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

Fiji: MRD clarifies mine licence

SIKELI QOUNADOVU, The Fiji Times, October 30, 2015

THE Mineral Resources Department (MRD) says the consent of landowners is not needed for companies to obtain a mining exploration licence. The MRD, however, states that landowners will need to be notified that exploration will be done to their land. MRD official Isei Raiyawa made the clarification at a talanoa session with villagers in Namosi on Wednesday saying landowners' consent will only be needed if a mining licence is applied for. Mr Raiyawa was reacting to questions raised by Namosi villager Sipiriano Nariva on why when majority of landowners had agreed to the termination of the Special Prospecting License 1420 (SPL 1420) for the Namosi Joint Venture (NJV), Government still extended the licence for another five years. "The mineral is owned by the State and consent from landowners is not needed when it comes to exploration. What should be done is they need to be notified, which we had done. This work being conducted by the NJV is still in its exploration stage and not mining." Section 3 (1) of the Mining Act states that all minerals "shall be deemed always to have been, the property of the Crown (State)." Furthermore section 26 (1) of the

Mining Act states that the Director of the MRD has the prerogative to grant a prospecting licence over an area not exceeding 400 hectares.

Resource firm helps villages near Ok Tedi

Post-Courier, October 30, 2015

TEN landowner villages surrounding the Ok Tedi mine in Western Province will receive their food relief supplies over the next few days, provided by Mineral Resources Star Mountain (MRSM). The subsidiary company of Mineral Resources Development has stepped in with K150,000 worth of urgent food relief supplies for these drought-stricken communities. This intervention follows the report by MRDC’s assessment team who visited the area last week to find out the severity worsening with major food suppliers in the mining township of Tabubil running out of basic food supplies. The current El Nino weather forcing the drop in water level has made it impossible for supplies, usually brought into the area by ships, unable to reach more than 8000 villagers. MRSM yesterday transported a total of four tons of 20 by 1 rice bails from Port Moresby, on a free of charge flight by Hevilift charter company.

MRDC’s acting managing director Clifford Kasi said other non-perishables like canned tin fish and meat, sugar, flour, oil have already been sourced from the mine administration camp. "All of these have already been purchased and stocked in Tabubil; they don’t have rice there so we are supplying rice. "We are assessing the situation and if it continues than we will look at further assistance, but this is the first lot of assistance. "The water has also gone down and the villagers are looking at smaller holes and whatever they can succumb to at the moment." A team from MRDC and members of the village development committee from the 10 mine villages are on the ground to assist with the distribution of the supplies over the next few days. MRSM is a landowner company that holds a 3.05 per cent shareholding in OTML, that’s held in trust for the benefit of these Ok Tedi landowning communities.

News Release

Solomon Islands Forum Passes Landmark Mining Resolutions

The Nature Conservancy, Honiara, Solomon Islands, October 29, 2015

The Solomon Islands National and Provincial Government, mining industry, and local communities passed a series of landmark resolutions at the first National Mining Forum ever in the Solomon Islands. The forum was supported by The Nature Conservancy through a grant from the World Bank and was facilitated by Bishop James Mason, Paramount Chief of Isabel. Over 185 diverse stakeholders attended in Honiara, including industry, national government, provincial government, community members, landowners and civil society organizations. Many prominent women’s groups such as The Mothers Union, in Isabel province, where, as a matriarchal society, land is passed through the mother to their children, so women as the landowners care greatly care about the prospect of mining. "We are only borrowing these resources from our children. The decisions we make now on mining and natural resources must be for the benefit of our children who did not ask to be born," said Bishop Mason, Paramount Chief of Isabel. The key outcomes of the forum was agreement from the various stakeholders on a set of resolutions to find a pathway for a better mining industry including:

All - Greater transparency in all aspects of the mining processes and slowing of the process so people have time to fully understand the benefits and impacts of mining.

National Government – Ministry of Mines needs more capacity to manage the mining industry; maximize benefits and minimize impacts. Also, an overall legislative audit needs to be conducted.
Provincial Government – Early and clear role in the mining process defined up front.
Industry – Strong governance of the industry to minimize investments risks.
Civil Society Organizations – Communities need education and awareness to be empowered to make prior and informed consent when negotiating mining agreement.
Women's Groups – Women must have a voice in negotiations, decisions, and in management of benefits.

"This forum is the first of its kind at the national level in Solomon Islands. Through learning and collaborative discussion between all stakeholder groups the forum will help identify a pathway for a better mining industry in Solomon Islands for both the environment and people," said Willie Atu, Solomon Islands Country Director, The Nature Conservancy. Like many countries around the world, Solomon Islands is moving towards mining as a pathway for economic development. Community and government stakeholders see the potential benefits of mining, such as strengthening the economy, providing improved government and community services, and raising overall living standards. However there are concerns that without well informed and effective management there will be social, environment, and economic challenges for the Solomon Islands. "There is more to life than just money. People and the natural environment must be considered in any decisions around mining development. Mining forum participants should go home and share their new skills and knowledge so that our people can make wise decisions for their natural resources," said Honorable Jackson Kiloe, Premier of Choiseul Province. Government, communities, and local organizations all highlighted the need for more information about mining development and its impacts (both positive and negative). This National Mining Forum provided a unique opportunity for national and provincial government, industry, technical experts, the civil society sector, landowners, and communities to discuss and debate:

- The current situation in Solomon Islands;
- The law and mining in Solomon Islands;
- Social, economic, and environmental issues;
- Landowner and community rights;
- Lessons learned from other places; and
- Governance and transparency including the Extractive Industries Transparency Initiative.

"There isn't a lot of land, so it's important to know as much as we can about mining so that we take care of it for our children. People in my community want to know more about it and I am honoured that I can bring home this information from the mining forum to help us make important decisions," said Marilyn Gede, Arnavons Kawaki Coordinator. Through learning and collaborative discussion between all stakeholder groups the forum will help identify options for a better mining industry in Solomon Islands. "The Nature Conservancy was proud to support this forum. We are neither anti-mining nor pro-mining, it is about giving people information and skill to make better decisions. This forum is a pathway to do that," said Robyn James, Melanesia, Conservation Program Manager,

The Nature Conservancy. "We work with and support stakeholders, including communities, governments, and industry to ensure development is equitable and sustainable and also benefits the people whose lives and resources are directly impacted." "The World Bank is very happy to be supporting this event, and hope it will foster broad-based knowledge and discussion around some of the key questions and issues in the mining sector. This sort of multi-stakeholder forum is critical for positive engagement and we thank the Government, The Nature Conservancy, and other partners for their efforts. Particularly, we are happy to be able to support civil society participation, to be able to facilitate increased understanding of people's rights and opportunities to be actively engaged in the sector," said Katherine Heller, Social Development Specialist at the World Bank.

PNG Should Shift Away From Dependence On Extractive Sector

Report says agriculture, fisheries suffering from lack of attention

PORT MORESBY, Papua New Guinea (The National, Oct. 29, 2015) – There needs to be a change in policy frameworks to move the country away from its dependence on the extractive sector, a report says. The report was presented to the Government yesterday by the Tax Review Committee headed by Sir Nagora Bogan. Sir Nagora said too much attention was focused on the extractive sector, causing a lack of attention on other sectors, such as agriculture and fisheries, to progress. "If you look at the broad context of our economy, we are so over-dependent on the extractive sector," he said. "Agriculture is there. But in growth and expansion, we only have Ramu sugar and New Britain Palm Oil. There has not been any movement, which means something is wrong somewhere. "We cannot make traction and harness the full potential of our fisheries, forestry, tourism and many aspects that we cannot harness properly and bring together. "This is because we have systems that are fragmented, divisive and becoming more of an impediment. "What is of our control is to change the systems and the frameworks and the structures that we can manage any crisis that eventuates."

