGOs and as independent academic researchers "studying up". Welker spent more than two years of observation inside the mining giant Newmont in its Denver offices and at a mine site in post-authoritarian Indonesia. She then wrote about how the corporation is much more than an entity enacting the desire for profit and driven by CEO psychopaths. Welker is interested in showing how the corporation makes its boundaries, activates interests and creates its responsibilities. She internally differentiates the apparent Leviathan, showing how "moral self-narratives" help employees make sense of its impact. For example, the gold mine dumps 58 million tonnes of tailings per year into the ocean. Meanwhile, during an annual company-led beach clean-up, mine workers talk about villagers' environmentally problematic rubbish disposal and "overfishing" of onshore reefs. In this way, they justify company-led local development projects to

lift people from their ecological harm-causing poverty. This is not a simple smokescreen. Tales told internally about “doing good” allow the company to define itself as responsible through scientific and moral justification.

Kirsch’s long-term field research with peoples affected by mines in Papua New Guinea synonymous with disastrous environmental impact – Ok Tedi and Porgera – is a more traditional-style anthropological study. His ethnography gives credence to his criticism of these reputational campaigns. The socially and environmentally “sustainable” mining industry is familiar to many of us and is publicly demonstrated through corporate audit. Using the word “sustainable” to describe an industry that is finite by definition is a corporate oxymoron. The effect is to co-opt the language of mining critics and render it meaningless.

An analysis of audit practices shows these to be more about measurement of self-defined performance indicators than effective regulation of an always potentially damaging industry. Audit, Kirsch writes, is a formalised loop “by which the system observes itself”. The loop is also evident through Welker’s insider access. Her research exposes the regulatory ineffectiveness of having the industry set its own gauges and engage consultants to do the accounting. Mine managers resignedly submit to or sidestep expert consultant auditors. Their attitude of “utopian modernist” ideals for a “perfectly functioning system” sits uneasily alongside the messy reality of a gold mine.

Miners invest heavily in image-making

Corporate social responsibility programs have improved the behaviour of actors in the mining industry at least partly as a response to criticism from NGOs and citizen groups. A member of Barrick’s CSR advisory board told us that: ... we live in a world where reputation matters and that’s more transparent than ever before. The industry is continually evolving its CSR practices in response to criticisms but also in collaboration with environmental, human rights or social justice NGOs. Some of the larger organisations have teamed up. They include Oxfam with BHP Billiton to run a program on participatory development, Rio Tinto with the International Union for the Conservation of Nature, and collaborations such as the Devonshire Initiative in Canada.

Such social development programs have effectively “turned combatants into collaborators”, to quote Dinah Rajak. Kirsch sees the division among citizen groups as part of a strategy by which mining corporations gain control of local situations to the detriment of environmental and social conditions. Or, as Welker would have it, it is an effect of their moral campaign to move local communities toward a capitalist future. Ethnographies provide a detailed empirical basis for an argument about mining’s role in the reproduction of social and environmental inequality and about the problems of acting as their own regulators and undertaking community development activities. Anthropologists ask: how have things come to be like this? These studies take our knowledge beyond the resigned sneer of cynicism that the only thing CSR enacts is a smokescreen. They seek to explain the veneer. In this way, we can move beyond simple criticism to show how global corporate giants are made and remade in social, moral and political forms.

Tribunal Allows Lawsuit Over PNG Takeover Of Ok Tedi To Proceed

PNG Sustainable Development Program seeks restitution of shares in mine

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Oct. 30, 2014) – A tribunal of the International Centre for Settlement of Investment Disputes (ICSID) has rejected an attempt by the Government to strike out PNG Sustainable Development Program Limited’s (PNGSDP) case seeking restitution of the company’s 63.4 percent shareholding in the Ok Tedi mine. PNGSDP chairman Sir Mekere Morauta yesterday welcomed the tribunal’s decision to allow the case to proceed and to reject the State’s objections. "This is very good news for the people of Western Province," he said.

"It means that the second of PNGSDP's court battles to protect its investments is off to a strong start. "The ICSID's decision gives the people good reason to hope that PNGSDP will ultimately be able to resume sustainable development in the province funded by the dividends from the mine." However, the office of the Attorney-General said last night that it was early days yet for Sir Mekere to claim victory on the matter.

"He cannot continue to fool anyone in Papua New Guinea with misleading claims that he is protecting the interests of our country and our people," the office said. "It is inappropriate for Sir Mekere to politicise this decision and he should leave it to the courts to consider the matter further." Sir Mekere said the decision was the first part in the process to get ICSID to order the O'Neill/Dion government to give back the company's shareholding in Ok Tedi, or pay proper compensation for its expropriation last September. He said the Government had asked the three-man ICSID tribunal to strike out the claim on the basis that PNGSDP's claims had no legal merit. Sir Mekere said PNGSDP looked forward to the case going ahead. "We welcome the ICSID's decision and look forward to putting our arguments in the next phase of the proceedings," he said. "The O'Neill/Dion government's expropriation of PNGSDP's investment in Ok Tedi, and other actions the Government has taken against PNGSDP, have unlawfully and immorally deprived the people of Western Province of the sustainable development benefits to which they are entitled through PNGSDP."

Lessons for PNG on the Precautionary Approach in experimental seabed mining

Rakhyun Kim and Donald Anton, The Australian National University via PNG Mine Watch, October 29, 2014

The New Zealand decision under the EEZ Act teaches a number of lessons for other Pacific Island countries that have growing interests in deep seabed mining as a means of economic development. Papua New Guinea (PNG), for instance, has garnered attention for issuing a commercial deep seabed mining license to a Canadian company Nautilus Minerals. Nautilus is supposed to begin the world's first seabed mining operation on the PNG continental shelf in 2016 and, if successful, will prove the technical and economic viability of seabed mining. Other Pacific Island developing countries are in the process of designing legal regimes to provide a favourable environment for foreign investment and satisfy those environmentally concerned. The concern is that these early movers are operating on a set of untested assumptions, namely that seabed mining will raise a significant amount of revenue to stimulate national economic development while preventing serious harm to the marine environment.

As illustrated in the Trans-Tasman Decision, however, there may be too many uncertainties at this stage with respect to effects on the environment as well as the economy. In the face of such uncertainties, international law dictates that states apply the precautionary approach in decision-making. Abstract: This short piece analyses a recent path-breaking decision by the Decision-making Committee (DMC) of the Environmental Protection Authority (EPA) of New Zealand. In Trans-Tasman Resources Ltd Marine Consent Decision (June 2014), the DMC considered New Zealand's first application for 'marine consent' for continental shelf seabed mining under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act). Download: <https://ramumine.files.wordpress.com/2014/10/the-precautionary-approaches-in-seabed-mining.pdf>

Tribunal rejects application to dismiss Ok Tedi case

Post-Courier, October 29, 2014

A tribunal of the International Centre for Settlement of Investment Disputes has rejected an attempt by the O'Neill Government to strike out PNG Sustainable Development Program Ltd's case seeking

restitution of the company's 63.4 percent shareholding in the Ok Tedi mine. The chairman of PNG Sustainable Development Program Ltd, Sir Mekere Morauta, today welcomed the tribunal's decision to allow the case to proceed and to reject the State's objections. "This is very good news for the people of Western Province," he said. "It means that the second of PNGSDP's court battles to protect its investments is off to a strong start. "The ICSID decision gives the people good reason to hope that PNGSDP will ultimately be able to resume sustainable development in the province funded by the dividends from the mine." The decision is the first part in the process to get ICSID to order the O'Neill Government to give back the company's shareholding in Ok Tedi, or pay proper compensation for its expropriation in September last year.

The O'Neill Government had asked the three-man ICSID tribunal to strike out the claim on the basis that PNGSDP's claims had no legal merit. Sir Mekere said PNGSDP looked forward to the case going ahead. "We welcome the ICSID decision and look forward to putting our arguments in the next phase of the proceedings," he said. "The O'Neill Government's expropriation of PNGSDP's investment in Ok Tedi, and other actions the Government has taken against PNGSDP, have unlawfully and immorally deprived the people of Western Province of the sustainable development benefits to which they are entitled through PNGSDP. "PNGSDP will continue to fight for the rights and benefits of Western Province. We have a legal and moral duty to do so."

Civil Society Group Wants Action On Solomons Gold Ridge Tailings Dam

Community fears environmental disaster from abandoned mining site

By Eddie Osifelo

HONIARA, Solomon Islands (Solomon Star, Oct. 28, 2014) – The Guadalcanal Civil Society Network (GCSN) has given seven days ultimatum to its Provincial Government and eight Parliamentarians to find a solution on the controversial tailing dam at Goldridge mining site. This came after fears raised by St Barbara that the dam could pose a threat to communities leaving downstream during the upcoming wet season. Team leader of the network group, Stanley Vutiade said there needs to be an intervention now before the situation turns into another national disaster in future. Mr Vutiade said history revealed that the recent flash flood has caused much damage to peoples' properties. He said if the dam overflows due to continuous rainfall or earthquake and man-made making, the situation will turn into a huge disaster.

"We asked the Guadalcanal provincial government and our eight Parliamentarians to deal with the issue now. "If they reluctant to deal with it after seven days' notice, we will by-pass the authority and take the lead in addressing the issue," he said. St Barbara is negotiating with the Government to hand back the Mine due to series of weather issues, cyclones, and flooding, compounded by ongoing security concerns. However, both parties could not find a common ground on the tailing dam de-watering exercise. Under the de-watering license, St Barbara was responsible to pump out water from the tailing dam, however, it stopped doing that after its equipment were destroyed and concerns about the security situation. As such, the situation the Network has seen the need for its provincial and national leaders to take the lead in addressing it now.

Western Province: Landowners oppose pipeline

Post-Courier, October 28, 2014

BY ADRIAN MATHIAS

THE P'nyang gas project in the Olsobip local level government area of Western Province will not have a pipeline running through the existing Juha or Hides gas of PNG LNG in Southern Highlands Province. This is the strong position taken by the landowners of P'nyang and supported by their

LLG presidents in the province, including James Donald of Kiunga Rural LLG. "I want to bring it to the attention of the National Government, Fly River Provincial Government and developers of petroleum projects in Western Province that we the landowners and their political leaders do not want to see our P'nyang Gas being piped and connected with the existing Juha or Hides gas of PNG LNG," Mr Donald said. "On behalf of my people of Western Province and particularly the landowners of P'nyang Gas field, I call on our Governor Ati Wobiro and the three MPs and fellow 13 LLG presidents in the province to support and fight against the proposed idea of connecting our P'nyang Gas with the existing Hides or Juha Gas field. I would like to see all the procedures and processes involved according to Oil & Gas Act and no taking of short cuts," Mr Donald said. P'nyang Resources Association chairman Michael Betkimsok and treasurer Edwin Ingsim said from Tabubil yesterday that the landowners are against the proposed idea of P'nyang gas pipeline running through Southern Highlands Province. "The landowners say no to our gas pipeline going through Southern Highlands and we also say no if they were to do cut and paste of the old PNG LNG Kokopo umbrella benefit sharing agreement (UBSA) with P'nyang," Mr Betkimsok said.

Porgera: Landowners say Barrick decision void

post-Courier, October 28, 2014

THE special mining lease landowners of the Porgera Gold Mine are not happy with a recent decision by the developer Barrick Niugini Limited. The landowners are fuming over a decision by the developer to withdraw the services of their company Total Cleaning and Housekeeping Services Limited from servicing the Mine after 23 years. This was featured in an article in the *Post-Courier* on October 20 this year, under the headline 'Women's group win service contract with miner'. This has sought the disapproval of the principal landowners headed by chiefs Nelson Akiko and Tom Puluks. The landowners released a media statement yesterday indicating that the developer has erred in their decision to award the contract, when they are still having dialogue and negotiating with their senior management. In response to the statement, Barrick Niugini Limited yesterday clarified that they are currently in the process of transitioning the cleaning and janitorial services contract for the Porgera mine-site and camps. It stated that as effective of November 29 this year, they confirmed that the Porgera District Women's Association (PDWA), a registered non-profit organisation of more than 4000 women will be the contractor.

The statement said these services were previously provided by the Total Cleaning and Household Services (TC&HS) Limited under a contract that expired on November 28 this year. It further stated that, following a review of its contractual needs, Barrick made a commercial decision to award a new contract to the Ipili Wanda Investments (IWI), the commercial arm of PDWA, for the labour hire component of the cleaning and janitorial services contract. Mine management noted that the reasons for this decision were fully explained to the management of TC&HS at a meeting held earlier this month. Awarding of the labour hire component of the contract to IWI is a demonstration from Barrick that the company is committed to encouraging, empowering, developing and working with local organisations that have a wide stakeholder base and who share the benefits derived from these opportunities with local community groups.

Mr Akiko and Mr Puluks further said that they do not welcome the decision and also accuse the developer of 'high jacking' due processes and entertaining unfair practices. "The awarding of the contract is null and void," they stated. Their statement further said that the developer had not honoured a letter from the mine agreement review committee (Porgera Land Owner Association) who agreed that current major land-owner contracts (IPI Group and Total Clean) are to be unaltered as all spin-off benefits for land-owners were still being discussed. The association said that the Mine MOU is still going on and Barrick should leave the land-owner contracts alone as they are part and partial of the set-up.

Enga leaders okay Mt Kare land study report

Post-Courier, October 27, 2014

ENGA provincial Administrator Samson Amean has signed the land investigation report (LIR) on the Mt Kare gold project, witnessed by Enga Governor, Peter Ipatas and Laigap/Porgera MP Nixon Mangape last week at Mt Kare. “Anything to do with the land of our nation is done under the laws of our land,” Mr Amean said at the signing. “Everything must come in line with the laws of our country. “The LIS/LIR that is being completed has been done under my administration and under the laws of our land and Mt Kare is situated within the legal provincial boundary of Enga Province, therefore my administration took the lead in all the process of this LIS/LIR studies. “Other interested parties have raised issues about the LIR/LIS studies on the project, yet the project lies within Enga Province. The studies were undertaken under my jurisdiction. “I have sent my officers out here to assist in the whole process. Now I am pleased to be here at last to sign the final LIR documents.

“I thank Summit Development Limited country manager George Niumataiwalu and CA manager, Joe Pais for successfully completing this very important study, the LIS and LIR. It was indeed never an easy task to come to this stage. I also thank all company employees, consultants and the security personnel for the, sacrifices, time and tireless efforts put into making this day a very eventful day. “I also extend my sincere thanks to Simon Yopo, Melepai Yakili, Philip Kepson, director for media and the ground officers, Mande Kaima and Terry Angai for the job well executed. Laigap/Porgera MP Nixon Mangape said Mt Kare project has been kicked to and fro in the last 20 years and they were there to witness the fruition of their work as a team. “We should all be proud of this achievement. Many of both young and old died for the sake of this project without any benefit due to the difficulty we had in the past,” Mr Mangape said. “We never did well in Porgera but this time we have learnt our mistakes and have worked together with our investors SDL to see this project into mine development.” Enga Governor Peter Ipatas acknowledged the time and effort put in by staff of the mining company.

OTML ready to make payments

Post-Courier, October 28, 2014

Statements by chairman of the PNG Sustainable Development Program (PNGSDP) Limited, Sir Mekere Morauta that CMCA payments cannot be processed by PNG Microfinance Limited (PML) if no financial support is received from OTML, is inaccurate. Earlier this year PML informed OTML it would no longer be facilitating this year’s CMCA cash payments to its 9,489 CMCA customers since it was not able to meet the cost of delivering cash payments to the communities. In a public notice dated June 11, PML advised its customers; especially beneficiaries of the CMCA cash payments, that those who wished to maintain their accounts with PML may do so but will be charged a 6 percent fee. Based on the information received from PML, OTML conducted extensive communication patrols in May and June to inform the CMCA communities that had family bank accounts with PML to open new family accounts with a commercial bank of their choice in order to receive their cash payments. All PML CMCA customers in the North Fly Region opened new family accounts after receiving the information while for the Middle and South Fly regions, a total of 4,064 new family accounts were opened with Bank of South Pacific (BSP) following a joint awareness patrol organised by OTML in August. The CMCA family cash payments totaling close to K20 million per annum are paid to over 18,000 family bank accounts in the fourth quarter of each year in accordance with the agreements signed with the communities.

Sir Mek disappoints Western Province Governor

Post-Courier, October 28, 2014

BY ADRIAN MATHIAS

WESTERN Governor Ati Wobiro says he is disappointed over a call by Papua New Guinea Sustainable Development Program (PNGSDP) chairman Sir Mekere Morauta for the Fly River provincial government to pay for the processing of CMCA compensation payments because it will confuse the affected communities who live along the corridors of the Fly River. Before flying out of Port Moresby yesterday to Western capital Daru, Mr Wobiro made a quick response to Sir Mekere's statement published on page 3 in the *Post-Courier* yesterday, saying, "If there is no financial support forthcoming from them (Fly River provincial government, Prime Minister Peter O'Neill Government and Ok Tedi Mining Limited), then the payments cannot be processed and many thousands of Western Province men, women and children will go without." Mr Wobiro said he was disappointed because Sir Mekere was confusing his people of Western Province about compensation payments that Ok Tedi pays to affected communities along the Fly River corridor (CMCA) and those communities outside of the Fly River corridor (non-CMCA).

"These are two separate payments for compensation that Ok Tedi pays to CMCA and non-CMCA communities in Western Province and they do not come from either Fly River provincial government or Ok Tedi Development Foundation (OTDF)," he said. He said OTDF is responsible for prudent management and implementation of projects using CMCA funds paid to them by OTML for CMCA communities along the corridor of the Fly River. Mr Wobiro said for the non-CMCA compensation component, the Fly River provincial government was responsible for funding projects outside of the Fly River corridor using this fund. "Ok Tedi has its own programs for payouts (compensation) through its community affairs division as it is doing now and will continue to do in future," he said. Mr Wobiro said he was hopeful that the Singapore court case over the funds belonging to Western Province people would soon be settled so that his government could access them for development projects and programs. He has appealed to all people in Western Province to continue to work with Ok Tedi, OTDF and FRPG and not be misled by other people, including Sir Mekere.

Indochine Makes Breakthrough at Mt Kare in PNG

Global Mining Observer, Issue 103, October 2014

ASX-listed Indochine Mining is set to announce a financial recapitalisation of the company before the end of the year, *Global Mining Observer* has learned, after securing a breakthrough land deal with local tribes this week at its Mt Kare gold project in Papua New Guinea. In a ceremony marked by "singsing" and "pig killing", Indochine ended a 30-year land ownership dispute with local tribes on Tuesday. The news is seen internally as a "groundbreaking" moment in securing the future of Mt Kare, a bonanza grade gold asset in the politically volatile world of Papua New Guinea. In conjunction with an equity raising, the company is working on a debt-to-equity swap with its secured creditor, according to sources involved, pumping money into the company, removing its debt overhang and kickstarting mine construction. Indochine announced a boardroom overhaul in July, thought to have had the backing of underground mine contractor Brian Rodan, the company's largest shareholder.

Valued at A\$23m (\$20m), or A\$1.9c per share, the market appears to be pricing the company for liquidation, but in response to questions this week, interim chairman and restructure specialist Dermott McVeigh said he is "extremely confident that we'll be here in not just 18 months, but that we will develop this project." The company has had expressions of interest for the full acquisition of the asset, according to McVeigh, but Indochine is "exactly the vehicle" to develop Mt Kare, he said.

“The main reason I say that is because of the approach the company has taken to our relationship with landowners. On the ground in PNG, it makes an enormous difference.” Mt Kare sits along trend from Barrick Gold’s giant Porgera mine, yielding 17m gold ounces since opening in 1990. The mine produced 482,000 ounces last year, but Barrick recently downgraded its mine life from 13 to 9 years and is trying to offload the asset, according to sources. “On the ground in PNG, it makes an enormous difference.”

Vanuatu chiefs hesitant to approve deep sea mining

Radio New Zealand, October 27, 2014

Vanuatu's National Council of Chiefs, Malfatumaauri, will not take a position on deep sea mining until after villages around the country have been consulted by the Government. The chief executive of Malfatumaauri, Jean Pierre Tom, says chiefs will make a resolution on the Government's proposed deep sea mining bill based on what the people want. Mr Tom says during the first round of consultations in Port Vila earlier this month, the members of the Malfatumaauri reserved their right to keep silent on the issue. However, our correspondent says most of them have reservations about the proposal for foreign companies to mine minerals from the seabed.

LNG: Landowner companies benefit from K2.7billion

Post-Courier, October 27, 2014

EXXONMOBIL PNG Limited, the operator of multi billion kina PNG LNG Project has so far injected more than K2.7 billion (US\$1.12 billions) into the landowners companies (Landcos) alone along the project footprint while nearly K11 billion was injected on other services. Managing director (MD) of ExxonMobil PNG Limited Peter Graham at a media update on the PNG LNG Project on Friday at the company’s head office in Port Moresby said, "as of June 2014, the Project’s, (PNG LNG Project) total Landco spend had grown to more than K2.72 billion. "Nearly, K11 (US\$4.53 billion) was spent on combined Lanco and non-Landco services," Mr Graham said. The MD said apart from the money injected into the Landco services, the Project also established the Enterprise Centre, formerly Bankers College located within the Institute of Banking and Business Management premises at Konedobu to help the Landcos to venture into small business in which the Project can contract them for services.

Mr Graham highlighted that the Enterprise Centre, has assisted more than 17,000 Papua New Guinean entrepreneurs and provided over 10,000n training days since April 2010, all relevant to the PNG LNG Project. On the workforce development, he stated the workforce peaked at the end of 2012 with 21,220 workers including 8,500 nationals while more than 2.17 million hours of training delivered through some 13,000 training activities. "A further 140 PNG operations and maintenance technicians have been trained, establishing the future core of the PNG LNG Project workforce. "A significant effort placed on preparing the workforce for demobilisation process has gone well," Mr Graham stressed; Meanwhile, it was also briefed that the Project has invested more than K580 million in infrastructure and community development focused on education, woman’s empowerment, the environment, community health, roads and agriculture. The beneficiaries of the K50 billion plus project includes the landowners in gas resources areas (PDLs), pipeline route landowners, (PL), LNG Plant landowners (PPFL), Provincial Governments, and the affected local level governments of Hela, Southern Highlands, Central, Gulf and Western provinces.

LNG revenue to flow into PNG coffers in late 2015

Post-Courier, October 27, 2014

THE much anticipated revenue from the PNG LNG project is expected to flow into the PNG Government's coffers in the later part of 2015. This was plainly revealed by Peter Graham, the managing director of ExxonMobil PNG Limited, and the operator of PNG LNG Project. Mr Graham told media last Friday while pressed on to reveal how soon the much talked about "PNG LNG revenue" will flow into PNG coffers. He told reporters that so far 35 shipments of LNG shipments have already left the shores of Papua New Guinea to the energy-hungry Asian markets, especially Japan. However, the revenues for the shipments will not flow into the country's coffers as anticipated or led to believe to happen at the point of sale of cargoes. The MD clarified that it was just hot air speculation and all misleading in relation to quick flow of revenues into the country. "The first equity payment to partners will be in the later part of 2015". But he said it's "only after completion of test demonstrating to lenders that the Project is fully completed and operational," Mr Graham said.

He clarified those confusions surrounding the revenues from the 35 shipments so far saying, "all the sales proceeds are deposited in lender-secured accounts and payment from the accounts made are strictly dictated by the financing agreement." He stressed that the PNG LNG Project was funded by the largest project financing ever done in the energy sector at a later increased value of K50 billion (US\$15.5 billion) in 2013. He said it's a project that was participated by an unprecedented group of lenders comprising of 17 international banks, 6 Export Credit Agencies and ExxonMobil co-lender. However, it is good news for the beneficiaries on the royalty component of the revenues. Mr Graham said currently, royalties are currently flowing into a trust account created with the Central Banks under a special agreement while rest of the State's equity will be after 2015. Meanwhile, according to the brief, payment for project operating cost such as shipping, labour, materials and other associated cost have begun upon point of sale of the first 35 shipments while first scheduled repayment of loans are in 2015. Mr Graham reiterated that equity distribution to partners including States 19% equity which National Petroleum Company of PNG holds will in later part of 2015.

Sir Mekere call Government, OTLM and FRPG to pay compensation

Post-Courier, October 27, 2014

The chairman of PNG Sustainable Development Program Ltd, Sir Mekere Morauta, today called on the O'Neill Government, Ok Tedi Mining Limited and the Fly River Provincial Government to pay for the processing of CMCA compensation payments. "If there is no financial support forthcoming from them, then the payments cannot be processed and many thousands of Western Province men, women and children will go without," he said. "They will not receive the compensation payments, which are rightfully theirs and are for many families their major source of cash income. "The State, OTML and FRPG must act quickly to make sure the payments can be made and to ensure that the people do not suffer unnecessarily. It is their responsibility – they owe it to the people of Western Province." In the past PNGSDP has paid for the processing of the payments by its subsidiary PNG Microfinance Ltd, from dividends paid to it by Ok Tedi. But since the O'Neill Government expropriated Ok Tedi, without compensation, no dividends have been paid to PNGSDP.

Dividends from the company's 63.4 percent shareholding in Ok Tedi were its only source of income, and when they were withheld PNGSDP had no means of paying for almost all of its programs and projects. This includes its annual financial support to PMF to enable the payments to be processed. PNGSDP has been helping PMF facilitate the CMCA payments since 2008 by paying approximately K500,000 a year out of the OTML dividends to cover payment processing costs. But without the dividend income PNGSDP cannot continue to do its good work through community sup-

port like this, Sir Mekere said. "PMF must now operate on a fully commercial basis if it is to survive and continue to provide banking services in Western Province," he said.

"PMF is the only banking service provider for many people in Western Province and elsewhere, and PNGSDP is making sure that it survives. It is doing this by making it self-sufficient. "We do not want to have to shut down Western Province branches, as we have had to with other operations such as Western Power, because of the expropriation. "PNGSDP believes there are ample funds available from Ok Tedi, which is now owned 100 percent by the State, to facilitate these payments." Sir Mekere said the small amount of interest income from investments available to PNGSDP is being used to protect the interest of the people of Western Province, who are the beneficiaries of PNGSDP's sustainable development program. PNGSDP is doing this in the international courts by opposing the Government's attempts to control the Long Term Fund, and seeking the return of the company's shareholding in Ok Tedi. PML has already written to the O'Neill Government, OTML and the FRPG asking them to fulfill their obligations to the people of Western Province by providing financial support to process the CMCA payments.

Sir Mek continues war of words over PNGSDP

Post-Courier, October 27, 2014

By ISAAC NICHOLAS

THE war of words between the chairman of Papua New Guinea Sustainable Development Program Sir Mekere Morauta and Prime Minister Peter O'Neill continues over the control of OK Tedi mine in the Star Mountains of Western Province. Sir Mekere has called on the O'Neill Government, Ok Tedi Mining Limited and the Fly River Provincial Government to pay for the processing of CMCA compensation payments. "If there is no financial support forthcoming from them, then the payments cannot be processed and many thousands of Western Province men, women and children will go without," he said in a statement yesterday. "They will not receive the compensation payments, which are rightfully theirs and are for many families their major source of cash income." Mr O'Neill when contacted yesterday said this was "again another grandstanding from Sir Mekere and his cohorts who represent nobody except foreign interest" and who continued to mislead the people. "The only reason why all this is happening is because of the court cases he has initiated and others that are before the courts here in PNG and Singapore," Mr O'Neill said.

"The sooner he comes to that realisation that he has to work with the duly mandated government, the better it will be for our people. "We are prepared to assist our people as and when these unnecessary court cases are removed. "We are confident that people will get better outcomes as result of our intervention. Sir Mekere called on the State, OTML and FRPG to act quickly to make sure the payments could be made and to ensure that the people do not suffer unnecessarily. "It is their responsibility – they owe it to the people of Western Province," he said. Sir Mekere said in the past PNGSDP has paid for the processing of the payments by its subsidiary PNG Microfinance Ltd, from dividends paid to it by Ok Tedi but since the O'Neill Government expropriated Ok Tedi without compensation, no dividends had been paid to PNGSDP. Sir Mekere said dividends from the company's 63.4 percent shareholding in Ok Tedi were its only source of income, and when they were withheld PNGSDP had no means of paying for almost all of its programs and projects and includes its annual financial support to PMF to enable the payments to be processed.

MRA: Coal mining has potential in PNG

Post-Courier, October 27, 2014

THERE is potential to develop coal mining and coal seam gas industries in PNG, according to the Mineral Resources Authority. MRA team leader for mapping Chris Wamugl gave a presentation on

this topic last week during the week-long 50th annual session of the Coordinating Committee for Geoscience Programs in East and South East Asia, which ended last Friday in Kokopo, East New Britain Province. His presentation was based on the MRA's ongoing research on coal mining potential in PNG. He said his presentation at the CCOP session in Kokopo was to indicate to the participants that PNG had the potential to go into coal mining and there was a need to develop this mining activity. Mr Wamugl said a lot of work has to be done in this area in terms of more research, exploration, data collection and other activities. He said in the 1970s, government geologists went around the country exploring for minerals and discovered coal deposits and occurrences mostly in the Gulf, Western, Eastern Highlands, Simbu and Madang provinces which were documented.

However, these deposits were not extensively explored due to a number of limitations and that there were currently no known deposits with an economic viability. Mr Wamugl said what they needed to do now was to do more research and exploration. Meanwhile, CCOP PNG Chairman John Arumba said plans were in place by the Department of Mineral Policy and Geohazards to develop a coal mining policy starting next year. PNG currently does not have a policy in place to regulate coal operations in the country. He said PNG relies heavily on gold and copper. However, they were now diversifying and MRA was doing a lot of research and looking at other potential economic minerals in PNG such as coal.

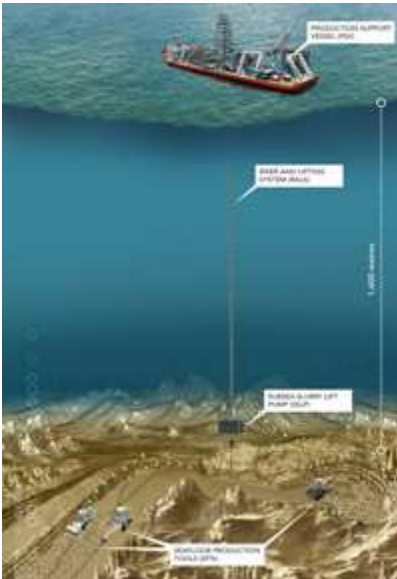
Drive to Mine the Deep Sea Raises Concerns Over Impacts

Armed with new high-tech equipment, mining companies are targeting vast areas of the deep ocean for mineral extraction. But with few regulations in place, critics fear such development could threaten seabed ecosystems that scientists say are only now being fully understood.

Mike Ives, Environment 360 via PNG Mine Watch, October 24, 2014

For years, the idea of prospecting for potentially rich deposits of minerals on the ocean floor was little more than a pipe dream. Extractive equipment was not sophisticated or cost-effective enough for harsh environments thousands of feet beneath the ocean's surface, and mining companies were busy exploring mineral deposits on land. But the emergence of advanced technologies specifically designed to plumb the remote seabed— along with declining mineral quality at many existing terrestrial mines — is nudging the industry closer to a new and, for some environmentalists and ocean scientists, worrying frontier. More than two-dozen permits have been issued for mineral prospecting in international waters. And in April, after years of false starts, a Canadian mining company signed an agreement with the government of Papua New Guinea to mine for copper and gold in its territorial waters. That company, Nautilus Minerals, plans to begin testing its equipment next year in European waters, according to the International Seabed Authority (ISA), a regulatory agency established in 1994 under the auspices of the United Nations. A Nautilus spokesman, John Elias, said the plan is to award a construction contract in November for a specialized mining vessel. "All other equipment has been manufactured and is in final assembly," he wrote in an email.

Chief among critics' concerns is that seabed mining will begin without comprehensive regulatory oversight and environmental review. They say dredging or drilling the seafloor could potentially obliterate deep-sea ecosystems and kick up immense sediment plumes, which could temporarily choke off the oxygen supply over large areas. And powerful international companies, they add, could take advantage of the lax or non-existent review and enforcement capabilities in many small island nations of the Pacific Ocean — precisely where seabed mineral deposits are thought to be highly concentrated. "Communities are concerned that our governments don't know enough about the ecology or the implications" of seabed mining, said Maureen Penjueli, coordinator of the Pacific Network on Globalization, a Fiji-based non-profit that has tracked seabed prospecting in the region since 2009. "We haven't seen much benefit from land-based mining, let alone fisheries or tourism — and here we are entering a new frontier."



But industry proponents say no extractive industry is free of environmental impacts, and that only a fraction of the seabed covered by exploration permits would actually be mined. Companies and governments, they say, are carefully studying both deep-sea ecosystems and emerging mining technologies in order to prevent or mitigate ecological damage. “We are committed to using ecologically sound, deep-seabed mineral recovery methods,” said Jennifer Warren, the regulatory director at UK Seabed Resources, a subsidiary of the U.S. defense giant Lockheed Martin’s British arm. “Toward that end, we are working closely with research institutions and scientists to understand any potential environmental impact of commercial recovery efforts.” Gaining that kind of understanding is a work in progress. As late as the 1950s, the deep sea was still viewed as a dark and barren place with little or no biodiversity worthy of protection. But in the 1960s, new sampling technologies prompted the discovery of new deep-sea species, and by the late 1970s, scientists had discovered bacteria that could thrive amid hydrothermal vents in deep, volcanically active regions. Those bacteria are turning out to be food for a number of “beautiful and strange” invertebrates, according to Cindy Van Dover, a marine biologist at Duke University. By the early 1990’s, scientists were speculating that the deep sea played host to as many as 10 million species of small invertebrates.

It is amid this awakening to deep-sea biodiversity that interest in seabed mineral mining is heating up. While investing in seabed-mining operations remains comparatively expensive, “the equation is turning,” according to Michael W. Lodge, legal counsel with the ISA. “People are starting to think that upfront investment is worth it for the long term payoff.” The ISA has issued seven new seabed exploration permits this year, Lodge noted, bringing its global total to 26, stretching across an area of international waters roughly the size of Mexico. Nautilus Minerals’ planned operation in the territorial waters off Papua New Guinea, however, is widely expected to be the world’s first commercial-scale deep-seabed mine. Several neighboring countries have begun to issue export permits — and in some cases, are drafting seabed-specific mining legislation. New Zealand has also been weighing applications for two seabed mines in its waters, which would target iron sands and phosphate, respectively.

In an email message, James Hein, a geologist with the U.S. Geological Survey and the president of the International Marine Minerals Society, a non-profit organization linking industry, government, and academic institutions, suggested that the global rush to mine so-called “rare earth” elements — which are used to manufacture cellular phones, wind turbines, solar panels, electric cars and other applications — is a key driver in moving the industry forward. Other sought-after resources include sulfide minerals — a source of precious metals like silver, gold and copper — that accumulate around gaps in the seafloor where chemical-rich fluids leak into the ocean at temperatures nearing

1,000 degrees Fahrenheit. The Nautilus Minerals project in Papua New Guinea plans to mine a sulfide deposit by cutting the seabed with a remote-control machine that is 26 feet tall, 42 feet wide, and 55 feet long. According to the company, the ore will be extracted with an “associated suction mouth” and pumped to the surface — a distance of about a mile. Manganese nodules — palm-sized chunks of rock containing copper, nickel and cobalt — are also prized, and in shallower areas, mining companies plumb for rocks containing phosphates, a key ingredient in agricultural fertilizers. “The process itself is essentially a large vacuum cleaner on the end of a hose,” said Chris Castle of Chatham Rock Phosphate, the company behind the phosphate-mining application pending in New Zealand.

Here and elsewhere, however, environmental battle lines are now being drawn. In June, a New Zealand court, citing environmental concerns, riled the mining industry by rejecting a proposed plan for an iron sands mine about 15 miles off the coast of the country’s North Island. The company behind the proposed mine, Trans-Tasman Resources, says it has spent over seven years and more than \$50 million studying the potential impacts. An appeals hearing is scheduled for next March. Meanwhile, the New Zealand advocacy group Kiwis Against Seabed Mining has argued that the mines would pose risks to iconic mammals — including blue whales and Maui’s dolphins — that outweigh any potential economic benefits. Castle, Chatham Rock Phosphate’s project director, said the environmental impacts on the seabed would be far less than those that fishing trawlers regularly inflict. But Les Watling, a biology professor at the University of Hawaii at Manoa, argued that sediment plumes from the phosphate mine could stress or kill an entire species of local coral, *Goniocorella dumosa*, leading to wider impacts because the coral’s branches are a habitat for smaller organisms. And Liz Slooten, a zoologist at New Zealand’s Otago University, said the sounds from seabed mining in that area could damage or destroy the hearing of blue whales, causing them to flee and perhaps even beach themselves.