Mining Minister clueless on details of Tolokuma sale

Joy Kisselpar, PNG Loop, October 28, 2015

Member for Kairuku Hiri Peter Isoaimo has demanded Mining Minister Byron Chan ensure a tailings dam is established before Tolokuma mine is reopened. In Parliament today he raised concerns that when Tolokuma was sold to Singaporean firm Asidokona Limited the people of Goilala District and Kairuku Hiri District were not consulted. Chan in response admitted he did not know details of the sale that took place between Asidokona Ltd and Petromin Limited. “I have not been privy to the due diligence process or the process of the takeover, I was there to witness as the minister responsible for Mines and Petromin who owned Tolokuma,” he told parliament. He says on the day he was told consultations did not take place because leaders of Central Province and their Governor were busy with meetings.

“But I was told consultations did take place,” Chan added. Goilala MP William Samb and Central Governor Kila Hoada both refuted claims by Chan that consultations took place. Chan explained that he does not know the details of sales because discussions on the sale were made between Petromin and Asidokana. Central leaders have been told that they still have an opportunity to participate in discussions on the mine’s operations, tailings dam, and environmental damages. This opportunity is through the memorandum of agreement. Tolokuma Mine was sold for K85 million to Asidokona Limited and an announcement was made earlier this month.

Ramu: Foundation to develop projects in Madang

Post-Courier, October 28, 2015

THIRTEEN projects that were part of Ramu NiCo Project's Memorandum of Agreement are yet to be implemented and the company hopes the donation of K500,000 can assist in achieving these goals. This was said during the cheque presentation of half a million to the Ramu Development Foundation as part of their community development effort for the benefit of the wider community. Deputy General Manager of Community Affairs, Yuan Zhi said there is a special need for Government services to be delivered to the community level in the districts of Usino-Bundi and Rai Coast and the newly established Foundation will be the driving vehicle. "There are 13 projects listed in the Ramu NiCo MOA in the construction period not touched yet by the Provincial Government," Mr Yuan said. Other projects under the MOA have not been implemented by Madang Provincial Government and the new foundation will now deliver these outstanding developments.

O'Neill assures Landowners of better deal

Post-Courier, October 28, 2015

PRIME Minister Peter O'Neill has promised a better deal for landowners in their pursuit of equity in the PNG LNG Project. When the Umbrella Benefit Sharing Agreement (UBSA) was signed in Kokopo in 2009 to pave the way for the LNG project, the Somare Government offered the landowners equity in the project, at a price of US$250 million for 1 per cent equity. It was agreed then that the Government would offload 4 per cent equity to the landowners. That means the landowners would have to raise $1 billion to pay the State for the equity. Prime Minister O'Neill told Parliament yesterday the price offered was not fair for the landowners. "They were given a raw deal. We are now negotiating with NPCP to give the landowners a better deal, at a price they can afford. We did not set that price. It was set by the previous government." He was answering questions raised by Opposition Leader Don Polye during Question Time in Parliament.

Mr Polye had asked if the Government was going to the bond market to raise money through a sovereign bond to pay for the landowners' equity. He asked if money meant for landowners like royalty and dividends would be held as collateral against the bond or loan being sought. Mr O'Neill said Mr Polye was confusing sovereign bond being sought by the Treasury Department and Central Bank to fund Government debts, with funds being sought for landowners' equity. "We are not raising funds through sovereign bond to pay landowner equity. I don't know where the former World Bank chairman got that from. "We are negotiating with NPCP to get a better price for the landowners. We have to be fair to the resource owners. Landowner entitlements from the LNG sales are safe. Their royalties are parked with the Central Bank until the clan vetting exercise and the dispute resolution undertaken by Justice Ambeng Kandakasi are completed."

Mr O'Neill said the sovereign bond being sought by Central Bank and Treasury was a different thing. "Governments all over the world, including the biggest economy the US, seek trillions of dollars in the bond market to finance debt and infrastructure projects. "Sovereign Bonds are cheaper than Treasury Bills and are over much longer term. The US$2.5 billion we are seeking will bring in much needed foreign currency, and will also be used to retire expensive debts that we currently have. "We have to manage our economy in a responsible way and that is what we are doing. "The Opposition Leader must not distort facts to incite landowners. These questions have the potential to undermine the process that is underway to secure the bond."

New Caledonia Approves Export Of Nickel Ore To China

Single company allowed to export 300,000 tonnes in next 18 months

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 27, 2015) – The New Caledonian government has approved a single company's bid to start exporting low-grade nickel ore to China. The collegial government considered four applications but only authorised the company MKM to sell 300,000 tonnes of ore in the next 18 months. The MKM bid was successful because of the support of the ministers of the pro-independence Caledonian Union, who abstained from endorsing the other three bids. The head of MKM is close to the party. Two weeks ago, the territory's Congress narrowly backed calls to extend nickel ore exports to China - an issue at the centre of a three-week industrial conflict in August. The nickel price has more than halved since early 2011, prompting calls to find new markets while others want to limit sales to hike the price. Politicians in Noumea fear that industry-wide losses will this year exceed one billion US dollars, with setbacks affecting not only the territory's three smelters but also subcontractors.

Ramu NiCo: Locals not happy with land payments

The National, October 27th, 2015

PEOPLE living along the Ramu NiCo's inland and coastal pipeline areas in Madang received payments for their land last week. Many locals disagreed with the amounts, with some receiving K50-K80. One landowner, Terry Aimai, said they were not happy with the amounts for the nine years usage of their land. The Ramu NiCo management released a statement last Friday which the land compensation was done according to the agreement done when Highlands Pacific Ltd was operating. "The current land use payments by Ramu NiCo Management (MCC) Ltd is strictly in compliance with Occupational Fee (land compensation) payment component of the land and environment compensation agreement in 2000," statement said. Aimai said his clan received K900 which was like getting K100 for each year. Ramu NiCo management did not want to reveal the rate it paid the landowners, saying it was the company's confidential information and the rate would be discussed and changed in 2017 in the next review. The current payment was for 2006 to 2014 since the project construction until last year (2014).

New St Barbara boss Bob Vassie steers miner's shares to 20-fold rise

Peter Ker, Australian Financial Review, October 26, 2015

Dumping a polluting mine on the people of the Solomon Islands proves very profitable for St Barbara shareholders...

Ten months ago gold miner St Barbara was only for the bravest investors. The stock was fetching 7.2¢, ratings agency Moody's had named it the miner most likely to default on debt and St Barbara itself had warned that a tailings dam in the Solomon Islands was close to spilling and causing an international incident. The Simberi mine in PNG was producing gold at a cost that was roughly twice the gold price, and the whole thing seemed a bit of a mess. What's happened since under new boss Bob Vassie has been incredible. The company's flagship Gwalia mine in Western Australia had exploration success but the troubled Solomon Islands project was sold for a peppercorn price. A second mine in WA was shut and sold, while refurbishments to the mill circuit at Simberi led to production rising to the best levels in three years. Record production at Gwalia and Simberi meant 2015 guidance was beaten, and Moody's improved its outlook on the miner's debt. The 15 per cent fall in the Australian dollar against the US currency added further tailwinds, and Deutsche analyst Matthew Hocking recently noted that St Barbara should be able to pay its 2018 bonds with $190 million of "headroom".