Ultimately, the exact impacts of deep-sea mining in New Zealand or beyond won’t be entirely clear until the mines actually open, said Phil Weaver, a geologist and the coordinator of a three-year project called Managing Impacts of Deep Sea Resource Exploitation, which launched in 2013 with a \$11.4 million grant from the European Commission. “We need to put in place some criteria and protocols which will at least try to control those impacts based on available information.” In March, the ISA began soliciting public comments for its first-ever Mineral Exploitation Code. A voluntary environmental code drafted by the International Marine Minerals Society in 2001 will inform the new ISA document, according to Hein, the society’s president. David Billett of Britain’s National Oceanography Centre, who sits on the ISA’s legal and technical commission, said environmental matters are “regularly raised” at the committee’s meetings, and that the ISA has strict guidelines for the sort of ecological data that prospective miners must collect along seabeds. Still, individual countries are free to choose their own regulatory approaches to seabed mining, and permits in the South Pacific have already been issued in waters that cover an area the size of Iran, according to the Deep Sea Mining Campaign, an international coalition of non-profit groups.

A 2010 study in the journal *Marine Policy* said the “absence of a clearly defined regulatory regime” in international waters was encouraging seabed prospectors to pursue projects in territorial waters, where legal risks were smaller. It named Tonga and its neighbor Papua New Guinea as two countries that would struggle to balance economic development against the need to protect marine ecosystems. Environmental groups are watching carefully as the Nautilus Minerals project gathers speed in Papua New Guinea. The company says its mine will not contaminate coral or fisheries, and Jonathan Copley, a prominent marine ecologist at Britain’s University of Southampton, has said that the project’s design appears to be environmentally sensitive. Yet Nautilus and other international firms have other mining applications scattered across the South Pacific, and Van Dover of Duke University said scientists’ biggest concern is the cumulative impacts of multiple mines opening in the same area. “A single mining event — at the scale of a single hydrothermal vent field — would

be no worse than the most extreme natural disturbance,” Van Dover said in an email message. “But multiple mining events in a region in a short period of time — i.e. within a decade — would be unwise without good environmental knowledge of the ability of the system to recover.”

Porgera: Town authority going broke

Post-Courier, October 24, 2014

A SMALL local urban management company from the mining township of Paiam in the Porgera Gold Mine area is on the verge of shutting down its operations. Porgera Development Authority (PDA) general manager John Miukin in a letter to Barrick’s Resident Mines manager raising the plight of the mining township said Paiam Town Management Company (PMC) faces shutdown of its operations due to government’s failure in honouring an agreement to release K2 million annually to maintain the company’s operation. Mr Miukin told the *Post-Courier* this week that PMC’s source of funds include mine operator (Barrick) PNG, National Government, Enga Provincial Government (EPG), and PDA as stipulated by a memorandum of understanding (MOU) signed between these parties to stop the mine’s fly-in -fly-out (FIFO) arrangement. He said an accumulated outstanding of K24 million is owed to PMC by the government over the last 12 years.

PMC was established under the MOU in order to maintain the operations of all public utilities and facilities of the township such as sewerage, schools, hospitals, electricity, water etc... However, since the suspension FIFO arrangement, all funding support to PMC from all the parties to the agreement has since ceased resulting in financial woes. Mr Miukin stressed; " since all funds to PMC have ceased; PDA maintained and subsidised PMC’s operations for 12 years and wouldn’t continue as PDA is not the responsible financier for PMC. Meanwhile Manager- Project Coordination from Mineral Resources Authority John Ipidari when pressed on the situation admitted that the FIFO agreement is currently under suspension, however, proposal has been by the MOA parties to review the FIFO agreement in three to four months after the MOA has been reviewed. Parties to the MOA are: National Government, Enga Provincial Government and landowners.

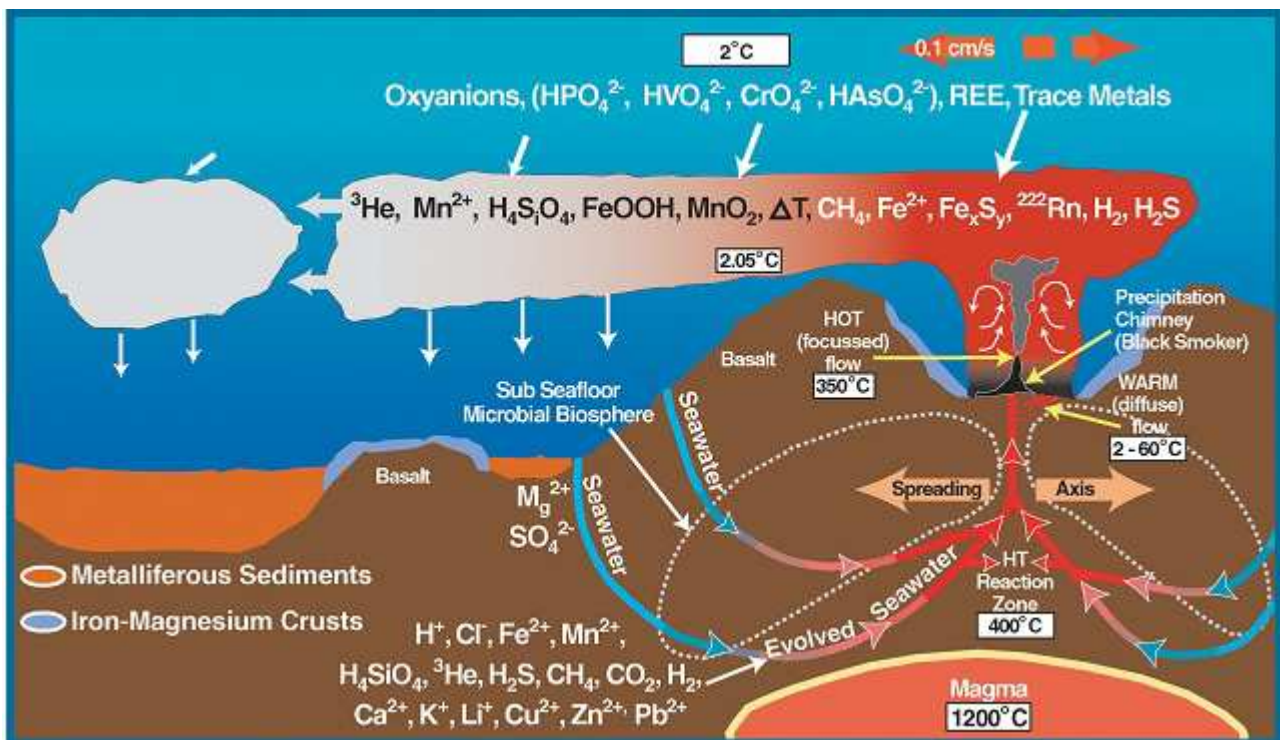
Nautilus satisfies intellectual property condition precedent

Post-Courier, October 24, 2014

Nautilus Minerals Inc. (Nautilus), the operator of the world’s first seabed operator in Solwara 1 Project in the Bismarck Sea this week announced that the Company has satisfied the first of the two conditions precedent to its agreement with the nominee of the Independent State of Papua New Guinea to secure certain intellectual property rights. The company said in a statement that in May 2014, the company announced that following the State nominee, Eda Kopa (Solwara) Limited, paying US\$113 million (K284.6 million) into escrow for its 15% interest in the Solwara 1 Project up to first production, Nautilus was to secure for the State’s nominee certain intellectual property rights and the charter of a Production Support Vessel in order for the escrowed funds to be released. Nautilus chief executive officer Mike Johnston commented: "Nautilus is pleased it has satisfied the first of the conditions precedent by securing the intellectual property rights required by the state and is now one step closer to securing the release of the escrowed funds. "Discussions remain on track with potential vessel partners to obtain a suitable vessel arrangement within the time frame required under the agreement, which will see the funds released from escrow."

Vanuatu Prepares for Deep Sea Mining

By MarEx, The Maritime Executive, October 23, 2014



The Republic of Vanuatu has commenced a national consultation program on a draft Deep Sea Minerals Policy.

Past studies in Vanuatu's waters have revealed the presence of massive seafloor sulfide deposits within its exclusive economic zone, which could contain significant quantities of copper, gold, zinc, silver and other commercially viable minerals. The presence of such minerals could present a potential economic opportunity for Vanuatu if deep sea mining activity is properly conducted and balanced with appropriate environmental, legal and financial management. The draft Policy sets out Vanuatu's vision and strategic goals in relation to its deep sea minerals, and will form the basis for future drafting of laws in line with the policy. The draft policy has been prepared by the Ministry of Lands with advice from the Deep Sea Minerals (DSM) Project: a partnership between the Secretariat of the Pacific Community (SPC) and the European Union (EU). The DSM Project works to assist 15 Pacific Island countries to improve governance and management of their deep-sea mineral resources, including through the development of national policies and laws.

The DSM Project places great emphasis on the importance of a consultative approach, and encourages all governments to involve concerned citizens in decisions that may affect natural resources and the environment. The DSM Project is providing technical and financial support to the government of Vanuatu to conduct this important consultation exercise and will continue to work with Vanuatu's multi-stakeholder National Offshore Minerals Committee, which includes the Vanuatu Association of Non-Governmental Organisations (VANGO), as they progress this work. While PNG made news for being the first country in the world to issue a licence for deep-sea mining, more and more Pacific Islands countries are getting approaches from companies interested in exploration and exploitation of deep-sea minerals. The questions that arise are—what are the risks? What are the benefits? What do Pacific Islanders need to know to make the right decisions here?

Many islanders have learnt, the hard way, the consequences of not knowing what they were getting into with mining and unsustainable development—phosphate mining on Nauru perhaps being the most dramatic example of a mining boom...and then a bust. Is deep-sea mining different? Time is critical, says Dr Jimmie Rodgers, Director-General, Secretariat of the Pacific Community (SPC):

“Is it urgent? Is it important now? Yes! Because multinationals are not going to wait to give Pacific Islands countries time to look at all the studies, environmental analysis, before they come in—they push in.” Over 300 exploration licences have been granted in Pacific Islands countries like Solomon Islands, Vanuatu and Tonga. In the Pacific, most of the mineral deposits considered profitable to mine are known as Seafloor Massive Sulfides (SMS). Some countries have manganese nodules and cobalt-rich crusts on the seafloor, mining of which are likely to have greater environmental impacts than SMS. For instance, nodules, small lumpy concretions that form over millions of years as metals from the seawater and seafloor sediments precipitate around a core, which may be a shark tooth or rock fragment. Nodules cover a significant area of the sea floor and contain minerals such as manganese, copper, nickel and cobalt.

Minerals are also found around hydrothermal vents—places where very hot fluid (around 400 degrees Celsius) that carries minerals comes into contact with cold sea water (around two degrees Celsius), resulting in the precipitation and deposition of minerals on the seafloor. The “chimneys” that form around the vents are the direct result of the accumulation of minerals on the seafloor over time. Companies are now chasing these natural phenomena in the Pacific Islands region and other parts of the world ocean. Deep-sea minerals have a use in everything from mobile phones to metal alloys, renewable energy technologies and batteries. Papua New Guinea’s Nautilus minerals venture was halted in 2012 after disagreement over government’s equity and benefits. Meanwhile, projects now go ahead in Sudan, Saudi Arabia, New Zealand and other countries. The companies and scientists are quick to point out the consequences of sea mining versus land mining are different—land mining can produce more than 99 percent waste and less than one percent ore. Waste materials when exposed for an extended period of time produce acid by the reaction of sulfide minerals with fresh water and oxygen, as well as liberated heavy metals that can pollute the environment.

In SMS mining, sulfide in waste materials cannot react with the alkaline seawater hence acid cannot form in the ocean. SMS due to the small size of the mineral rich deposits do not produce as much waste as land mining, or leakage of minerals into the environment. On the other hand, as deep-sea mining is new, some are skeptical of claims it will have minimal impact on the environment. As part of the work of SOPAC (the Applied Geoscience & Technology Division of SPC) which provides technical support and advice to Pacific Islands countries, the division has been assisting countries to improve technical capacity, community involvement and government management of deep sea mineral resources. One of the elements of the Pacific Deep-Sea Minerals Project, started in 2011 with funding from the European Union, is that it recommends national policies and laws before any mining takes place.

Solomons To Gold Ridge Mine: Tailings Dam Companies Responsibility

St Barbara must resolve threats from possible dam burst

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 23, 2014) – Solomon Islands says the onus is on Australian mine operator, St Barbara, to sort out any threat should the Gold Ridge tailings dam burst. Gold Ridge has been inactive since flooding on Guadalcanal in April. The company has been reported to be warning of the threat posed by the tailings storage facility if a spillway is not created before the wet season due from next month. There have been negotiations on a possible sale of the mine but the special secretary to the prime minister, Philip Tagini, says two factors are delaying St Barbara sending staff in for the spillway work. He says the company wants a commitment from the Solomons government to share some of the mine's liabilities if a sale goes ahead.

[PIR editor’s note: RNZI reported that St Barbara ‘Chief executive, Bob Vassie, says security remains unsatisfactory and vandalism of their equipment is continuing. ... He says roading access also needs government input and it has to sort out environmental approvals.’]

"We are willing to have the conversation about the future of the mine but we want to get the environmental issues sorted before that conversation actually is formulated to something that can be agreed upon."

PNG people poorer despite big mines: National Research Institute

Freddy Mou, PNG Loop via PNG Mine Watch October 22, 2014

PNG people are poorer but is that despite the big mines – or because of the big mines? Perhaps a Sovereign Wealth Fund is NOT the answer. What we need is a new model of development – one that actual respects and follows our National Goals and Development Principles rather than completely ignoring them as we do now...

Revenues from past extraction of PNG's natural resources have failed to impact the lives of the average citizen, the country's think tank and leading researcher in the Pacific, National Research Institute has revealed. Director Dr Thomas Webster when launching the Sovereign Wealth Fund Report today in Port Moresby says the average citizen has become poorer as a result of poor management and accountability in the previous SWF projects. "This experience is instructive for the present debate and the emphasis must be on ensuring that the LNG income stream and revenues from other similar projects transforms positively the lives of the average citizen, both now and into the future. "The magnitude of the projected revenue from the current PNG LNG project is such that its impact on the macroeconomic stability is critical. Prudent strategies aimed at stabilising the plausible macroeconomic consequences from the current and future projects must be packaged into the SWF structure.

He said protecting the purpose and intent of the SWF through the approved management structure is critical. It has been speculated that the final structure of the SWF Bill is scheduled to be tabled in the coming (October) Parliament session. Dr Webster said missing from the design of a SWF has been a transparent and wide-ranging debate on its aims and a structure most likely to deliver the intended benefits. "We are well aware that the PNG LNG has started exporting and proceeds from these sales accruing to PNG need to be deposited responsibly. "We therefore continue the series of NRI discussions with the view to ensuring that the SWF is properly structured, established and managed," he said.

Mining sector to boost economy

Post-Courier, October 22, 2014

Papua New Guinea is experiencing an unprecedented economic growth as a result of increased activity in major sectors of this country's economy, says Mining Minister Byron Chan. Speaking at the opening the coordinating committee for geoscience programs in East and Southeast Asia in Kokopo yesterday, Mr Chan told more than 80 representatives, including scientists and geologists from countries around the world as well as PNG representatives, that the mining sector has always been the backbone of PNG's economy and continues to be. "Over 60 per cent of the country's export earnings come directly from the mining sector," adding that another source of income was the ExxonMobil led PNG LNG project which was valued at 19 billion US dollars. "It is the single largest development in the country since independence. The exporting of gas from this project has already commenced and it is projected that the country's GDP will grow more than 20 per cent by 2015. "This resource has created chain reactions stimulating growth in other sectors of the economy as well," Mr Chan said. He said their challenge as a government was to find an effective way to manage these resources and develop them. Mr Chan said it was an honour for PNG to have CCOP partners who can help the country overcome challenges that we face.

Kayangel Governor Defends Palau Oil Exploration, Drilling Plans

Titiml responds to criticism from Palau Conservation Society

KOROR, Palau (Island Times, Oct. 21, 2014) – Kayangel Governor Jeffrey Titiml has strongly criticized the stance of Palau Conservation Society (PCS) Board Chairman Minoru Ueki regarding the plan to explore and drill for oil in the Palau North Bank (PNB) in Kayangel State. In a letter addressed to Ueki and dated October 16, 2014, Titiml said that they were appalled by the statements and position taken by Ueki regarding the oil project. {REG} Titiml's letter was in response to an earlier letter by Ueki where the former Palau Ambassador to Japan expressed his concerns and opposition regarding the plan to drill and explore for oil in waters of Kayangel State. In the letter, Ueki said that recent events calling for the fast-tracking implementation of the oil regulations are "premature" and a cause for deep concern. Ueki also said that offshore oil and gas drilling present a risk wherever it is conducted. He said that Palau should instead focus on developing its tourism industry instead of taking a big risk by going into oil exploration and drilling.

Ueki also asserted that the project will only benefit large corporations and a few Palauans. "The entire leadership of Kayangel State Government was appalled upon reading your October 2, 2014 letter characterizing as "premature" and a "cause for deep concern" timely implementation of RPPL Nos. 8-36 and 8-37, the Petroleum Revenue Management and Sharing Act and the Petroleum Act that the 15th Kayangel State Legislature had urged in its Resolution No. 15-23-10RS," the first part of the letter reads. Titiml also said that what the PCS Board did is tantamount to improper meddling. "We regard what the Board of Directors of Palau Conservation Society, a non-governmental organization (NGO), has done as an improper meddling of legitimate affairs between Kayangel State Government and the Republic of Palau national government," the Governor said.

"The action, moreover, borders on Palau Conservation Society being an accessory to continued delay of the Ministry of Finance and the Ministry of Public Infrastructure, Industries, and Commerce to carry out their respective responsibilities required of them by law," Titiml added. The PCS is a local non-profit organization dedicated to the conservation of Palau's biodiversity and natural resources. The Kayangel Governor also strongly criticized Ueki's assertion that the oil project will only benefit a few Palauans. "Lastly, the allegation of "get rich schemes that are intended to benefit large corporations and a few Palauans" is not only inflammatory but defamatory at that. Such an outrageous statement does not speak well of the otherwise untarnished reputation and integrity of our great Palau Conservation Society," Titiml said.

Claim of environmental harm disputed

Ueki also charged in his earlier letter that oil exploration and drilling will harm Palau's pristine environment through toxic metals, carcinogens, drilling fluid and cuttings from oil rigs. Citing a compilation by Rainforest Action Network, Ueki pointed out over its lifetime a single rig can:

1. Dump more than 90,000 metric tons of drilling fluid and metal cuttings into the ocean;
2. Drill between 50-100 wells, each dumping 25,000 pounds of toxic metals, such as lead, chromium and mercury, and potent carcinogens like toluene, benzene, and xylene into the ocean.
3. Pollute the air as much as 7,000 cars driving 50 miles a day.

But in a presentation before Palau's leaders in August of this year, Howard Smith, the Chief Executive Office of Palau Energy (PE) Pte. Ltd. said there is no reason for concern as they would be using a very-advanced and environmentally friendly drill ship to conduct the oil exploration. Smith disclosed that Palau Energy has chosen to use one of the most modern, efficient, environmentally-friendly, new build, DP3 dynamic positioned drillship "Norshore Atlantic". Smith said that "Nor-

shore Atlantic" is one of the most advanced drill ship in the world and listed some of its high-tech components and features that make it environmentally-friendly. These environment aspects include:

1. DNV CLEAN DESIGN;
2. No seabed footprint – DP;
3. Engines NOx reduction system built-in;
4. Waste compaction system built-in;
5. Low pollution incinerator built-in;
6. Bilge Water Separator built-in;
7. Hull painted special anti-fouling; 8. Hi tech drilling fluid cleaning systems.

Smith says it is very logical to use such drill ship in Kayangel waters due to the following factors:

1. Small environmental impact (DP);
2. Operating procedures meet international environmental maritime regulations;
3. Safe & efficient drilling.
4. Modern environmental design;
5. Reduced engine emissions;
6. Mobilization – self propelled;
7. Able to continue to operate in rough sea
8. All required Drilling supplies loaded onto vessel in Singapore;
9. Operations can be supported by using local Palau companies / resources.

Palau Energy, which is based in Singapore, and the US-based Palau Pacific Energy (PPE) have jointly expressed strong interest to conduct oil exploration in Kayangel's waters and invest \$15 million to determine if there are commercially-viable reserves of oil and natural gas in the area. The project is delayed by the non-promulgation of the rules and regulations of the petroleum laws. Minister Charles Obichang of the Ministry of Public Infrastructure, Industries, and Commerce (MPIIC), the office tasked with promulgating most of the needed regulations, said that a more thorough investigation and study are needed before the oil regulations are implemented.

Committee to address LNG issues

Post-Courier, October 20, 2014

OUTSTANDING issues raised by landowners of the PNG LNG project can now be addressed by a committee, sanctioned under the LNG project license based benefits sharing agreements (LBBSA). Petroleum and Energy Minister Nixon Duban, announced this last week saying the Independent Issues Committee (IIC) has been re-constituted with professional members and is now fully operational. In a news conference held last week Mr Duban said the committee was previously underfunded and its effectiveness seriously undermined. He added that this issue would be addressed in the 2015 budget. The establishment of the committee was a compromise reached by the National Government, landowners, Provincial Governments and Local Level Governments authorising the Ministry and the Department of Petroleum and Energy to set up an independent entity to investigate, deliberate on and recommend solutions to issues which remained outstanding after the signing of the LBBSAs.

"I am confident that the committee is now well established with expert senior people with wide experience in the public service, the petroleum industry and the private sector generally, who will provide sound independent advice to the Government on issues that continue to pose challenges in the implementation of the PNG LNG project," Mr Duban said. "The LBBSAs specified initial issues that must be addressed by the IIC. For example, clause 19 of Hides-PDL 1 lists these issues as

unresolved: wellhead/plant site/camp site rentals, rural electrification, water resource compensation, outstanding MoA commitments, umbrella company and ILG registration, business opportunities sharing at Portion 152 in Port Moresby, free primary education, Hiwanda road issue, gender equality, Pina clan issue (plant site), LBBSA expenses for creditors, outstanding royalty for PDL 1, facilities license fees, vetting of emerging groups, conservation of environment, including Hewai wildlife management area, dump site compensation, condensates issue in the LNG project, special business development grants for wonderland and Hides Gas development company, and lost time in business." He said these and other vital issues affecting present and future gas and oil projects which were referred to by the National Government to the IIC would be addressed by IIC at public hearings. Mr Duban added that all information collected from experts from relevant fields would assist the Government address those particular issues.

Australia: Abbot: Coal good for humanity

AP, Post-Courier, October 14, 2014

MORANBAH, Qld: Prime Minister Tony Abbott has declared that coal is good for humanity at the opening of a new Queensland mine, talking up the resource's future after China's shock decision to impose a tariff on Australian coal. "It's very important that we sustain our faith in coal," Mr Abbott told BHP workers and dignitaries gathered for the official opening of the Caval Ridge mine, southwest of Moranbah, yesterday. "Coal is vital for the future energy needs of the world. Energy is critical if the world is to continue to grow and prosper. "So let's have no demonisation of coal. "Coal is good for humanity. Coal is good for prosperity. Coal is an essential part of our economic future here in Australia." The \$4 billion open cut mine will export up to 5.5 million tonnes of hard coking coal per year, exported from the Hay Point terminal, some 200km from the active site.

China has made a surprise decision to introduce a levy on Australian coal, reportedly a three per cent tariff on coking coal imports and six per cent on lower grade thermal coal, to boost its local industry. Mr Abbott said it highlighted the importance of free trade negotiations with China, which he hoped to "land" at or before the G20 summit in Brisbane in November. The mining giant remained profitable but the tariff was "concerning", BHP Billiton's coal president Dean Dalla Valle said. "It's something we're watching closely, I have to say we're disappointed," he said. But he said it was too early to tell what impact the tariff may have on the company. The Caval Ridge mine has attracted criticism over its 100 per cent fly-in fly-out workforce of over 500, drawn from Brisbane and Cairns. The region was still reeling from BHP's recent decision to cut 700 jobs.

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

Xinhua, October 13, 2014

WELLINGTON, Oct. 13 (Xinhua) -- Seabed mining around New Zealand's volcanic exclusive economic zone (EEZ) areas could destroy unique underwater ecosystems and have profound effects on sea life, a leading marine biologist warned Monday. Professor Jonathan Gardner, of Wellington's Victoria University, said the active geological nature made parts of the EEZ, which totaled about 5.7 million square kilometers, of great interest for the mining of seabed minerals. One such area was the Kermadec Volcanic Arc, where breaks in the submarine crust of the Earth's surface allowed cold seawater to enter into the rock, where it was heated, Gardner said in a statement. The hot water, containing metals such as gold, copper, silver, zinc and rare earth elements, was forced out of the ground to form chimney-like hydrothermal vent systems, called seafloor massive sulphide deposits, which were potential sites of future mining activity. Associated with the deposits were well-developed and often unique biological communities that would be damaged or destroyed by mining.

"Initial assessments of global mineral wealth from the seafloor put the value of these resources well into the trillions of dollars. Increasing world demand for minerals, plus technological advances, have combined to make deep-sea mineral extraction a possibility right now," he said. Large areas had been licensed for prospecting as far back as 2002 and research, funded by the government and by industry, was identifying and characterizing the location and extent of mineral deposits. "Based on the size and economic potential of mineral deposits, the mining industry suggests that one in every 10, or perhaps one in every 20, seafloor massive sulphide deposits may be economically viable and therefore mineable," he said. "Because vent sites may act like 'stepping stones' for dispersal of animals along a ridge, it is crucially important to understand the impact of mining activity at each site. The loss of an individual site to mining activity may have profound consequences on the stepping stone model of connectivity among vent sites if animals cannot disperse beyond it." Further debate was needed in New Zealand so that informed decisions could be made about the balance between exploitation and conservation that the country wished to pursue, said Gardner.

EU continues to push experimental seabed mining in the Pacific

PNG Mine Watch, October 13, 2014

National Seabed Minerals Management Board launched in Marshall Islands Secretariat of The Pacific Community – SPC

The Government of the Republic of the Marshall Islands (RMI) formed an Interim National Seabed Minerals Management Board (INSMB) on 2 October 2014. The board members, consisting of a small team of government officers and non-governmental representatives, are tasked by Cabinet to develop national policy and law for the appropriate governance of the nation's deep sea resources. The Board will receive financial support and technical assistance from the Deep Sea Minerals (DSM) Project: a partnership between the Secretariat of the Pacific Community (SPC) and the European Union (EU). Old tales of treasure at the bottom of the ocean did not sound so fanciful in Majuro two weeks ago, when INSMB held its inaugural meeting to discuss the precious metals known to exist in the nation's deep seabed.

INSMB Chairperson Rebecca Lorennij (Secretary for the Ministry of Resources and Development) thanked those at the meeting: 'The RMI government and its people would like to thank SPC and the EU through the SPC–EU DSM Project for the ongoing support provided during the past few years. The INSMB will now progress further with the national policy on deep seabed mining and the Seabed Management Bill before approval by the RMI government, a prerequisite to establish responsible governance and management of these resources.' 'I am delighted that the government of the Republic of the Marshall Islands, in partnership with the SPC–EU DSM Project, has established an Interim National Seabed Minerals Management Board. This is an important step for RMI. The right governance structure for deep sea mining needs to be in place before any exploration or extraction starts.

Credible policies and actions that safeguard the socio-economic and environmental interests of its current and future generations must be formulated and adhered to. Meaningful participatory mechanisms whereby citizens, civil society, private sector and the media can have a role in the development and monitoring of deep sea mining policies will be critical. Respecting people's views is important on such a complex subject as deep sea mining,' said Mr Andrew Jacobs, Head of Delegation of the EU for the Pacific. Deep seabed mining has not yet occurred anywhere in the world, but Nautilus Minerals Inc., a Canadian-listed company operating under licence in Papua New Guinea's waters, is likely to commence mining within the next few years. Other companies are exploring seabed sites across the Pacific, and China, Russia and Japan have interest in international waters just outside of Marshall Islands' maritime jurisdiction.

One reason for this commercial interest in the deep seabed is the pursuit of alternative sources of ‘rare earth elements’, essential components for high-tech applications, and green technology – such as wind turbines and solar panels – that are not readily available on land. Past studies in Marshall Islands’ waters reveal the presence of ‘cobalt-rich crusts’: rocky deposits that gradually built up over millions of years on the flanks of subsea mountains. These crusts are thought to contain in-demand metals such as cobalt, nickel, copper and platinum – and rare earth elements. The methods to extract the crusts from the seafloor have not yet been developed. Underwater mining at thousand-metre depths is not only a technological challenge, but also raises general environment concerns. Deep-sea environments are some of the least explored territory on the planet. States have made international commitments to protect and preserve the ocean, and conserve its biodiversity.

Accordingly, any deep-sea mining activity will need to balance the interest in economic gains with environmental sustainability. SPC–EU DSM Project Legal Advisors Hannah Lily and Marie Bourrel, present at the meeting, congratulated the Board Chairperson Rebecca Lorennij and other board members for their thoughtful discussions. The SPC–EU DSM Project worked with the Marshall Islands Attorney General’s Office to prepare the draft policy and law that will form the basis of the board’s discussions. The project will also provide support to the board to hold public information-sharing and consultation events over the coming months, to inform the Marshallese people about the issues and to hear their views about whether and how Marshall Islands should engage with the emerging deep-sea industry.

Letter to the editor

PNGSDP tussle drags on while Daru people suffer

The National, 13th of October, 2014

THE PNG Sustainable Development Programme (PNGSDP) Ltd tussle between Sir Mekere Morauta and Prime Minister Peter O’Neill has been followed closely by many. I, for one, cannot understand what the two gentlemen are going on about while the people of Western are being neglected and have been suffering since the days of BHP and Ok Tedi. I was a member of the Simbu multi-drug resistant tuberculosis (MDRTB) response team who spent a week reviewing and operating on patients at the Daru General Hospital. As a non-Western person, I was very distressed by the sad status of health services on the island. The Daru Island population has an HIV/AIDS problem like anywhere else in PNG, but they now have an epidemic of MDRTB as well as extensively drug-resistant tuberculosis (XDRTB). In addition, leprosy is prevalent too. Settlements are overcrowded with an average of five families (20 persons) in one makeshift ‘house’ with no water supply, sewerage services and electricity.

New settlements are popping up at will around the island. The Daru Hospital has 130 beds and only two doctors, assisted by health extension officers. The general appearance of the people represents extreme poverty. Public servants working in Daru face real risks of contracting MDRTB. Many displaced families are even living in canoes along the coastline. Children attend school while living on canoes and it is very depressing for every floating family. The prime minister and Sir Mekere should come together and go to Daru to see what is happening. See what is lacking there and then you can cease accusing each other, and do something for the inhabitants of Daru Island. The PNGSDP funds must be released and used on critical areas in health, education, community development, law and order as well as infrastructure development. These people deserve better as they are suffering from poverty-related infections and diseases.

Dr Michael Dokup, Kundiawa

Solomons Mining Company Wins Appeal For Isabel Nickel Rights

Axiom prevails again against giant Sumitomo

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 9, 2014) – The Solomon Islands Court of Appeal has dismissed an application by the Japanese mining company Sumitomo for an interim injunction against the Australian company Axiom Mining. The pair have been involved in a long court battle over land and prospecting rights for nickel deposits in Isabel Province. Yesterday's decision comes two weeks after a lower court had ruled in favor of Axiom. Its CEO Ryan Mount says the company will recommence exploration of the Isabel nickel deposit this week.

ABG and the Royal Kingdom of Papalaa's unique relationship

PNG Mine Watch, October 9, 2014

In striving towards attaining a referendum for independence the region of Bougainville has issues to resolve or iron out. Bougainville, in-order to freely call for referendum should stand up and speak out as one voice. The Autonomous Region of Bougainville, The U-Vstract in Tonu of South Bougainville and the Mekamui government of Unity are the entities who are confusing the civil society at present. Economically they all have support to run their affairs. Where the money is been sourced is clearly from outside, not too far but Australia. Legitimate government ABG and Uvstract owned by Noah Musingku are lovers behind closed doors. Their relationship has been sealed by a secret memorandum of understanding (MOU) signed on the 20th of September 2006.

The MOU titled “TRIUNE GOVERNMENT OF BOUGAINVILLE: MUTUAL UNDERSTANDING- ROYAL ACCORD BETWEEN HIS EXCELLENCY AMBASSADOR PETER TSIAMALILI (CHIEF ADMINISTRATOR OF AUTONOMOUS BOUGAINVILLE) AND HIS DELEGATION; AND HIS MAJESTY KING DAVID PEII 2ND”. The MOU confirmed the meeting of both parties (ABG and U-Vistract). Both parties reached a mutual understanding to work together for the “*benefit of our Bougainville people*”.



However, the motive of the mutual understanding is to keep Bougainville divided so that the people's call for independence will stand invalid. Tonu, as stated in the documentation in the MOU states the place as a place known for destroying independence for Bougainville. Furthermore it said the

every time Bougainville people change their strategy in calling for independence Tonu must also change its tactic to destroy the call. And this has been the case since the signing. On the other hand Bougainville has another entity “the Mekamui government for Unity” with President Philip Miriori. This group has now been funded by the Australia government: BCL to be frank. ABG may accuse UVstract on media, deep within they is a common goal to fail the people of Bougainville. Ahai senior from Konga Village of Siwai was the person in the team based in Tonu who denied the people’s call for independence in 1972.

Now, ABG is helping the Junior Dr Ahai to climb up the ladder to be the advisor to the president of Bougainville’s ABG John Momis. This is a sad scenario for Bougainville as the advisor is a tea boy to Papua New Guinea’s Department of Foreign Affairs. Lately, Junior Ahai has been given K2.5 million to execute their mission by 2015. The ones interested about Bougainville’s mineral wealth keep dividing the region from outside using our own people. If the leaders and elites do not realize that they are the devices for dividing Bougainville, the soon coming call for referendum and independence will fail.

Solomon Islands: Tribes to receive K2m in royalty

The National, October 8th, 2014

Landowning tribes of the now closed Gold Ridge gold mine in Solomon Islands say they are about to receive a final royalty payment of US\$1.2 million (K2.93 million) through the Ministry of Finance and Treasury. Gold Ridge Community and Land Owners Council chairman Dick Douglas confirmed with Radio New Zealand that the payment was processed and said it would be distributed to the 16 tribal groups soon. He said the payment may be the last one for a while and was calling on the tribes to put their money into investments. “That is the, last payment of the royalty and this is the warning that I have made to the members of the council and the tribes that we have to use it wisely and manage it wisely so that we can get our things back properly and invest it in a proper investments.” Douglas said the landowner’s council would still be seeking government repayment for another royalty payment worth US\$2.5 million (K6.11 million) which went missing earlier this year.

In April, operations at Gold Ridge were suspended due to torrential rainfall and ensuing flooding. Two months later, Gold Ridge Mining Ltd (GRML) employees returned to site but withdrew again in August following a serious escalation in security and associated safety concerns. GRML director, Bob Vassie, commented, “Safety is the company’s highest priority. “We have taken the decision to withdraw our employees from site because we cannot assure their continued safety and security in the current circumstances.” Options for the future of the mine continue to be actively considered and discussed with the Solomon Islands Government. Solomon Islands Prime Minister Gordon Darcy Lilo announced that the Government and St Barbara were negotiating for the possible transfer of Gold Ridge to the Government. These negotiations are continuing.

Hela: The ‘great paradox’

Post-Courier, October 08, 2014

By FRANK SENGE KOLMA

FINANCE Minister James Marape describes the development status of the new Hela province as a "great paradox". The province, which supplies almost all of the country’s youngest and richest export, natural gas, remains pathetically under-developed. The road from Tari to Komo and Hides conditioning plant for the LNG project, for example, remains full of pot holes at the end of the construction phase that cost the developers US\$19 billion, even though a proper sealed road was

part of the Umbrella Benefits Sharing Agreement (UBSA). Another stark example is that of Hides gas which has been producing electricity for the Porgera gold mine in neighboring Enga Province since 1990 while the gas' host province, Hela, has remained in total darkness. Mr Marape is uncomfortable discussing this because he is a member of the National Executive Council which is charged with correcting development hurdles, bottlenecks, and, yes, development paradoxes in PNG. But he must speak it too for he is the MP for the Pori electorate of Hela. In that sense, he is himself a walking paradox: He must remain silent and he must speak. Mr Marape needn't worry. This state of development, if paradox it can be called, is not unique to Hela.

Such has been the case with North Solomons Province (now Autonomous Region of Bougainville) which gave PNG Bougainville Copper mine; Milne Bay which had Misima gold mine; and continues to be the case with Enga which has Porgera gold mine, Western Province which has Ok Tedi copper mine, Morobe which has Hidden Valley gold mine and Hela's neighboring big "bro" Southern Highlands which has Kutubu Oil and now not an insubstantial share of the LNG business as well. Hela, for its part, continues to share a fair size of the oil business since Kutubu sweet crude was first introduced in the early 1990s and will now be adding condensate from the LNG project. The PNG experience has been uniform throughout: Scores of multi-billion kina resources extraction businesses enthusiastically signed into existence by successive governments on terms that are invariably slanted hugely in favor of the developer and next to nothing to show for them in every instance, except of course the heavy environmental toll and neglected local communities. The blame tragically cannot be laid at the feet of the developers but rather at the contorted legal and fiscal regime in existence for resources extraction projects and the hapless, lackadaisical management practices of successive administrations.

Hela leaders like Governor Anderson Agiru, Minister Marape, Koroba Lake Kopiago MP Philip Undialu and Komo Magarima MP, Francis Potape, are conscious of that legacy and even more so the pressures it exhorts upon them to change that legacy for the better. During the 39th Independence anniversary celebrations in Tari and Koroba last month, Messrs Agiru, Marape and Undialu made a striking bargain with their people which, if the bargain can stay the course, MIGHT be that all important stimulus that could make Hela break from the resources curse of the past 40 years. "Might" is a mighty, mighty word here. Just a few weeks after the first LNG cargo was shipped out of PNG on the *Spirit of Hela* and while the country's focus is still on the project and the riches it will bring in, the entire Hela parliament is impressing upon its people to turn away from the glitter of oil and gas to till the soil for long term sustainable security and well being. Said Governor Agiru: "LNG is done, delivered, dusted. Now the only challenge that is left in LNG is to develop a petrochemical industry that will provide secondary businesses throughout PNG and to add employment and so on but what will put money in the pockets of our people is agriculture.

"Agriculture and small to medium enterprises (SMEs) are the most important challenges I want to tackle after LNG. "Agriculture and SMEs do not make headlines, I know, but neither does oxygen nor water and they sustain our lives." With the assistance of the Israel El Al Group, Hela is embarking on the development of an ambitious agro-industrial centers project that should see one in each of the 13 districts when the program is fully rolled out. For a start, there is an agro-industrial center in each of the three electorates – at Koroba station for Koroba Lake Kopiago, at Piwa in Tari Pori and at the Hulia valley in Komo Magarima. The Koroba agro-industrial center, developed at the cost of K20 million, took its first batch of 11,000 chicken hatchings from New Zealand last month and was last Wednesday already producing 6,000 eggs daily. When fully operational, the centre will produce 10,000 eggs per day. Mr Undialu said: "We have readymade markets here in Hela," he said. "We just have to produce to supply to LNG project, ExxonMobil, Oil Search, Curtain Bros, Ambua lodge and other businesses in the province. We do not need to bring up eggs from Lae any more." The Koroba center will produce day old hatchings as well to sell to the local population and buy back the eggs for sale to the wider market.

Also 10 hectares of land is under cultivation to produce maize, tomato, capsicum, and other vegetables. Training is held at the center for local farmers who will be supplied seedlings and in time their produce will be bought, stored and distributed through a wider market network. Governor Agiru last Wednesday handed over K1 million to Undialu for a cattle range in the Koroba district. Five hectares of land has been acquired at a place called Tumbutu and the district is in consultation with the Ramu Agri-Industries for 300 to 400 heads of breeder cattle to be transported into area. The Member himself has allocated K200,000 to provide a car and housing for two permanent employees of the Coffee Industry Corporation to be based in the province to help revive the dormant coffee industry. Governor Agiru said K6 million has been paid for the Piwa Agro-Industrial Center in Tari Pori with K14 million to come from the 2014 development budget. The Tari centre will be purpose build to raise poultry and piggery and will house its own abattoir on site. The Hulia valley agro-industrial center will cost K50 million and include fish farming and cold storage as well as open field vegetable farming and coffee. Small holder stock feed will also be assembled here. Most of the agro-industrial center activities will be focused on small holder assistance. Said Governor Agiru: "The other focus is to continue building our infrastructures. We need to connect all our people." In that area too, the three MPs from the province are talking and moving together. Koroba-Lake Kopyago has only one access road, for instance, which is the highlands highway.

Last Wednesday the three leaders – Agiru, Marape and Undialu – witnessed the ground breaking for a second access road from Maria through Homburu back to Tari. The provincial government gave a check for K1 million and Member Undialu allocated K200,000 and a grader for the road construction work. Undialu also announced a third access road from Koroba through Hides 4 in Komo Magarima to Tari. It is cooperative work like this that will produce concrete results and bring real development down on the ground. The Hela Provincial Government last week also paid K2.5 million for a road from Pugura to Egele, total cost of which will be K12 million; and K2 million out of a possible K15 million for a road and bridge from Koroba to Pureni and K5.5 million out of Provincial Services Improvement Program to fund a K9 million Koroba hydro project. Curtain Brothers was handed K16 million for the construction of three three-storey building for the provincial government headquarters. Agiru told his people last week: "For 39 years we have been wondering like Israelites in the desert. The challenges of road holdups, tribal fights, lawlessness, lack of transport infrastructure, lack of money, and health facilities... Lets bury that. "The LNG revenue must be invested to make change. The change will start with agriculture. I can see change in Hela looming but it is a question of time." Yes, time and managing a change of people's attitudes, which for now remain stoutly paradoxical – between that beautiful vision of tomorrow and the ugly here and now which has an ugly tendency of rearing its head often.

Prime Minister welcomes Total

Post-Courier, October 08, 2014

PRIME Minister Peter O'Neill has welcomed the commitment of French company, Total, to advance the Elk-Antelope Liquefied Natural Gas (LNG) project in Papua New Guinea. Mr O'Neill was given an update on the company's national engagement from Total executives, which included vice-president Arnaud Breavillac, during their visit to PNG. He had expressed his appreciation that the LNG project in the Elk-Antelope gas fields is on track. He noted that the revised sales and purchase agreement between InterOil and Total in March this year paves the way for Total to bring its considerable LNG expertise to develop PNG's second LNG project.

"Progress on Elk-Antelope gas fields in the East Papuan Basin is being made and Total is committed to working with the government, joint venture partners and stakeholders," the PM said. "Total is one of the largest integrated oil and gas companies in the world and has employees with expertise covering the broad spectrum of oil and gas industry activities," Mr O'Neill added. In a joint press

statement released by Total and InterOil, following the signing of the revised sales and purchase agreement in March, Total exploration and production senior vice president, Jean-Marie Guillermou said the agreement allows the joint venture to proceed with confidence. "Elk-Antelope is a significant project in Total's global portfolio and our presence in Papua New Guinea provides an ideal opportunity to grow our business in the Asia-Pacific region," Mr Guillermou stated.

Mining impact on whales unclear

Radio New Zealand, 7 October 2014

Whale Watch Kaikoura says seabed mining in the Chatham Rise should not be approved until its effect on whales is researched.



Photo: PHOTO NZ

Exploration company Chatham Rock Phosphate has already gained a permit and now needs permission from the Environment Protection Authority in order to mine 1.5 million tonnes of phosphate a year for fertiliser. The EPA has raised concerns the mining proposal could damage the habitat of fish species and affect eco-tourism businesses such as Whale Watch Kaikoura. Whale Watch Kaikoura's general manager Kauahi Ngapora said the proposal lacks information on how mining would affect feeding grounds for whales, and no decisions should be made until that information is available. Whales are an important economic driver for the entire Kaikoura community and need to be protected, he said.

District pledges continued support for mining school

The National, October 7th, 2014

THE Wau Small Scale Mining School will continue to benefit from funding from the Bulolo joint district planning and budget priorities committee each year to train local alluvial miners. Bulolo MP and JDP&BPC chairman Sam Basil presented K93,500 last Saturday to Al Comparativo, manager of the school, to facilitate training of miners from the 110 wards of Bulolo. The school was established by Mineral Resources Authority and Basil said the committee was obliged to continue its support. "We have facilitated funding for 2014 training which will take in 110 participants from each of the wards. "They will participate in the level one course and return to complete level two," Basil said. "The traditional long-term alluvial miners can be found between the highway between Bulolo and Wau towns and recently, we have increased activities of alluvial mining along Bulldog Track and along Waria Valley into Buang.

"The future of Bulolo's economy will be on the hands of alluvial miners." Basil said from the estimated K400 million projected into the national economy in 2011, more than K100 million came from the Bulolo alluvial miners. "With continued support, I believe that MRA will have continued

trust in Bulolo district and I will make sure that our support continues as long as I remain the Bulolo MP.” Comparativo thanked the Bulolo JDP&BPC on behalf of the MRA. Basil said only Grade 12’s passing out of Grace Memorial Secondary and Grade 10’s from Baiyun High who have been selected into tertiary institutions will be accorded sponsorship from the Bulolo JDP&BPC.

Solomon Islands payments under investigation

Tess Ingram, Sydney Morning Herald, October 6, 2014



The company said it disclosed the matter to the AFP on July 30 and that it continued to cooperate with the AFP's investigation. Payments made by miners Allied Gold and St Barbara to a Solomon Islands' government official are being investigated by the Australian Federal Police. Allied Gold, which was acquired by Perth-based St Barbara in 2012, allegedly provided benefits to the Solomon Islands' outgoing opposition leader Matthew Wale from 2011. St Barbara then continued to pay the benefits until earlier this year, according to a report in the *Solomon Star* newspaper on Friday. St Barbara said in a statement to the Australian Securities Exchange late on Friday that through its internal mechanisms it became aware of the payments and had reported the issue to authorities including the AFP, the UK Serious Fraud Office and the Solomon Islands Attorney General. The company said it disclosed the matter to the AFP on July 30 and that it continued to cooperate with the AFP's investigation. St Barbara declined to comment further on the issue at this time. Documents compiled by St Barbara's legal counsel and reportedly obtained by the *Solomon Star* allegedly reveal that numerous executives from both Allied and St Barbara maintained relationships with Mr Wale that were of mutual benefit.

The companies allegedly paid for Mr Wale's children to attend the Anglican Church Grammar School in Brisbane, with annual fees reportedly as much as \$113,000. They also allegedly arranged employment for a relative of Mr Wale's and other smaller benefits, including a \$13,500 payment to Mr Wale for "office set up expenses". Allied Gold was reported to have initially benefited from the arrangement, allegedly gaining a letter confirming the legality of blasting at its Gold Ridge mine, now owned by St Barbara, the issuance of a special prospecting license for a tenement, and the removal of certain travel restrictions. St Barbara did not confirm or deny any of these allegations in its statement to the ASX, including the involvement of its former managing director and chief executive officer Tim Lehany and then secretary Ross Kennedy. It did however correct the article's reference to the "dismissal" of Mr Lehany and Mr Kennedy on the grounds of the payments, stating that Mr Lehany left the company this August as part of an "agreed departure" and Mr Kennedy was made redundant in March.

At the time of the Allied Gold transaction, the newly combined group boasted a market capitalisation of roughly \$1 billion but a series of operational difficulties has seen St Barbara's market cap fall to around \$70 million. In the same period, its share price has fallen from \$1.75 to 14.5¢. St Barbara entered the gold industry in 2005 via the acquisition of several West Australian gold assets from the liquidators of Sons of Gwalia, before branching out into the Pacific with the \$556 million acquisition of Allied Gold in 2012. The Gold Ridge mine in the Solomon Islands and the Simberi mine in Papua New Guinea promised strong growth opportunities for the miner, but neither operation has performed near expectations. Simberi remains beset with technical issues and mining at Gold Ridge has been suspended since April due to serious flooding and illegal mining. St Barbara said it does not expect to resume production at Gold Ridge this year and has begun talks to potentially transfer ownership of the mine to the Solomon Islands government. In August, St Barbara reported a \$501 million full-year loss for the 2014 financial year, including a \$411 million hit for the non-cash impairment of its Pacific operations.

Bougainville Mining Law Gives Project Veto To Landowners

Draft of legislation to supersede temporary law enacted in August

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Oct. 6, 2014) –Bougainville's new mining law will give landowners veto powers on both mining exploration and development. The new legislation will supersede the Bougainville Mining (Transitional Arrangements) Act which was passed last August and is only temporary, as the Autonomous Bougainville Government had to enact it to stop what president John Momis has described as "back-door deals". The new law is currently being worked on with the draft reviewed last Tuesday by the provincial executive council. The review was part of a policy submission by the region's minister for mineral and energy resources, Michael Oni to the cabinet. Zooming in on the key features of the proposed legislation, Mr Momis said the landowners' veto powers will not only cover exploration but mining development as well.

"The first involved approving key provisions on rights of landowners. They will now have a right of veto not only over mineral exploration but also over mining development. That's because they'll have a right to veto granting of a mining licence," he said in a statement. "I have always promised that the Panguna landowners will have a right to reject re-establishing of the Panguna mine. The big change now will be that all Bougainville landowners will have those same rights over their own land." Another highlight is the giving of powers to the council of elders and village assemblies to issue licences to landowners or villagers who have the permission of landowners to conduct alluvial mining.

Under the Bougainville Mining (Transitional Arrangements) Act, small-scale mining is legal if done on the miner's own land or with the approval of landowners but the influx of non-landowners can cause tension, Mr Momis said. "So the long-term mining law will provide for our local governments – council of elders and village assemblies – to ask the ABG to declare gold-mining areas as community mining areas. Then elders and village associations will be able to grant licences to miners that own the land or have the permission of the owners," he said. Mr Momis said the miners will pay a small fee which the elders and village assemblies will retain.

Governor: Western Province to benefit from funds

Post-Courier, October 06, 2014

BY ADRIAN MATHIAS WESTERN Governor Ati Wobiro says he is hopeful that the Supreme Court will rule out the court case involving the K300 million development funds belonging to the

people of Western Province. He said if the high court throws out the case and frees up the funds his government will access that money to fund development projects in the province. "I am hoping that if the case is thrown out on October 17 to free up the funds, the K300 million will be a Christmas present for people of Western Province," he said. "Bulk of our funds are still locked up in the court," he told World Vision country director Dr Curt von Boguslawski last Thursday while presenting a cheque for K300,000 to the organisation to fight tuberculosis in Western Province. Mr Wobiro said K8 million of that K300 million would be allocated for sanitation project in Bamu, Oriomo and Gama areas in South Fly district.

Mt Kare to raise cash flow in Enga

Post-Courier, October 06, 2014

BY ABRAHAM AVEDIBA

GIVEN the limitations in Enga's agriculture industry, the extractive industry in the province will continue to be its mainstay. This Enga Governor Peter Ipatas stated during a press conference held in Port Moresby last Friday. "The province is very limited when it comes to doing business with major cash crops including coffee," Mr Ipatas commented. "But when you look at our extractive business, we've got the Pogera gold mine and the soon-to-be-opened Mt Kare mine; and that's where the focus is in bringing more money to assist in developing the province." Mr Ipatas said work on the Mt Kare mine project is progressing well but there are several procedures and requirements that need to be sorted out before it goes into full operation. "Once the assigned mining company completes the various processes we are hoping that it will be operational by 2016," he added.

Mr Ipatas said he is pleased that there have been minimal land owner issues associated with the Mt Kare mine and added this is due to the thorough assessments done by authorities on the land and its people. "I must commend the Department of Lands and Mineral Resources Authority for conducting a very good genealogy study. The work done has helped in minimising issues arising from landowners," the governor said. "There are few issues that we are trying to iron out but they are minor and they are currently being managed." He said despite landowners from Hela complaining about the mine being situated in their area, it is evident the mine is in Enga. However, he added the Enga people will still maintain their traditional relationship between them and landowners from Hela. In Indochine's 100% owned Mt Kare project, the gold resource has had prior expenditure of approximately A\$60 million, including 365 drill holes. Geologically the Mt Kare deposit shares many similarities with the nearby Porgera gold mine.

K1.5b belonging to Western people misused

Post_Courier, October 04, 2014

By ADRIAN MATHIAS

CLOSE to half-a-billion kina belonging to people of Western Province has been mismanaged and misused over the years, Governor Ati Wobiro says. He said that was one of the first things he had discovered straight after he was elected and sworn into office. Mr Wobiro assured his people of Western Province that under his watch and leadership no one will steal public monies for development in the province. "Your money will be used to better your lives," he said. The first-term MP and Governor said in his keynote speech when addressing his people at Iowara government station in North Fly last week, where he gave K5 million cheque for Kiunga-Strickland road.

Solomons Government Clarifies Position On Gold Mine

Gold Ridge not up for sale, assets may be transferred to government

HONIARA, Solomon Islands (Solomon Islands Broadcasting Corporation, Oct. 3, 2014) – Gold Ridge mine remains closed due to the impacts of the April floods and more recently, wanton damage to the equipment required to remove water from the tailings storage facility. The Care-taker Government issued a statement to clarify some inaccurate reporting by the media, which has caused uneasiness amongst Gold Ridge landowners. In that statement, the Care taker government clarifies, there is no negotiation with any foreign investor to sell the mine. It adds, it remains the property of Gold Ridge Mining Limited and its owner, St Barbara- those are the only entities the government is dealing with. The Government also confirms, a proposal to transfer the mine and its assets back to the Government was also on the table.

However at present it does not have technical capacity to assess the various terms of the proposal, this is why it is engaging technical people to provide advise on the terms, and more importantly, possible liabilities under the proposal. The Care-taker government says at present, the Government has the services of Fasken Martineau, a Canadian based law firm to advise on the legal aspects of the mine. It says, process to engage experts to assess the financial and non-financial aspects of the mine including the environmental and technical liabilities of the company has been looked at. The government says as soon as Gold Ridge Mining Limited grants access to site and information, these experts will visit the site and undertake their assessment. It is expected that their assessments will be submitted to Government before the end of October. SIBC News understands, the Goldridge landowners have strongly warned the government NOT to by pass them regarding any deals about their resources.

Solomons Gold Ridge Mine Landowners To Get Final Royalty Payment

\$1.2 million should be invested, chairman advises

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 3, 2014) – Landowning tribes of the now closed Gold Ridge gold mine in Solomon Islands say they are about to receive a final royalty payment of 1.2 million US dollars through the Ministry of Finance and Treasury. The Chairman of the Gold Ridge Community and Land Owners Council, Dick Douglas, confirmed the payment is being processed and says it will be distributed to the 16 tribal groups soon. He says the payment may be the last one for a while and is calling on the various tribes to put their money into investments. "That is the, the last payment of the royalty and this is the warning that I have also made to the members of the council and the tribes that we have to use it wisely and manage it wisely so that we can get our things back properly and invest it in a proper investments." Dick Douglas says the landowners council will still be seeking government repayment for another royalty payment worth 2.5 million US dollars which went missing earlier this year.

Protestors Block Papua's Freeport Mine After Accidents

Operations suspended after road accident killed four workers

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 3, 2014) – Protesters have blocked Freeport-McMoRan's Indonesian copper mine for a second day on Thursday, stopping people getting to work, as talks continued between management and employees over the number of fatal accidents at the site. Freeport Indonesia chief executive, Rozik Soetjipto, told Reuters the open-pit mine at Grasberg in Indonesia's Papua province, remains suspended after four workers were killed in a collision involving a truck on Saturday. Indonesia's mining ministry has started an investigation into the accident at one of the world's biggest copper mines, which is expected to close

open-pit mining for around a week. Dr Soetjipto said management was meeting employees to find out what their demands were. He also added that only open-pit mining, which accounts for more than half of total output, was closed at the Grasberg site. Freeport's 2013 annual report says thirty-five people died at the remote Papua complex last year, including 28 who died when a tunnel collapsed. Meanwhile, at least one workers' union is not backing the latest blockade and protest. A Papua-based Freeport union official, Virgo Solossa, said there was no justification for workers maintaining the protest since the government was now investigating.

Ramu: Chinese miner issues warning

Post-Courier, October 03, 2014

By ISAAC NICHOLAS

METALLURGICAL Corporation of China (MCC) vice president Mr Wang Yongguang has warned that the company will not hesitate to close down the mine if the safety and lives of its workers are threatened. He also expressed grave concern about the recent burning down of USD5 million worth of equipment recently by Ramu landowners over unfulfilled commitments covered under the Ramu mine agreement. "If the investment condition in the country gets worse, the safety of our people is priority as far as MCC management is concerned. We need a stable and safe working environment for our workers," he stated. Mr Yongguang said the MCC had fulfilled most of its commitments and the issues raised by the landowners are those that were not fulfilled by the Madang Provincial Government as well as the national Government.

He said those issues must be raised with the respective national and local authorities instead of venting their frustrations against the developer. The MCC management's principle is to recruit local people, but firstly these people must meet the MCC requirements, the VP said. Mr Yongguang stated that the management was concerned about the safety issues at the mine site and have now appointed a very senior manager to take up posting in Papua New Guinea to address some of the issues that are affecting the mine operations. He said the mine has been a big investment for MCC and the company would like to ensure it makes some profit from this investment. He said MCC would also like to secure a qualified workforce and the company also has plans to localise positions to qualified Papua New Guineans, especially those from the mining area.

He said although the two countries have different cultures, nothing is stopping the two parties from communicating and resolving the issues for a successful project. Mr Yongguang also called on the PNG Government to bring those responsible for the burning of the company properties to face the law. He made these remarks to the PNG delegation headed by Usino-Bundi MP Anton Yagama, Wosera-Gawi MP Joseph Yopiyopi and Wabag MP Robert Ganim in Beijing on Tuesday evening. Mr Yagama, who is the local MP representing the mine area people, assured the MCC management that this type of incident will not happen again in the future.

Seabed Mining In The Cook Islands Subject Of USP Presentation

Geography, mining methods, effects on marine life/environment discussed

By Emmanuel Samoglou

RAROTONGA, Cook Islands (Cook Islands News, Oct. 2, 2014) – Environmental factors from any potential seabed mining activities in the Cook Islands were the focus of a presentation held at the University of the South Pacific last night. Gerald McCormack, Director of the Natural Heritage Trust, delivered his talk titled "Cook Islands nodules: Some environmental considerations", which included a visual presentation on seabed geography, possible mining methods, potential effects on marine life, and recommendations. With the environment his primary concern, McCormack said he

wanted to focus specifically on the Cook Islands and its own unique ocean ecosystem – as opposed to other potential seabed mining locations such as New Zealand or Papua New Guinea, which he says bear few similarities to the nation's situation.

While conducting research, he said he concentrated on the South Penrhyn Basin – an area he describes as " ... the most dense area of nodules in the world" - located north of Aitutaki, east of Suwarrow, and south of Penrhyn. Assuming an annual harvest of one million dry tonnes per year – enough nodules to cover an area the size of the surface of Rarotonga – McCormack said one particular area within the South Penrhyn Basin contains enough material to keep miners busy for at least 100 years. The next densest area in the zone has enough nodules for a further 80 years of mining. "I really want people to understand how massive this operation is," he said. McCormack said the nodules are resting on the ocean flooring, which would remove the requirement to dig. Despite their convenient location, he is convinced that mining activity would harm, even kill, all the animals that live in the cold, dark confines of the ocean floor – a desolate landscape five kilometres below the water's surface. 'Benthic Macrofauna' is the term used to describe some of the animals found at those depths. They consist of roughly nine different species and range in size from 0.3 mm to 4 cm long. McCormack said it is likely these animals will get run over or sucked up by mining machinery.

Apart from these creatures, a lack of nutrients creates an undersea environment that contains little life, he said. He quotes a German study which described the zone as "impoverished", "not very diverse", and with a low density of animals. "There is very little biodiversity down there," he said. "Nevertheless, we should preserve it." Also of concern are possible effects on the country's migratory whales. McCormack said steps need to be taken to ensure sound from mining activities will not interfere with whales and their unique communication systems. To protect the South Penrhyn Basin's marine life, he proposes the adoption of an "ecosystem approach", which entails the establishment of a biodiversity protection area (BPA) prior to the commencement of any mining. McCormack said the protective area should be located "upstream" from mining activities, and kept "pristine".

The establishment of such a zone would require further data on the direction and speed of the ocean current at the depth of the sea floor, and a survey of marine life would need to be taken by any company licensed to undertake mining activities. The purpose of the BPA would be to have a prototype area, with hopes that the mined regions could revert to how they appeared prior to the harvesting of any nodules – and without any reduction in biodiversity. Also prior to the beginning of mining, McCormack said stakeholders should agree to a set of practices and methods, such as the "Sustainable Seabed Mining" guidelines established by England's University of Southampton. Seabed mining should be a "totally ecologically clean operation," said McCormack. "My presentation is to show Cook Islanders how this can be done properly."

Vanuatu Locals Not Consulted About Nickel Smelter: Former MP

Proposal for Santo plant will harm pristine area

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 2, 2014) – A former MP on Santo in Vanuatu says a proposed nickel smelter will harm a pristine area, and that locals have not been consulted on the project. A joint venture was signed recently between a New Caledonian company, MKM, and China's Jin Pei, with plans to build a one-billion US dollar nickel plant to process low quality ore from New Caledonia. But a custom landowner from the famous tourist site of Champagne Beach, Philip Pasvu, says the lives of thousands of people in the area is dependent on the area's resources and tourist attractions. Mr Pasvu says if the plant were to be constructed, it would severely affect residents. "The environment, especially, will be damaged because the dis-

tance between the site and my place, Hog Harbour - especially Champagne beach, where the tourism is in place, that's their main source of income." Philip Pasvu says the plant would only employ two thousand people, a fraction of the local population.

Landowners want new Sinivit mine developer

Post-Courier, October 02, 2014

By *GRACE TIDEN* LANDOWNERS of the Sinivit gold mine in East New Britain Province want a new company to develop the mine so the people can benefit fully from the project. Landowner spokesman Douglas Augustine told members of three sub-clans who gathered at Rieit ward yesterday that outstanding royalty and compensation claims as well as landowner company claims and wages for landowners working at the site have not been paid. "Why should we allow them to remain?" he said, adding that they have made a decision to remove the company from the mine site and allow landowners to negotiate for a new company to develop the mine. Mr Augustine said the land belonged to the Uramot clan of the Baining tribe and was not state land.

He said a meeting will be held in Kokopo next week that will involve all stakeholders to discuss the issue further. Frustrated landowners went to the mine site last weekend and changed the lock at the main gate to show their frustration. A National Court decision late last year had declared the extension of the mining lease (ML 122) in May 2012 as null and void. Since then, the company continues to remain at the mine site. A visit to the mine site yesterday found only eight workers looking after company properties and monitoring vat-leach pads. Attempts to talk to company officials at the site were unsuccessful. However a worker said all employees had left due to nonpayment of their fortnightly wages as well as the lack of food rations.

Kondra has first meet with OTML, talks development

The National, 02nd of October, 2014

NORTH Fly MP Boka Kondra has met for the first time Ok Tedi Mining Ltd officials to discuss how to strengthen their development cooperation. Kondra (pictured) said since 1999, he had never talked to Ok Tedi. "It was the first time for me (on Monday) to meet with the OTML managing director and it was good that the reconciliation took place," he said. "My reason for the reconciliation was that the mine and PNGSDP had been taken over by the Government and the people of Western." He said the reconciliation was a significant event because it would see the leaders and people of North Fly and Western partnering with OTML to develop the electorate and the province. He said all parties would now consult each other and put their development priorities right. Kondra said: "We will put our resources and plans together to develop the province. Because of the strength of economy, we are expecting more changes. "The first project is the sealing of the Kiunga and Tabubil highway. And the Ningerum footbridge will be expanded to a bigger bridge to cater for vehicles." He said his priorities under the development partnership would be education, road infrastructure, wealth creation and good governance.

Ok Tedi: StarMountain Plaza, Post-Courier, Drum, October 1, 2014

YOU can check out the website www.starmountainplaza.com for more details on the ambitious project by the landowners. And just for good measure maybe the cash-rich landowners could tack an aid-post and an elementary school onto the back? [see Gallery for a movie of the project]

Sinivit mine: Landowners kick out mine developer

Post-Courier, October 01, 2014



BY GRACE TIDEN

LANDOWNERS of the Sinivit gold mine in East New Britain Province will be meeting with developer representatives and government officials today to iron out issues between all parties. This follows an incident on Saturday where frustrated landowners went up to the mine site and ordered the camp manager to vacate the mine saying the developer, New Guinea Gold Limited, was occupying the mine illegally following a National Court decision late last year declaring the extension of the mining lease (ML 122) in May 2012 as null and void. The landowners locked the gate to the mine to show their frustration. Landowners Samuel Elisa and Alois Kivung claimed the company could no longer conduct mining activities due to its continuous financial difficulties. They said the developer owed them outstanding loyalty and compensation payments and despite promises to address these issues, nothing had been forthcoming from the developer. They said it had been more than six months since the court decision was handed down late last year and the company continued to illegally occupy the mine. The landowners said they wanted to work with a new developer so they can benefit fully from the mining project. Attempts to talk to mine officials were unsuccessful since their office located in Kokopo was closed due to nonpayment of rental fees. The Sinivit mine is located in the hinterlands of the Gazelle district in East New Britain.

Governor Wobiro gives K1million to Fly landowners

Post-Courier, October 1, 2014

By ADRIAN MATHIAS

WESTERN Governor Ati Wobiro presented a cheque for K1 million to Elevara-Ketu gas condensate landowners in North Fly district on Saturday. Mr Wobiro said the money was for landowners to mobilise themselves in preparation for the benefit sharing agreement forum in March next year. Frank Hamesu, chairman of the landowners umbrella company Welewi Resources Ltd, received the cheque on behalf of the landowners. He said there was a need for landowner identification and related issues must be sorted out to have a successful forum. "Our job today is preparedness," he said. "If landowners are not prepared the forum won't be successful." The presentation was made at Gasuke village in East Awin area of Kiunga Rural local level government. The first recipient of K1 million landowners mobilisation fund was Stanley gas landowners.

Mr Wobiro said the P'nyang gas project and Juha project landowners will also get their share of K1 million each. During presentation, he insisted that Western Province was "not a poor province". "Our problem has been failure by the past leaders to put money in development areas," Mr Wobiro said. "Your money will be used to better your lives. "As long as I remain governor we will turn this province around. "I am totally dedicated to making a difference in Western Province. "Let's work together and turn this province inside out." Local council president of Kiunga Rural local level government James Donald thanked the governor for making available K1 million, and assure him

that his people were united and have no issue on the development of their gas project. Western Province is home to the giant Ok Tedi gold and copper mine, which for years has underpinned the country's economy.

Bougainville Landowners Call For Withdrawal Of 'Misleading' Report

Jubilee Australia survey 'divisive,' 'inaccurate picture of public opinion'

By Jemima Garrett

MELBOURNE, Australia (Radio Australia, Oct. 1, 2014) – Landowners in Bougainville have joined the president in calling for the withdrawal of a report by an Australian group on attitudes toward the reopening of the Panguna copper mine. A report by the Jubilee Australia surveyed 65 people living near the mine in Papua New Guinea's autonomous region of Bougainville. It found all of the interviewees opposed the reopening of the mine by Australian company Bougainville Copper Limited (BCL), whose parent company is Rio Tinto. The report also revealed universal dissatisfaction with the consultation process led by the autonomous Bougainville government (ABG). But landowner leaders said the report presented an inaccurate picture of public opinion and was having a divisive effect in the community. The Panguna mine closed in 1989 when environmental damage and compensation sparked a civil war.

Bougainville's president John Momis said Jubilee Australia's Voices of Bougainville report was not helping to restore the peace in his country. "It is quite clear that Jubilee Australia did a very poor job in trying to get the views of the people," he said. "They made no attempt whatsoever to get the views of the people of Bougainville at large. They only interviewed 65 people who were probably selected and not interviewed at random." Mr Momis has written an eight-page letter of complaint to the board of Jubilee Australia, accusing the authors of having a hidden agenda. In an unprecedented move, all nine landowner associations have also written a letter calling on the board to withdraw the report and apologise.

Theresa Jaintong, chair of the association representing affected landowners near Arawa town, said the Jubilee Australia researchers interviewed people whose opinions were not shared by a majority. "What is happening on the ground is that we are working with the government of the day, with the president and his executive," she said. "The landowners are together and we have already done a lot to progress this with BCL. We are also talking at the four-party level, that is BCL, the national government, landowners and the ABG. "[Jubilee Australia] must apologise to us. The report is going on the media world-wide and also here and it is creating division on the ground, so they really have to revisit or come back and do the research properly." In its report, Jubilee Australia said interviewees included culturally appropriate gatekeepers or community leaders who came from a broad section of mine-affected villages.

Momis defends consultations to reopen mine

That consultation process regarding the Panguna mine has been ongoing since 2009. It has involved large-scale meetings with ex-combatants, churches and women, as well as the lengthy process involving thousands of people to establish the nine representative landowner associations. Mr Momis, who was an early opponent of the Panguna mine, said the government had gone to great lengths to consult the community. "The ABG has consulted probably more than any other government in our attempts to get the views of the people of Bougainville, and in particular the landowners around Panguna. "We wanted to make sure we had their views and what conditions they would like imposed on any position or any strategy to reopen the mine." The veteran politician said what angered him most was the suggestion that his government was being influenced by its Australian advisers.

"It is quite a racist remark to say that Australian advisers are dictating things to the government here," Mr Momis said. "We have a very independently thinking government. We are proud of our long battle to obtain autonomous status and we will make sure that we get the necessary help we can to make sure that we run an autonomous government as well as we can to deliver services. "I think Jubilee Australia should really apologise for misleading the people of Australia, and in so doing they are also undermining the authority of this fledgling government of Bougainville, which is trying to create unity and rule of law and getting people to accept responsibility for their own decisions and not be misled by damaging statements which have no foundation in truth." A response from Jubilee Australia's board is expected later this week.

Pacific People United Against Seabed Mining: UN Told

Solomon Island doctor calls for moratorium until regulations in place

By Daniel Namosuaia

HONIARA, Solomon Islands (Solomon Star, Sept. 30, 2014) – Pacific Indigenous peoples have voiced their united stand against any proposed seabed mining. Solomon Islands Dr Samson Viulu who spoke on behalf of the Pacific indigenous peoples made it clear before world leaders during the UN General Assembly in New York. He said its important to halt any plans to carryout seabed mining in the pacific. Dr Viulu said inhabitants of the Pacific treat and relies on their marine environment as the most important resource supporting their livelihood. "The people of the Pacific seeks to obtain a moratorium against any seabed mining activities in the Pacific until such time that national governments establish relevant institutional, proper regulatory, legal, monitoring, enforcement and fiscal frameworks involving indigenous peoples," Dr Viulu said. He stressed that national governments must establish proper frameworks in a meaningful, participatory manner throughout the process including but not limited to maximum benefit sharing mechanisms and compensations.

"Since the marine environment is source of islanders' livelihood, the Pacific urges full commitment from all UN member states to achieve the goals outlined in the outcome document by the Open Working Group on Sustainable Development Goals." He urged the full participation of indigenous people in the implementation process of these goals. Dr Viulu made special mention of the unsustainable practice of overfishing and request developed states to take total responsibility to manage the demand and ensure indigenous peoples have access to fisheries and marine food sources now and in future (sustainable fisheries). He said these issues are closely linked with Climate Change (CC). "Pacific indigenous people are gravely concerned with the lack of any tangible progress made on climate change mitigation by member states since the Kyoto protocol expired in 2012," Dr Viulu said. He pointed out that there are real sad stories of internally displaced people due to climate change.

Vanuatu Requests Formal Santo Nickel Smelter Proposal

PM says government will consider properly submitted request

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 30, 2014) – The office of Vanuatu's Prime Minister says investors hoping to build a nickel smelter on Santo have been asked to submit a formal proposal. A joint venture was signed recently between a New Caledonian company, MKM, and China's Jin Pei, with plans to build a one-billion US dollar nickel plant to process low quality ore from New Caledonia. Last Friday, after a meeting with MKM, the acting Prime Minister Ham Lini indicated the government's interest. MKM has now been asked to formally apply in accordance with all necessary legal requirements including environmental laws. A feasibility study is to be conducted to determine the appropriateness of the smelter. MKM has yet to lodge an application through the Vanuatu Investment Promotions Authority, but they have sought prelimi-

nary agreements from local authorities in Santo. Mr Lini told MKM a paper will need to be tabled by the Council of Ministers before formal approval can be given. In the meantime, all relevant public agencies are being asked to ensure they are well versed in the associated risks of such project so they can help the government make an informed decision.