St Barbara shares reached $1.44 on Friday; a 20 fold increase in just 10 months. All of this is old news to the team at Hunter Hall Investments, who bought 47 million shares at $0.17, and a further 20 million shares when the stock was $0.22. But the obvious question looms; has St Barbara's amazing run gone as far as it will go? Recent strong performance at Simberi will soon be tested as the wet season arrives in PNG. Most analysts expect gold prices to slide when interest rates are lifted in the US, and the bulk of the falls in the Australian dollar have been had. Deutsche rates the company a "hold", and believes St Barbara has a net present value of $1.20 per share. "Exploration success (at Gwalia Deeps) and or higher gold prices are needed for upside from here," said Mr Hocking in the note. Shares were down 3 per cent on Monday for no particular reason, raising speculation that profit-taking is finally under way.

Agiru: Hela yet to receive LNG money

The National, October 26th, 2015

HELA Governor Anderson Agiru says the province has not yet received any revenue from the PNG LNG project despite being its host. Agiru, one of the architects of the LNG project, urged the Government to bring in some of the revenue for the good of the province and the country. “At the moment, most of the revenue from LNG is kept in New York and in Singapore,” he said. “That money has not yet come onshore. My advice to the Government is to start bringing in some of that money onshore to develop Papua New Guinea so that it acquits some of our cash flow problems “If we start borrowing continuously against the revenue, and have all of that money, revenue, and inflows from the LNG used as collateral to repay debts, this country will not see its development objectives. “For those of us who were the architects of the LNG, it would be a crying shame – especially for a man like me – to see all of that money squandered or wasted and not brought onshore.”

MP questions contract to develop Tolukuma Mine

Post-Courier, October 23, 2015

BY JOE GURINA

Member for Kairuku Hiri Peter Isoaimo says he will raise questions on the floor of Parliament on the criteria used to sign on Asidokona PTE Mining Ltd to develop Tolukuma Mine. Mr Isoaimo, before flying to Goroka with his NA party members, confirmed that he will raise this question during the grievance debate next week Tuesday. "At this point of time, we political leaders of Central Province and the people are confused on how this handshake has evolved between the mine owner Petromin Holdings and the developer. In the best interest of my people of Central Province, I will bring this to the attention of the Government next week," Isaimo said. Woitape LLG president Joe Geru said that people in the area have not benefitted from previous developers, and added that there was supposed to be a close consultation on the review of the Memorandum of Agreement (MOA). MP Isoaimo said people living along the main Angabanaga river system have been affected by the mine’s tailing waste for over 25 years and said; "There needs to be a proper dialogue between the concerned parties and MOA reviewed before the agreement is reached." The MP said if Petromin Holdings was sticking to its agreement than it was appropriate the developer build a tailing dam so that the main river system is not polluted.

New Caledonia Party Urges Development Of Nickel Policy

Pro-French Republicans calls for common way forward

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 22, 2015) – New Caledonia's pro-French Republicans have called for a meeting of the signatories of the Noumea Accord to

develop a common nickel policy. The issue has divided the political establishment in a new way, with a slim majority in favour of expanding nickel ore exports to China to compensate industry-wide losses. The Republicans say a strategy has to be developed for all New Caledonians.
Nickel deposits form the territory's economic backbone but a drop in commodity prices has shaken the three main nickel producers. One of them, SLN, has now put on hold plans for a new power plant for its smelter in Noumea while it is uncertain if one of the furnaces at the Koniambo plant in the north will be repaired. The Republicans say there can be no proper end to the Noumea Accord without a common nickel policy.

How a small office in Jamaica might be our best hope for regulating deep sea mining

Aline Jaeckel, The Conversation, October 22, 2015.

Mining the deep oceans for minerals may soon become a reality. The deep seabed holds untapped deposits of minerals such as gold, copper, cobalt, and rare earth elements. Although mining has not yet started, exploration work for these deposits is underway across the world’s oceans, and we are seeing momentum towards the development of a new industry with the first Asia-Pacific Deep Sea Mining Summit held in Singapore in September. While this emerging industry could provide access to important raw materials, the risks involved are many. Mining up to 6 km below the ocean surface has never been done before. It will interfere with fragile ecosystems and unique biodiversity in the deep oceans.

Deep seabed mining is likely to involve the destruction of habitat and damage to the fauna associated with mineral deposits, such as cold-water coral and sea life around hydrothermal vents. The mining process is also likely to create massive sediment plumes that could lead to alterations in the seabed and water column communities and affect food availability. The distance that plumes will travel is not known. Perhaps the most problematic factor is our lack of knowledge of the potential environmental effects, particularly any cumulative effects with other ocean uses or multiple mining operations in an area. As a recent WWF report underlines, data on marine ecosystems remains limited. In fact, the deep sea is the largest and least known ecosystem on the planet.

Who regulates seabed mining?

To minimise these risks and uncertainties, we need a strong regulatory framework. So who is able to regulate this emerging industry? The answer depends on where the deposits are located. Under international law of the sea, states have jurisdiction over resources in the water, seabed and subsoil within 200 nautical miles (370 km) of their coast. A state’s rights over the seabed can reach further if it makes a claim to jurisdiction over an extended continental shelf. Seabed mining within these zones is regulated by each coastal state itself, although some states are only just starting to regulate this emerging industry. Most mineral resources are, however, likely to be located on the vast international seabed, beyond national jurisdiction. This international seabed covers roughly half of Earth’s surface, and is subject to a unique legal regime based on the 1982 United Nations Convention on the Law of the Sea.

When the Convention was negotiated, states agreed that the international seabed and its mineral resources form part of the “common heritage of mankind”. The aim was to ensure that the mineral wealth of the deep sea would be shared among all, rather than being exploited by a few technologically advanced states that have the capacity to recover minerals from several kilometres' depth. To this end, the Convention established the International Seabed Authority (ISA), headquartered in Jamaica. The ISA is a small but powerful institution that regulates and administers all seabed mining on the international seabed on behalf of everyone. The ISA has so far approved 27 exploration contracts for public and private entities, covering a total of some 1.28 million square km. The vast majority of these exploration contracts were issued in the past four years, during which the emerging seabed mining industry has rapidly gained momentum. Against the background of this "gold rush", the ISA is now developing a regulatory framework for commercial-scale seabed mining. This is proving a considerable challenge.

The need for a public debate on seabed mining

Many questions remain unanswered. Will the regulations foresee a staged approach, first trialling mining on a small scale to assess the environmental impacts before authorising large-scale operations? What level of harm to marine ecosystems is deemed acceptable by the public? How will it be ensured that mankind as a whole can benefit from the use of the international seabed? What level of returns will the ISA receive from the mining operations? We currently have the chance to set in place environmental and social safeguards before commercial deep seabed mining starts. To make the most of this opportunity, though, we need a robust public debate about the risks, benefits, and regulatory parameters of seabed mining. But the challenge is that deep seabed mining is not yet widely discussed. The ISA remains a little-known institution, despite regulating and controlling access to raw material on half of the planet's surface. Greater awareness and engagement will be critical to arrive at a strong regulatory framework for this new use of our oceans in a way that benefits all mankind.

Would restarting Bougainville's Panguna contribute to sustainable development?