Ok Tedi launches new system to address concerns

The National, 30th of September, 2014

A NEW system has been launched in Tabubil, Western, to inform and address concerns raised by stakeholders of the OK Tedi Mining Ltd (OTML). The complaints and grievance mechanism system (CGMS), a first for the country's mining industry, was developed by two of OTML's departments and Klohn Crippen Berger, an Australia-based engineering, geoscience and environmental consulting firm. Employee and external relations general manager Musje Werror said the system will now see the miner operate at international standards on how it manages and addresses community complaints. It is anticipated that the CGMS will open channels for effective communication, improve trust between the miner and its stakeholders, develop and implement risk management strategies and reduce cost to the business among others.

Community relations manager Kuam Sanewai said it would significantly change way the firm dealt with its communities within the community mine continuation agreement regions. "The Community Relations Department covers nine CMCA trust regions and a population of more than 123,000 people, so you can imagine the number of complaints we deal with every year. "We receive on average, 60 complaints in a week but I'm happy that with this new system we will be able to analyse them better and come up with strategies on how we can resolve them and reduce the risk these complaints pose to the business." The system will among other benefits, serve as a platform to strengthen the communities' acceptance of the OTML social licence to operate.

Solomons Nickel Landowners Happy At Court Decision

Court victory by Axiom welcomed by Isabel community

HONIARA, Solomon Islands (Solomon Star, Sept. 29, 2014) – Their joy was uncontained. It was written all over their faces. It was evident in the chiefly welcome they gave Axiom KB Chief Executive Officer Ryan Mount and his delegation from Honiara. It was heard in their melodious singing in church and expressed in the island feasting and cultural dancing that followed the Axiom KB thanksgiving service in Sepi Village in the Bugotu region of Isabel Province. Yes, Axiom KB's victory over Sumitomo Mining Metals in the legal proceedings instituted by the latter, challenging the validity of the prospecting licence of the joint venture company between Axiom Mining and the Kolosori and Bungusule tribes of the Bugotu district, was greeted with jubilation. The ecumenical event held last Thursday, a day after the High Court of Solomon Islands handed down its ruling on the longest running trial in the country's history was a testimony of the overwhelming strong community support for Axiom KB and the locals' anticipation to see the company's full operation off the ground.

Mr Mount, who is devout Catholic, said Axiom KB acknowledges the existence of God and wanted to thank Him for keeping all the partners in the joint venture company intact throughout the three and half years of challenges and anxiety. "I am pleased to say today that we won the court case—we won both the land rights and the mining rights over the nickel tenement area, which is a very important step forward for the development of Bugotu. "I want to congratulate you the landowning trustees and chiefs for bearing with us through this difficult and time consuming process." "Axiom wants to work together with the landowners to develop the mine," he said at thanksgiving service.

Axiom's desire to involve landowners in its operation in Isabel Province is well reflected in its award of 20 percent share in their joint venture company with the Kolosori and Bungusule tribes to these local partners.

In his liturgy sermon, Father Lot Bako, who is also a trustee in the Axiom KB, likened the challenges brought about by the legal battle by Sumitomo Mining to that faced by Jesus on the road to Calvary. Father Bako said the secret of Jesus's strength on that challenging journey to his crucifixion was the session of prayer he had on Mount Transfiguration and on that note challenged the partners in Axiom KB to pray if they were to overcome any challenge. At cultural celebration and feasting that followed the church service, chiefs from the Bugotu region expressed delight over Axiom KB's legal victory and anticipation to see the company commence full operation. In Honiara a similar thanksgiving service was held at the All Saints Chapel last Saturday for Honiara-based Kolosori and Bungusule trustees and tribesmen and women. In his liturgy sermon, the All Saints Rector Father Philip Rongotha spoke from the Book of about God's creation of the universe and mandate of humans as its caretakers as stated in the Book of Genesis Chapter 1. "As caretakers of the universe, God gave us humans the right over everything in it including the land to sustain our livelihood but on the other hand priority must be given to food and water," he stressed.

Father Rongotha said nowadays land is threatened by population growth and economic development and the government and middlemen tend to benefit more from the exploitation of the land. He urged the Kolosori and Bungusule tribes to learn from the mistakes of other people who benefited less for the exploitation of the land under their custody. At a refreshment meal after the thanksgiving service, Axiom CEO Mr Ryan Mount expressed acknowledgement over the sermon by Father Rongotha and added that Axiom KB will ensure that it is a model company for other companies to follow. Mr Mount said Axiom KB will work to ensure that the people of Kolosori and Bungusule, Isabel Province and Solomon Islands benefit from its nickel operation.

Alluvial miners call for separate laws

Post-Courier, September 29, 2014

By FRANKIY KAPIN

AMONG the many concerns that were raised by small scale miners during a meet in Lae was the need for separate laws governing alluvial mining in the country. Other issues raised were the lack of financial and technical support; the environment; the need for an entity to be established to act as a voice for those in the sector and the need for the Mineral Resources Authority (MRA) to decentralise some of its powers to the provinces. These issues were discussed at length during the two-day meet which was facilitated by MRA last week. The alluvial miners were all in agreement that the sector is one that many rely on heavily for their day to day needs but one that has many challenges and needs government intervention. They stated that it is an industry with a lot of potential but in order for this to be realised and maximised, it would need separate laws. They believed that the current laws are more geared towards the larger mines and not suited to the businesses they are involved in. And since alluvial mining is unregulated, anyone from outside come into the country and walk away with gold sourced from the small scale miners and they would be left at a disadvantage.

Are the minister and department of Mines and Minerals doing their job?

By Transparency Solomon Islands, Solomon Star, 27 September 2014

HAVING sighted available information with regard to the granting of the mining lease to both Asian Pacific Investment Development (APID) and Bingtang Borneo it is quite clear that due process under the Mines and Minerals Regulation has not been followed. Transparency Solomon Islands hold

the view that the decision reached is questionable and possibly unlawful. It is questionable given the fact that many procedures required before a decision may be reached were not followed.

1. Surface Access Agreement, a prerequisite to granting any form of prospecting, did not follow the prescribed process for the granting of mining licence. These processes under our law are supposed to protect our people and allow them to fully participate in the negotiations. Landowners told TSI that both company never undertake prospecting on their land and the companies offered money to individual who are not landowners to signed document. People whose signatures appear on the document purported to be a SAA between landowners and APID deny that they were shown the full document and understood what they were signing. They allege that they were given a blank piece of paper to sign and they thought it was an attendance list only. It also is not clear from available information that any officer from the Ministry was present during the negotiations for SAA between landowners and APID as required by law.
2. The photos inserted in an APID presentation in support of their application to renew their prospecting licence have dates stated 2012 which if true then APID was illegally carrying out prospecting during the period when they had no current licence.
3. Granting of the second prospecting or mining lease to Bintang Borneo would contravene section 20, subsection (5) and (6) of the Mines and Minerals Act 1996. Because the boundaries are not clear – appears to overlap.
4. Landowner's objections presented to the Mines and Mineral Board was never considered.
5. It normally takes three years and up for prospecting to be completed before an application for mining lease can be made, but in the case of Bintang the license was obtained in instance timing.
6. No public awareness was done by the Companies, Ministry of Mines and Environment.
7. Notice for compulsory acquisition of land – unclear whether it is for prospecting or mining by Bintang. Prospecting does not require compulsory acquisition of land. For compulsory acquisition of land, land identification, boundaries etc have to be determined first. This allows for the right landowners to be holding the Perpetual Title to the land, value of land be calculated, and they be compensated for the damage and resources on the land. This process has not been done.
8. Confusion of the roles of the Board and the Minister.
9. Lack of due diligence by the Mines and Minerals Board and the Minister of Mines to verify companies profiling whether they have mining experiences, technical expertise and capacity to implement the content of its environmental assessment report.

The Minister and the Ministry of Mines and Mineral as well as the Mines and Mineral Board should explain these irregularities. This is so unfair to the landowners. Landowners need all the information about the impact of development on their land both positive and negative. Major development must have Landowners support in order to be successful. It is important to note that corruption also means unfairness. The leaders that should be looking after the best interest of our people and resources owners and its people is failing its citizens in this case.

Alluvial gold lures girls out of classes

Post-Courier, September 26, 2014

By Romulus Masiu

MANY school-age girls in the Panguna and Bana districts of Bougainville are not attending school, say authorities. The girls are engaged in the lucrative gold mining business – panning the length and breadth of Panguna rivers, among the tailings from the decommissioned Bougainville Copper Limited (BCL) mine. Instead of attending school young girls and boys can be seen panning for gold

with their parents and elderly relatives along the Jaba and Kavarong Rivers tailings. According to school authorities, the number of enrolment for the students in the alluvial mining areas has dropped dramatically because of gold discoveries in the tailings. When asked why they are panning for gold instead of going to school, one girl replied, "so that we can have money at the end of the day, when attending school, we get nothing, no money."

Since the BCL operations at the Panguna mine, there is no land for subsistence farming as all the land has been dug up and forest and rivers destroyed. This has forced the people to resort to gold panning to buy store goods to feed their families. A grade five student said they felt sorry for their parents and followed them because panning is labour-intensive and they needed all the help they could get. Education authorities have acknowledged that they have a growing problem because more and more children are flocking to the gold fields where returns are high.

3500 alluvial miners complete training

The National, 26th of September, 2014

At least 3500 alluvial miners have been trained and certified under the outreach and internal training programmes run by the small-scale mining branch in Wau over the past few years. The Mineral Resources Authority training programmes and initiatives are contributing to greater awareness of opportunities within the sector, more efficient mining methods, better health and safety. This includes a reduction in the use of mercury, increased environmental awareness and greater understanding of the logistics and business aspects by the landowner miners involved. Mining Minister Byron Chan provided these details and praised MRA during the inaugural PNG Alluvial Mining Convention and Trade show in Lae on Wednesday. The establishment of the small-scale mining branch in Wau, which is mandated under the Mineral Resources Authority Act, was initially funded by the European Union. It is now funded through MRA by the gold export levy.

The small-scale mining branch has enabled targeted training for alluvial miners in courses including health and safety, business development, mining techniques and the regulatory requirements. Training modules are being developed for more sophisticated, mechanised operations, which will provide the basis for the achievement of much greater production. Level three training has now started and will soon lead to training in conjunction with selected operators and mechanised alluvial mining ventures. The branch is an accredited training centre and its courses are officially certified. "Alluvial mining is one of the largest groups of small and medium businesses in the country," Chan said. "The mining sector remains the single largest export revenue earner in PNG and has consistently had that responsibility since independence in 1975. "Our nation continues to be highly ranked internationally as one of the top countries for mineral prospects," Chan said. Alluvial mining started with the first discovery of gold in the Milne Bay islands during the 1880s, and in the 1920s, tenements or claims were issued in the Wau and Bulolo areas in Morobe, an area which, to this day, still produces significant quantities of alluvial gold and silver and is regarded as the hub of the industry.

Solomons Seeks Advice About Gold Ridge Mine Purchase

Gold mine has been closed since flash flooding in April

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 24, 2014) – The Solomon Islands government is seeking professional advice from overseas before deciding whether to buy the Gold Ridge gold mine from Australia's St Barbara. The mine has not operated since April after flash flooding forced its closure and the evacuation of staff. The special secretary to the Prime Minister, Phillip Tagini, is in charge of the Government's bid to buy the mine. He says a legal expert has already been hired but the Government is also looking for advice on the economic, financial, envi-

ronmental and technical aspects of the proposal. "Once we get all those people in place we should be able to get their views and their advice on the proposal to us within two weeks and then we should be able to have a talk with St Barabara," says Tagini.

World Bank: Mining 'sector vital'

The National, 25th of September, 2014

By GABRIEL LAHOC

WORLD Bank country manager Steffi Stallmeister says the mining sector is critical for the country's prosperity. That is why the World Bank has been a long term partner of this sector and the Government, she said. Stallmeister said on the global scale, there were about 10 million miners and small-scale mining provided a livelihood for about 100 million people all over the world. In Papua New Guinea, small scale mining involves between 60,000 and 80,000 people and indirectly supports another 50,000 people. "It is estimated that small scale mining accounted for 15% of global gold production in 2011, which has a value of \$US20 billion (K47.6 billion). This is quite significant," Stallmeister said. Stallmeister was speaking during the PNG alluvial mining convention and tradeshow in Lae yesterday. She said the bank was interested and involved in the alluvial mining sector because it was an alternative employment for the poor and locals. The World Bank supports the Government in:

- Mining institutional strengthening project which covers regulatory environment, legal framework and improved governance and revenue collection and conflict-free mining sector in Bougainville;
- capacity building to support Autonomous Bougainville government and PNG government in Panguna negotiation process;
- women in mining programme, addressing gender based violence in extractive industry and supporting parliamentary programmes; and,
- Extractive industry transparency initiative.

"The WB's goal globally is to end poverty and to boost the prosperity of the bottom 40 per cent of our societies in any member countries," she said.

Lihir mine: 'Infighting' hauls millions

The National, 25th of September, 2014

Millions of kina have been lost through infighting among stakeholders involved in the development of the gold project on Lihir Island, New Ireland, an official says. Anitua Group of Companies managing director Colin Vale said the mining project had reached half its production schedule yet; millions of kina had gone out the window without the people seeing real benefits. He called on all stakeholders, especially the Nimamar Rural Local Level Government and the Lihir Mining Area Landowners Association, to stop their infighting and work together in the remaining mine life for Lihirians to see the real benefits from their resources. The Group's business arms include catering, construction, hardware, mining, drilling and security services, and merchandising with branches in East New Britain, New Ireland and Morobe provinces. Plans were underway to expand to Port Moresby and other parts of the country.

"The Anitua Group is about creating a sustainable business for Lihirians before mine closure. "We have done well over the years, growing our group of companies to declare profits year after year. However, such infighting among our major stakeholders will only delay and frustrate these successes," Vale said. He was speaking on the island at yesterday's book launch of "Lihir Destiny". "The mine will end one day and we, at Anitua, want to work for the future. "To help realise our job in creating a sustainable business for Lihirians so that they have an ongoing income base well into the

future after mine closure, major players in this project must forget their differences and work together. "The dreams and aspirations of the Lihirian people and their leaders, past and present, now contained in the Lihir Destiny, will now come to fruition if there is no unity among these stakeholders. "It is the implementation of strategies that is a challenge for all of us as we focus on the future. "We will be sorry if we don't do something soon, and it must be done now," Vale told the gathering.

Alluvial export revenue will come close to K400m

Post-Courier, September 25, 2014

By FRANKIY KAPIN

Mining Minister and Namatanai MP Byron Chan says the alluvial sector has often been regarded as the poor cousin to hard rock mining and has perhaps suffered from a lack of direction. "But the key message is that the alluvial resource is extensive, under-explored and nationwide," Mr Chan said. He said this when opening the inaugural PNG alluvial mining convention and tradeshow in Lae yesterday. Mr Chan said considering the current alluvial export trends, export revenue in 2014 will come close to K400 million and production may exceed 110,000 ounces of gold. He said the figures would be new records for the sector, adding that in the first eight months of 2014, the figures indicate a 20% increase in export revenue and a similar increase in production, compared against the highest previous year recorded, being 2011.

The MP added that alluvial mining exports may double within the next five years and perhaps tripled within the term of the strategic plan. "This would represent what is essentially a landowner-led aspect of the PNG mining industry, potentially worth more than K1 billion per annum," he said. In June Mr Chan declared the newly implemented MRA mineral tenement management system operational. He said this has been a highly successful project to introduce an electronic management system for mining tenements. Funded by the World Bank and utilising a world renowned developer of the product, the project was delivered on time and on budget over a period of 12 months. The system, nicknamed flexi, allows all tenements, including alluvial related tenements, to be shown on the electronic cadastral map and is accessible online.

Mr Chan said once supported by revisions to the Mining Act currently underway, flexi will allow online registration of applications for tenements achieving a world first in this leading edge system. "Flexi enables anyone to check the availability of an area for exploration, or in the alluvial context, an opportunity to partner for investment from your laptop or ipad." Flexi also allows searches in MRA library files for geological information, lodge documentation and make electronic payments for fees and rent and to follow the progress of an application through the regulatory administration system. "Flexi is the future for tenement management," said Mr Chan. Using data generated by flexi, there are currently 183 alluvial mining leases, either granted, under renewal or new applications. There are 18 mining leases for alluvial purposes and 175 conversion tenements. Therefore alluvial tenements represent around 40% of total tenements in PNG. A further MRA initiative underway is the development of the MRA five year corporate plan 2015 – 2019, which will be complemented by a PNG mining strategic development plan 2015 - 2030. Mr Chan said the plans will coordinate with Vision 2050.

Gulf Governor Found Guilty Of Misusing PNG LNG Trust Fund

Kavo used infrastructure funds to pay his own salary, expenses

By Adrian Mathias

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Sept. 25, 2014) – Gulf Governor

Havila Kavo has been found guilty of misusing K130,000 [US\$51,000] from a LNG pipeline trust

account belonging to the people of Kikori district for infrastructure. Deputy Chief Justice Sir Gibbs Salika reached this decision at the National Court yesterday, saying the governor was dishonest in his application of the funds for personal use. He said what Kavo did was tantamount to misappropriation because he was paid out of K10 million [US\$3.9 million] trust funds allocated by the Government for special development projects in Gulf Province. "You have no right and the Gulf provincial government has no right to convert this project funds to use at will," Justice Salika told Mr Kavo in a packed courtroom at Waigani. It was a "dangerous trend" if the trust funds were to be used in the manner in which it was used, he added. "It is a dangerous thing for provincial administration to advise MPs that trust funds can be used as and when they feel like," Justice Salika said.

"I consider that according to the ordinary standards of reasonable and honest people from the Kikori district, the people of Gulf Province and Papua New Guinea, the accused did, in being a party to making a PEC decision to pay himself his outstanding (salaries and remuneration commission) SRC allowances from the MoA or UBSA Trust funds and then accepting the K131,338 amounts to dishonesty as those funds were not intended for paying outstanding allowances," Judge Salika said in his written judgment. He said this was because there was evidence that the Gulf provincial executive council chaired by the governor made the decision to make those payments. Justice Salika said it was fact the K131,338 came out of K10m which were for special development projects for infrastructure development and for the landowners in the Kikori district, who are within the 10km corridor of the Kutubu Oil project pipeline from Southern Highlands Province.

According to the State, the K10 million cheque was released by Finance Department on November 10, 2010, to the Gulf provincial government as a payment originally drawn out from the petroleum outstanding commitment trust fund that Finance held. Governor Kavo's arrest and prosecution followed a formal complaint by Kikori MP Mark Maipakai. Lawyer Abraham Kumbari for Kavo submitted that there was no criminality in the payments because the money was his rightful outstanding allowances dating back from 2007 to 2009. Mr Kumbari had during trial last month submitted that Mr Kavo was wrongly prosecuted with one count of misappropriation charges he is facing. The defence lawyer claimed the prosecution did not prove beyond reasonable doubt that he had committed the offence he was charged with. Mr Kavo was told to return on October 6 for submissions on appropriate sentence.

Miner's seabed study 'flawed'

The National, 24th of September, 2014

THE environmental impact statement (EIS) released by seabed miner Nautilus Minerals has errors and does not consider contaminants carried directly to land by water, a scientist claims. Dr John Luick, an oceanographer, said in his report on physical oceanographic impact assessment in July, that: "The primary risk to the local people was from shoreward movement of surface waters, which would carry contaminants with them. "At typical ocean speeds, the surface currents, if they were shoreward, would carry contaminants to the coast in a day or two. "The EIS contained no information, either from data or from global models, to enable anyone to assess the risk to reassure the local people." Luick claimed that the Nautilus EIS had:

- No presentation of currents in the upper 250 metres of the sea despite a major surface operation involving transfer of material from the processing ship to barges;
- No firm basis for assessing the risk of pollution of the seafloor, plants and animals and the islanders near New Ireland;
- No presentation of the surface wave climate; and
- Inadequate analysis of the oceanographic data
- Model results not supported by accompanying sensitivity studies.

Luick says he has had 20 years in projects-related to ocean monitoring, tidal analysis and hydrodynamic modelling.

Letter to the editor

Stop dumping waste into Porgera rivers

The National, 24th of September, 2014

THE comments made by Dr Illa Temu regarding the dumping of Porgera mine waste into the Porgera and Strickland riverine systems should not go unchallenged as it contained misleading statements regarding the environment contamination downstream of the Porgera Riverine systems (Sept 12). I have to elucidate the comments for the better understanding of truth by the people of lower Porgera and the people of the contaminated Strickland riverine area. It is really true that the operation of Porgera mine is the main cause of all the health and environment issues and effects currently encountered and felt by the people living downstream of the Porgera river which changes name to Strickland River which eventually joins the flying Fly River in the western province. The Porgera mine practices riverine tailings disposal, by which processed chemicals containing ore are dumped into Porgera's rivers.

The primary concern with riverine tailings disposal as practiced by the Barrick Porgera mine is not the quantities of sediment but the toxicity of the tailings which contains significant quantities of cyanide, mercury and other heavy elements. The mercury is fixed in a compound state by which it is thought it will not ultimately enter the food chain along the Porgera and Strickland riverine systems but no conclusive research has been performed due to not having any independent researchers engaged by the government. The Barrick country executive director should now know and understand that his comments of dumping tailings in the Porgera riverine systems safely for the last 25 years, is not true and that it amounts to total corporate denial of the sufferings of the indigenous people who are greatly affected. Nalix Hewali Iripu, Lagaip-Porgera

Bougainville President Attacks NGO Report On Panguna Mine

Momis calls Jubilee Australia report 'misleading and irresponsible'

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Sept. 24, 2014) – Bougainville President John Momis has attacked a report on the decommissioned Panguna mine, describing it "misleading and irresponsible". The [report by Jubilee Australia](#) will be launched in Sydney tomorrow and tabled in the Australian parliament in Canberra on Friday by the Australian Greens Party leader Christine Milne. Mr Momis said the report was "factually inaccurate, biased and methodologically unsound". He said it was "dishonest in claiming that interviews with 65 individuals selected by its authors from the 10,000 or so people in the affected areas allows it to represent the voices of them and the 300,000 people of Bougainville". The report claims the voices of mine-affected communities "have been distant from recent public discussion" about the possible reopening of the Panguna and was critical of Bougainville government consultations with landowner which Jubilee suggested had largely excluded communities around the mine. "Far from being excluded, affected landowners have been at the centre of all discussions regarding Panguna since they commenced in 2009," Mr Momis said.

No interest in nickel smelter from Vanuatu Govt

Radio New Zealand, 22 September 2014

Vanuatu's government has ruled out a reported project to build a nickel plant in Santo. A joint venture was signed last week between New Caledonia's MKM company and China's Jin Pei to build the one-billion US dollar plant. Their reported plan was to mine New Caledonia's low quality ore reserves and ship them to a smelter in Santo. However the Minister of Lands and Natural Resources Ralph Regenvanu says the government was never approached and knows nothing about it. He adds that it's not something his country would approve anyway. "No, we're not interested in it. The area they're talking about is a premier tourist destination in Vanuatu. This is where Champagne Beach is and some of the best, sandy beaches in Vanuatu. So we're not interested in putting a mine there."

Bougainville: A house divided within itself cannot stand

Special Correspondent, ACT NOW!, PNG Mine Watch, September 22, 2014

As Bougainville moves towards self-determination, unity across the region is critical for a stable autonomous state when referendum time comes. Currently, indicators point out otherwise of the present condition. The authorities and factions on the ground are on different sides of the table. With Momis' ABG working closely with Australia through AusAid and BCL, and standing on the other side of the table is the traditional Mekamui Unity Government, however also has issues of unity within the faction. On top of that there are the former combatants, commanders and Musingku's Kingdom of Papala who are also well armed and making their stand in whatever accord they are in.

Panguna mine, majority say it should never reopen whilst the greedy few say otherwise. Noticeably the direction Bougainville is heading is a risky one, and right at the centre of it all is, yes, the infamous move to reopen the mine. Currently in Bougainville, the question of 'who holds the trump card' in power play is a tricky one. ABG, though the conventionally recognized by the outside world, is not as recognized by its own people on the island, who very much view the government as a promoter of outside interests and not of the people. The Mekamui, a self-style traditional establishment with a well-armed defense force commanded by Chris Uma and Moses Pipiro, still guard the Panguna mine to this day. Then there are the other forces existing on their own, Ismael Toroama and his 'boys', Noah Musingku and his proclaimed kingdom of Papala in Tonu, and other factions that are still operating today.

ABG has been doing the legal work in preparation for a reopening it has been anticipating, however, there is nothing to show for on the ground in Panguna. The Prime Minister, Peter O'Neill's visit in January brought a sign of progress for reopening; however, the move became stale until the recent passing of the contentious Transitional Mining Act on the 08th of August this year. Surprisingly, BCL chairman Peter Taylor implied that the act was not conducive to BCL ever coming back to Bougainville. If this is a publicity stunt to fool the people or a real show of concern from the chairman, the 'funny' law language which Momis thinks is will prove itself in time.

The arm wrestle continues, however what is apparent of this contest is the disunity that the mining issue is bringing to Bougainville. Moreover, ignorance is also a major contributor to this issue, and if leaders turn a blind eye to the people, the people will eventually take it into their hands to solve the problem, like they did 26 years ago under Francis Ona and the BRA. The leaders in all have to wake up and get their act together.

*Letter to the editor***Resource companies destroying our environment**

The National, 22nd of September, 2014

I WRITE regarding the letter “Barrick response to Porgera-Lagaip MP” (Sep 12) in response to the MP’s allegations with respect to the environmental impacts on the Fly River system. The writer appears to be none other than Barrick PNG executive director, Ila Temu; an employee who receives a huge salary with other benefits that is incomparable with an ordinary Papua New Guinean. I worked in a resource-developing company as an environmental chemist and have coordinated various water quality monitoring systems, all in compliance with PNG’s Environment Act 2000. The act allows for resource-developing companies to monitor all environmental impact assessments on a daily basis as required by the Constitution to avoid contaminating any form of water through the spoils or mining wastes discharged into the river system. For Temu to say that the company strictly monitors daily every mining waste that is discharged as mine tailings is total rubbish. Although mining companies monitor their wastes, any results that exceed the expectations of the Department Environment and Conservation (DEC) is never exposed for fear of being penalised. In this case, the findings are always referred to the mining superintendent on site or aboard.

The findings on many occasions are not transmitted to the DEC until after the findings match or fall below the standard water quality parameters. A lot of mining companies that were developed in the past have given such similar responses, but we now know that many of the river systems have been severely polluted. Ok Tedi, Tolukuma and even the lower Porgera river systems are good examples. There is an existing Lower Porgera landowner association pursuing a case regarding the pollution of their river system, but funding has been the biggest enemy in exposing the realities. I was part of that group in 2008-2009, but left due to work commitments. We went as far as engaging an environmental NGO group from Canada to pursue the matter in high court, but I am not sure how that went. If Nixon Mangape is serious about what he is talking about, I request that he conduct an independent trace metal analysis in the Lower Porgera river system at a cost of only K7,000. Part of this money will cover the cost for about ten to 15 analysts while the remaining amount can cover the logistic costs of moving the water samples to Port Moresby and Australia.

Ken Jerry Nandawa NCD

Under-Mining Agriculture: Food and Public Health threatened by the extractives sector

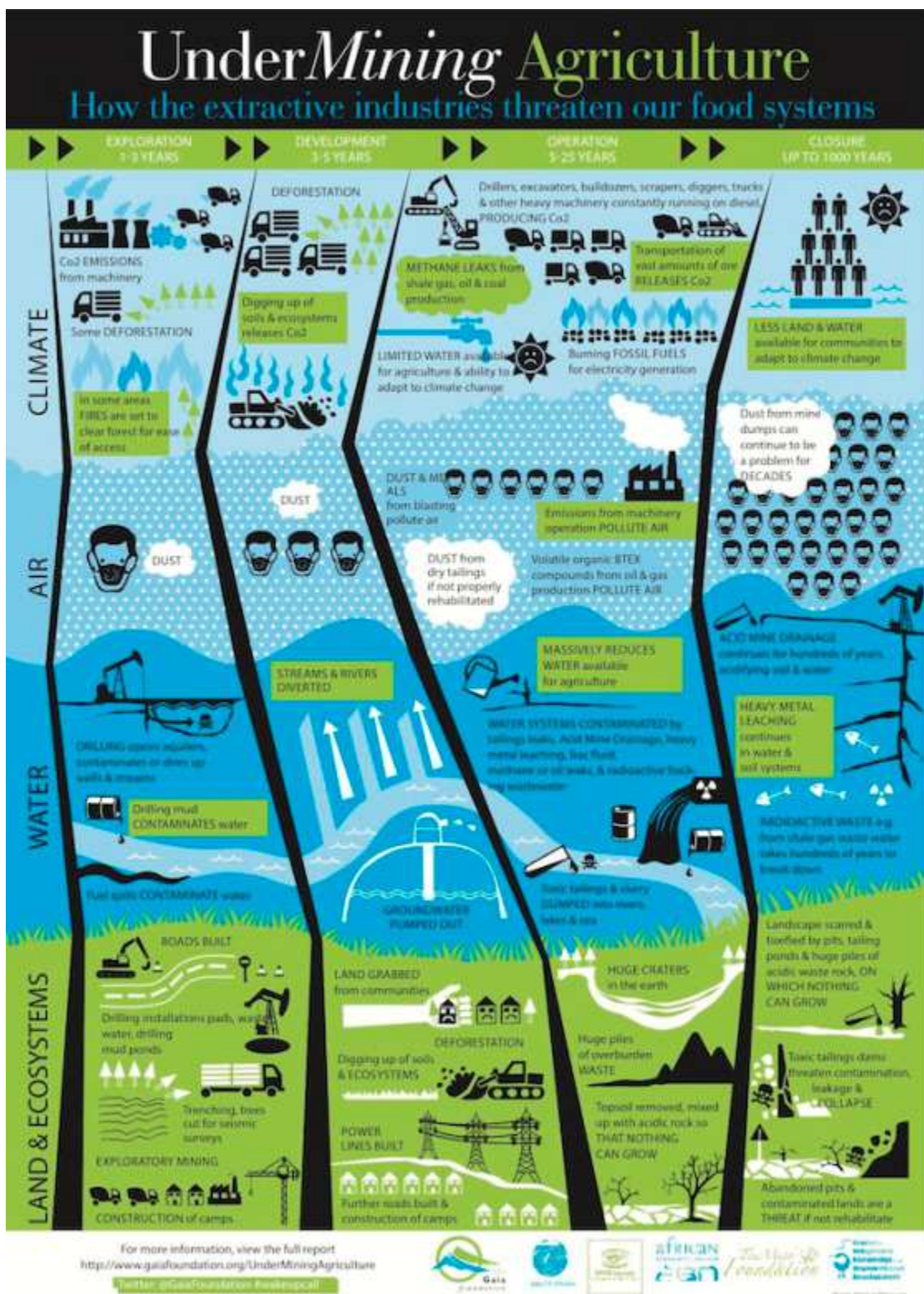
PNG Mine Watch, September 21, 2014

The world's food production and millions of small farmers and communities are under increasing threat from the rapid expansion of mining, says a new report

The Gaia Foundation, London, UK

UnderMining Agriculture: How the Extractive Industries Threaten our Food Systems, produced by The Gaia Foundation and global allies, exposes the hidden costs of mining on food, water, land, air and climate, showing how each is increasingly affected by toxins as the global land and water grab intensifies. Case studies from around the world illustrate how mining is destroying the conditions essential for healthy and productive agriculture as communities testify to experiencing livestock deaths, soil pollution, acidic water supplies, desertification of agricultural lands, and being forcibly displaced. Promises of job creation and economic growth have been shown to be exaggerated, short-lived and only benefiting the few, whilst the lasting impact on the communities and ecosystems they depend upon are yet to be fully analysed and exposed. "In recent years The Gaia Foundation and our partners have been forced to turn our attention to mining because the extractives industries are encroaching on the land and livelihoods of most of the communities with whom

we work. In our experience, rather than contributing to "national interests", the rapid and chaotic increase in extraction is now literally under-mining the fundamental needs of life: Healthy ecosystems, water systems and food systems. Protecting the conditions for life is a priority." Said Liz Holsken, Founding Director of The Gaia Foundation.



The *UnderMining Agriculture* report shows how at every stage of mining - from prospecting and operations right through to closure - impacts are being felt. Furthermore, the extraction of minerals, metals or fossil fuels, pollutes areas far wider than the actual mining site, continuing years after its closure. Jamie Kneen from Mining Watch Canada commented: "UnderMining Agriculture is a clear

call to action to bring the extractive industries under control, showing how they directly and indirectly threaten food security and food sovereignty, and even the survival of entire ecosystems. The conflict is not a mystery for communities from the Amazon to the Arctic struggling for their own futures, but this important report puts the pieces together for campaigners and the general public and makes it clear that better rules or practices are not enough; the entire extractivist economic model has to be turned around." Nnimmo Bassey, former Head of Friends of the Earth Africa, and now Director of HOMEAF, commented: "This is a timely report and a critical message - What will people drink when their water is contaminated? How will people live when their air is polluted, their trees are gone, and their farmland is but a poisoned wasteland? As people around the world stand together to say Yes to Life, No to Mining, this report is an important wake up call for us all."

REPORT SUMMARY

UnderMining Agriculture looks at the real impact of mining - from prospecting and operations through to closure - on agriculture, food production, soil fertility, fresh water systems, the air that we breathe, and our already challenged climate. Without healthy ecosystems there can be no healthy food. Without water there can be no life. The boom in mining and extractive industries continues to penetrate into the farthest reaches of our planet with devastating impacts. Mining is no longer taking place in isolated pockets of concentrated deposits. It has become so widespread that it threatens the integrity of ecosystems on our already fragile Earth. This report highlights how the accumulative effects of the boom in mining are already evident. The extraction of minerals, metals and fossil fuels, pollutes areas far wider than the actual mining sites and for many years after the closure of operations. And yet, governments promote mining and provide incentives, arguing that it is in the "national interest" and "contributes to economic growth", with little evidence of either.

There is also scant recognition of the true costs to the conditions of life for present and future generations of all species, including our own. We believe that enough minerals and metals have been mined already. If we use them responsibly - changing the way we design, make and sell products, closing the loop to ensure zero waste, and investing in a circular economy - we could supply enough energy for our needs, saving energy and using renewable energy, rather than subsidising the fossil fuel industry. UnderMining Agriculture shows that national priorities need to be re-evaluated, and governments and citizens need to protect the conditions of life for food production now and for generations to come. Agricultural lands and the water systems they depend on should be recognised as "no-go areas" for mining and extraction and critical ecosystems should be protected - as a matter of urgency.

UnderMining Healthy Food for a Growing Population

Local, small-scale farmers grow 70% of the food we eat on less than one-third of the agricultural land available. These farmers grow and develop a diversity of nutritious crops, using less land and water than the large-scale industrial food system, while also building up healthy soils that absorb soil carbon (as opposed to contributing to climate change, as industrial agriculture has been shown to do). Despite efforts to make the public believe otherwise, it is these small farmers that feed the world. And yet it is precisely these farmers - their land, water, livelihoods and capacity to produce food - that are being undermined for the extraction of minerals, metals and fossil fuels. Source: <http://www.gaiafoundation.org/news/undermining-agriculture>

CHINA PURSUES POTENTIAL INVESTMENT OPPORTUNITIES IN PNG

EMTV via PNG Mine Watch, September 20, 2014

Managing Director of the Mineral Resources Authority, Philip Samar, told participants during the seventh China International Nickel Industry Summit in China that PNG is diversifying its mineral base. Potential Chinese investors and financiers were given an insight into the mining investment

opportunities available in Papua New Guinea. He said diversification was critical for a mineral dependent country such as PNG. Papua New Guinea's diverse mineral base is a big attraction for investors abroad. The Chinese, in particular, have shown keen interest in this sector. This potential investment was once again reaffirmed during the 7th China International Nickel Industry Summit in Fuzhou, Fujian Province in China. Managing Director of the Mineral Resources Authority, Philip Samar, reassured Chinese investors and financiers of the opportunities available.