By PNG Mine Watch, Nostromo Research with Dr Mark Muller [via Mines and Communities], October 22, 2015

Women and children sit among the ruins of the mine administration buildings. Photo: Catherine Wilson/IPS

The decade-long civil war, unleashed on the indigenous inhabitants of Bouainville between 1988 and 1998 is unique in recent South Pacific history. Directly and indirectly it cost the lives of up to 20,000 children, women and men. Although there were several reasons why it lasted lasted so long, it was primarily the presence of the island's massive Rio Tinto-owned Panguna copper-gold mine which triggered the rebellion that quickly resulted in a horrendous, bloody, conflict, characterised by numerous atrocities. It is now seven years since a reconciliation process between the combatants was brokered by the New Zealand government. So far, peace has largely prevailed. Nonetheless vigorous disagreement exists between various land-owner groups and the Bougainville Autonomous Government, over one burning issue: Should the Panguna mine be re-opened by BCL, Rio Tinto's subsidiary on Bougainville; offered to other bidders; or closed down for ever? The report which follows does not take political sides. Instead, it presents an objective assessment of what the economic, social and environmental costs would be, should the government of Bougainville (or Papua New Guinea) decide to try to revive the mine. Its conclusions are unequivocal: nothing will be gained by Bougainville's citizens in doing this. And much more will be lost, in terms of jeopardising any advances in promoting sustainable livelihoods.

Restarting Panguna: between a rock and a hard place
Executive summary

- Bougainville Copper Ltd (BCL) estimates that the costs of re-opening the Panguna mine will exceed US$5 billion
- But this doesn't account for the expenses of concluding several essential "due diligence" studies
- Even if these go well, a new mine is at least five – possibly ten years – away from any profitable production
- Judging by the amounts and grades of copper and gold in the existing Panguna mine lease area, any company re-opening the mine will struggle to compete against global competitors, and is likely to fail
- In order to attract mine development funds, BCL must acquire new prospecting ground outside the current licence area. It's doubtful this would yield significant fresh economically-recoverable ore reserves
- There do exist technologies for re-work existing wastes and to access ore which remained at the mine when it was closed in 1989
- However, even if these were implemented, they would necessitate significant additional operating costs; and would materially increase threats to the integrity and health of landowners' land and water
- It's highly improbable that any other mining company – including Rio Tinto and Chinese ventures - would be seriously interested in re-opening Panguna
- Major global banks are most unlikely to supply the funding needed for this purpose
- The new Bougainville Mining Act may offer attractive taxation and royalty terms to community groups and foreign mining companies
- However, these measures will severely limit the financial returns to central government, thus severely limiting other alternative models to ensure Bougainville's sustainable development

Could Panguna be re-opened while avoiding past devastation and destruction?
Put simply, we ask if there's any possibility that a future operator could employ "cleaner" technologies – those which were unavailable, or not employed, during the earlier period of Panguna's life? If so, would these mark any real improvement on what went on before – in social, environmental and economic terms? At first sight, the answer seems to be a qualified "yes". For example, some metals could be recovered from existing waste stock piles without needing to open new pits - an example of this being the large Kolwezi copper tailings project in DR Congo. Bougainville Copper Ltd (BCL)'s chairman Peter Taylor told shareholders in the company's 2007 Annual Report that Rio Tinto had shown it "has been possible to apply new software and techniques to BCL's old data and reproduce it in a form that places BCL years ahead of any other potential developer..It is also possible that grades [of ore] once designated as waste can be economically processed and thus prolong the life of the mine and substantially increase its output" [BCL Annual Report 2007, 20 February 2008].

What he seemed to mean by this statement was that, so long as BCL has access to its in-house records and they are in good order, the ore still untouched in the abandoned pit, along with existing stockpiles of lower-grade copper, may be amenable to profitable extraction. Techniques for doing so are much improved on what they were when the mine was forced to close in 1989. Another possibility, long-established in mining, is to reduce the ore "cut off" grade at the point it is milled, thus enabling lower-grade material - previously discarded and stock-piled - to enter production. Again, the technology for doing this has advanced considerably over the past twenty-six years. However, it is doubtful that BCL – or any other company- would employ either of these two strategies . Historically, Panguna's tailings were piped directly into the Jaba River, thence flowing into Empress Augusta Bay. While it might be economically worthwhile to extract metals from tailings that still lie along the Jaba flood plain and in stock piles close to the pit, accessing those on the seabed will be much more problematic.

Of course, BCL might argue that re-working these wastes is a key part of whatever the Bougainville government might insist upon for implementation of a the mining rehabilitation and closure process, process - as mandated under the Bougainville Mining Act of March 2015 (1). Nonetheless, what is likely to rule out the extraction of sea-bed tailings is the sheer expense involved (2). So, presuming that BCL decides on economic grounds not to recycle any, or most, of its historic wastes, the burning question is: how then will it dispose of the fresh ones that are bound to be created if mining is resumed? The practice of riverine tailings disposal has been repeatedly condemned by lawyers and others in Papua New Guinea itself (3). Storing huge amounts of Panguna tailings and overburden on land will inevitably provoke the very resurgence of land-owner opposition that BCL and the present government claim they want to avert. And it is far from risk-free. Numerous incidents of collapse of such facilities have been recorded year-on year over past decades (One of the most recent occurred at Canada's Mount Polley copper-gold mine in mid-2014, when a massive tailings spill caused dramatic changes in the local ecosystem) (4).

Reducing the ore cut-off grade is, in theory, quite a sensible strategy. But it inevitably results in more wastes being created at greater operational costs. Usually, companies resort to this only when market prices are high enough to justify it – which they certainly aren't at present. In-situ leaching, usually using sulphuric or hydrochloric acid, is another technique which might theoretically be employed to reduce the highly visible and damaging consequences of resuming a traditional "pick, shovel, and dump" operation. However, since the Panguna orebody consists of igneous/volcanic rock, almost certainly it would require "fracturing" that rock to create the permeability needed for the leaching chemicals to move through to the ore. The prospect of such "fracking" - widely condemned by environmentalists in the US and Europe - would doubtless create alarm among Panguna landowners, and pose a continual threat of contamination to their vital community water supplies.

What are the practical risks to resuming mining at Paguna?

BCL's version of events from 1989 – 2010

Since the Panguna mine was forced to close in 1989, BCL concedes it has not been possible "to mothball properly the assets or to undertake preparations for prolonged closure". In a statement made in February 1994, it said that available "studies" (unspecified) indicated "initial production could be re-established within some 18 months from the achievement of the requisite conditions for a return to the island". Output would then be "built up progressively to the full rate of pre-closure production over a period which would depend upon the conditions of the time" [BCL Annual Report 1993, 16 February 1994]. This vague, unhelpful statement provided little cause for optimism, and in the light of events over the past twenty one years has proved virtually meaningless. The total cost of returning the mine to full production was at the time of closure said to be "at the upper end of the previously reported range of only 300-500 million kina, spread over a number of years" [BCL Annual Report 1993 ibid] (5)

Nontheless, ten years later BCL was saying: "...[M]etal prices alone will not determine the future of mining on Bougainville" and that: "There is no indication from landowners or the Bougainville government that mining will be welcome". Moreover: "It must... be assumed that mine site assets continue to deteriorate with time, and therefore the cost of a restart increases...[A]ny potential developer seeking funding to restart the project is faced with the additional issues of PNG country risk and the long period of disturbance originating in the violent closure of the mine...For the record, the company is not doing any mining feasibility work nor is it planned" [BCL Annual Report 2003, 26 February 2004].

By the end of the next decade, BCL appeared to be more optimistic about re-establishing the logistics for a return to the mining lease area, in order to assess the state of Panguna's assets, and hopefully to access new exploration sites. In its 2009 Annual Report, the company said that management was "enthusiastic to study a mine restart once the peace process has been resolved (sic)" and that "Rio Tinto will be of great assistance to BLC in providing world class technical expertise and mine development experience" [BCL Annual Report 2009, 10 February 2010]. In the meantime, an Order of Magnitude study (essentially an assessment of mineral potential), along with exploration studies, had been initiated in 2008. But BCL admitted it had still not benefited from any "technical expertise and mine development experience" which might come from Rio Tinto. It also noted that the mining pre-feasibility study – one essential to estimating the costs of re-opening Panguna- "is a very expensive exercise that won't be started until there is greater certainty that the Government and landowners support re-development", although it was hoped that "during the year, certainty will come and the Board will approve the next phase of restart studies" [BCL Annual Report 2009, ibid]

A year later (2010), BCL chairman, Peter Taylor reported that parent company Rio Tinto had recently applied for exploration licences on the Papua New Guinea mainland., thus providing a"good indicator" that it was "looking to be an active participant in PNG's future mineral development", adding that: "Bougainville Copper is among those projects that Rio Tinto has on active watch" [BCL Annual Report 2010, 1 March 2011] (6). Taylor added:: "[S]ome remedial work has been carried out on site as part of the company's commitment to ensure the mine site is safe whether or not mining is taking place", and announced it had "plans to do additional work with the cooperation of landowners". No details were given either of the work done, or of any additional work planned [BCL Annual Report 2010, ibid].

Would the costs outweigh the benefits?
In BCL's 2011 Annual Report, Peter Taylor asserted : "There is widespread agreement today that Bougainville's economic future needs mining in order to fund services for the people from its own resources as well address the future question of increased autonomy". It was yet another unsubstantiated statement by BCL's chairperson which, we would argue, is an extremely debatable one. In the same report, Mr Taylor also mentioned that funding and sovereign risk assurance for Panguna would "require a united effort" (whatever that was supposed to mean). That year, BCL estimated the cost of project re-opening as being "approximately US$3 billion" [BCL Annual Report, 2011, 12 February 2012] Just twelve months later, this figure had shot up by more than 40% to "in excess of US$5 billion" [BCL Annual Report 2012, 7 February 2013].

Then, on 25 February 2014, Taylor told BCL shareholders that the Order of Magnitude Study, presented at the 2013 Annual General Meeting, was "being continually re-visited and updated". He described a possible new mine at Panguna as one which would process between 60 and 90 million tonnes of ore per annum over a mine life of 24 years", carrying a capital cost "of at least US$5.2 million" [BCL Annual Report 2013, 25 February 2014]. As for the length of time required to re-start-the mine, Mr Taylor said this "could be between five and seven years from the commencement of a pre-feasibility study study" - which itself was "at least eighteen months away from commencement" [BCL Annual Report 2013, ibid]. At last, BCL appeared to be moving towards a more realistic estimation of the costs and difficulties of re-opening the mine and resuming profitable production. Although the company has gained restricted access to the site over the past two years, in 2014 Taylor conceded that the Order of Magnitude Study – by then two years old - was "based on many assumptions including commodity prices, market demand, investor risk, opportunity costs, security of tenure and others" [BCL Annual Report 2014, 20 February 2015].

All these assumptions are extremely vulnerable to forthcoming dramatic changes which cannot possibly be predicted much in advance. The time required to bring Panguna into new production would, by BCL's own admission, set any start-up back to 2020-2022 at the earliest. Yet, the pre-feasibility study has yet to be scheduled, let alone carried out. It would have to be followed by what's usually called a "bankable feasibility study" - without which few, if any, credit-worthy banks or private funds will look twice at making any investment. This study would need to be farmed out to an independent professional services firm, and could take at least another year to complete, given the sorry state of the Panguna assets that BCL has already agreed have suffered a "long period of disturbance originating in the violent closure of the mine." (see above). It should also be pointed out that, while BCL acknowledges the importance of assessing country (or sovereign) risk - presumably of both PNG and Bougainville – no reference has been made at any point by BCL to the necessity of gaining political risk insurance (7). In addition it is certain that, whichever corporate enterprise may succeed in placing " boots on Panguna ground", it will have to secure export credits to finance new equipment and infrastructure, and to cover this by buying such political risk insurance. It is highly doubtful that any government Export Credit Agency (ECA), or the World Bank's MIGA (Multilateral Investment Guarantee Agency) would step up to this particular plate (8)

More important, however, is that , even were the copper market in a "bullish" state by the time BCL had successfully jumped all these hurdles, its competitors will have leaped ahead of it by miles in other parts of the world. Mining companies, with far more capacity, security of tenure, and owning considerably more "measured and indicated reserves" of copper, are already anticipating a rise in global demand, despite the current depression in the copper commodities market. What this clearly means is that, judging by the copper and gold reserves estimated to lie in the former Panguna Special Mining Lease, it is essential for BCL to acquire extensive additional deposits. But, even if the Bougainville government were to allow any advancement beyond the current mining lease area (a big "if), there is no guarantee whatsoever that fresh diamond drilling would yield any major economically recoverable reserves or resources (9).

Alternative development models

What's most important is that, while any mining company is awaiting all the required pre-mining permits, funding, insurance and confirmed buyers of its output, the Bougainville government and landowners – almost its entire population – may be placing faith in a dubious, flawed and risky project which could collapse at any point along the way. As pointed out by US AID eighteen months ago: "It... remains unclear how the ABG would finance an independent Bougainville. Many have pinned the financial health of Bougainville on the re-opening of the mine. "This is problematic, however. Even if the mine were to open prior to the referendum [on independence] (which seems very unlikely) (sic), it would take years before it generated revenue for the government. "An adverse circular effect is therefore in place: the mine is necessary to generate revenue for ARG [Autonomous Region of Bougainville] operations, yet the re-opening of the mine is likely to destabilize the ARG. There are further concerns that the ABG lacks the capacity to adequately and transparently account for and manage revenue resources.

"A Bougainville government that does not have the resources or the oversight capacity to provide basic services to its population [contingent on mine re-opening] would be a grave threat to stability" 10). This has profound implications for Bougainville if, while waiting for the mine to re-open and produce revenues, the government has surrendered, or at the very least delayed, implementation of the possibilities of forging and supporting alternative economic models - regardless of what proportion of these translates into taxation and royalties for Bougainville itself and for landowners. In fact, the Bougainville Mining Act is distinctly generous to miners, when defining the fees, annual rents, royalties, production levy, security Section 291 Royalties, and the production levy that they must pay (11) .

The Act may prove to be beneficial to indigenous landowners who apply for “indigenous” tenements; and perhaps rightly so. (In fact landowners holding an artisanal mining license are not required to pay a royalty, though they may be subject to a similar separate agreement). But it also appears aimed at attracting external corporate mining outfits, hoping that they will favourably compare these rates to more exigent ones levied in other countries. In practice, therefore, the Bougainville state - unlike others, such as Tanzania, Argentina and Mongolia – seems about to abandon any quest to substantially ramp up mining revenues which might contribute to an overall social and economic national development. The new Bougainville Mining Act devotes around half its pages to Community Mining Licences and Tenements. Clearly, considerable importance is now ascribed to promoting landowner-controlled mining ventures, whether they be artisanal, small scale or large scale. And this may be guardedly welcomed. Nonetheless, indigenous mineral exploitation, like its corporate “big brother”, broadly speaking cannot escape the problems of capital raising, averting environmental destruction, and having to weather commodity market downturns.