Projects that captured the attention of the participants were the Wowo Gap and Mambare nickel projects along the Owen Stanley Ranges. These are large projects that boast resources larger than Ramu. Papua New Guinea is the target after the two largest nickel exporters, Indonesia and Philippines, passed legislation restricting the export of nickel ore to China. The governments' efforts in promoting the exploration and mining sector were acknowledged during the conference. This included the review of the Mining Act 1992, the creation of a new tenements management system and the provision of new geological datasets through airborne geophysical surveys done on highly prospective areas in PNG. A delegation of 5 business houses from China will accompany the Fuzhou Department of Commerce next Tuesday for a visit to the MRA to further enquire on nickel prospects in the country.

Solomons Islands Bauxite Mining Lease Contested

Rennell landowners want project halted, Minister denies approval

By Alfred Sasako

HONIARA, Solomon Islands (Solomon Star, Sept. 19, 2014) – Mining Renbel's multi-million dollar bauxite deposit in West Rennell appears destined to the courts as angry landowners seek a High Court injunction to stop Asia Pacific Investment Development (APID) from doing any work on their land. At the same time the authenticity of a letter granting the mining lease to APID is under the microscope. The letter was purportedly signed by the Minister of Mines, Energy and Rural Electrification, Moses Gharu, who could not recall having signed such a letter. The chairman of the West Rennell Resources Lands Owners Association Trust Board (Incorporated), Jonathan Tohuika, confirmed he has instructed his lawyer to apply for a High Court injunction to stop APID from carrying out any work on their land. "I saw my lawyer this week and I am awaiting feedback from him," he said. In a letter to the Minerals Board, Mr Tohuika warned of "serious legal consequences and social chaos or unrest for the country" should the company, APID start work on the project.

"I hope you can recognise your Ministry has committed a serious mistake which might lead to a serious legal consequences and social chaos or unrest for the country," the letter dated 9th September said. "(I) hope your Ministry will be able to rectify your mistakes on this illegal mining lease and cancel their (APID's) Prospecting Licence as soon as possible," the two-page letter said. Meanwhile Minister Gharu said he could not clearly recall signing a letter which granted APID its licence. The letter was dated 5th September 2014. Mr Gharu was shown a copy of the letter. "I did sign some documents but I am not sure this is one of them," he said. The letter was dated 05th September 2014, the day MrGharu arrived back in the country after a medical visit to Australia. The same letter with the Minister's alleged signature appeared in the Island Sun newspaper as a Paid Notice on the same day. According to the letter, APID's Mining Lease is valid for 25 years "and may be renewed (subject to conditions) for a (further) 10-year period and unlimited number of times." "The lease may also be transferred, subject to written approval from the Mineral's Board," the letter said.

Deep sea gold rush is a 'game-changer', says Templeton's Land

By Atholl Simpson, citywire global, 19 September 2014

After years of negotiations and false starts the controversial deep sea mining initiative is close to a breakthrough after a deal was struck with Papua New Guinea. Canadian company Nautilus Minerals has entered a partnership with the country to start digging up areas of the seabed off its shoreline at a depth of 1,500 metres to extract ores of copper, gold and other precious metals. Mining expert Stephen Land of Franklin Templeton says the advances being made in this industry will prove significant for precious metal supply and for mining investors. 'It has the potential for real exploration and development upside compared with onshore areas where everything has been picked over fairly well,' says Land, who runs the Franklin Gold & Precious Metals fund alongside Fred Fromm. 'It's not to say there won't be new onshore discoveries but you are unlikely to find a whole systematic game-changer like this,' Land says.

Rising from the abyss

The United Nations' International Seabed Authority has now granted 30 exploration licences, most recently to state-owned and private companies from the UK, Germany, Brazil, Singapore and Russia, opening massive new regions of the ocean floor to potential development. In this race Nautilus Minerals, a company Land has been invested in for several years, is the closest to begin excavating. 'They are still a couple of years away from production but the advantage that these deep deposits have is that the grade is significantly higher. There is a lot more copper and gold per ton of rock, upwards of 10 or 20 times higher, than what we are chasing onshore at this point.'

'The other fascinating part is that we are operating often at over 2,000m of water depth and many of the onshore gold mines are working at 2,000m deep in the ground.' The challenges of using equipment at such depths are relatively similar for both types of operation, he says, and the oil and gas industry has already pioneered many techniques which the deep sea miners are using, such as remotely operated underwater vehicles (ROVs). 'But the real advantage to deep sea mining is you can come in, mine a relatively small area, get the best of the highest payback and move to another location. Onshore you have a deep shaft that is pretty much stuck there and you can only target the mineralisation around that shaft.'

Environmental impact

The major stumbling block for the development of deep sea mining over the past few decades has been its undisputed environmental impact. Numerous studies have been conducted to better understand the role the deep sea plays in our global environment and how mining could disrupt this. A recent report published in academic journal *Biogeosciences* on the importance of the deep ocean entitled 'Ecosystem function and services provided by the deep sea', says mining is a major threat to this fragile environment. The report stated that large mining machines may directly impact large swathes of the sea floor, including hydrothermal vents essential to deep sea life, and send up a sediment plume that could potentially affect an even larger area. Land is aware of the controversy surrounding these new projects but says companies like Nautilus Minerals have been working alongside environmental groups to limit their impact as much as possible. 'They are operating under a microscope but they have also done a good job of inviting the environmental groups out on the exploration runs and there have been a lot of partnerships with them.'

'There certainly are some unknowns that you tackle when you move into an area like deep water mining, but the environmental impact is actually very shallow, you are really just touching the surface material on the ocean floor. 'When you compare it to the risks that are present in the oil and gas industry you could argue they are considerably less.' The California-based manager also said deep sea mining offers an interesting trade-off to onshore projects including open air mega pits. 'It is very costly to move a lot of material from those water depths so they are really just targeting the

surface deposits. As a result the footprints of these deep sea mines are going to be very small, shallow pits within tightly constrained areas because the economics forces these companies to be very selective. ‘This compares very favourably with where the mining companies are heading onshore in the next 20 years. They are excavating giant pits chasing after very low grade material, removing tons and tons of waste using lots of water, exposing rock that has strange mineralisation with the potential of it leaking out into surface water. Sub-sea mining as an alternative has some real appeal.’

Some amazing facts from MRA on the importance of alluvial mining in PNG
 PNG Mine Watch, 19 September 2014

- 100,000 people involved in alluvial mining in PNG
- K300 million plus being earned by alluvial miners every year
- Potential to double production in 3-5 years
- Benefits include income, training, skills-development, employment, community education and health

Forget about mega foreign owned mining projects that destroy the environment bring violence and conflict to local communities and trample all over our Constitution, alluvial mining by local people on their own land provides a much better return. Alluvial mining is already transforming the lives of thousands of Papua New Guineans and does so in a way consistent with our own Constitution, our values and our development history. According to the Mineral Resource Authority there are alluvial mining operations in most part of mainland PNG and the Islands region.

Alluvial Mining in PNG

The first known alluvial mining occurred in the Milne Bay Islands in the late 1880s. In 1922, the first mining operation was started in Wau, Morobe Province, by William "Shark-Eye" Park and Jack Nettleton. In 1926, Wau became the hot spot for alluvial mining in PNG.

Wau/Bulolo area became famous for its significant dredging operations from the 1930s. Bulolo Gold Dredging began operations in Bulolo in 1932 and was responsible for the bulk of pre-World War 2 gold production—totalling about 40 tonnes.

Whilst there are no accurate records of recovered gold in those times, it is through the recent activities of the Small Scale Mining Branch

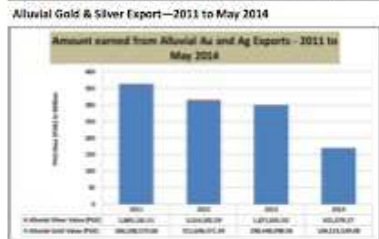
(SSMB) of MRA, whose accredited training centre is located in Wau, that we are aware of alluvial operations in most parts of mainland PNG and its island regions.

SSMB's outreach programme to date visited 28 active alluvial areas throughout PNG and SSMB has certified over 3000 alluvial miners over the last few years. There are reputed to be over 100,000 persons involved in alluvial mining across the country.

Alluvial gold and silver export figures since 2011 are shown in the graphs:

These figures demonstrate, that with greater coordination and community support, more robust regulation, compliance and enforcement, settlement and approval of outstanding conversion tenements, availability of finance, professional joint venture arrangements, suitable mechanised equipment and sustainable mining methods, the alluvial sector could double production and earnings within the next 3-5 years and treble those within the next decade.

Through the provisions of the Mining Act 1992 the sector provides direct access to the alluvial mineral resource for local landowners and PNG citizens in the appropriate environment. In turn providing opportunity for supplementary income, training and skills development, employment and the advancement of community education and health through the revenue raised.



Earnings from Alluvial Gold & Silver Export—2011 to May 2014

Ramu Nickel doing 'local' census

The National, September 19th 2014

A team from Ramu NiCo's community affairs department has been visiting remote villages of the project areas to conduct population census survey, the miner says. Earlier this month, officials were divided into three groups who covered the Kurumbukari, inland pipeline in the Usino-Bundi district and coastal pipeline to Basamuk in the Rai Coast district. Community affairs officer RobonLani said the survey was aimed at assisting Ramu NiCo in obtaining its raw data on the number of people in the impacted area of the Ramu project. He said the information would be utilised later in planning as well to assist the Mineral Resources Authority plan projects to benefit the people in the mine impacted communities. Lani said the number of villagers helped with the census team in supplying clan listings, in return requested for more agriculture projects in their community.

PNG faces significant challenges

The National, 17th of September, 2014

By SHIRLEY MAULUDU

WITH the economy expected to grow between 20-22% next year, there are significant challenges that should be expected as well, ANZ Asia-Pacific chief economist Glen Maguire said. "Next year will be forty-years since Papua New Guinea gained independence and it will be the year the country grows at the fastest rate than it ever has around 21-22%. "That will probably be the fastest growth any emerging economy has recorded over the past 30-40 years." "It certainly is going to be an outstanding achievement and a growth rate like that will certainly be attracting the attention of off-shore investors and those wanting to do business in Papua New Guinea," Maguire said. Speaking during a summit in Port Moresby recently, he however added that "significant challenges, of the growth, a lot of the income from that is not being generated or sticking within the economy".

"There is a workforce that has become highly up-skilled in the mining and energy extraction sector that will probably need to be re-skilled or growth needs to be transitioned to other sectors of the economy." Maguire said there were problems and issues in financial markets as well. "Perhaps there is too much liquidity in the markets at the moment and a shortage of dollar liquidity. "There are important transitions which need to be made in the Niugini economy even as it is recording the strongest growth rates ever." He said with Papua New Guinea being said to be the last frontier, there were risks and challenges involved as well. "The word frontier has out-sized opportunities and it has out-sized challenges. "When I look at Papua New Guinea in the context of what is happening in the global economy, I see both those dynamics are occurring," Maguire said.

Sir Mekere: Claims of misuse false

The National, 17th of September, 2014

CHAIRMAN of PNG Sustainable Development Program Ltd Sir Mekere Morauta says allegations by Prime Minister Peter O'Neill that the company was drawing down on the Long Term Fund are false. "There is today slightly more than US\$1.3 billion (K3.21bn) in the Long Term Fund," he said. "That amount will be available to future generations of the people of Western. "The Long Term Fund, which is invested around the world in low-risk investments, is safe and secure. "It was set up so the people of Western would have a source of sustainable development funding for future generations, and that is the way it will stay." Sir Mekere said the investments in the Long Term Fund generated returns, which were providing income to PNGSDP to pay for its operational expenses. He added this was permitted under the company's Program Rules. "Using the income is different from using the capital of the Long Term Fund," Sir Mekere said. "PNGSDP has never with-

drawn capital from the Long Term Fund to pay for operational expenditure. That is not permitted under the company's Program Rules.

“PNGSDP has always operated in accordance with its Program Rules and will continue to do so.” Sir Mekere said the company used to pay for its operating expenses from the dividends that it received from its shares in Ok Tedi. “But last September, O’Neill unlawfully expropriated PNGSDP’s 63.4% shareholding in Ok Tedi, and Ok Tedi has not paid a dividend to the company since November 2012,” he said. The Prime Minister’s Office responded in a statement yesterday saying: “There are serious concerns that persons involved are representing foreign interest and creating jobs for themselves and their mates at the expense of our people. “We will allow the courts in Singapore to establish the truth. “Sir Mekere should be ashamed that the people of Western are dying while he is worried about his pride and ego. “The Prime Minister’s Office does not wish to further debate with persons who are not mandated to manage funds on people’s behalf.”

PNG Mining Representative Seeks Chinese Nickel Investment

Mineral Resources Authority looks to diversify mineral exploitation

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Sept. 17, 2014) – Potential Chinese investors and financiers were given an insight into mining investment opportunities available in Papua New Guinea especially PNG’s efforts to diversify the country’s mineral base. Managing Director of the Mineral Resources Authority (MRA) Philip Samar in his presentation at the 7th China International Nickel Industry Summit in Fuzhou, Fujian province in China, told participants that PNG was intensifying efforts to diversifying its mineral base and that investment in other minerals other than gold, copper and silver was encouraged. He said diversification was critical for a mineral dependent country such as PNG given the volatile mineral price shifts witnessed recently and in the event of a down-turn in world commodity prices for copper and gold, you could still have other minerals to maintain the revenue flows into the country.

Mr Samar told participants that PNG had world class nickel/cobalt exploration projects some of which needed financing and capital investment in order for these projects to be advanced to the next stage of development. Wowo Gap and Mambare nickel projects along the Owen Stanley Ranges are large projects that boast resources larger than Ramu. These two projects were highlights which captured the attention of participants at the conference. Other known nickel occurrences around the country were also highlighted. Papua New Guinea was the spotlight of the conference given the fact that the 2 largest nickel exporters, Indonesia and the Philippines, were both passing legislation restricting the export of nickel ore to China and therefore PNG was being targeted as the next supplier of nickel ore to the region particularly China.

The conference acknowledged the significant developments to date in the maturity of both the industry and the overall government efforts in promoting the exploration and mining sector. These include the review of the Mining Act 1992, the creation of the new tenements management system and the provision of new geological datasets through the airborne geophysical surveys that has been done on highly prospective areas of PNG. As a result of the conference, the Fuzhou Department of Commerce will be visiting the MRA next week Tuesday with a delegation of 5 business houses to further enquire on the prospects of taking up nickel prospects in the country. The MRA delegation also held a number of meetings on the side lines of the conference with potential investors and financiers including a meeting organized by the China Development Bank (CDB) and the Fujian provincial government’s department of commerce. This meeting was attended by more than 12 Chinese companies interested in seeking out further exploration and mining opportunities in the country.

Bougainville report details worries over mining resumption

Originally aired on Dateline Pacific, Radio New Zealand, 17 September 2014

Voices of Bougainville lays out the concerns of villagers from around the Panguna mine to any return to large scale mining.

A new report says the villagers living around the Panguna mine in Papua New Guinea's Bougainville want the Government to consider other options to mining. The ABG has its hopes set on a resumption of mining, especially a re-opening of the huge Panguna mine, to kick start the economy ahead of the vote on possible independence due by 2020. It has passed new legislation to give greater control of resources to local communities, but the NGO, Jubilee Australia, says mining is a long way from being viewed positively in Panguna communities. In an extensive report, called Voices of Bougainville, the Australian based research and reform advocate says the people remain adamantly opposed to the Panguna mine opening any time soon. Its chief executive, Brynnie Goodwill, says 17 years after fighting ended the people in villages in Panguna remain stressed and traumatised.

BRYNNIE GOODWILL: These issues still need addressing, certainly the issues prevailing since the war regarding the responsibility of Bougainville Copper Ltd, the PNG Government and Australia government in that war which has not been addressed.

DON WISEMAN: Now the government though, the Autonomous Bougainville Government, wants mining. It sees mining as the solution in terms of having an economy that's starting to become viable by the time it gets to the period where it's got to have its vote on possible independence. I don't think they anticipate mining itself happening, but it's the preliminary work getting underway and bringing money into the economy. But the people of Panguna say that's not on?

BG: Let me just say straight away, Jubilee has no opinion one way or the other. It's not really our business, it's the community's business to drive what is the appropriate form forward. I could understand why it would be easy for a government to think that this would be a quick solution or a good solution. I think that what has been loudly said by the Panguna communities is that other opportunities need to be explored that are alternatives to mining or potentially other ways of doing mining, smaller scale mining. All of these issues are concerns by people that have not been investigated, that the promises of large scale mining, certainly historically, have not been delivered. And I think there is grave concern too about what this might mean in terms of disruption of communities, what mining may look like in the 20-teens as opposed to the 1960s, 70s and 80s. It's a very different kind of operation than the kind of operation that happened before.

DW: It's presumably going to be a whole lot cleaner and a whole lot more transparent about just what is going on. We also know that the local people will benefit more. At least this is how the government sees it. But that's not going to satisfy the people.

BG: Not sure just about the cleaner etc., I think there's concern that there would be very little employment locally, I think that there's a feeling that it would be almost like a locked community, I think with other projects in PNG they come with security forces. I'm not saying that this is what's happening but I know these concerns have been raised. So I don't think there's enough knowledge and understanding about what actually this mining operation would involve. This is what has been picked up in the report. There is grave concern that it could only lead to more disruption for the community and more violence. So I think what the Pangunan communities are saying is that many more issues need to be addressed first and foremost and many more discussions have to be had so that there's not the feeling that is pervading that again the appropriate discussions have not been had about the real issues.

DW: Would they ever agree to mining do you think?

BG: Oh gosh (laughs), how long is a piece of string. Currently there is near unanimity among the Pangunans that they do not want mining in their region. And there's even been calls for ecotourism to show what mining looks like. That hole is 4km long, and 2km wide and half a km deep. I can't speak for the Pangunan community, that would be wrong. And I don't know, after issues of reconciliation, and some of the other calls that have been asked for in terms of accountability, whether

there would be any shift, that's something that's way beyond my understanding and I wouldn't project an answer on that.

DW: We've known for a long time about the traumas experienced in the war and we know as well that significant efforts are being made to try and help people, but is enough being done in this area?

BG: I think that there's strong issues again of trauma that have to be addressed, there have been some aspects of reconciliation of Bougainvilleans among Bougainvilleans, Panguna has still been closed off, so those efforts have not reached people in Panguna and again it has not gone beyond Bougainvilleans. So it's not been a case where the company has stepped forward or either government of Australia or PNG according to the Pangunans who were on the ground, have deep understanding of what occurred during the war and what occurred has not been acknowledged publicly.

DW: The report, voices of Bougainville, it's very comprehensive, it must have taken quite a while to put together, and there are a lot of people involved it would seem.

BG: Yes, well we had researchers on the ground who walked lots and lots and lots of kilometres to reach the different villages and then there was a strong research team that was involved and after those interviews were translated from languages into English then the information was compiled in such a way. And there is a group of academics and experts internationally who have been working with Jubilee on the project.

DW: The implication there being that the government and the work it has been doing, it's been doing consultation, but their consultation has not been as thorough.

BG: Look I think consultation is a very important topic. I think the tricky thing about consultation what we found is that in this report 65 people were interviewed individually and one group insisted on staying together and it was done in a group of 17. From our research in Panguna, people are hesitant to speak out from our understanding about some of our information forums. One Bougainvillean commented to us that it seemed that there were certain questions that were asked and there wasn't a formula to depart from. So with all respect to consultation processes, and they are quite complex, this report was very locally driven in the sense that there wasn't an expectation, there wasn't a format imposed, there were questions that were asked, but there was an opportunity for people individually interviewed to weave and discuss and raise issues that they wanted to raise. I wasn't a part of the other consultations but I think there is suspicion, especially because there hasn't been this process of reconciliation, that if the Australian government were involved in the consultation process but has not yet essentially come clean in terms of what again locals have advised, that there is suspicion about their role completely and this whole process. So with that perception, it's awkward for people to speak up or to be able to drive their own outcomes in a process consultation.

People Around Bougainville Mine Site Oppose Reopening Panguna

Report finds continued bitterness, stress, trauma from civil war

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 17, 2014) – Bougainvilleans living around the huge Panguna mine site remain strongly opposed to a resumption of large scale mining. And the Pangunans remain bitter about the role of the Australian multi national Rio Tinto in the civil war in the autonomous Papua New Guinea province. These are among the findings in a report called “Voices of Bougainville”, a record of the views of villagers around the mine, compiled by Jubilee Australia. The Panguna mine, run by a subsidiary of Rio Tinto, Bougainville Copper Ltd, was shut down by the landowners in 1989. The chief executive of Jubilee Australia, Brynnie Goodwill, says people remain stressed and traumatised because of the subsequent civil war and these issues must be addressed. "I think that what has been loudly said by the Pangunan communities is that other opportunities need to be explored that are alternatives to mining, or potentially other ways of doing mining - smaller scale mining. All these issues are the concerns of people that have not been investigated," says Goodwill.

Wafi-Golpu costs come down

Barry FitzGerald, The Australian, September 17, 2014

SOUTH Africa's Harmony Gold has tipped that the cost for stage one of the Wafi-Golpu gold and copper project in Papua New Guinea would be "dramatically less" than the \$US4.8 billion suggested in the original preliminary feasibility study into the project's development. Wafi-Golpu is a 50:50 joint venture between Melbourne-based Newcrest and Harmony, with the pair planning to release an updated pre-feasibility study on the project before the end of the year. The original PFS, released in 2012, spooked investors because of the size of investment required to get the project into production. Apart from the upfront cost of \$US4.8bn, the original PFS pointed to life-of-mine capital costs of more than \$US9bn. Speaking at the Denver Gold Forum this week, Harmony chief executive Graham Briggs said the new PFS was almost done. "It will go through a gate-keeping process and then we will be able to talk about the capital, but it will be far more achievable," he said of the first-stage development. Once it was released, it would be clear that funding the development by the companies — both of which have come under balance sheet pressure from last year's collapse in the gold price — will not be an issue. Wafi is a 7.2 million ounce gold resource that sits adjacent to the Golpu deposit, a world-class resource of 20.3m ounces of gold and 9m tonnes of copper.

Opposition to Bougainville's Panguna mine 'higher than media suggest'

Survey, to be launched in Australian parliament, finds 'near universal' opposition to reopening of Panguna mine

Helen Davidson, theguardian.com, 15 September 2014



Panguna mine, shut down after Bougainvillians fought decade-long civil war. Photograph: Ilya Gridneff/AAP Image

A survey of Bougainville villagers has revealed strong opposition to the proposed reopening of the mine which was at the centre of the island's decade-long civil war. Media reports had suggested there was support for the Panguna copper and gold mine as a source of national revenue, with a referendum looming on the island's independence from Papua New Guinea. The mine has been closed since 1989. The Jubilee Australia research foundation conducted the survey in 10 villages or hamlets around the Panguna mine at the end of 2013, and found "near universal" opposition to the reopening, as well as unhappiness and mistrust of the consultation process. The mine – majority owned by Rio Tinto's Bougainville Copper Limited (BCL) – has been central to Bougainville's economy since the 1970s, but dissatisfaction with the way it was run and its environmental and social effects escalated into a civil war between 1988 and 1998.

It's estimated as many as 15,000 people died by the time of the 2001 peace agreement, which included a deferred referendum for full independence, scheduled to occur between 2015 and 2020. The Jubilee report, *Voices of Bougainville*, found continued resentment and mistrust of the PNG defence forces, Australia and BCL because of their roles in the conflict, and that this has led to mistrust of discussions around reopening the mine. The report found a "sizable majority" of respondents felt that lasting peace had not been restored, despite an end to the violence. Smaller groups felt the peace process was an initiative to serve the needs of Australia or Papua New Guinea. Respondents were also "deeply critical" of recent consultations about the mine, which they said had not fully included affected communities and certain demographics such as young people, women and elders. "Others felt that there had been misleading statements in the media about the enthusiasm of Panguna residents for the mine reopening, and about what the reopening would mean," the report said. "We've been getting such a strong message from the media, but hearing things on the ground was quite different," Jubilee's chairman, Luke Fletcher, told *Guardian Australia*.

Fletcher conceded there was always the chance of self-censorship among respondents, and that the surveyed villages still had some connection to the Bougainville Revolutionary Army, but said the research was strong. "I think we felt that the results are so clear that even if there has been a bit of self-censorship the picture we've got is certainly enough to question the main narrative." Fletcher suggested particular groups were pushing for an early referendum and this was likely to be linked to discussions around reopening the mine. "Our feeling is that this urgency is one of the reasons why there is some pressure being placed on landowners to make a decision quickly," Fletcher said. "Once Bougainville gets its independence, Bougainvillians might have more of a say in their future," he said. "It seems plausible to see the push to get an agreement in before the referendum as a push for certainty, both for people in Bougainville as well as outside interest groups, for example BCL." The Greens leader, Christine Milne, Labor MP Melissa Parke and independent MP Cathy McGowan will launch the *Voices of Bougainville* report in parliament next month.

Milne said it was "increasingly apparent" that Australian mining companies were not consulting local communities, that they were "making deals" with governments and that as a result local people had suffered. "The civil war in Bougainville should really remain very front and centre in people's minds, because there is no doubt that the mine was front and centre to that whole war erupting," she told *Guardian Australia*. "It's pretty apparent the local community don't want it, they see the environmental impacts and the social impacts, they don't trust that they would ever see any benefit from the mine, because they haven't in the past." In August, Rio Tinto announced it would be reviewing its options in BCL after the Bougainville parliament passed a bill stripping the company of seven exploration licenses and its special mining lease for Panguna. BCL chairman Peter Taylor told the ABC the legislation was confusing and described it as a setback. "It may be that Rio Tinto decides to pursue its investment, it may not, but I can't speculate." Bougainville president John Momis said the legislation gave BCL the first right of refusal on the mining licence, but no more. "If we didn't [cancel the licences], the landowners and the ex-combatants wouldn't have allowed BCL to come back," Momis told ABC.

Report: <https://ramumine.files.wordpress.com/2014/09/jubileeaustralia2014voicesofbougainville.pdf>

Developer

Post-Courier, September 15, 2014

BY JEFFREY ELAPA THE denial of toxin mine disposal into the Porgera and Strickland river system by Barrick country executive director Dr Illa Temu is a "corporate denial" to the suffering silent majority, Lagaip-Porgera MP Nixon Mangape said. Mr Mangape earlier raised concerns that the operations of the Porgera Gold Mine has affected the lives of people living along the Porgera, the Strickland and the Fly River riverine system with its waste disposal for the last 25 years of operati-

on. He said that the developer should bear the blame for the loss of lives and other diseases unknown to the people that lived in that isolated parts of the country that have lived happily with their environment for years before the mine. However Barrick's country chief executive Dr Illa refuted the MP's claims that there was no substance to prove the Porgera Gold Mine was responsible for the environmental damage affecting the lives of the people including the marine life like fish.

Mr Mangape said the company should not deny the indigenous population directly affected by the contamination of the river system, the lifeline of the indigenous people who lived happily with their environment that provide their necessities. "It is true that the operation of the Porgera Gold mine is the main cause of all the health and environmental issues faced by the people living downstream including the Fly river. The environmental report engaged by Barrick is not transparent as it was totally funded and supported by the company. The report was not even made public. "An independent report should confirm and I have to speak based on substantial independent reports and evidence. The Government had never engaged any of its officers from the Department of Environment and Conservation to monitor and assess the level of damages to the people and environment. As a mandated leader I have to raise the concern for government attention for the benefit of my people," he said.

The MP said the substantial disposal of chemical containing ore that are dumped into the river system has resulted in the build up of sediments loading of 8 million tonnes annually. He added that the mine has two erodible dump areas where soft rocks are dumped and the high amount of local rainfall gradually washes the chemicals into the river system. He said the increase of sediment is hard to quantify but it is estimated to be between the range of 4-6 million tonnes per year. "My primary concern of pollution is not the amount of sediment but the toxicity of the trailing that contains significant amount of cyanide, mercury and other heavy elements that are dangerous to lives of plants, animals and the human life. It is an act of genocide," he said. He said in February 2009, Norway's finance ministry announced that the government Pension Fund of Finance of Norway excluded Barrick Gold from its investment due to the severe environmental damage caused by Porgera Gold Mine, adding that the company's riverine disposal is in breach of international norms. Therefore the company's denial is misleading and bias to cover-up its evil doing to the indigenous lives and people and therefore the company should have some corporate responsibility to the indigenous lives and environment.

Mekere: PM's allegations on PNGSDP funds is false

Post-Courier, September 15, 2014

The chairman of PNG Sustainable Development Program Ltd, Sir Mekere Morauta, said today that allegations by the Prime Minister that the company was drawing down on the Long Term Fund were false. Mekere said today slightly more than \$US1.3 billion in the Long Term Fund will be available to future generations of the people of Western Province. "The Long Term Fund, which is invested around the world in low-risk investments, is safe and secure and it was set up so that the people of Western Province would have a source of sustainable development funding for future generations, and that is the way it will stay," Mekere said. The investments in the Long Term Fund generate returns, which are providing income to PNGSDP to pay for its operational expenses and this is expressly permitted under rule 9.3(a) of the company's Program Rules. "Using the income is different from using the capital of the Long Term Fund, and PNGSDP has never withdrawn capital from the Long Term Fund to pay for operational expenditure," Mekere said.

He said that is not permitted under the company's Program Rules because PNGSDP has always operated in accordance with its Program Rules and will continue to do so. Mekere stated that none of the investments in the Long Term Fund, including income-producing investments such as stocks

and bonds, are being sold for the purpose of funding operating expenses. "They remain in the Long Term Fund where they continue to be managed by professional fund managers," said Mekere as he response to PM's allegations. Mekere said the company used to pay for its operating expenses from the dividends that it received from its shares in Ok Tedi, but in September last year the Prime Minister unlawfully expropriated PNGSDP's 63.4 percent shareholding in Ok Tedi, and Ok Tedi has not paid a dividend to the company since November 2012. Mekere explained that PNGSDP had relied on the distribution of OTML dividends (which has now ceased) for operating expenses - and for the funding of Western Province projects.

He said the company needs funding to continue operating and to fight the legal cases necessary to prevent the Prime Minister from getting his hands on the Long Term Fund, and to win the return of the company's shares in Ok Tedi, therefore PNGSDP is now using investment income, as expressly permitted under Rule 9.3(a). "It is seeking to ensure that the Long Term Fund does not fall into the wrong hands, leaving the people of Western Province with nothing and the return of its shareholding in Ok Tedi so future dividends can be used to resume development project spending in Western Province," said Mekere. He stated that the stream of misinformation, half-truths and spin from the Prime Minister and the Attorney-General demonstrates the increasing desperation of the State. PNGSDP is confident that it will win its court cases. "The only effect of the Prime Minister's unlawful expropriation of PNGSDP has been to harm the people of Western province by causing development projects to cease," Mekere said. He urged that the State should be working for Western Province, with PNGSDP, rather than against both of us.

Mekere rebuts claims by PM on funds withdrawal

Post-Courier, September 15, 2014

CLAIMS by the Prime Minister Peter O'Neill that PNG Sustainable Development Program executives are drawing down on the Long Term Fund are false, board chairman Sir Mekere Morauta said. "There is today slightly more than \$US1.3 billion (K3.27bn) in the Long Term Fund. That amount will be available to future generations of the people of Western Province," Sir Mekere said in a statement yesterday. "The Long Term Fund, which is invested around the world in low-risk investments, is safe and secure. It was set up so that the people of Western Province would have a source of sustainable development funding for future generations, and that is the way it will stay." The Prime Minister's Office in a short response said "There are serious concerns that persons involved are representing foreign interest and creating jobs for themselves and their mates at the expense of our people. "We will allow the Courts in Singapore to establish the truth.

"Sir Mekere should be ashamed that the people of Western Province are dying while he is worried about his pride and ego. "The Office of the Prime Minister does not wish to further debate persons who are not mandated to manage funds on people's behalf. Sir Mekere had stated in a statement that the investments in the Long Term Fund generate returns, which are providing income to PNGSDP to pay for its operational expenses which is permitted under rule 9.3(a) of the company's Program Rules. "Using the income is different from using the capital of the Long Term Fund," Sir Mekere said. He said PNGSDP had never withdrawn capital from the Long Term Fund to pay for operational expenditure."

"That is not permitted under the company's Program Rules. PNGSDP has always operated in accordance with its Program Rules and will continue to do so." Sir Mekere said none of the investments in the Long Term Fund, including income-producing investments such as stocks and bonds, were being sold for the purpose of funding operating expenses. "They remain in the Long Term Fund where they continue to be managed by professional fund managers." He said the company used to pay for its operating expenses from the dividends that it received from its shares in Ok Tedi

but in September last year the Prime Minister unlawfully expropriated PNGSDP's 63.4 per cent shareholding in Ok Tedi, and Ok Tedi has not paid a dividend to the company since November 2012.

Letter to the editor

Lesson learnt from damage to Fly River

The National, 12th of September, 2014

I REFER to the front page story regarding Minister for Environment and Conservation John Pundari's statement and the irreversible damage to Fly River (Aug 28). Let me express the sentiments of the people of the entire Western province that we are outraged and angered by such statements by Pundari, who was a former mining minister. During his time, he failed to do anything to rectify the damage done to Fly River and its tributaries throughout the province. His statements provided no alternatives to remedy or minimise further damage to the environment. Every mining minister should also be condemned for their inaction. Past governments and prime ministers had the opportunity to put a firm and sustainable policy in place to minimise damage to the river using advanced technology. All of them must be held accountable and such irresponsible actions by any executive government will never be forgiven by the people.

Obviously, the government was negotiating with BHP then and made tough decisions to accept monetary benefits at the expense of the environment. Had it taken a balanced approach, Fly River and its surrounding environment would not have been compromised. What can the government, via the PNGSDP, now do for the people of Western? The people have learnt hard lessons from the Ok Tedi mine operations and are partly to blame for accepting the package, some more than others. Mining for minerals is damaging to the environment, especially waterways. Nature cannot be replaced or repaired because once the damage is done, it is permanent. We prefer no further mining in the province, but to concentrate on our vast oil and gas resources which cause minimal environmental damage. As for the long-term fund in Singapore, which has yet to be sorted out, it belongs to Western and nobody else. The Patriot, Western

Letter to the editor

Barrick response to Porgera Lagaip MP

The National, 12th of September, 2014

I WRITE in response to comments made by the Member for Porgera Lagaip, Han. Nixon Mangape, published on Friday 29 August. Mr Mangape has claimed that the operation of the Porgera Mine has impacted on the health of the Fly River and that the fish in Lake Murray are "gone". I would like to assure your readers that these claims by Mr Mangape are incorrect. The Member's claims are contradicted by data collected through the extensive monitoring of the Lagaip and Strickland River systems that is undertaken as part of the environmental permits that apply to the mine. It is a strict Government requirement that the mine undertakes regular monitoring at a number of key sites along the Lagaip and Strickland Rivers to ensure that water quality and river health is not unduly impacted by the operations of the mine. Government officers often accompany the monitoring teams and also conduct their own independent sampling to verify the results.

The mine has never failed to comply with its monitoring requirements. This monitoring, which is independently reviewed each year by the Australian Government's Commonwealth Scientific and Industrial Research Organization (the "CSIRO"), has consistently shown the following findings:

There have been no new riverine impacts since the start of mining operations at Porgera. There has been no change to the sediment levels of the Lagaip and Strickland over the 25 years of monitoring to date; There has been no change to fish biodiversity in either river system and fish and prawns sourced from these areas remain perfectly safe for human consumption. I would be pleased to provide the Member for Porgera Lagaip with a detailed briefing on the environmental monitoring and data relating to the mine, so that he can be reassured that the Porgera Mine is not having the impact that he claims. Ila Temu, Country Executive, Director, Barrick PNG

Tonga passes Act to regulate seabed minerals exploration and mining

Matangi Tonga, September 11, 2014

Nuku'alofa, Tonga. Parliament has passed a Seabed Minerals Act 2014, an act that regulates mineral exploration and potential mining in Tongan waters. Tonga currently has no mining industry as the Kingdom has yet to discover mineral resources such as oil or precious metals. Past oil explorations have been made, but without success. Recently however, three mineral exploration companies (KORDI, Blue Water Metal, Nautilus Minerals Tonga) were licensed to explore Tongan waters. The companies were prospecting for metals such as Gold, Cobalt, and Copper. Any significant discovery of metal resources has yet to be announced.

Act

One of the objectives stated in the Act was “to secure economic development of the Kingdom through the development of its Seabed Mineral sector;” The Act establishes a “regulatory system and designates a responsible Authority to license, monitor and manage the Kingdom’s involvement with Seabed Mineral Activities;”. The responsible Authority designated in the act is “the Tonga Seabed Minerals Authority”. Failures to abide by the authority can result in large fines. For example, a fine not exceeding \$150,000 is in place for anyone who supplies false or misleading information to the authority. Other offences include a fine not exceeding \$1,000,000 for anyone who engages “in any Seabed Mineral Activities unless, and only insofar as, authorised to do so under a Title issued under this Act.” The Act was passed by the Legislature on 23 July and enacted on 25 August 2014. The prospect of deep sea mining in Tonga, however, is questionable. Globally, seabed mining for metals is rare and largely considered to be unviable because of the immense challenges and costs of mining at deep sea.

Increased Violence at Barrick’s Porgera Mine: Indigenous Ipili send Envoy from Papua New Guinea to Canada MiningWatch Canada, September 11, 2014

(Ottawa, September 11, 2014) Barrick Gold’s Porgera Joint Venture Mine in Papua New Guinea (PNG) has long been associated with extreme violence against local men and women by mine security and state police associated with the mine. The level of human rights abuses at the mine has spiked again this year. In April, combined state police and army units were once again “called out” to Porgera by the PNG government to deal with Barrick’s ongoing inability to stop local people displaced by the mine from entering the pit and the mine’s massive uncontained waste flows in a desperate attempt to eke out a living from residual gold. In June, MiningWatch Canada reported on the burning down of houses of the Tiene clan of the village of Wingima, adjacent to the mine, and associated human rights abuses such as the reported rape of local women by state police. This was a repeat of a similar mass burning of houses of the Tiene and other clans living near the mine by state police in 2009, reported on by MiningWatch and documented by Amnesty International.

In July, 26-year old Wasato Kaipas was the victim of “murder” by “mine security guards” according to the Royal Papua New Guinea Constabulary Crime Report. The report says he was “shot in

the head to die instantly while he tried to run away from inside Barrick PNG's mine site." "How many more of our women will be raped, and our men shot dead, and our houses burned down, before Barrick finally does what we have been asking for, for years now?" asks Jethro Tulin of the Porgera grassroots human rights organization Porgera Alliance. "Barrick needs to resettle the people out of the Special Mine Lease area so that they no longer have to live around the pit and amidst the mine's hazardous waste."

"Barrick's response to years of reported gross violations of human rights by its mine security in Porgera has been to pay consultants such as Business for Social Responsibility and Fund for Peace for proprietary reports and advice, and to bring in Avanzar LLP to conduct internal risk-based human rights assessments," says Catherine Coumans of MiningWatch Canada. "While these human rights assessments extract information from local people, they are not available to the very people who are suffering human rights abuses by the mine, and the human rights abuses continue unabated."

Country benefiting from region's growth

The National, September 11th, 2014

PAPUA New Guinea has benefitted tremendously from the region's rise in the global economy. The country now is undergoing a remarkable 13 straight years of economic expansion, Asian Development Bank vice-president Lakshmi Venkatachalam said. She said the economy was expanding with an average GDP growth of just under 6% per annum. "In recent decades, PNG has benefitted tremendously from the region's rise in the global economy. Regional demand has encouraged foreign investment and driven up prices for PNG's key commodity exports," Venkatachalam said. "This has stimulated output, boosted government revenues, and buffered the economy against recent global economic shocks. Export revenues have increased three-fold since 2000. "PNG has now undergone a remarkable 13 straight years of economic expansion – averaging GDP growth of just under 6% per annum." Venkatachalam said while the country had found itself in a conducive regional economic environment, aided in no small way by natural resources, ADB recognised that PNG's growth had been made possible by better government policies.

"ADB strongly supports the improved monetary and fiscal policies that PNG has adopted over the last decade to create macro-economic stability. Venkatachalam said ADB had assisted in important structural reforms in financial services, SME finance, aviation, privatisation of telecommunications and regulatory reforms. "These reforms have boosted business investment and enabled initial progress towards economic diversification and thus pave the way for private sector development as a corner stone of a successful inclusive growth strategy. She said the expected level of PNG's central government debt-to-GDP ratio was about 37% in this year, exceeding the government's own medium term debt strategy (2013-2017) ceiling of 35%. "Moreover, when one includes unpaid superannuation arrears, financing of the government's equity stake in the PNG-LNG project, and public enterprise debt, the debt to GDP ratio rises to around 63.5%."

Changes on Mining Act almost complete

The National, September 10th, 2014

THE proposed changes to the Mining Act 1992 are well on target and a draft will soon be presented to the National Executive Council for its deliberation. A state working group, comprised of senior officials from the Department of Mineral Policy & Geohazards Management and Mineral Resources Authority (MRA) in consultation with Industry Working Group and PNG Chamber of Mines and Petroleum, are currently working on the necessary amendments. In a consultative meeting on Friday

attended by MRA boss Philip Samar and Greg Alexander from the Chamber of Mines and Petroleum at MRA Haus in Port Moresby, the respective groups informed Mining Minister, Byron Chan that the revised Mining Act policy was in draft stage and had considerable progress. The World Bank sponsored mining review looks at reviewing key areas of the long overdue 1992 Mining Act following wide regional consultations in 2013 by the DMPGM which includes:

- Mining Act regulations;
- Mining (safety) Act regulations;
- sustainable mining development policy;
- involuntary resettlement policy;
- mine closure policy; and,
- Geothermal & off-shore mining policy

Both working groups have discussed that all policies will be concluded in October and by November the Mining Minister will take it to NEC for endorsement and eventually the amended Mining Act will be table in February 2015. However, they noted that more time should be given so that the working teams look into the specifics of three policies mainly geothermal, sustainable mining and involuntary resettlement policies. Chan, who was present at the meeting, thanked the State and the industry team thus, extending the time for another month. “The Mining Act is a very sensitive issue that needs more time to really furnish the policies so that by 2015, we will have a globally competitive mineral policy and legislative framework,” he said.

Stanley gas project: Talisman, landowners meet

The National, September 10th, 2014

A meeting on way forward for Stanley gas project in Western held between operator, Talisman and all key landowners in Kiunga recently was hailed a success. Talisman’s team was led by its PNG operations and development manager Mike Fox and PNG community affairs manager Robin Moaina, with assistance from commercial adviser Miranda Murray. The company was pleased to bring together landowner representatives for first time since the project’s development forum four months ago, to discuss issues of mutual benefit to all stakeholders in the project. Prime Minister Peter O’Neill recently affirmed Talisman’s role as operator of the project, which has a 25-year life span and is first of its kind in the province. During the meeting, Talisman representatives outlined the company’s early works programme for the project and plan to conduct personnel skills and landowner company (lanco) capability assessments. Talisman intends to engage UK based Orion Group (Orion) and Port Moresby-based Institute of Banking and Business Management (IBBM) to conduct assessments and to provide capacity building support to lanco where required. The landowner representatives from each of the PDL wellhead, buffer zone, pipeline, storage facility areas as well as women leaders, agreed and expressed satisfaction that Talisman is now new operator.

Maritimer Bergbau. Raubbau in der Tiefe?!

von Claudia Härterich, Netzwerk Arbeitskreis Rohstoffe Newsletter 6, 9. September 2014

Blue Atlantis, MIDAS, ROV Kiel 6000 – diese Begriffe, die klingen als seien sie einem Science Fiction Roman entnommen, sind die Schlagworte der deutschen und europäischen Pläne zur Förderung von mineralischen Rohstoffen auf dem Grund der Weltmeere. Bereits 2016 könnten diese Pläne Realität werden. Denn in diesem Jahr wird die *International Seabed Authority* (ISA), die Verwalterin der Meeresböden der Tiefsee, erstmals darüber entscheiden, welche Staaten Förderlizenzen für den Rohstoffabbau in den internationalen Gewässern erhalten. Bis dahin hat sie noch viel zu tun,

denn die gesetzlichen Rahmenbedingungen für den marinen Bergbau müssen erst noch geschaffen werden. Von Februar bis Mai 2014 führte die Behörde zu diesem Zweck eine Konsultation durch, bei der am Tiefseebergbau interessierte staatliche und privatwirtschaftliche Akteure dazu aufgefordert waren Stellungnahmen zur Frage der Ausgestaltung dieses rechtlichen Rahmens abzugeben. Deutschland gehört zu den führenden Staaten bei der Jagd nach den Ressourcen aus der Tiefsee und bemüht sich schon seit mehreren Jahren darum, sich den Zugang zu diesen Rohstoffen zu sichern. Seit 2006 verfügt die Bundesrepublik über eine Lizenz zur Erkundung von Manganknollen in der *Clarion-Clipperton-Bruchzone* im Pazifik. Die Bundesagentur für *Geowissenschaften und Rohstoffe* (BGR) führt dort im Auftrag der Bundesregierung Explorationstätigkeiten durch. Mit dem Tauchroboter ROV Kiel 6000 werden die Manganknollenvorkommen am Meeresboden untersucht – vor allem in Hinblick auf ihre wirtschaftliche Nutzbarkeit. Seit 2011 ist die BGR zudem im Indischen Ozean aktiv, dort erforscht sie Metallsulfidvorkommen. Ende 2013 beantragte Deutschland bei der ISA für das betroffene Gebiet eine offizielle Explorationslizenz. Im Juli 2014 entschied die Behörde zugunsten des deutschen Antrags – sehr zur Freude des Koordinators der Bundesregierung für die Maritime Wirtschaft. Dieser erklärte anlässlich der erteilten Lizenz: "Für Deutschland ist der internationale Tiefseebergbau unter wirtschaftlichen Aspekten doppelt interessant: Erstens kann er zur Versorgungssicherheit Deutschlands mit Hochtechnologierohstoffen langfristig beitragen. Zweitens eröffnet er interessante Marktchancen für deutsche Hersteller von innovativer, umweltverträglicher Meerestechnologie." (BMWi 2014).

Die Vertreter/innen des maritimen Wirtschaftssektors sind die treibende Kraft hinter den Bestrebungen der Bundesregierung in diesem Bereich. Unter den Akteuren aus diesem Industriezweig nimmt die Gesellschaft für maritime Technik (GMT) eine zentrale Rolle ein. Sie vertritt die Interessen deutscher Unternehmen und Forschungseinrichtungen auf dem Gebiet der maritimen Technik gegenüber den politischen Entscheidungsträger/innen und setzt sich für eine politische Förderung der wirtschaftlichen Aktivitäten ihrer Mitglieder ein. Mit ihren Forderungen war sie bislang sehr erfolgreich. Im Jahr 2000 schuf die Bundesregierung das Amt des Koordinators für die maritime Wirtschaft, das beim Bundesministerium für Wirtschaft und Energie (BMWi) angesiedelt ist. Desse zentrale Aufgabe ist die Ausrichtung der alle zwei Jahre stattfindenden Nationalen Maritimen Konferenz der Bundesregierung. Dort diskutieren Vertreter/innen aus dem maritimen Wirtschaftssektor und Mitglieder der Bundes- und Landesbehörden die zukünftige Entwicklung und Ausgestaltung der maritimen Wirtschaft. Die dort von Seiten der Industrie an die Politik gestellt Forderungen wurden bisher zum allergrößten Teil von der Bundesregierung aufgenommen und umgesetzt.

Wichtige Weichen für die aktuellen Aktivitäten auf dem Gebiet des Tiefseebergbaus wurden bereits durch einen Bundestagsbeschluss aus dem Jahr 2002 gestellt, welcher vorsieht die weltweiten Märkte für Meerestechnik zu erschließen. Auf dieser Grundlage hat es sich die Bundesregierung seither zum Ziel gesetzt, den maritimen Wirtschaftssektor Deutschlands in seinem Vorhaben zu unterstützen sich zum internationalen Marktführer in diesem Bereich zu entwickeln. Dieses Bestreben der deutschen Politik mündete in dem 2011 veröffentlichten Nationalen Masterplan Maritime Technologien, der Deutschland als führenden Hochtechnologie-Standort für maritime Technologien im internationalen Wettbewerb etablieren möchte. Das Strategiepapier definiert die dafür notwendigen Maßnahmen und bildet die Grundlage des weiteren politischen Vorgehens. Es identifiziert den Bereich der maritimen Technologien als einen Sektor, der durch Innovationen das deutsche Wirtschaftswachstum tragen kann und der hochwertige Arbeitsplätze in einem Zukunftsmarkt von großer strategischer Bedeutung schafft. Als zentrale Maßnahmen werden die Entwicklung eines Leuchtturmprojekts zu marinen mineralischen Rohstoffen, der Abschluss von bilateralen Kooperationen im Bereich mineralische Rohstoffe und der Aufbau einer Arbeitsgemeinschaft marine mineralische Rohstoffe (AMR) – bestehend aus den wichtigsten deutschen Akteuren aus Wirtschaft, Forschung und Verwaltung – definiert. Die Verantwortung für die Gründung der Arbeitsgemeinschaft wird GMT, VDMA und BGR übergeben. Vor diesem Hintergrund erfolgte im April 2014 die Gründung der *DeepSea Mining Alliance* [1]. Der Verein soll als gemeinsame Plattform eine abge-

stimmte Interessenvertretung gegenüber Politik, Wirtschaft und Gesellschaft und ein effektives und konsortiales Auftreten in nationalen und internationalen Projekten unterstützen (DeepSea Mining Alliance 2014). Zu seinen wesentlichen Zielen gehören die Anbahnung von kommerziellen, technologischen und Forschungsprojekten sowie eine bessere Koordinierung aller nationalen und internationalen Aktivitäten für die Erkundung und Gewinnung mariner mineralischer Rohstoffe (DeepSea Mining Alliance 2014). Mit der Schaffung der *DeepSea Mining Alliance* erreicht das Vorhaben, der deutschen maritimen Wirtschaft einen Spitzenplatz im internationalen Wettbewerb zu ermöglichen einen neuen Grad der Koordination.

Das BMWi veranstaltete seit 2011 mehrere Workshops und Strategietagungen für Vertreter/innen des maritimen Wirtschaftssektors, unter anderem im Januar 2014 zum Thema "Potenziale des Tiefseebergbaus". Dort kamen die Teilnehmer/innen darin überein, dass Deutschland nicht im Alleingang den Tiefseebergbau vorantreiben könne, sondern als Teil eines europäischen oder internationalen Konsortiums agieren müsse. Die Wirtschaftsvertreter/innen forderten, dass mit aktiver politischer Flankierung und massiver finanzieller Unterstützung ein nationales Pilotprojekt im Kontext eines internationalen Gesamtprojektes durchgeführt werden solle und dass gezieltes Marketing eingesetzt werden müsse, um der Skepsis der Bevölkerung gegenüber dem Tiefseebergbau zu begegnen (Projekträger Jülich 2014). Außerdem ist die Einrichtung eines ressort-übergreifenden Förderungsschwerpunktes für marine, mineralische Rohstoffe angedacht, an dem BMWi, BMBF und BMU beteiligt sein sollen.

Während sich die deutschen Unternehmen mit inhaltlich und finanzieller Unterstützung von BMWi und BMBF auf die Weiterentwicklung der Ausrüstung und Technologien für den Tiefseebergbau fokussieren, erklärte die Bundesregierung im Juni 2014 in ihrer Antwort auf eine kleine Anfrage der Linken, dass ein deutscher Tiefseebergbau derzeit nicht geplant sei. Es gäbe keine Bestrebungen, den Aufbau eines deutschen Bergbauunternehmens zur Erschließung von Tiefseeressourcen finanziell oder strukturell zu unterstützen (Bundesregierung 2014: 8). Auf die Frage, welche Bedeutung die Bundesregierung der Förderung von Tiefseeressourcen für die europäische Rohstoffpolitik mittel- und langfristig beimesse, antwortete diese, dass marine mineralische Rohstoffe als Ergänzung zu landgebundenen Vorkommen zu sehen seien, die zu einer Diversifizierung des Rohstoffbezugs und somit zur Sicherung der Rohstoffversorgung beitragen können (Bundesregierung 2014: 3). Während sich die Politik in der Öffentlichkeit eher vorsichtig zum Thema Tiefseebergbau äußert, treiben die GMT und andere Vertreter/innen des deutschen maritimen Wirtschaftssektors auch auf europäischer Ebene ihre Pläne weiter voran. Dort stoßen ihre Anliegen ebenfalls auf offene Ohren. Bereits 2007 wies das EU Generaldirektorat für Forschung und Innovationen auf die zukünftige Bedeutung von mineralischen Rohstoffen aus dem Meer hin und empfahl die Entwicklung einer europäischen Strategie für den Tiefseebergbau (Europäische Kommission 2007).

Im Herbst 2012 veröffentlichte die Kommission ihr Strategiepapier *Blue Growth - opportunities for marine and maritime sustainable growth*. Es bildet die Grundlage ihrer Initiative zur Erschließung der ungenutzten Potenziale der Meere mit dem Ziel einer Stärkung des Wirtschaftswachstums und der europäischen Wettbewerbsfähigkeit. Marine mineralische Rohstoffe spielen in der Blue Growth Strategie eine wichtige Rolle. Dabei steht die Frage im Mittelpunkt, wie die EU die europäischen Unternehmen im internationalen Wettbewerb unterstützen kann um sicherzustellen, dass diese erfolgreich an den damit verbundenen ökonomischen Aktivitäten partizipieren. Als dafür notwendig wird der Zugang der Unternehmen zu einer sicheren Finanzierung identifiziert sowie das Ergreifen politischer Maßnahmen, um zu verhindern, dass die europäischen Firmen von anderen Wettbewerbern aus dem Markt gedrängt werden. Als weitere unterstützende Maßnahme wird vorgeschlagen, auf europäischer Ebene Forschungsvorhaben in dem Bereich Tiefseebergbau anzustoßen und zu fördern (Europäische Kommission 2012: 10). Ende 2013 begann mit *MIDAS* ein solches Forschungsprojekt. In dem 2016 endenden Projektzeitraum untersuchen Wissenschaftler/innen die Auswirkungen der Extraktion von mineralischen und energetischen Rohstoffen aus der Tiefsee. Da-

bei fokussieren sie nicht nur auf Manganknollen, Massivsulfide und kobaltreichen Eisenmangankrusten, sondern ebenfalls auf mögliche Potenziale der Gewinnung von Seltenerdelementen aus dem Meer.

Darüber hinaus beginnt im Jahr 2015 das durch das BMBF angeregte dreijährige JPIOcean-Forschungsprojekt „*Ecological aspects of deep-sea mining*“ (Bundesregierung 2014: 10). Außerdem hat eine Gruppe bestehend aus 45 Unternehmen und Forschungsinstituten – 17 von ihnen aus Deutschland - unter der Führung der Gesellschaft für Maritime Technik (GMT) im Rahmen der Europäischen Innovationspartnerschaft Rohstoffe das Projekt *Blue Atlantis* eingebracht. Es sieht die Schaffung der weltweit ersten Tiefseebergbau-Versuchsanlage vor, die in den portugiesischen Hoheitsgewässern im Atlantik – nahe der Inselgruppe der Azoren - entstehen soll. Dort liegen vier bekannte Gebiete in denen es größere Ansammlungen sogenannter Schwarzer Raucher – die Quelle der begehrten Massivsulfide – gibt. Laut Projektbeschreibung gehen die Unternehmen davon aus, dort darüber hinaus auch Manganknollen und Kobaltkrusten vorzufinden. Neben der Konstruktion des Unterwassertestbergwerks soll im Rahmen von *Blue Atlantis* eine Studie zu den Voraussetzungen eines großflächig angelegten Tiefseebergbaus entstehen. Das erklärte Gesamtziel ist es, das europäische Know-how für die gesamte Wertschöpfungskette im Bereich Tiefseebergbau zu festigen. Projektbeginn ist 2015.

Parallel zu diesen bereits sehr stark auf eine wirtschaftliche Verwertbarkeit ausgerichteten Aktivitäten, hielt die EU Kommission im Zeitraum März bis Juni 2014 eine öffentliche Konsultation zum Thema Meeresbodenbergbau ab. Dort konnten sich Behörden, Bürger/innen, Unternehmen und zivilgesellschaftliche Organisationen aus den Mitgliedsstaaten zu Fragen der Rohstoffgewinnung in der Tiefsee und den nationalen Küstengewässern äußern. Diese Beiträge sollen – so die federführende Generaldirektion Maritime Angelegenheiten und Fischerei – die Kommission bei der Entwicklung ihrer Position zu diesem Thema unterstützen. Angesichts der in der Konsultation gestellten Fragen sowie der oben beschriebenen Aktivitäten, darf dieses Argument jedoch bezweifelt werden. Es entsteht vielmehr der Eindruck, dass sich bereits eine klare Positionierung zugunsten des Tiefseebergbaus herauskristallisiert hat. So ist es den Teilnehmer/innen der Konsultation zwar möglich, Bergbauaktivitäten im Meer grundsätzlich abzulehnen, der Hauptteil der Fragen zielt jedoch darauf ab zu klären, welche Hindernisse der Erschließung des Potenzials des Tiefseebergbaus im Wege stehen und wie diese beseitigt werden können.

Neben dem Blickwinkel auf die Chancen, die sich der deutschen maritimen Wirtschaft durch den Tiefseebergbau bieten, werden von Seiten der verarbeitenden Industrie und der für Rohstoffpolitik zuständigen staatlichen Behörden überwiegend positive Erwartungen an die Nutzbarmachung der Ressourcen auf dem Meeresgrund geknüpft. Aus ihrer Perspektive stellt der Rohstoffabbau im Meer eine mögliche Lösung für die von der Bundesregierung gewünschte Verringerung der deutschen Importabhängigkeit im Bereich zahlreicher mineralischer Rohstoffe dar. In ihrer 2010 veröffentlichten Rohstoffstrategie identifiziert sie die Diversifizierung der Rohstoffquellen für die deutsche Wirtschaft als eine zentrale Herausforderung. Sie benennt in diesem Zusammenhang explizit die Rohstoffgewinnung in Tiefseeregionen als eine Maßnahme um dieses Ziel zu erreichen. Letzten Endes geht es in den Strategiepapier darum, sich die größtmögliche Kontrolle über den globalen Abbau der Rohstoffe zu sichern. Diese Sichtweise auf den Tiefseebergbau wird von einigen Forscher/innen geteilt und spiegelt sich in einem Zitat eines Mitarbeiters des GEOMAR – einer der bedeutendsten deutschen Einrichtungen auf dem Gebiet der Ozeanforschung – wider. Dieser beantwortete in einem im April 2014 im Spiegel veröffentlichten Interview die Frage nach den Risiken des Tiefseebergbaus mit der Gegenfrage: "Was ist besser? Erze aus Bürgerkriegsgebieten zu importieren oder die Rohstoffe selbst aus der Tiefsee zu fördern, mit modernster Technik und hohen Umweltstandards?"

Die mit dem Rohstoffabbau an Land verbundenen negativen Auswirkungen auf Mensch und Umwelt als Rechtfertigung für eine zukünftige Erschließung und Förderung mineralischer Rohstoffe aus der Tiefsee heranzuziehen, ist jedoch höchst fragwürdig. Die Hintergrundannahmen dieser Argumentation greifen zu kurz, um der Realität der weltweiten Gewinnung mineralischer Rohstoffe und ihrer Folgen gerecht zu werden. Zwar ist der Hinweis auf die Schäden, die weltweit – nicht nur in Bürgerkriegsgebieten – durch Bergbaukonzerne verursacht werden berechtigt, doch die hier vorgenommene Gegenüberstellung suggeriert fälschlicher Weise, alternativ dazu mineralische Rohstoffe aus der Tiefsee zu beziehen, würde die seit vielen Jahren bekannten und dennoch bislang nicht überwundenen Probleme lösen oder zumindest zukünftig vermeiden. Anstatt sich mit diesen bereits an Land vorhandenen negativen Auswirkungen der Rohstoffförderung und den damit verbundenen Konflikten auseinanderzusetzen und diese in den Griff zu bekommen, wird versucht, sich neuen Gebieten zuzuwenden. Dies gleicht einer Flucht aus der Verantwortung und wirft die Frage auf, ob es sich dabei um den Versuch handelt, den Weg des kleinsten Widerstands zu gehen, indem man in schwer kontrollierbare und überschaubare Gegenden ausweicht anstatt sich einer Diskussion über die Grundproblematiken des hohen Rohstoffkonsums und des Abbaus mineralischer Rohstoffe zu stellen. Vertreter/innen der Zivilgesellschaft stehen dieser Vorgehensweise kritisch gegenüber. So forderte Francisco Marí von Brot für die Welt unlängst: „Die Gefahr, dass auf See dieselben Fehler wiederholt werden, die an Land zu Umwelt-, Klima- und Entwicklungskrise geführt haben, muss dringend abgewendet werden. Dies gilt insbesondere mit Blick auf die globale und entwicklungspolitische Dimension der Meerespolitik.“

Im Mai 2014 veranstaltete ein breites Bündnis aus umwelt- und entwicklungspolitischen Organisationen in Bremen eine Konferenz zu den aktuellen Entwicklungen in der Meerespolitik. Dort wurde ein von 22 zivilgesellschaftlichen Gruppen unterzeichnetes Positionspapier verabschiedet, das ein internationales Moratorium für den Abbau von Erzen aus der Tiefsee fordert. Ein Sprecher des NABU sagte in diesem Zusammenhang, er halte den wirtschaftlichen Ausbau des Sektors Meer unter Anbetracht des derzeitigen schlechten Umweltzustands der Meere für äußerst fragwürdig: „Die EU-Initiativen den Tiefseebergbau voran zu treiben sind auf Grund mangelnden Wissens über die Tiefsee nicht mit dem Vorsorgeprinzip zu vereinbaren und somit bis auf weiteres zu stoppen.“ Greenpeace hatte bereits 2013 ein internationales Moratorium für den Rohstoffabbau in der Tiefsee gefordert und den Staaten vorgeworfen, die langfristige Nutzbarkeit der Meere kurzfristigen finanziellen Interessen zu opfern (Greenpeace 2013: 16). Unterstützung erhielten diese Forderungen kürzlich auch von Mining Watch Kanada und der australischen Deep Sea Mining Campaign (siehe Counterview 2014).

Denn auch beim Tiefseebergbau kann nicht ausgeschlossen werden, dass Menschen in Mitleidenschaft gezogen werden, sei es direkt durch Umweltschäden, die bei der Rohstoffförderung in den Küstengewässern die vom Meer lebende Bevölkerung beeinträchtigen, oder indirekt durch vergiftete Meeresflora und -fauna, die ihren Weg in die Nahrungskette der Menschen findet. Die Risiken, die mit einem potenziellen Abbau von Rohstoffen in großen Wassertiefen einhergehen sind immens, wie eine Gruppe von Forscher/innen aus Europa, Nordamerika und Australien in einem im Mai 2014 veröffentlichten Artikel in der Zeitschrift *Science* betont. Die Wissenschaftler/innen legen dar, dass die Wahrscheinlichkeit eines Unfalls durch den die Umwelt geschädigt wird, mit zunehmender Wassertiefe deutlich zunimmt. Welche Schwierigkeiten damit verbunden sind, angerichtete Schäden einzudämmen und diese unter Kontrolle zu bekommen, zeigt unter anderem die *Deepwater Horizon* Katastrophe, die sich 2010 im Golf von Mexico ereignete. Damals dauerte es mehrere Monate, bis es dem britischen Konzern BP gelungen war, ein in 1500m Wassertiefe gelegenes Bohrloch zu schließen und so den Ölausfluss ins Meer zu stoppen. Es stellt sich daher die Frage, ob die interessierten Konzerne in der Lage sind, den Risiken bei der Ernte von Manganknollen, dem Abbau von Kobaltkrusten oder von Massivsulfiden in ähnlichen oder noch größeren Wassertiefen in angemessener Weise Rechnung zu tragen. Dass sich die Lebensräume am Meeresboden von dem Eingriff durch das Ernten von Manganknollen nur sehr langsam erholen zeigt eine Studie, die im

World Ocean Review 2014 beschrieben wird. So wurde im *DISCOL* Projekt eine mehrere Quadrat-kilometer großer Bereich des Meeresbodens im Pazifik mit Versuchsgeräten umgepflügt und über mehrere Jahre hinweg immer wieder besucht. Dabei zeigte sich, dass es sieben Jahre dauerte, bis sich in den durchpflügten Gebieten wieder die gleiche Dichte an Bodenlebewesen eingestellt hatte wie zuvor. Einige Arten bleiben jedoch verschwunden (*World Ocean Review 2014*: 73). Welche Auswirkungen ein massiver und großflächiger Abbau von Massivsulfiden und Kobaltkrusten auf die Meeresflora und -fauna hat, ist bis heute unklar. Dennoch lassen Staaten und Konzerne nicht von ihrem Vorhaben ab, die Tiefsee für sich zu erobern.

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[1] Zu seinen 17 Gründungsmitgliedern gehören BAUER Maschinen, Siem Offshore Contractors, Wärtsilä, die Reederei Harren & Partner, die IMS Ingenieurgesellschaft, die Klassifikationsgesellschaften DNV GL und Lloyd's Register, die Meerestechnikunternehmen EvoLogics, MBT, Hydromod Service und Develogic sowie die RWTH Aachen und die TU Clausthal-Zellerfeld.

‘LNG spends K11billion’

The National, September 9th, 2014

THE PNG LNG project has spent nearly K11 billion (US\$4.53 billion) on both landowner and non-landowner companies by start of production. According to the project's second quarter environmental and social report for this year, to date, the project's total landowner companies (lancos) spend has grown to more than K2.72 billion (US\$1.12 billion). Lancos have provided the project with services such as labour supply, light vehicle maintenance, heavy equipment rental, hire services and spare parts supply. Non-Lanco PNG businesses have also provided services to the project in the form of training services, equipment hire and camp rental services. Throughout the construction phase of the LNG project, the Enterprise Centre and the Project's Business Development team have enabled businesses to capitalise on opportunities both within and outside of the project.

The Enterprise Centre has assisted more than 17,000 Papua New Guinean entrepreneurs since it was established in four years ago. The centre is a joint venture between ExxonMobil PNG Ltd and PNG Institute of Banking and Business Management. By start of production, it has delivered equivalent of more than 10,000 training days and completed 322 business assessments for PNG businesses. During this quarter, a total of 245 formal engagements and 290 informal were conducted with more than 14,000 people from 101 communities within the project area. The project has completed more than 4500 community engagement which involved more than 160,000 individuals. Meanwhile, the first shipment of first cargo was described at historic moment for the country and thousands of people who have contributed to development of the US\$19 billion (K46 billion) project. Over its 30 years estimated period of the project's operation, it is expected to produce 250 billion cubic metres of gas for customers throughout the Asia Pacific region.

Over 50,000 employed by LNG project, report says

The National, September 9th, 2014

THE PNG LNG project has employed over 55,000 workers since the project's construction phase, according to the project's second quarter environmental and social report for this year. The number of employees increased from 21,220 since two years ago. The project is providing an on-going demobilisation support to construction workforce, while at the same time, delivering training and transition support to incoming production team. Project workforce numbers declined this quarter as construction contractors continued to demobilise. By end of quarter, total workforce was just over 2250 compared to almost 7800 in previous quarter. Papua New Guineans comprise 58% of current workforce, compared to 44% recorded in first quarter of this year. Meanwhile, as part of the project's commitment to training, two purpose-built facilities were established to meet the training needs of construction workers. These facilities are the Juni Construction Training Facility in the Upstream area and the Port Moresby construction training facility. Earlier in the year, the Juni Construction Training Facility was officially transferred to the Hela provincial government to provide on-going vocational training opportunities for Papua New Guineans. During the construction phase, this facility was used to train project workers in areas such as carpentry, civil construction, and concreting.

Letter to the editor

Government needs to protect our natural habitat

The National, September 9th, 2014

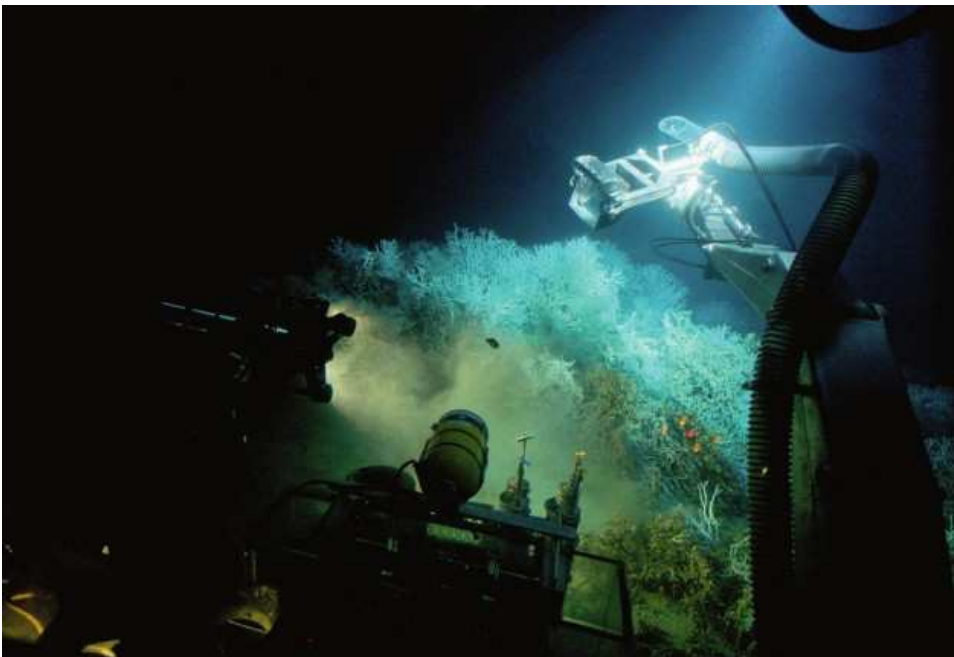
THE extent of damage done to the Fly River by the Ok Tedi mine is none other than a tragedy and a loss to our nation. To know that this has happened right under our government's nose is infuriating. Why has it evolve to the conservation failure of one of our spectacular rivers? What regulatory bodies are put in place to monitor the mining activities? The effects of the mine over the years has caused many children and mothers to die, deformity in births and environmental destruction, with little or less benefit from the mine itself. This is our land, our home, our pride, our mother, where our forefathers have lived for generations and where our bones will be buried at, why has it come to this? I am disappointed with the government for letting it come to this. They had the power to stop it and yet they fed this beautiful river system and its livelihoods to the dogs. We are blessed by the lord with a beautiful nation and if we are not careful, it will be taken away from us.

Yana Komale NCD

DAS LETZTE TERRAIN

Vieles deutet darauf hin, dass 2016 der Bergbau in der Tiefsee beginnt. Damit wird die Verfassung der Meere, das grösste Regelwerk der Menschheit, auf die Probe gestellt. Kriege drohen.

Von Anja Jardine, Neue Züricher Zeitung Folio, September 2014



Vorbei mit der Ruhe: Millionen unbekannter Lebewesen droht die Zerstörung. © arthowardphotography.com

Sein Ingenieur nennt ihn liebevoll Beasty. Und tatsächlich ist Beasty keine ordinäre Gesteinsfräse, sondern ein Roboter mit Spezialauftrag. 15 Meter lang, 4 Meter breit und gefertigt aus hochfestem Stahl, um eine 1700 Meter hohe Wassersäule auf seinen Schultern zu tragen, soll sich Beasty an untermeerischem Gestein zu schaffen machen. Hier herrschen ewige Nacht, Kälte und extremer Druck. Noch hockt Beasty in der Halle von SMD in Newcastle, doch glaubt man den Pressemeldungen des Auftraggebers Nautilus Minerals, nicht mehr lange. Seit ein paar Monaten hält das kanadische Unternehmen die Öffentlichkeit so minutiös über die Montage seiner drei Raupenfahrzeuge auf dem laufenden, als handle es sich um die Fertigstellung von Apollo 11 vor dem Mondflug. Bald werde es losgehen, so CEO Mike Johnston. Dann werden die Gesteinsfräsen ihren Sinkflug in der Bismarcksee vor Papua-Neuguinea antreten, das Dämmerlicht des Bathyal passieren, um in 1000 Metern Tiefe ins Abyssal einzutauchen, und wenn der Tiefenmesser 1700 Meter anzeigt, behutsam aufsetzen. Beastys Piloten hoch oben an Bord des Bergbauschiffes werden dann vermutlich Beastys Scheinwerfer einschalten und sich umschaun: auf der Metallsulfid-Lagerstätte Solwara 1.