When such exploitation conflicts with priorities chosen by other land owners for the use of land, especially for agriculture, and creates fierce competition for scarce development funding, it will certainly not make for overall economic sustainability. So much then, for Peter Taylor's boast in 2011 – echoed recently by ABG president John Momis – that: “There is widespread agreement today that Bougainville's economic future needs mining in order to fund services for the people from its own resources”. This is manifestly untrue. The late Moses Havini and his wife Rikha, in 1995 recorded that, within forty years of the end of World War II, Bougainville had become “the richest agricultural region in the Pacific” (12). With effort, application, and a re-direction of fiscal priorities, the country might regain at least some of that former role.

Although lack of space precludes detailed further examination of the nature of potential alternative, sustainable models of development, we refer to some recent examples, given in a September 2014 report by Jubilee Australia, culled from interviews with “a range of everyday Bougainvilleans living in villages around the Panguna mining area” (13) The respondents offered many practical example of “concrete alternative (sic) to intensive mining”, with a huge priority given to horticulture & subsistence horticulture, followed by animal husbandry, alluvial gold panning,fisheries, forest and logging, carbon trading, water export, micro projects and other means of sustaining livelihoods (14)

Flying on a wing and a prayer

Let's look closer at the data provided by BCL for the proven economically recoverable copper and gold reserves in the lease area and accessible before 1989 – the point at which it abandoned the site *(The reader is also referred to our Appendix for a detailed discussion of this issue).*There were 496 million tonnes of these ores, at an average grade of 0.45% for copper, and 0.55 grams per tonne of gold. “Upgrading” by screening, added 530 million tonnes of ore at a grade of 0.22% for copper and 0.18 grams per tonne of gold – substantially lower than those for the proven reserves. The company said these would produce an additional 195 million tonnes of mill feed, averaging 0.34% copper and 0.47 grams per tonne of gold. Combining these would produce a total mineable mill feed of an estimated 691 million tonnes of material, averaging 0.40% copper and 0.47 grams per tonne of gold [BCL Annual Report 1999, 7 March 2000].. These figures have not materially changed since mining began, and should be critically borne in mind when evaluating what BCL now has on offer, after seventeen years of mining one of the world's most productive and (apparently) most profitable copper-gold projects at the time. Alas, they offer to Bougainville no more than a “wing and a prayer” for the following reasons:

- In terms of current copper production and planned expansions, an unprecedented amount of copper may hit world markets by 2020. Theoretically, the availability of supply is not in question. As a few examples,the putative El Teniente mine in Chile, with 2.02 billion tonnes of copper reserves, averaging a grade of 0.86% copper, is expected to open in 2018 and produce fine copper for fifty years
- Peru's Metmin claims to hold 926 million tonnes of copper resources, grading 0.51%, while the Antamina mine, also in Peru, boasts probable resources of 454 million tonnes, grading as high as 1.05%.
- The Grasberg mine in Papua , which ranks as the world's third largest copper producer, and number one gold miner, currently digs up 240,000 tonnes of rock containing gold and copper ore per day (sic), at a mill cut-off grade of 0.41%. for copper. (In comparison, at peak production, Panguna was producing 150,000 tonnes of rock a day) (15).
- Coming closest to Panguna in geo-political terms is Papua New Guinea's Ok Tedi mine wich recently underwent major expansions and drilling for new deposits. As of the beginning of 2014, the company had located 871 million tonnes of additional ore on Mount Fubilan, grading 0.44% copper and 0.54 grammes per tone (g/te) of gold, thus putting it somewhat ahead of Panguna; more important is that it already has the technical ability and capacity to extract the ore without needing to meet the enormous extra capital costs that Bougainville's equivalent would require.

According to the World Gold Council (WGC), larger and better quality underground mines contain around 8 to 10g/t of gold, with marginal underground mines having averages of around 4 to 6g/t. and open pit mines usually have lower grades from 1g/te to 4g/te – all of which are far higher than those so far confirmed for the Panguna deposits. (Important to note, too, is that several mines also deliver substantial economic amounts of other metals – such as silver, zinc and molybdenum - thus providing a possible “safety net” if demand for copper or gold becomes negatively impacted).
Put all this data together, and it leads to a virtually incontestable conclusion: Unless BCL, or any other mining company, can geometrically increase the amount of copper and gold reserves at Panguna, and unless exploration outside the lease area confirms a significant rise in their average grades, the island will be left economically stranded, if and when a new “race for resources” ensues over coming years.

Added to which, a company would need to secure firm contracts with external buyers over a defined time-span. Most of these will have already been concluded, and some of them will stretch out for years. Those contracts traded on futures exchanges (predominantly the London Metal Exchange) can have a life of more than five years, and change hands between buyers and sellers many times over. There is customarily a huge volatility in metals trading, but particularly in copper (16). An opportunity customarily arises for so-called “spot buying” - as when a Chinese smelter, for example, unexpectedly falls short of supply. However, to rely on such transactions alone, in order to bankroll a future mine, would be sheer folly.

Rio Tinto - a blithe prospect for Bougainville

As the majority owner of BCL, any decision Rio Tinto makes as to how, or whether, it should aim at reviving mining and exploration in Bougainville must take into account its current – and future - role as one of the world's major copper producers. In other words, it has to ask which of its existing projects merits increased investment, and which should be left to “wither on the vine”. Currently it is entitled to a 40% portion of the Grasberg mine in Papua; and in the first quarter alone of 2015, it gained over 132 million tonnes from the output of its wholly-owned Bingham Canyon mine in Utah (USA), and its share of the Escondida mine in Chile. For the future, it is embarked on development of what promises to be a world-class copper mine at La Granja, Peru.

Rio Tinto's longer-term “great red hope” lies with the Oyu Tolgoi copper-gold project in Mongolia, with whose government it recently inked a deal to proceed with full commercial output, the copper grade across a number of deposits averaging 0.85% and 0.32% grammes per ton of gold.. In comparison to these, investing in the advent of a Panguna “Mark-11” must seem the distinct stuff of economic fantasy. Little wonder that, when Rio Tinto initiated its review of Panguna in 2014, it was already seriously contemplating selling-out of the mine, and is currently mooting options for disposing of its entire share holding in BCL (17).

What about China?
Earlier this year, Rio Tinto expressed the view that China was”slowing its own demand for copper” (18) . Bloomberg agreed, recently commenting: “[I]t is difficult to predict when the market will witness [a] turning point. For now the copper price is reacting to the slowdown in China, which last year saw its economy grow at its lowest pace since 1990. “As a consumer of more than 40 per cent of the world’s copper, any further weakening in China’s growth, without a revival in the rest of the world, could mean years before the price bounces back to previous levels” (19). Certainly China has roamed the world in recent years in search of a whole gamut of metals at prices it judgese reasonable. In 2014, a Chinese consortium acquired (from Glencore, the world's premier copper trader) the Las Bambas mine in Peru which, at full capacity, is expected to produce 460,000 tonnes a year of copper over 18 years (20). This cost the Chinese partners US$5.85 billion – thus coming close to the figure BCL reckons it will need to re-start the Panguna operations. But this should in no way be interpreted as a sign that China is seriously interested in acquiring the Panguna mine – something that has been recently speculated upon in Bougainville. On the contrary, there is good reason to believe that – apart from a few possible smaller deals or participation in existing joint ventures – the regime is no longer interested in spending a similar amount of money on any venture in Bougainville – and perhaps nowhere else either (21).

Citing developments in Chile – the world's largest single copper producer, with around a third of the global market - Bloomberg says that: “The average investment of the 10 major mining companies in Chile was more than $8bn in 2012, but fell to $6bn in 2014. And, while the Chilean company Codelco (the world's single largest copper miner) “plans to invest more than $20bn over the next five years... that is just to maintain its existing operations and production” (22). What, then, to make of all this? On the one hand, with costs rising and investment falling, the future for an expanding copper market looks bleak. Any expansion will further reduce copper's selling-price – and in turn exert a downward impact on the revenues required to finance new production. On the other hand, restricting output now will hopefully lead to a boost in prices – a so-called “bull market - and logically to a revival of copper mining. But that is not actually the way the market works: a surplus of mined supply results in another drop in prices, and yet again to deep reluctance on the part of investors to throw fresh money after old. It is therefore highly likely, that, at the point - following the ten or more years it would take for a revived Panguna mine to enter full production - it would have few, if any, customers.

A cautionary end-note
The Bougainville Mining Act (paragraph 236, paragraph 4 (d)) states that any company wishing to apply for a mining or exploration tenement must have “ sound financial standing and has either established an (sic) bank account in Papua New Guinea to carry out the proposed exploration work programme or mining proposal plans or can produce evidence of financial capacity from a duly authenticated source offshore”. Whether BCL is now in any position to comply with this condition is doubtful, but its 2014 Annual Report, BCL recorded an overall operating loss of 175.7 million kina (approximately 65 million US dollars). Its former mining licence has been converted by the Bougainville government into an exploration licence, without any guarantee that the company will locate an appreciable amount of new mineral reserves and resources, let alone at the high grade essential to its competing against other mining companies.

(1) The Advisory Council, designated under the Act ,has the power to forbid this type of seabed extraction, citing section 67 paragraph 4.i, of the Act, on "the need to protect fisheries and ecologically important areas of seabed habitats from offshore mining..." On the other hand, the following paragraph (67.4.ii) cites "the need to maintain access to areas of high mining potential" although this is clearly intended to apply to primary, rather than secondary, seabed extraction.

(2) As a comparison, the Nautilus Minerals deep-sea Solwara-1 exploration and mining project, in Papua New Guinea waters, will cost that company at least 120 million US dollars by the point of production, with additional outlays on the running costs of vessels and equipment required for the purpose [See: http://www.nautilusminerals.com/i/pdf/webcast-November-2014-final-comments.pdf)

(3) See for example: "Constitutional Law Reform Commission recommends total banning of riverine tailings disposal", Post Courier, 31 July 2014

(4) See: "Mount Polley mining disaster caused major changes to ecosystem – study", Mining,com, 6 May 2015; http://www/mining..com/mount-polley-mining-disaster-caused-major-changes to-ecosystem-study/

(5) Although the Kina-US dollar exchange rate at this time is not known, five years later it was 2.11 PGK/US$, thus the projected costs then amounted to around 200 million US dollars.

(6) In reality, Rio Tinto has made no significant moves on the PNG mainland in recent years. It pulled out of the Mt Kare prospect in 1993, following an armed attack two years earlier; it withdrew from the Golpu porphyry deposit after spending six years (1996-2002) prospecting it. It also off-loaded its stake in Lihir Gold in 2005. For an invigorating account of Rio Tinto's chequered experiences at Mt Kare, see: Dave Henton and Andi Flower:"Mount Kare GOLD RUSH; Papua New Guinea, 1988-1994, as told to Andi Flower", Cotton Tree, Queensland, 2007

(7) For a critical analysis of PIR, see: Roger Moody, "The Risks We Run: Mining, Communities and Political Risk Insurance", International Books, Utrecht, 2005, page 201 et seq.

(8) See "A guide for feasibility planning for junior mining companies: http://www.nortonrosefulbright.com/files/mining-guide-feasibility-104177.pdf

(9) Mineral prospecting on Bougainville started from Australia in 1929, most likely by CRA, then a subsidiary of RTZ (later Rio Tinto Ltd). Panguna was "discovered" in 1965, when Bougainville, as part of Papua New Guinea, was under Australian colonial administration. We can reasonably assume that, although no data on exploration outside Panguna is now publicly available, Rio Tinto had earlier ventured into prospecting other parts of the island, and concluded that drilling results from these areas did not justify its applying for an additional exploration or mining licence. Obviously, with much more sophisticated technology, including satellite imaging and three-dimensional deposit modelling, having become available since then, the situation could change were BCL of Rio Tinto allowed to extend prospecting to the island as a whole. At present this seems very unlikely.

(10) Bougainville Stability Desk Study, USAID, 10 October 2013.

(11) According to paragraph 291/1 of the Mining Act:"The holder of a mining lease or quarry lease must pay quarterly—(a) landowners' royalty, at the rate of 1.5% of mineral value; and (b) regional development royalty, at the rate of 1.25% of mineral value; and (c) health and education royalty, at the rate of 0.5% of mineral value; and production levy, at the rate of 0.5% of mineral value. No mention is made of other taxes, such as corporation tax and windfall tax, and other types of mineral taxation, widely employed elsewhere.

(12) Moses and Rikha Havini, "Bougainville – the long struggle for freedom", UN International Conference on Indigenous Peoples Environment and Development", Zurich 1995.

(13) "Voices of Bougaiville: Nikana Kangsi, Nikana Dong Damana (Our Land, Our Future", Australia, September 2014, page 5.

(14) ["Voices of Bougainville", ibid, page 43
(15) See: Hammond, Timothy G. "Conflict Resolution in a Hybrid State: The Bougainville Story, ", Foreign Policy Journal, April 22, 2011
(16) See: http://www.boell.de/en/2015/03/02/critical-matter-german-investments-mining-sector
(17) .The Australian, 20 April 2015; Wall Street Journal, 18 August 2014].
(18) Bloomberg, 27 April 2015
(19) Bloomberg, ibid
(20) Engineering & Mining Journal, August 2014
(21) The only Chinese company which appears to have taken any interest in Panguna is a minor scrap metal outfit, operating for three years, which was recently attacked by landowners for blatantly disregarding their interests . A spokesperson is quoted as saying: "We the landowners have never called for the government to shelter other people on our land without seeking our consent. We are never respected by the government thus we the people who own the land here in Panguna will never respect them", adding "The Chinese are not known by the gods of the land." (PNG Minewatch, 1 May 2015).
(22) Bloomberg, op cit

APPENDIX: Making sense of the figures
Dr Mark Muller* 14 October 2015

Given (only) the information contained in annual reports published by BCL over the years since mine closure, there is a quite large uncertainty in exactly how much ore and contained metal might be recovered from what remains of the Panguna deposit. It is apparent that BCL, in 2013, has become more optimistic about how much ore (and therefore metal) it might recover from the mine. BCL's new optimism appears to rely heavily on technological improvements in minerals processing to allow them to mine lower-grade ores economically. In 2013, BCL envisaged a possible new mine at Panguna that "would process between 60 and 90 million tonnes of ore per annum over a mine life of 24 years" [BCL Annual Report 2013, 25 February 2014], which implies a total recovery of between 1,440 and 2,160 million tonnes of ore. This 2013 estimate is significantly higher than BCL's estimate in 1999 of a "total mineable mill feed of an estimated 691 million tonnes of material" [BCL Annual Report 1999, 7 March 2000].