Erzfabriken der Unterwelt

Das erste Mal einen «Schwarzen Raucher» zu sehen sei für jeden Meeresgeologen atemberaubend, sagt Peter Herzig, Direktor des Geomar-Helmholtz-Zentrums für Ozeanforschung in Kiel. Es sei, als entdeckte man das Industriegebiet der Unterwelt: Qualmende, verrostet aussehende Schlote, bis zu 15 Meter hoch, die aus verkrusteten Erdhügeln wachsen und scheinbar schwarzen Rauch ausstossen, der alles in einen geheimnisvollen Nebel taucht. Die amerikanischen Forscher, die im Frühjahr 1979 in ihrem U-Boot «Alvin», einer 7 Meter langen Konservenbüchse, stundenlang durch die endlose Einöde am Ostpazifischen Rücken gekurvt waren, trauten ihren Augen nicht, als sie in 2600 Metern Tiefe bei 21 Grad Nord plötzlich diese Rauchwolken sahen. Die Umgebungstemperatur stieg sprunghaft an. Und was war das? Als sie sich einem der Kegel näherten, sahen sie, dass es dort vor lauter Leben nur so wimmelte und wuselte. Es gab sie also doch, die Seeungeheuer. Eine schier unvorstellbare Menge bizarr anmutender Tiere grast an diesen Kaminen: durchsichtige Garnelen mit orange leuchtenden Organen, Kolonien weisser Krebse, in der Strömung wogende Wälder gelb-

licher Röhren, aus denen rote Federboas hervorragten, schwarze Muscheln, zuckende Borstenwesen, transparente Fische – eine überwältigende Artenvielfalt.

Dabei konnte ein Ort unwirtlicher kaum sein: absolute Finsternis, Temperaturen bis zu 400 Grad über den Schloten und ein hochgiftiges Milieu. Wovon ernährten sich diese Kreaturen? Inzwischen weiss man es: Die Tiere leben von Bakterien, die imstande sind, Schwefelwasserstoff in organische Verbindungen aus Kohlenstoff umzuwandeln. Nicht Photosynthese findet hier statt, sondern Chemosynthese. Diese Mikroorganismen sind Basis einer Nahrungskette, von der man bis dato nichts ahnte. Leben konnte also auch ohne Sonnenlicht entstehen, das war neu. Und jeder «Schwarze Raucher» schien seine eigene Bevölkerung zu haben: Auf Solwara 1 lebt zum Beispiel Alvini Conacha, eine haarige Schnecke, kugelrund und keine Schönheit, aber immerhin hält sie 45 Grad aus. Auch die schwarze Schnecke *Ifremeria Nautili* grasht hier an den Schloten, ihr Name verrät, wer sie entdeckt hat: *Ifremer* heisst das grösste französische Meeresforschungsinstitut, *Nautilus* sein U-Boot.

Solwara 1 ist der vermutlich besterforschte Flecken Tiefseeboden auf dem Planeten. Es ist ein Streifen von 1,3 Kilometern Länge und 80 bis 200 Metern Breite. Schon ein Jahr nachdem die Erzlagerstätte 1996 entdeckt worden war, kaufte Nautilus Minerals eine Erkundungslizenz, seit 2011 besitzt das Unternehmen die Abbaulizenz, die erste ihrer Art weltweit. Inzwischen wurden rund um den Globus etwa 250 untermeerische Erzfabriken entdeckt. Sie bilden sich an submarinen Plattengrenzen. In der Bismarcksee stossen die Pazifische Platte und die Australische Platte aufeinander. Meerwasser dringt mehrere Kilometer tief in die Spalten ein und wird durch darunterliegende Magmakammern auf über 400 Grad Celsius erhitzt. Dadurch verändert sich seine spezifische Dichte, es steigt wieder zum Meeresboden auf, löst auf seinem Weg Metalle aus dem Gestein und tritt unter hohem Druck aus. Sobald es mit kaltem Meerwasser in Berührung kommt, fallen die grösseren Metallsulfidpartikeln aus und bilden einen hydrothermalen Schlot, während sich die feineren Partikeln in der Umgebung ablagern.

Die Metallgehalte der Erzablagerungen rund um die «Schwarzen Raucher» unterscheiden sich weltweit stark. Solwara 1 gehört zu den Filetstücken. Hier weisen die Erze nicht nur viel Kupfer und Zink auf, sondern vor allem Gold und Silber. Rund 15 Gramm Gold pro Tonne wurden hier gemessen, das ist etwa dreimal so viel wie in typischen Landlagerstätten. Der Silbergehalt liegt zwischen 100 und 300 Gramm pro Tonne – mit Spitzenwerten von sogar 642 Gramm. An Land finden sich höchstens 150 Gramm Silber pro Tonne. Da leuchten die Dollarzeichen in den Augen der Goldgräber. Sollten Beasty und seine Kollegen die Schlote und Hügel auf Solwara 1 erfolgreich zerlegen, wird es der Startschuss sein für eine weltweite Gewinnung mineralischer Bodenschätze aus der Tiefsee, da sind sich die Experten einig. Und das Begehren richtet sich nicht nur auf die «Schwarzen Raucher», sondern auch auf Manganknollen, die in 4000 bis 6000 Metern Tiefe auf dem Grund aller Ozeane liegen, sowie auf kobaltreiche Krusten an den Hängen untermeerischer Vulkane. Allein in der hohen See halten mehr als 25 Nationen und Unternehmen Erkundungslizenzen, überall laufen die Vorbereitungen auf Hochtouren. Doch Umweltschützer warnen: Ganze Lebensräume drohen unwiederbringlich zerstört zu werden. Die Tiefsee ist noch unerforscht. Wir wissen nicht, was wir da tun.

Mein Forschungsschiff, mein Tauchroboter

Um das zu ändern, hat auch das Geomar in den letzten zehn Jahren aufgerüstet, Budget und Personal wurden deutlich aufgestockt. Erst im Juli wurde das lang ersehnte neue Tiefseeforschungsschiff «Sonne» getauft. Und in der Halle am Ostufer der Kieler Förde steht «Kiel 6000», der Stolz des Instituts, ein über Glasfaserkabel ferngesteuerter Tauchroboter, der 6000 Meter tief tauchen kann. Hier auf dem Trockenen üben die Piloten ihre Feinmotorik im Umgang mit den Greifarmen, indem sie einen Besen in einen Schirmständer stellen. Auch «Jago» ist grad da, ein bemanntes Tauchboot, das allerdings nur 400 Meter runterkann. Zudem verfügt das Geomar über eine wachsende Flotte an

autonomen Tiefseedrohnen, die die Meere durchstreifen, Daten erheben, den Boden kartographieren. «Wir produzieren Grundlagenwissen zu Fragen des Klimawandels, der Ozeanübersäuerung, der Naturgefahren wie submariner Rutschungen und Tsunamis sowie der Meeresrohstoffe», sagt Peter Herzig, «wobei wir auch für die nachhaltige Gewinnung von Rohstoffen Verantwortung tragen und unsere Entdeckungen nicht kommentarlos der Industrie zur Ausbeutung überlassen können.»

Ab 2004 fingen die Metallpreise an, so drastisch zu steigen, dass allein der deutschen Industrie Mehrkosten im zweistelligen Milliardenbereich entstanden. Besonders begehrt sind die seltenen Erden, eine Gruppe von 17 Metallen, die für viele Schlüsseltechnologien und elektronische Massenprodukte notwendig sind: Akkus, LED, Plasmabildschirme, Generatoren von Windanlagen, Elektroautomotoren und so weiter. Lagerstättenexperten gehen davon aus, dass sich der Bedarf an den meisten Metallen und Mineralien auch langfristig an Land decken lasse, nur für ein paar wenige Rohstoffe sehen sie Engpässe voraus: für Antimon, Germanium und Rhenium zum Beispiel. 2012 konnten weltweit nur 128 Tonnen Germanium gewonnen werden. Es wird für die Funktechnik in Smartphones, in der Halbleitertechnik und in Solarzellen gebraucht.

«Eigentlich haben wir alles an Land, das Problem ist die politische Verfügbarkeit», sagt Peter Herzig. «Immer grössere Lagerstätten gehören immer weniger Firmen in immer weniger Ländern.» Auf China entfallen zum Beispiel 97 Prozent der weltweiten Produktion von seltenen Erden, bei vielen Rohstoffen lasse sich die Bildung von Oligopolen beobachten. «Besonders problematisch ist die Versorgung aus politisch fragilen Staaten wie etwa Kongo, das 40 Prozent des weltweiten Kobalts produziert – unter sklavenhalterischen Bedingungen.» Und auch Spekulationen sorgen immer wieder für Verteuerung. 2006 stieg der Kupferpreis rapide an, nachdem die Chinesen grosse Mengen aufgekauft hatten, seit Anfang 2014 horten sie die mehrfache weltweite Jahresproduktion von Indium.

Wie Kartoffelernte vom Zeppelin aus

Anfang der 1970er Jahre waren die Rohstoffpreise zum ersten Mal sprunghaft angestiegen. Der Club of Rome prognostizierte die Grenzen des Wachstums, und die Ölkrise machte anschaulich, was Knappheit bedeutet. Da erinnerte man sich in Europa und den USA an die seltsamen Knollen, die Seefahrer bereits Ende des 19. Jahrhunderts vom Meeresboden geholt hatten. Sowohl die britische «Challenger»- als auch die deutsche «Valdivia»-Expedition waren mit Gesteinsklumpen heimgekehrt, die aussahen wie verkohlter Blumenkohl. Schon damals hatte man festgestellt, dass sie metallische Verbindungen enthielten, vor allem Mangan, doch brauchte man es nicht. Nun also, ein Jahrhundert später, begannen zahlreiche Länder und Firmenkonsortien, darunter ein Zusammenschluss deutscher Industrieunternehmen wie der Preussag und der Salzgitter AG, nach den Knollen zu suchen. Sie wurden bald fündig: Im Nordpazifik zwischen Hawaii und Mexiko liegen die Knollen auf einer Fläche so gross wie alle Länder der EU zusammen dicht an dicht auf dem Meeresboden. Die Clarion-Clipperton-Zone wird heute als Manganknollengürtel bezeichnet. Doch auch im Südpazifik, im Perubecken und im Indischen Ozean sind sie zahlreich.

Und obwohl sie einfach auf dem Meeresgrund liegen, ist die Ernte kein Kinderspiel. Ein Geologe, der in den 1970er und 1980er Jahren dabei war, formulierte es so: «Es kam uns vor, als wollte man Kartoffeln von einem Zeppelin aus ernten – aus fünf Kilometern Höhe, bei Sturm und in stockfinsterner Nacht.» Die Ingenieure machten sich an die Arbeit: Von staubsaugerartigen Gerätschaften bis hin zu kilometerlangen rotierenden Schaufelketten wurde so manches ersonnen. Doch das Ergebnis blieb dürrtig, Schläuche erwiesen sich als nicht wasserdicht, Schwimmbagger versanken im Schlick, die Elektronik versagte. Zu unwirtlich der Raum, zu unzugänglich der Acker. Hinzu kam, dass sich die düsteren Prognosen des Club of Rome nicht bewahrheiteten; neue Erzlagerstätten in Kanada und Australien sorgten für Entspannung auf den Rohstoffmärkten, der Mensch kam auch ohne Manganknolle zurecht. Vorerst. Doch das internationale Interesse hatte eines deutlich ge-

macht, nämlich dass früher oder später eine grosse Frage würde beantwortet werden müssen: Wem gehören die Schätze auf dem Meeresgrund?

Eine Frage, die seitdem an Schärfe und Dringlichkeit gewonnen hat. «Ein Drittel der Menschheit lebt in Wohlstand, das zweite Drittel befindet sich in Reformstaaten, deren Entwicklung zu Wohlstand und Bildung im Gange ist. Der restliche Drittel verharrt ungeduldig in Unterentwicklung und Armut», schreibt Uwe Jenisch, Professor für Internationales Seerecht. «Man fragt sich, wie der Bedarf an Rohstoffen und Nahrungsmitteln der rasch wachsenden Bevölkerung in einer globalisierten Welt befriedigt werden soll, ohne dass es gewaltsame Verteilungskämpfe, Völkerwanderungen, Massenelend, und damit massive Sicherheitsprobleme geben wird.»

Gemeinsames Erbe der Menschheit

Auf hoher See galt die oft besungene Freiheit der Meere. Der Holländer Hugo Grotius hatte 1609 mit seiner Schrift «Mare liberum» den Anspruch der Spanier und Portugiesen auf ein Monopol im Kolonialhandel zurückgewiesen und das Recht auf freie Schifffahrt und freien Handel verteidigt. Das Meer sei zu gross, schrieb er, und frei wie die Luft. Es gehöre niemandem. Anderer Meinung war John Selden, der 1635 die Doktrin des «Mare clausum» entwickelte, die die See in Interessensphären verschiedener Staaten aufteilte. Erst der holländische Jurist Cornelis van Bynkershoek fand 1703 die Formel für eine Art Kompromiss: «Die territoriale Souveränität endet dort, wo die Kraft der Waffen endet.» Kanonenkugeln flogen zu jener Zeit drei Meilen weit, mittlerweile wurde daraus die Zwölf-Seemeilen-Zone. Sie gehört zum Hoheitsgebiet eines jeden Küstenstaates. Jahrhundertlang galt also ein Flickwerk aus willkürlichen Hoheiten und Freiheiten, im Zweifel geklärt durch eine Seeschlacht. Doch bisher war es um Schifffahrt und Fischfang gegangen, nicht um unwiederbringliche Bodenschätze. Manganknollen wachsen in einer Million Jahren 1 bis 7 Millimeter. Einmal geerntet, sind sie weg. Also, wem gehören sie?

Ein kleiner Mann aus einem kleinen Land machte im November 1967 einen kühnen Vorschlag. Er hiess Arvid Pardo und war der Botschafter Maltas bei den Vereinten Nationen. Pardos Heimat war gerade aus britischer Kolonialherrschaft entlassen worden, wie viele Kolonien in jener Zeit. Die Reichtümer der Erde sollten fortan nicht mehr allein den Mächtigen überlassen werden, dieses Ansinnen war damals populär. Drei Stunden sprach Pardo vor der UN-Generalversammlung und machte eines sehr deutlich: nämlich, dass weder die Hoheit noch die Freiheit den Anforderungen der Zeit gerecht würden. Das eine brächte Zerstörung und Plünderung, das andere Revierkämpfe und die Gefahr neuer Kriege. Ein ganz neuer Ansatz sei notwendig: Die Ressourcen auf hoher See sollten zum Wohle aller genutzt werden, friedlich, gerecht und umweltschonend. Fünfzehn Jahre später, 1982, wurde der Tiefseeboden zum gemeinsamen Erbe der Menschheit erklärt. Das Seerechtsübereinkommen (SRÜ) gilt heute als Verfassung der Meere. Es ist das grösste Regelwerk der Menschheit und legt die Spielregeln für Schifffahrt, Fischfang, Erdgas und Erdölförderung, Tiefseebergbau sowie Meeresforschung und Umweltschutz fest.

Die Enterprise

Dass es noch einmal zwölf Jahre dauern sollte, bis es 1994 endlich in Kraft trat, lag vor allem daran, dass die Staatengemeinschaft sich nicht einigen konnte, wie die Ressourcen am Meeresboden aufzuteilen seien. Pardos Idee war es, eine internationale Meeresbehörde zu schaffen, die eine Bergbaugesellschaft gründen sollte: die Enterprise. Die Gewinne sollten gerecht an alle verteilt werden. Die Industrienationen sollten Enterprise ihre Expertisen zu Maschinen- und Bergbau kostenfrei zur Verfügung stellen, zum Wohle aller. Die ehemaligen Kolonien und Entwicklungsländer ratifizierten das SRÜ sofort, die Industrienationen nicht. Erst nachdem man die Idee vom kostenlosen Technologietransfer fallengelassen und die Gründung von Enterprise auf unbestimmte Zeit verschoben hatte, konnte man sich auf Modalitäten für den Tiefseebergbau verständigen. Heute haben es 165 Nationen, darunter alle EU-Staaten, ratifiziert.

Das grösste Küstenland der Welt allerdings verweigert seine Unterschrift bis heute: Amerika. Präsident Obama würde gern unterzeichnen, die Republikaner sind dagegen. Das Prinzip, Wohlstand umzuverteilen, indem Lizenzgebühren an Entwicklungsländer gezahlt würden, sei ein Fass ohne Boden. Offiziere der Marine und der Küstenwachen weisen nun darauf hin, dass den USA in Zukunft nur das Militär bleibe, um Interessen in der hohen See durchzusetzen. Sie raten dringend dazu, dem SRÜ endlich beizutreten. Die Meeresbodenbehörde (kurz ISA für International Seabed Authority) hat ihren Sitz in Kingston, Jamaica. 40 Menschen aus verschiedenen Nationen arbeiten hier. Wer in der hohen See Rohstoffe fördern will, muss bei der ISA eine Erkundungslizenz beantragen und eine Gebühr von 500 000 US-Dollar entrichten. Privatunternehmen können nur zusammen mit einem Staat eine Lizenz beantragen, der ihre Tätigkeit überwacht und für sie haftet. In der Regel sind Staaten Lizenznehmer. Bis heute wurde in der hohen See noch keine einzige Abbaulizenz vergeben, bisher handelt es sich ausschliesslich um Erkundungslizenzen.

Für die Erkundung von Manganknollen schreibt das Regelwerk vor, dass ein Staat zunächst zwei wirtschaftlich gleichwertige Flächen von jeweils bis zu 150 000 Quadratkilometern für die Exploration beantragen muss, von denen die ISA eines für sich selbst auswählt. Diese «reserved area» kann entweder Entwicklungsstaaten zur Verfügung gestellt oder später von Enterprise genutzt werden. Das dem Staat zugeteilte Lizenzgebiet wird später noch einmal reduziert: Bis zum achten Jahr der Vertragslaufzeit muss die Hälfte des erkundeten Terrains ebenfalls an die ISA abgetreten werden. So erhält jedes Land maximal 75 000 Quadratkilometer zur Exploration. Darüber hinaus ist festgelegt, auf welche Art und Weise die Erkundung stattzufinden hat. Der Lizenznehmer muss die ISA laufend über seine Ergebnisse informieren und die Umweltverträglichkeit nachweisen. Die ISA hat die Möglichkeit, unabhängige Beobachter auf Forschungsschiffen der Lizenznehmer mitfahren zu lassen. China, Japan, Frankreich, Russland und Südkorea waren die ersten. 2001 beantragten sie Erkundungslizenzen für Manganknollen. Ebenso wie Bulgarien, Tschechien, die Slowakei, Polen, Russland und Kuba, die sich zur «Interoceanmetal» zusammenschlossen. Bis heute hat die ISA dreizehn Lizenzen für Manganknollen vergeben, zwei für Kobaltkrusten, vier für Massivsulfide.

Deutschlands 17. Bundesland

Auch Deutschland hält seit 2006 eine Erkundungslizenz im Manganknollengürtel; die Geologen der Bundesanstalt für Geowissenschaften und Rohstoffe (BGR) in Hannover nennen es scherzhaft das 17. Bundesland. «Wir haben ganz neue Nachbarn», sagt Michael Wiedicke von der Abteilung für maritime Rohstoffe. Im Süden grenzen die Lizenzgebiete von Tonga und Nauru an, im Osten liegt hinter einer «reserved area» Grossbritannien, und mit Interoceanmetal hat sich der Osten im Westen angesiedelt. Und alle sind gleich gross, was umso beeindruckender ist, als Nauru mit 20 Quadratkilometern Festland im echten Leben die kleinste Republik der Welt ist. Nauru unternimmt sein Abenteuer Tiefsee auch nicht ganz allein, sondern hat einen grossen, starken Partner gefunden: Nautilus Minerals.

«Ein paar Kollegen sind grad dort», sagt Wiedicke. «Sie wollen versuchen, dieses Mal eine etwas grössere Probe zu nehmen, etwa eine Tonne, um Tests für die metallurgische Aufbereitung machen zu können.» Eigentlich sei das nicht die Aufgabe der BGR, so Wiedicke. «Wir beraten die Bundesregierung in Fragen der Rohstoffsicherheit und suchen nach alternativen Quellen. Denn Deutschland ist in Bezug auf Metalle zu hundert Prozent importabhängig. Aber wir sind kein Akteur.» Länder wie Südkorea, China oder Indien betreiben das Projekt Tiefseebergbau generalstabsmässig von der Forschung bis zur technischen Umsetzung. In Deutschland finanziere der Staat zwar die Lizenz, aber danach «hoffe man auf die Selbstorganisation der Beteiligten». Doch die Industrie zögere, mit 100 Millionen in Vorleistung zu gehen, so Wiedicke. Zumal es in Deutschland keine grossen Player mehr gebe, sondern nur eine hochspezialisierte, aber höchst kleinteilige maritime Industrie. Deswegen werden sich jetzt Forschungsinstitute und Universitäten der Frage widmen, wie man das Metall aus der Knolle extrahiere.

Frische Baggerspuren am Meeresgrund

Spätestens 2016 werden die ersten Staaten entscheiden müssen, ob sie das Wagnis Tiefseebergbau eingehen wollen, denn dann laufen die ersten Erkundungslizenzen aus. Entweder gibt man das Gebiet danach frei, oder man beantragt eine Abbaulizenz. Die Mitarbeiter der ISA in Jamaica arbeiten unter Hochdruck an der Fertigstellung des Mining-Codes für Manganknollen. Basis dieses Regelwerks sind die Erkenntnisse der Meeresforscher, die im Wettlauf mit der Bergbauindustrie das Ökosystem Tiefsee zu verstehen trachten. Wer und was lebt da? Welche Rolle spielen diese Biotope für das Leben auf der Erde? Was geschieht am Meeresgrund, wenn ein noch so behutsamer Hightech-Knollensauger die in Jahrmillionen entstandenen Metallklumpen grossflächig entfernt? Denn eines steht ausser Frage: Nicht nur die «Schwarzen Raucher» und die Hänge der Seeberge, sondern auch die öde anmutenden Ebenen der Tiefsee strotzen nur so vor Leben.

In der Clarion-Clipperton-Zone findet sich neben Seegurken, Tiefseegarnelen, Fischen und Schlangenternen auch die völlig unerforschte Welt der Mikroorganismen. Im Jahr 2000 hat eine internationale Forschergemeinschaft mit dem «Census of Marine Life» begonnen, einer Art Volkszählung der Ozeane. 240 000 Arten sind dort bisher erfasst, konservative Schätzungen gehen von insgesamt mindestens einer Million aus. Und niemand weiss, wie hoch der Anteil endemischer, also nur an einem Ort vorkommender Organismen ist. Eine deutsche Studie aus den 1990er Jahren hat gezeigt, dass es auf dem abgeernteten Manganknollengebiet nach sieben Jahren zwar zu einer Neubesiedlung gekommen war, doch deutlich artenärmer als zuvor. Deswegen schreibt das Reglement der ISA jetzt vor, dass die Äcker am Meeresboden mit Schutzzonen durchsetzt sein müssen, aus denen potentielle Immigranten einwandern können. 2015 wird eine Forschergruppe das Terrain erneut untersuchen und schauen, wie es dort 25 Jahre nach den Pilottests aussieht.

«Das grösste Problem werden die Staubwolken sein, die beim Pflügen aufgewirbelt werden», sagt Peter Herzig von Geomar. «Die Sedimente können sich nicht wieder absetzen, sondern werden durch die Strömung des arktischen Bodenwassers weitergetragen.» Solche grossflächigen Eintrübungen rauben Algen und anderen Planktonorganismen in den oberen Wasserschichten das Licht und zerstören die Lebenswelten am Meeresgrund. Inzwischen wurden zwar Erntegeräte mit Abdeckungen entwickelt, die diesen Effekt minimieren sollen, doch Kritiker bezweifeln die Wirkung. «Es ist so», sagt Herzig: «Die Organismen der Tiefsee sind selten und produzieren nur wenige Nachkommen. Dort unten geschieht alles sehr, sehr langsam.» Als Forscher 2007 das erste Mal wieder die Testgebiete der 1970er Jahre aufsuchten, fanden sie Reifenspuren im Sand, so frisch, als sei der Bagger erst gestern dort entlanggefahren.

Losgehen, da sind sich alle einig, wird der Tiefseebergbau auf Solwara 1 vor Papua-Neuguinea. Denn es gibt einen elementaren Unterschied zu den Manganknollen: Solwara 1 liegt nicht in der hohen See, sondern in der Ausschliesslichen Wirtschaftszone (AWZ) des Landes. Die AWZ ist ein Zwischenreich zwischen Küstenmeer und hoher See. In diesem 200 Seemeilen breiten Streifen darf allein der Anrainerstaat die Ressourcen ausbeuten. Dabei geht es um Fischfang, aber auch um alle Schätze, die der Meeresboden birgt: Erdgas, Erdöl, Gashydrate und Massivsulfide. Etwa ein Drittel des Meeresbodens unseres Planeten ist bereits Ausschliessliche Wirtschaftszone der Küstenländer. Beastys Werkeln unterliegt allein der Gesetzgebung Papua-Neuguineas.

Die Festlandsockel-Kommission tagt

Seit einigen Jahren nun treibt eine ursprünglich als Ausnahme gedachte Regelung des SRÜ bizarre Blüten. Paragraph 76 erlaubt es einem Staat unter bestimmten geologischen Bedingungen, Anspruch auf den äusseren Festlandsockel zu erheben und damit seine AWZ von 200 auf 350 Seemeilen zu erweitern, sofern er beweisen kann, dass dieses Landmassiv unter Wasser geologisch zum eigenen Festland gehört. Mittlerweile haben 59 Staaten Anspruch auf das Kontinentalschelf angemeldet. Russland war der erste, dem dieser Schachzug in den Sinn kam: 2001 stellte es Antrag auf die

Erweiterung seines Sockels über den gesamten Nordpol, 2007 montierte ein russischer Tauchroboter siegesgewiss die Landesflagge in 4000 Metern Tiefe. Muskelspiele dieser Art werden häufiger. Das Gremium, das über all diese Anträge zu entscheiden hat, ist ein kleiner Trupp von Experten der Vereinten Nationen in New York: die sogenannte Festlandssockel-Kommission. 21 Geologen und Geophysiker aus 21 Ländern, gewählt für fünf Jahre, beraten darüber, wo ein Land anfängt bzw. aufhört. Am Ende steht eine Empfehlung, auf deren Grundlage ein Land die äussere Landesgrenze völkerrechtlich festschreiben kann. Einer dieser Experten für maritime Geophysik ist Walter Roest vom Ifremer, dem französischen Pendant zum Geomar, dreimal sieben Wochen pro Jahr verbringt er nun in Manhattan. In diesem kalten Frühjahr sass er tagein, tagaus mit sechs Kollegen im UN-Gebäude am Hudson River und diskutierte den Antrag Ghanas. «Das Problem ist, dass wir auch zwanzig Jahre nach der Unterzeichnung des SRÜ über grosse Teile des Tiefseebodens nur wenig wissen», sagt Roest in einer Mittagspause. So bleibe die Auswertung des Datenmaterials, das die antragstellenden Länder liefern müssen, auch eine Interpretationsfrage. «Zwar basieren unsere Empfehlungen allein auf geologischen Daten, aber der Festlandssockel eines Staates ist im Ergebnis ein juristischer Begriff, mit dem Rechte verbunden sind.» Ein heikles Unterfangen.

Russlands Antrag wurde 2009 abgelehnt. Seitdem hat Russland mehrere Expeditionen durchgeführt, um zu beweisen, dass der Meeresrücken in der Arktis seinen Ursprung unter seinem Hintern habe, noch dieses Jahr soll der Antrag erneut vorgelegt werden. Ende 2013 hat Kanada ebenfalls Ansprüche auf einen Sockel bis zum Pol angemeldet, und auch Dänemark möchte seinen nördlich von Grönland erweitern. «Diese Entwicklung ist eine Pervertierung der Ursprungsidee, die Tiefsee als gemeinsames Erbe der Menschheit zu betrachten», sagt Rüdiger Wolfrum, Richter am Hamburger Seegerichtshof, der dritten Säule des Seerechtsübereinkommens. Schon heute sind Küstenstaaten mit vorgelagerten Inseln klar im Vorteil gegenüber Binnenstaaten. Die in New York liegenden Anträge ergeben in der Summe noch einmal acht Prozent vom Kuchen. «Und wie das dort vonstatten geht, ist nicht seriös», so Wolfrum. «In der Kommission sitzen die Länder, die auch eigene Interessen haben. Im Ergebnis sind die Empfehlungen viel zu weitgehend.»

Tatsächlich hegt auch Frankreich ehrgeizige Sockelpläne. Schon heute verfügt das Land dank seinen vielen Überseeterritorien und Verwaltungsgebieten mit 10 Millionen Quadratkilometern über die zweitgrösste AWZ der Welt, gleich nach den USA. Roest war der Leiter des nationalen Sockelprogramms, und er sagt selbst: «Frankreich hat Interesse, ein Mitglied in der Kommission zu haben.» Selbstverständlich dürfe er nicht in einer Untergruppe mitarbeiten, die sich mit französischen Anträgen beschäftige, aber natürlich lerne man, wie die Kommission arbeite und wie man Anträge erfolgreich stelle. «Ich setze mich jetzt dafür ein, dass die Aussengrenzen vom Seegerichtshof kontrolliert werden können», sagt Rüdiger Wolfrum. «Jeder Mitgliedstaat des SRÜ soll klagen dürfen, wenn er der Meinung ist, eine Aussengrenze gehe zu weit.» Seit der Internationale Seegerichtshof vor 25 Jahren eingerichtet wurde – in einem imposanten Bau in Form einer Schiffsschraube im Hamburger Stadtteil Blankenese –, musste er erst einmal über Gebietsstreitigkeiten entscheiden. Bangladesch und Myanmar konnten sich nicht über den Grenzverlauf in der Bucht von Bengalen einigen. Die Zahl der Fälle werde mit Beginn des Tiefseebergbaus zweifelsfrei zunehmen, so Wolfrum – sei es zwischen der Meeresbodenbehörde und den Bergbauunternehmen oder auch unter den Bergbautreibenden. «Dieses Gericht ist das einzige, das verbindlich über Streitigkeiten in Bezug auf die Nutzung des Tiefseebodens der hohen See entscheiden kann.»

Um die Spratly-Inseln im Südchinesischen Meer zum Beispiel, eine aus Hunderten von kleinen Inseln, Atollen, Felsen und Sandbänken bestehende Gruppe, unter denen Erdöl vermutet wird, streiten sich China, Taiwan, Vietnam, Malaysia, Indonesien, Brunei und die Philippinen. 1988 kam es bereits zu einer Schlacht, bei der 70 vietnamesische Soldaten starben. Da sich die Philippinen als Kläger nicht der Gerichtsbarkeit des Seegerichtshofs unterworfen haben, wurde jüngst ein Schiedsgericht einberufen. Die Grenzverläufe zu ziehen scheint allerdings ein hoffnungsloses Unterfangen. Bei jedem Sandkeks im Meer muss zunächst festgestellt werden, was er ist: Insel, Felsen oder

Sandbank. Nur Inseln haben eine AWZ, Felsen haben ein Küstenmeer, Sandbänke haben gar nichts. Das grenzt an höhere Mathematik. Doch was wäre die Alternative? «2050 werden 9 Milliarden Menschen auf der Erde leben», sagt Peter Herzig vom Geomar. «Die Ozeane bedecken 70 Prozent der Erde. Ich fürchte, wir werden es uns auf Dauer nicht leisten können, nur an Land unser Unwesen zu treiben.» Quelle: <http://folio.nzz.ch/2014/september/das-letzte-terrain>

Court Case Over Solomons Nickel Deposit Nearing Verdict

Australia, Japanese companies battle over rights to Isabel resource

By Jemima Garrett

MELBOURNE, Australia (Radio Australia, Sept. 8, 2014) – High nickel prices and interest from China are raising the stakes in Solomon Islands as a verdict nears in court action between a small Australian mining company and Japanese giant Sumitomo. At issue is the right to mine a rich greenfields nickel site in Isabel Province in Solomon Islands west. A verdict is expected this month in the David and Goliath court action between the small Australian company Axiom mining and Sumitomo. Peter Strachan, author of Stock Analysis, says the resource they are fighting over is a significant one. "It is a major resource. It is a fairly high grade by the standard of these low-grade laterites that you see around the world," he said. Nickel is a crucial component in stainless steel. The deposit in Isabel Province is thought to be one of the global top 15. Sumitomo has been in Solomon Islands for a decade trying to get permission to explore, and at one stage won an international tender to do so.

Axiom Mining got involved more recently after being approached by a group of landowners. Axiom CEO Ryan Mount says he looked at mining failures in Melanesia - at Bougainville and Ok Tedi in Papua New Guinea and at the first iteration of Gold Ridge on Solomon Islands main island - before deciding the bottom-up approach was the way to go. "Essentially we did a lot of research in the region and a lot of history with regards to mining in the Pacific, and in particular Solomon Islands, and we came to the conclusion that a bottom-up approach was more appropriate considering what came out of that research," he said. "Essentially you start at the top with the constitution of the Solomon Islands and it is clear that the landowners have a say in just about every activity on their land so from the start we knew we had to include them. "Sumitomo really wasn't in our business plan at all. We were simply dealing with the indigenous landowners. They approached us. Obviously Sumitomo were there, and had been there for quite some time trying to secure the asset."

Axiom formed a joint venture, Axiom KB, with landowners of the Kolosori and Bungusule tribes, giving them a 20 per cent stake in any mining development and a powerful incentive not to agree to mining by any other company. Sumitomo and Axiom KB each claim they hold the legal right to a prospecting licence. Australian Judge, John Brown, is hearing the case. Peter Strachan says Indonesia's decision to ban the export of unprocessed nickel ore is feeding their enthusiasm to develop the resource. "At the moment Indonesia has stopped exporting nickel laterites to China so that has been part of the reason why the nickel price has risen by \$2.50 a pound from \$6.20 to \$8.50 odd a pound," he said. "The feeling is whoever owns this deposit is going to be able to mine and ship directly the low-grade oxide nickel to customers in China." Axiom has a fast-track plan. If it wins the case it could be shipping ore within 12 months. In the 3 years since the dispute began Axiom has put down roots in Solomon Islands with a gold and copper exploration tenement on another island. However, that has not taken any of Ryan Mount's focus away from the nickel resource in Isabel Province. "It is a very valuable asset and we are prepared to defend our rights and support our landowner partners," he said.

Expensive dispute, Chinese interest

The court case has come at a significant expense to the small Australian miner. "We have obviously had to fund the court case and our overheads in the Solomon Islands. Over the last year I would say it would have pushed into \$8 million dollars," Mr Mount said. However, he insists the company is still financially secure and able to fund the litigation. "We have always felt comfortable with our position. We obviously have a business plan and we also evaluate the risks and we prepare for those," he said. "We obviously went into this case feeling confident or we wouldn't have proceeded with it and, yes, we do feel reasonably confident of the outcome, but we don't want to go talking about that until it is delivered." While the Japanese and Australian firm fight it out in the Solomon Islands High Court, new companies from China are showing interest.

The China Metallurgical Group owns the Ramu Nickel project in Papua New Guinea, a similar nickel laterite deposit. The Executive Director of the PNG Chamber of Mines Greg Anderson says a variety of Chinese companies are interested in opportunities in the Pacific. "The Ramu nickel cobalt project was a very big experiment for China - it was one of their biggest mineral investments at the time, overseas, and it hasn't been that easy," he said. "It has been a difficult project but I think they see this area as very promising. "It is a big learning curve and the Melanesian countries are very different land wise and with land ownership than the rest of world, so it is an enormous learning curve." Ramu nickel faced criticism for dumping waste from its PNG mine into the seas in the coral triangle and for not always taking a sympathetic approach in its dealings with traditional landowners. With the recent shutdown of Solomon Islands' only mine, Gold Ridge, Honiara is hoping more than ever for success with other mineral projects.

CNMI Issues 20-Year Mining Permit For Pagan Island

Years of litigation over issuance of permit settled

By Haidee V. Eugenio

SAIPAN, CNMI (Saipan Tribune, Sept. 8, 2014) – The CNMI government issued last week a mining permit to allow businessman John T. Sablan and his JG Sablan Rock Quarry Inc. to conduct mining on Pagan Island for 20 years, according to attorney Michael Dotts. Dotts, counsel for Sablan and JG Sablan Rock Quarry Inc., disclosed to Saipan Tribune that on Wednesday, the new mining permit was recorded, giving JG Sablan Rock Quarry 20 years to mine on Pagan Island. Dotts also disclosed that on Thursday, he and the CNMI government advised Superior Court Associate Judge David A. Wiseman of their settlement and the recording of the mining permit. The lawyer said following the settlement and the recording of the permit, more than eight years of litigation in Superior Court has ended. "JG Sablan is very pleased to have all the litigation over and to have the right to mine on Pagan Island again," Dotts said yesterday.

Wiseman is handling over the legal action between JG Sablan and the CNMI government in the local court that began in 2006 when DPL terminated the company's mining permit. The parties also engaged in legal dispute in federal court arising from the mining permit issue. The parties recently reached an agreement to settle all the lawsuits both in local and federal courts. With the settlement, last month U.S. District Court for the NMI Chief Judge Ramona V. Manglona dismissed Sablan's and JG Sablan's lawsuit against DPL. Sablan and JG Sablan Rock Quarry reportedly reached a \$4.8 million settlement with the CNM government. Sablan has agreed to pay \$4.8 million to the CNMI government. In exchange, the government will issue a mining permit to the company for Pagan. The length of the permit will be for 20 years, with a \$100,000 permit fee payable in 120 days from its execution.

Kula Gold's Woodlark attracts PNG government investment

Proactive Investors, September 08, 2014

This milestone follows on from the granting of the Mining Lease in July. Kula Gold has received confirmation from the Government of Papua New Guinea regarding the State's equity participation in the development of the Woodlark Island Gold Project. The PNG Government's decision to acquire a 5% participating interest in the Woodlark Island Gold Project by paying 5% of sunk costs is evidence of the support Kula has from the Government and local communities for development of the gold mining operation. This milestone follows on from the granting of the Mining Lease in July. Recent and ongoing exploration success is expected to enhance project returns. The State has the option to acquire a participating interest of up to 30% by the payment of sunk costs and contributing to construction capital costs.

The PNG Government has also indicated interest in a further acquisition of up to 25% on commercial terms through the State's nominee, Petromin PNG Holdings. Additional resource discovery will add to the profitability and mine life of the 1.8Mtpa project and potentially enable an upgrade of capacity in a stage 2 expansion to 4Mtpa. Kula's feasibility Study, completed in September 2012, defined a 2004 JORC Resource of 2.1 million ounces and an Ore Reserve of 766,000 ounces. The 9 year project is based around three open pit mining areas and a 1.8Mtpa gravity and carbon-in-leach plant, and is now fully permitted after the recent issue of the Environment Permit and Mining Lease.

Miner: No environment incident happened

The National, September 8th, 2014

STAKEHOLDERS in the Ramu nickel/cobalt project have been assured that no significant environment incident has happened during the project's commissioning period. The Ramu NiCo management said it was closely implementing the operational environment management plan as required under the government plan. The firm has engaged an independent consultant from Australia to conduct studies on marine life. According to safety officer Steven Opur, the findings had been presented to the National Government and the Madang Provincial Government last year. "Metal concentrations in near-shore fish muscle and liver tissue were generally consistent with values reported for the 2007 Baseline Survey, given the variability associated to this type of data," he said. Opur said fauna survey around the impacted rivers and oxbow at the Kurumbukari mine are closely monitored as well to ensure no significant impacts are caused by the mine activities. To date, the results obtained revealed that the metal contents found were within the government issued standards.

Ramu Nico defends against claim

Post-Courier, September 05, 2014

THE developers of the Ramu Nickel project says it has met all its commitments under the project's memorandum of agreement-2000. It states its commitment has not changed and it will be working to meet its obligations under the revised MoA currently in effect as the project ramps up. The firm was responding to reports by Usino/Bundi MP Anton Yagama in relation to the recent destruction to properties owned by Ramu NiCo (MCC) Management Limited at the Kurumbukari mine site in his electorate. Mr Yagama had during question time in parliament this week said his people were peaceful but failure by the Government and company to implement their obligations under the MoA had resulted in the mayhem. He had called on the prime minister to get the mining minister and police minister to a round table to address the core issue, which he stated is that the people were not getting any benefits from the mine. He said he was concerned over the manner in which police were

going about in trying to haul in those they alleged were involved in the incident. The management had responded stating: "No stone was left unturned. We have delivered all required of us under the MoA and even outside of the MoA."

PNG Government Lawyers Admit PM Released 'Inaccurate' Info

O'Neill's claims about Development Fund lawsuit misleading

By PNG correspondent Liam Cochrane

MELBOURNE, Australia (Radio Australia, Sept. 4, 2014) – Lawyers for Papua New Guinea's government have admitted the prime minister released "factually inaccurate" information about a court case in Singapore. The case is part of a bitter struggle for control of a \$1.4 billion development fund linked to the Ok Tedi mine, as well as the mine itself. Last week, a media release from prime minister Peter O'Neill claimed the PNG Sustainable Development Fund (PNG SDP) withdrew money inappropriately from its Long Term Fund, which is set aside for after the mine closes. But PNG SDP chairman Sir Mekere Morauta said a letter submitted to Singapore's Supreme Court by the PNG government's lawyers admitted the statements were misleading. "The State recognises that some of the points presented in the last three paragraphs of the news release as reported by the PNG press are factually inaccurate and will be issuing clarifications in this regards shortly," said lawyers for the PNG government, according to the PNG SDP.

The paragraphs cited by the lawyer's letter allege the PNG SDP withdrew \$7 million from the Long Term Fund to finance "general expenses", including \$3.8 million for legal representation. The government has not issued a public clarification. The allegations against PNG SDP have been discussed in Parliament by the prime minister and attorney-general. Sir Mekere said the PNG SDP will take action against the government for breaching Singapore's court rules by misrepresenting the Supreme Court's judgement. "Those [2013] accounts have been audited and were found to be in order," he said. "They were issued unqualified by the auditors, the respected international firm Price-WaterhouseCoopers, and I am confident the 2014 accounts will be the same." The case in Singapore's Supreme Court is a counter claim to the PNG SDP's legal action, which seeks to block the government's removal of board members and its chairman. A separate action has been lodged with the International Centre for Settlement of Investment Disputes in Washington DC.

Malaysia tops investment

The National, September 4th, 2014

Foreign direct investment by Malaysian companies in Papua New Guinea is said to be one of the biggest compared to investments from other countries. Last year, its total trade in PNG amounted to US\$651.7 million (K1.58 billion). The country is rich with agriculture and natural resources products and Malaysia sourced mainly these products from PNG. Information from the Investment Promotion Authority shows investments by Malaysian firms are in all three sectors of the economy. In the primary sector, 69 companies are involved in forestry, 15 in agriculture, six in mining and petroleum and one in fisheries. In the secondary sector, 16 are in business management and consultancy services, 10 in the manufacturing industry. In tertiary sector, 51 are in wholesale and retail businesses, 44 in real estate, 29 in construction work, 12 in transport services and 11 in financing services. According to the Malaysian diplomatic office, its investment in PNG is among the highest in terms of value. Last year, proposed investment recorded at K6.3 billion mainly concentrated in wholesale and retail, financial intermediation, forestry, manufacturing and agriculture. The IPA has certified a total of 650 Malaysian enterprises to conduct business since 1999 with estimated 40,000 jobs created for local at various levels.

Ok Tedi: MP expresses disappointment with SDP

The National, September 4th, 2014

Western Governor Ati Wobiro says his people have totally rejected the PNG Sustainable Development Program (PNGSDP) following revelations that it was spending money from the long-term fund on legal costs. "I am very disappointed and I think the people of Western are very disappointed, that the truth of the matter has now come about as a result of the court hearings in Singapore," he said yesterday. "One of the most disappointing facts is that the PNGSDP board, under Sir Mekere (Morauta), has access to these long-term funds, about US\$55 million (K135,785,712). "This is completely against rules set for the long-term fund. "The rules are very clear: Those funds will only be accessed for the benefit of the people of Western after Ok Tedi mine closes. "The PNG Sustainable Development Program has seen fit to interfere in these funds for which they have no right. "Whatever little faith the people of Western have in PNGSDP is gone, they can't trust PNGSDP.

"We have great plans for Western, we want to use the dividends. "I'm looking forward to the Singapore court eventually ruling that the PNGSDP no longer has any more responsibility for the management of our long-term funds." Wobiro said he had agreed with Prime Minister Peter O'Neill that a Western sustainable fund be set up to control the funds in place of the PNGSDP. "I am disappointed to learn that PNGSDP has sold off some of its investments in PNG to generate revenue for their court cases. "This is not a Western province court case. "How PNGSDP pays for their court cases is their own responsibility. "We single-handedly have suffered from the effects of Ok Tedi, now we are suffering from another effect. "The misuse of our funds is grossly unjustified. "I would hope that the court case is settled soon and all the money is returned to Western province."

Ramu project: No harm to area

Post-Courier, September 04, 2014

STAKEHOLDERS in the Ramu nickel/cobalt project have been assured there have been no significant environmental impact since the project's commissioning. They have also been assured by the project developer that the company was closely implementing the operational environment management plan (OEMP) as required under the Government issued environment plan. Speaking during the project's second quarter review in Kokopo last week, Ramu NiCo health, safety and environment officer Steven Opur said Ian Hargreaves and Associate (IHA) of Australia, an independent consultant, had been engaged by Ramu NiCo under the requirement of the Environment and Conservation Department.

Mr Opur said their work had covered eight components to identify the deep sea tailings placement (DSTP) impact, including fringing coral reef survey, marine fauna, upper ocean measurements, deep ocean biota, marine water quality, marine sediments characterisation, subsurface plume survey and acoustic seabed classification (ASC) survey. These had been carried out at different locations at Basamuk, in the Raicoast district, extending to Saidor and up north to Alexishafen. He said the survey concluded that no significant differences were found between surveys for 2007 and 2013 for fringes coral reef.

Motuan villages to become modernised

The National, September 3rd, 2014

KOITABU and Motuan villages in the Liquefied Natural Gas Project impact area from Harbour City to Motukea will be improved and upgraded to modern-style villages. Public Enterprises and State

Investments Minister Ben Micah said that was part of the National Executive Council's decision to relocate the port and to develop the central business district into a commercial and recreation area. "As part of the project Independent Public Business Corporation, PNG Ports, National Central Districts Commission and the other government agencies will be working together to improve those village communities, including Hanuabada, Kanudi, Tatana, Baruni and all the way to Motukea. "We are going to bring in water supply, power, sanitation and communication to help them to build modern houses so that they are incorporated into our modern city.

"We don't want any class, most importantly, we to respect them and we're going to treat them as a very important part of this city. "Their ancestors founded this city, they are the original owners and so part of the funds that we raise to develop the project will be used to improve those villages," Micah said. NCD Governor Powes Parkop said NCDC had a major project already programmed to convert settlements into suburbs. "Port Moresby currently has suburbs that were built in colonial times and we have not progressed much in the past 40 years, mainly in the unplanned and poorly designed settlements," Parkop said. "The villages have to be upgraded to become modern, meaning all the basic amenities of a modern city must be provided to them, including converting all their houses to become decent quality houses for our people."

Official: Ramu NiCo pumped in K125m

The National, September 3rd, 2014

THE country's nickel and cobalt developer, Ramu NiCo, has contributed more than K125 million towards the local economy in the past 12 months, an official says. Community affairs deputy general manager Stotick Kamyia said from last July to this June, K125,182,233.97 was distributed across suppliers, contractors and service providers for the Madang project. During a meeting with project stakeholders in Kokopo last week, he presented a report on goods and services in the local procurement exercise covering landowner companies, other companies in Madang and the country, state-owned enterprises, other service providers in PNG and government organisations. He said the investment by MCC-Ramu NiCo has created a huge demand for local businesses in Madang. Kamyia said benefits from the project could be felt across the local communities and government institutions. He said Ramu NiCo in the last few months had off-loaded several business spin-off activities for landowner companies. Kamyia urged the four landowner associations and the landowner companies to capitalise on the opportunities and the demands created by the developer for their own benefits. "We thank you for the support in the past but we have a long way ahead to go and therefore appeal for your understanding and continuous support during this tough time to fully achieve our full production capacity," he said.

Prime Minister expresses concern on treatment of Ramu mine landowners

The National, September 3rd, 2014

PRIME Minister Peter O'Neill has expressed concern at the treatment by police towards the landowners of the Ramu Nickel mine in the Usino-Bundi district, Madang. "I'm aware of the issues at that mine where some of the disgruntled landowners have gone and damaged some properties at the mining site, causing the mine to shut down for a few days," he said. "Some of the actions of the landowners are understandable, the frustration that they go through but the last thing that we want anyone to do is to try and burn and destruct properties and assault people." He was responding to questions from Usino-Bundi MP Anton Yagama in Parliament yesterday, who asked if the Prime Minister could direct the police and mining minister to meet him and resolve the matter. He said police have arrested the wrong people. Yagama said the core problem was that the Government and the company had failed to fulfil the Memorandum of Agreement with the landowners. He added

that the landowners were frustrated that the resource on their land had been taken away by foreigners and they have not benefited from that.

PNG government accused of lying about Ok Tedi funds verdict by PNG SDP chairman Sir Mekere Morauta ABC Australia, 3 Sept 2014, by PNG correspondent Liam Cochrane
PNG's prime minister has been accused of 'grossly misrepresenting' a court decision over disputed funds from the Ok Tedi mine.



The PNG SDP and the PNG government are fighting over control of a trust which uses money from the Ok Tedi mine to fund development projects (Credit: Audience submitted)

PNG's prime minister has been accused of "grossly misrepresenting" a court decision over disputed funds from the Ok Tedi mine. The PNG Sustainable Development Program (PNG SDP) and the PNG government are involved in a bitter tussle for control of the \$1.4 billion trust, which uses money from the Ok Tedi mine to fund development projects. The mine was effectively nationalised a year ago, when the PNG government took control of the PNG SDP's share of the company. In response, the PNG SDP launched legal action in Singapore, and the PNG government has filed a counter-claim with the Singapore Supreme Court. PNG SDP chairman Sir Mekere Morauta called on prime minister Peter O'Neill to "correct the falsehoods" made in a recent media statement about the case, which appeared to celebrate a legal victory. Last week, Mr O'Neill welcomed a ruling on the government's counter-claim, that he said prevented PNG SDP from drawing money from its \$1.4 billion Long Term Fund to pay for operational expenses. "This decision by the court in Singapore confirms our position," he said. "The Long Term Fund is meant to be drawn down for the development of Western Province and its people; not to pay for the upkeep of a few individuals."

Ok Tedi mine

- BHP first began mining for gold in 1984.
- One of the world's largest copper deposits later found at the site.
- In the 1990s landowners sued over environmental damage from mining waste.
- As part of the settlement BHP placed its share in the hands PNG Sustainable Development Project
- Two-thirds of the money earned from Ok Tedi is paid into fund for use after mine closes.
- Remaining third goes to development projects across Papua New Guinea.
- In September 2013, the PNG government took over PNG SDP's majority share, giving it 100 per cent control.
- Government and landowners moved to extend mine's life until at least 2015

Sir Mekere said the government actually lost the case, and the restrictions on accessing funds were part of a temporary injunction put in place while the PNG government prepares an appeal. "It is therefore puzzling to say the least that the PM 'welcomes' the Singapore court's ruling in this regard, when the state has lost its application before the judge and is [in] fact seeking to overturn the decision on appeal," he said. The official judgement from the Singapore Supreme Court has not yet been posted on the Singapore Law Watch website. PNG's attorney-general Ano Pala flew to Singapore to attend proceedings and raised the issue in parliament. "The state did not 'lose' the application; neither did the court 'dismiss' the same," he said. However, Mr Pala appeared to contradict himself in the next two paragraphs of his statement. "The court did not grant an injunction to expressly restrain PNG SDP from disposing of its assets in its Long Term Fund at this juncture," he said. "The state therefore will be taking steps to pursue an appeal in this regard." Since the judgement, solicitors from both parties have submitted letters to the Singapore Supreme Court to clarify and defend their positions.

Dispute over funds

The PNG SDP was set up in 2002 as part of BHP's exit from the Ok Tedi mine, which caused extensive environmental damage to the Western Province. BHP agreed to place its majority share of the mine in the hands of the Singapore-registered not-for-profit company PNG SDP, in return for impunity from future prosecution over the environmental damage. Two-thirds of the money earned from Ok Tedi is paid into a Long Term Fund for use after mine closes, while a third goes to development projects across Papua New Guinea. In September 2013, the PNG government passed legislation that took control of PNG SDP's 63 per cent share of Ok Tedi and revoked BHP's impunity from prosecution. The government already owned the remaining 37 per cent. As well as the Singapore legal action - which seeks to block the government's removal of board members and its chairman - PNG SDP has lodged a case with the International Centre for Settlement of Investment Disputes in Washington DC.

Ok Tedi: State takes action

The National, September 3rd, 2014

By MALUM NALU

THE State has applied to the High Court in Singapore to order the removal of Sir Mekere Morauta as chairman, director and member of the PNG Sustainable Development Programme. It follows revelations that the total assets of the PNGSDP, under the chairmanship of Sir Mereke, declined by US\$180 million (K438.63M) in 2013. Attorney-General Ano Pala told Parliament yesterday that the State had sought in the Singapore court "various injunction orders and information on PNGSDP's assets" in order to preserve them. "This is done to safeguard the interests of the people of PNG and Western, whom the PNGSDP's assets are solely to benefit," he said. "I am pleased to note the Singapore court has made several orders in this regard." The PNGSDP had in its annual general meeting in Port Moresby early this year announced that it for the first time was not paying any dividends from the Ok Tedi Mining Limited. Pala said the decline in assets was revealed in the "belatedly issued" PNGSDP 2013 financial statements in May. "These statements showed that the State's concerns regarding the assets of PNGSDP were well founded," he said.

Pala said: "In particular, the 2013 financial statements reflect that PNGSDP's total assets have declined by US\$180 million in 2013, despite PNGSDP claiming that it has stopped all projects since October 2013, because it has no funds." Pala said the value of PNGSDP's long term fund had been reduced in 2013 by US\$55m despite Sir Mekere's claim that the fund could not be touched. Pala said US\$39 million had been directly transferred out of the long term fund, "all of which was meant to be in low risk investments". "PNGSDP's main complaint has been the 10th Supplemental Act passed on September 19, 2013, and in the short span of over three months from September 2013 to

December 2013, PNGSDP has spent at least US\$3.1 million on legal fees to fund what it calls the fight for justice,” he said. “The State has not been informed as to how much has been spent on legal fees for 2014 and is concerned that this will likely be much more.” Pala said Sir Mekere should sever any ties with PNGSDP because “he was appointed pursuant to the unilateral changes to PNGSDP’s memorandum and articles and because Sir Mekere has caused PNGSDP to commit the breaches.”

Ok Tedi: Government statements false

Post-Courier, September 03, 2014

The chairman of PNG Sustainable Development Program Ltd, Sir Mekere Morauta, said today the company is taking action in the Singapore Supreme Court against the State for its continuing breach of court rules. “Parties to the case are prohibited from publishing statements that risk interfering with pending legal proceedings,” he said. “For example the Attorney-General, supported by the Prime Minister, claimed that the court ‘further recognised the State’s interest in preserving PNGSDP’s assets for the benefit of the people of Papua New Guinea and Western Province, and the State’s concerns in this regard...’ “This is one of the matters for determination in the court action, and the court has made no such finding. “It is wrong for the State to make comments such as this to try to influence the court proceedings. PNGSDP is taking this up with the court.” Sir Mekere said PNGSDP is raising other similar false statements by the Prime Minister and the Attorney-General with the court.

The State’s lawyers, in a letter to the Singapore court, have acknowledged that there are falsehoods in the news release issued by the Prime Minister on August 26. Their letter says in part ...’the State recognizes that some of the points presented in the last three paragraphs of the news release as reported by the PNG press are factually inaccurate and will be issuing clarifications in this regard shortly (we will provide the court with a copy of the same).’ However to date the Prime Minister has issued no clarification and has instead continued to issue false statements. “The Prime Minister should issue this clarification immediately and apologise to the public – especially the people of Western Province - for misleading them on such a major issue,” Sir Mekere said. He also said the statements by the Prime Minister and the Attorney-General in relation to PNGSDP’s accounts were false.

The court has dismissed the State’s claims for various measures to prevent PNGSDP from dealing with all of its assets. “In coming to its decision, the court said there was no serious risk that PNGSDP would dissipate its assets if an injunction were not granted,” he said. “PNGSDP has provided the court with detailed explanations and it has also issued its audited accounts for the financial year 2013 in accordance with its normal practice.” “Those accounts have been audited, and were found to be in order. They were issued unqualified by the auditors, the respected international firm PricewaterhouseCoopers, and I am confident that the 2014 accounts will be the same. “PNGSDP has an impeccable record of accountability and transparency with its finances. “PNGSDP also held its annual public presentation of the company’s annual report and financial statements in June this year, as always throwing the meeting open to questions from the floor.” Sir Mekere said it was important to note that the board continues to manage PNGSDP’s affairs as it has always done, in accord with its Memorandum and Articles of Association and the Program Rules. It will continue to do so with the interest of the people of Western Province foremost in its mind.

MP: Failure of government, company causes destruction

Post-Courier, September 03, 2014

BY Isaac Nicholas USINO-Bundi MP Anthon Yagama has blamed the failure by Ramu Nickel and the Government to honour the MOA for the recent destruction of properties at the Kurumbukari mine area in Madang province. Mr Yagama in his questions to Prime Minister Peter O'Neill in parliament yesterday said his innocent people of Usino were now living like animals in the thick jungles after police went in and arrested a lot of innocent villagers in the hope that this would force out the real culprits. "The landowners of Kurumbukari have been living like animals in the bush because of police harassment and arrest of innocent people not linked to the recent destruction of properties at the RamuNico mine site." He said his people are peaceful but the failure by Government and company to implement the various memorandum of agreements have resulted in the recent destruction at the mine.

He called on Mr O'Neill to get the Mining Minister and Police Minister to a round table to address the core issue which was that the people were not getting any benefits from the mine. "The main issue is to address the MOA which the Government and company did not fulfil while their land and resource have been going into pipes to China and they did not receive any benefits." Mr O'Neill in response said he was aware of the incident at the mine where some disgruntled landowners had damaged properties at the mining site causing the mine to shut down for a few days. "Some of the actions of the landowners are understandable and the frustrations they are going through but the last thing that we want is to try and burn and destroy properties and assault people." "We need to sit down and properly discuss the issues that are frustrating them. I know there is police presence and they are arresting people there, I will talk with the Police Minister so he can advice commissioner to advice his policemen.

Tonga Enacts Region's First Seabed Mining Law

SPC calls Act 'not only a world first, but also a world best'

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 2, 2014) – Tonga says it's the first country to put in place regulations for managing deep-sea mining and seabed mineral activities. The Seabed Minerals Act 2014, which was prepared with assistance from the European Union and the Secretariat of the Pacific Community, has been gazetted. The Act provides for a vetting process of any project and public consultation. It also requires an environmental impact assessment and monitoring while the government will have new enforcement powers. The Deputy Secretary for Natural Resources, Taniela Kula, says the move is timely given the country's economic status. "It has changed the government's priority to focus on seabed minerals. We believe that this is the key or the window of opportunity for Tonga to support its economic growth. And we'll put our and commit our efforts into getting this vision or dream materialised." The SPC says the Act is not only a world first, but also a world best. It says Tonga has established a regulatory system, which prioritises the good governance and management of natural resources. There are three companies exploring mining opportunities in Tonga.

Tonga a world leader in seabed minerals law

Secretariat of the Pacific Community, The Jet, September 01, 2014

Friday 29 August 2014, Secretariat of the Pacific Community (SPC), Suva, Fiji – The Kingdom of Tonga this month became the first country in the world to put in place a law that manages seabed mineral activities within its national marine space and under its sponsorship in international waters.

Tonga's Seabed Minerals Act 2014 was prepared with the assistance of the Deep Sea Minerals Project a partnership between the European Union (EU) and the Secretariat of the Pacific Community (SPC) and 15 Pacific Island countries. The Act received Royal Assent from the King of Tonga on 20 August 2014. This pioneering law, championed by Tonga's Minister for Lands and Natural Resources and his staff, and led by the Kingdom's Attorney-General's Office, with SPC support, positions Tonga at the forefront of good governance for this emerging new industry.

Tonga, like Papua New Guinea, Fiji and Solomon Islands, has already received significant commercial interest in the seabed mineral potential within its national seas. Companies are currently conducting exploratory activities to learn more about Tonga's 'seafloor massive sulphide' deposits. These chimney like structures, formed by hydrothermal activity at the seafloor thousands of metres below sea-level, are being feted as a new source for metals in global demand (such as copper, zinc, gold and silver) – and, if mined, would bring a new source of revenue for Tonga. The industry is however an untested one: deep sea mining has not yet occurred anywhere in the world; its viability and environmental impact are yet to be determined.

Now, in Tonga, before any seabed mining can commence, the requirements of the Seabed Minerals Act must be followed. This includes a stringent vetting process by government of any new project proposals, and public consultation if mining is proposed. Environmental impact assessment and on-going monitoring are legal requirements under the Act, and government is given enforcement powers in order to maintain compliance with required performance standards. The Act also highlights the importance placed by Tonga on the protection and preservation of the marine environment, recognising the need to balance economic development for the people of Tonga against conservation of the biodiversity of the oceans.

Mr Taaniela Kula, Deputy Secretary for Natural Resources and the SPC-EU Deep Sea Minerals Project focal point in Tonga, thanked a wide range of stakeholders this week for their involvement in the law's development, which commenced in 2012, including government colleagues and partners in the private sector and civil society – with special thanks to the EU and SPC for the Deep Sea Mineral Project's assistance preparing an initial draft of the Act. European Union Ambassador to the Pacific Andrew Jacobs, upon receiving a copy of the Seabed Minerals Act 2014, commented: 'I wish to congratulate Tonga for this bold move, which will allow the Kingdom to effectively regulate and fully participate in deep sea mineral activities. The EU is pleased to have been able to contribute to this world premiere. Tonga is now equipped with a set of tools and regulations that will allow it to maximise the benefits of deep sea mining for its population.' Prof. Mike Petterson, the Director of SPC's Applied Geoscience and Technology Division, which hosts the SPC-EU Deep Sea Minerals Project, added his congratulations to Tonga for its great achievement:

'The Seabed Minerals Act 2014 is not only a world first, but also a world best! With this new law, Tonga establishes a robust and transparent regulatory system, which prioritises good governance of natural resources and environmental management in line with international best practice. With provisions that set a stable and predictable regime, with requirements for the precautionary approach, public consultation and 'free, prior and informed consent', and with the creation of a ring-fenced sovereign wealth fund for seabed mining revenue, through this Act, Tonga has struck a good balance between incentivising the investment that will bring Tonga new income, while protecting the long-term interests of the people of the Kingdom and the health of the oceans.'

Tonga's legislation follows closely the SPC-EU Deep Sea Mineral Project's 'Regional Legislative and Regulatory Framework' launched by Pacific Island Forum Leaders in 2012, and endorsed by all 15 Pacific members of the African, Caribbean and Pacific Group of States (ACP). Several other Pacific Island countries also have seabed mineral Bills under development, with SPC and EU support, and the Deep Sea Minerals Project is supporting a wide range of other deep sea minerals 'good

governance' activities across the region, in response to the requests and individual needs of countries. Tonga will now continue to implement the SPC-EU Deep Sea Minerals Project, with awareness-raising programmes, and the development of further regulations.

PNG MP calls for toxic waste facts on Porgera

Radio New Zealand, 1 September 2014

The MP for Porgera in Papua New Guinea's Enga province, Nixon Mangape, has called for independent scientific monitoring of the level of toxic waste from the Porgera gold mine.

Mr Mangape says there are indications that significant damage has been caused by the mine to the Strickland River, and has asked that the Minister of Environment John Pundari should put officers on the ground to monitor it. Last week in parliament, the minister was vocal about the pollution damage caused by the Ok Tedi mine to the Fly River in Western province, but didn't mention Porgera. Mr Mangape says current environmental reports about the mine rely on the developer, Barrick Gold, and are therefore unreliable. "Since I became MP, I've been talking and talking [to the developer] and they said everything is okay, the government accepts our report; but they're not independent. My people are affected by the mine: down the Strickland [river] all the way to Lake Murray, all the people are affected." Nixon Mangape says if the developer believes the water levels are acceptable, he encourages them to eat some fish from the river.

Top officer hails army support in Porgera

The National, September 1st, 2014

ENGA provincial police commander Acting Supt George Kakas has commended Defence Force troops from the Delta Company in Moem Barracks, in East Sepik, for showing a high standard of professionalism during a special call-out operation to Porgera. Kakas said the platoon, under the command of Lt Peter Morlen, conducted themselves well that he did not receive any complaints during their four-month operation. He presented certificates of appreciation and bade them farewell in a parade at Alipis mining camp in Porgera. The Delta Company returned to Moem Barracks and were replaced by their counterparts from Bravo Company. Kakas said that Delta Company worked side by side with the mobile squads 5 and 7 from Mt Hagen, Western Highlands, to contain law and order problems in Porgera. He said normalcy returned to the mining township because of the joint effort by the police and the soldiers. He said their notable achievement included the reduction of illegal mining, reduced alcohol-related problems, illegal smuggling and drug abuse. Kakas said during the call-out operation, security had confiscated about a 1000 cartons of beer.

Clans are 'bogus'

The National, September 1st, 2014

THE Petroleum and Energy Department has been accused of hijacking the clan vetting process in Hides, Hela. Chairman of the Hides Tuguba Block in petroleum development licence (PDL) 1, Howard Lole, said a ministerial determination published in the National Gazette No.192 had inflated the number of clans from eight to 46. He said the eight principal clans for the Tuguba Block – Tagua, Tabu, Jugu, Ware 2, Pepe 2, Nguane, Pate and Tagobali – were endorsed during the clan vetting programme on Dec 12, 2013, at the Tumbi Memorial Quarry. "Where did the 46 clans come from and where do they physically reside within the Hiwa and Tuguba region where nine and eight clans respectively have landownership rights as defined by Justice Arnold Amet's court decision and the Hiwa and Tuguba Hides gas project dispute compromise agreement," Lole said in a statement.

Lole, a former government chief mining inspector, said he had provided information to Petroleum and Energy Minister Nixon Duban and held meetings with Secretary Rendel Rimua but his concerns had been ignored. “The factual information that is supposed to assist the minister in the ministerial determination has been ignored for unknown reasons,” he said. He said a senior department officer (named) involved in the clan vetting programme had allowed “opportunists” to take control of the legitimate functions of his office. “The key stakeholders, including the Department of Petroleum and Energy, ExxonMobil and the Hela Governor’s Office, are supposed to uphold fairness and protect the interests of all parties concerned. From indications so far, this is not the case. Their noble positions have been used as a leverage to promote the interests of certain individuals and groups,” he said.

Mt. Kare: Landowner believes in traditional ID method

Post-Courier, September 1, 2014

A landowner representative from Mt Kare in the Hela Province says the best way of identifying legitimate landowners is to use the traditional landowner identification criteria. Pali Pati Incorporated land group chairman Kaeari Lkila said the landowner identification criteria is basically a criteria that can be used to identify Mt Kare landowners based on the early settlers imprinting human activities that gradually changed primary forests to grasslands. Mr Pati said such early settlers slashed and burnt natural forest environments to leave fallow for some years in normal cycle of rotated slash burn type subsistence livelihood. The descendants that followed later stepped into their forefathers imprints of early activities and continued to claim ultimate land control. This landowner identification criteria is a way of measuring the genuineness of individuals or group land claims.

Therefore, Mr Pati strongly recommends that the current Mt Kare land investigation team fully utilize the traditional landowner identification criteria to help them sort out the legitimate landowners from the spoiler agents to enable the landowners to work well with the project developer. MP for Komo-Magarima Francis Potape early this week raised concern that Summit Development Ltd has been prevented from completing the Land Investigation Report as required by the PNG Land Act. He said the Mt Kare project will be further delayed if the LIR component of the Land Investigation Study is not concluded soon. He said this delay will not be good for the landowners, the developer and the two provincial governments. “We understand that the Enga provincial government has some questions over the social mapping component of the LIS and has now delayed the conduct and conclusion of the LIR”.

He fears that the concern about the administrative and political boundaries and the fact that the proposed mine site sits inside the Enga boundary will obfuscate other more important considerations including the inter-regional cultural complex that is recognized by all anthropologists as characteristic of this region. Specifically the cultural/religion and the regional nature of a “sacred geography”, the kinship and inter-marriages are clearly characteristic of the region. Their associated land use practices determined both by ecological conditions and social practice ties in this Hela/ Paela region and distinguishes the Paela people from their central Enga cousins. The LIS, as it was made clear to the two provincial governments by the consultants and the SDL in the Mt Hagen workshop, does not end where modern political boundaries terminate. It follows customary and cultural lines.

OK Tedi to pay State K150m in dividends

The National, September 1st, 2014

THE Ok Tedi Mining Limited is expected to pay close to K150 million in dividends this year to the State. Prime Minister Peter O'Neill said the mining company did not pay any dividend last year. He told Parliament last Friday that he has been advised that the company had made a profit this year and would be paying the State a substantial amount of money in dividend. "The mine had to shut down for massive repairs and maintenance for close to two to three months," he said. "Secondly, there was unusual heavy rainfall at the same time last year as a result of flooding in the mine pit. The mine had to shut down for a further two to three months." Kandep MP Don Polye questioned O'Neill on whether he owned any interests in some of the companies engaged by OTML. O'Neill said: "On the issue of some of the contracts that the former Treasurer is talking about, one or two companies that he has mentioned I have interest in. That is Remington. People in this country know that I have owned this company for over 20 years and I employed hundreds of Papua New Guineans who are earning a decent income out of that company because it provides for that, and I can assure you that we don't have a contract with Ok Tedi." He said he had no interest in a company called Black Swan.

Ok Tedi: State plans to boost shares

The National, September 1st, 2014

THE Government is proposing an increased shareholding in Ok Tedi mine for the people of Western from 2% to 19%. Prime Minister Peter O'Neill announced that in Parliament last Friday, stating that the Government was prepared to give 19% of the shareholding to the people. "We've made a firm commitment to the provincial government of Western that they will have an increased shareholding from the 2% that they own today," he said. O'Neill said the holding back of that transfer was because of the court case between the State and PNG Sustainable Development Programme. He was responding to questions from Kandep MP Don Polye on Ok Tedi Mining Limited since it was taken over by the State. On Polye's question if the mine life extension had been approved and who would meet the cost, O'Neill said: "The issues about mine life extension, the study was funded by Ok Tedi itself and consented by the previous shareholder PNG Sustainable Development Program. "They funded it out of their own cash flow and it was agreed by all shareholders."

Sir Mekere: Prime Minister's comments not true

Post-Courier, September 01, 2014

PNG Sustainable Development Program Ltd chairman Sir Mekere Morauta has described comments by the Prime Minister on the court proceedings in Singapore as a "gross misrepresentation of the orders" made in the case. The PNGSDP and the PNG Government are embroiled in a court battle in Singapore over the O'Neill Government's decision to take over the Ok Tedi Mine in the Western Province in September last year. Prime Minister Peter O'Neill released a statement recently "welcoming a ruling" by a Singapore court judge which purportedly stopped the PNGSDP from drawing money from the Long Term Fund and directed the company to make available its accounts to the State to examine. But Sir Mekere yesterday said the comments by the PM were not true and the judge in fact dismissed the Government's application after she found that the State's allegations of dissipation of assets were unsupported.

"In fact on August 25 the judge dismissed the State's application for all these orders as she found that the State's allegations of dissipation of assets were unsupported. In other words, the State has lost its application. That is why the State is appealing against the judge's decision to the court of

appeal. As the State's application involves an injunction, the State needs to first obtain permission from the judge before it can bring an appeal to the court of appeal," Sir Mekere said. "It is therefore puzzling to say the least that the PM 'welcomes' the Singapore court's ruling in this regard, when the State has lost its application before the judge and is in fact seeking to overturn the decision on appeal. None of these statements by the Prime Minister are true.

The judge made no such findings or orders. The court record will show that the judge said she was of the view that, having considered the issues and the evidence at this stage, the State's complaints of dissipation were unfounded. As such, the judge dismissed the State's application." But a spokesperson from the Office of the Prime Minister last night told the Post-Courier Sir Mekere's management team was not present in court for the decision and the former PM has a "different and one-sided interpretation" of the outcome. "The Attorney General, the State Solicitor General and the State Solicitor were present in court when the decision was handed down. The Attorney General will make a statement about the wording of the court orders. The Prime Minister suggests that Sir Mekere should stop playing games and allow people of Western Province and their leaders to manage their funds and the affairs of their province," added the spokesperson.