While there is no clear indication of where or how the additional ore might be derived, inferences based on BCL's more concrete information of 1999 point towards a large proportion of it consisting of significantly lower-grade ore. In 1999, BCL referred to a resource consisting of both higher-grade and lower-grade components [BCL Annual Report 1999, 7 March 2000]: 496 million tonnes of "higher-grade" ore with an average grade of 0.45% for copper and 0.55 grams per tonne for gold and 530 million tonnes of "lower-grade" ore at a grade of 0.22% for copper and 0.18 grams per tonne for gold. The latter low-grade component, BCL proposed, could be upgraded by screening to produce an additional 195 million tonnes of mill feed, averaging 0.34% copper and 0.47 grams per tonne of gold which, in combination with the higher-grade ore, would deliver the total mineable mill feed of 691 million tonnes (referred to above), averaging 0.40% copper and 0.47 grams per tonne of gold. The amounts of in situ copper and gold (and the current in situ US$ value) that correspond with the 691 million tonne resource are:
Copper: 2.764 million tonnes US$ 17.7 billion (at US$ 6,410 /tonne copper)
Gold 324.8 tonnes US$ 12.4 billion (at US$ 38.31 /gram or US$ 1,191.42 /oz gold).

It's difficult to estimate (or more honestly, guess) what average ore-grades might be assigned to BCL's much larger total ore production estimates of 2013. The grade values reported from 1999 for the 691 million tonnes resource are almost certainly too high and would significantly overestimate the contained metal. More conservatively, one could consider a weighted average of the "high-grade" and "low-grade" ore grades reported in 1999, yielding average grades of 0.33% for copper

and 0.36 grams per tonne for gold, which strictly speaking can only be applied to a 1,026 million tonne ore resource (i.e., 496 million tonnes plus 530 million tonnes).
Such a 1,026 million tonne ore resource would deliver in situ:
Copper: 3.398 million tonnes US$ 21.8 billion (at US$ 6,410 /tonne copper)
Gold: 368.2 tonnes US$ 14.1 billion (at US$ 38.31 /gram or US$ 1,191.42 /oz gold).

To complete the analysis one might, speculatively (in all likelihood overestimating the contained metal in the deposit), apply these average grades of 0.33% for copper and 0.36 grams per tonne for gold to the 1,440 (minimum) and 2,160 (maximum) million tonnes of ore that BCL envisaged in 2013 for a 24 year life-of-mine. Doing so yields (in situ):
Copper: Minimum 4.769 million tonnes US$ value 30.6 billion (at US$ 6,410 /tonne copper)
Maximum 7.154 million tonnes US$ value 45.9 billion
Gold: Minimum 516.8 tonnes US$ value 19.8 billion (at US$ 38.31 /gram or US$ 1,191.42 /oz gold)
Maximum 775.2 tonnes US$ value 29.7 billion.
The amount and value of the metal in the ground of course provides no guarantee that it might be economically or profitably recovered. Even with improvements in minerals processing technology, the cost of processing low-grade ore per ton of metal produced is still high with respect to processing higher-grade ores. In all the scenarios sketched above, a very large percentage of the ore is low-grade, and judicious mixing of low-grade with high-grade ores will be required to ensure the long term viability of any new mine. Such a finely balanced (marginal) operation would be at high risk of early closure if strategic or economic imperatives, of which there are many (e.g., low commodity prices, shareholder pressure, profit taking), were to lead BCL to extract the higher-grade ore selectively at a faster rate than initially envisaged – leaving behind low-grade ore potentially impossible to recover economically at any commodity price. The risk of such an early mine closure at Panguna is the renewal of significant environmental and land-use impacts without the delivery of promised long-term economic benefits.

Two further points may be of interest:
(i) At current commodity prices, gold accounts for approximately 40% of the in situ US$ value of the deposit.
(ii) Given the small fraction of metals contained in the rock, the amount of tailings waste produced by the mine would be roughly equivalent to the amount of ore processed – i.e., depending on the scenario, anywhere between 691 and 2,160 million tonnes of tailings waste.
** Biographical note: Dr Muller is a highly-experienced senior geophysicist, having worked for over twenty years in the mining industry and academia. He holds a PhD from University of Cambridge, UK and an MSc from the University of the Witwatersrand, South Africa.*

Team to promote alternative minerals

The National, October 21st, 2015

A TEAM from the Mineral Resources Authority's geological survey division is in East Sepik to investigate and promote alternative minerals. The authority said the team would conduct awareness activities at Wewak, Maprik and Yangoru plus other districts and local level governments. It will also cover some districts and local level governments in West Sepik. The awareness session is to inform districts and local level governments that the team from the division will be carrying out field geological investigations into the potential for the development of coal as a mineral commodity. The authority's diversification campaign is to investigate the potential for alternative mineral commodities such as coal, rare-earths, bauxite and iron sands. The team on Monday met provincial administrator Elizabeth Kaprangi and senior officers, provincial police commander Peter Philip and District Development Authority chief executive officer Ricky Wobar.After the awareness and field surveys are done, the data will be packaged and copies given to the East Sepik and West Sepik provincial governments. The data would be promoted so as to attract possible investors who may be interested in developing coal in the two provinces.

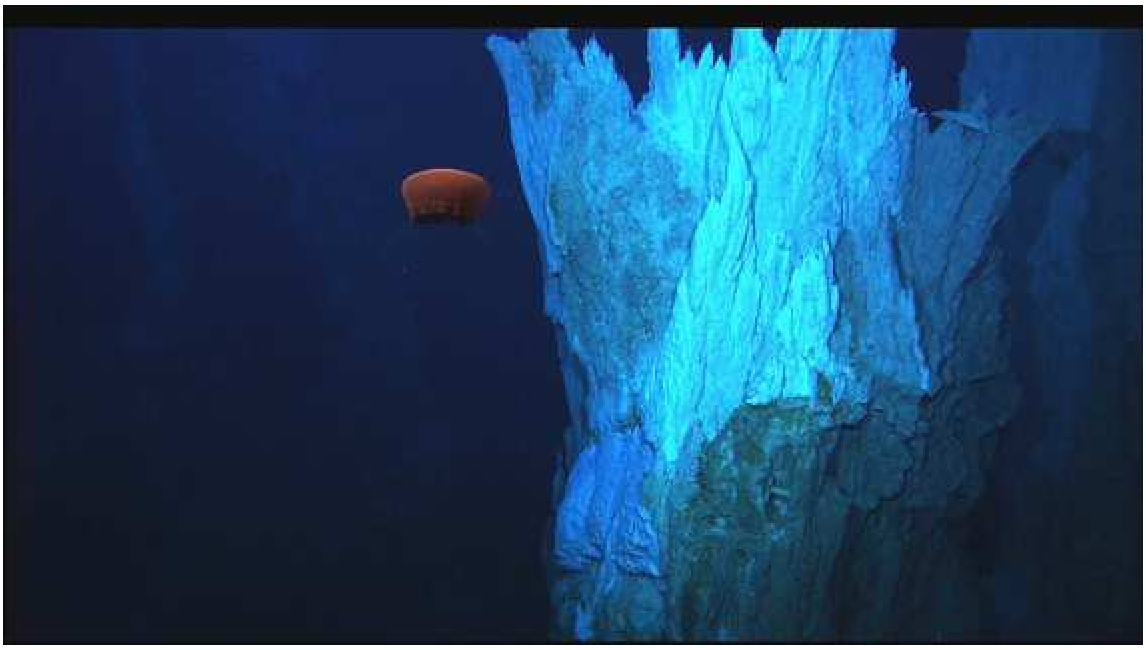
Spanish energy firm keen on investing

The National, October 21st, 2015

By ERIC BALARIA
GLOBAL Spanish energy firm Repsol says Papua New Guinea is one of its key growth areas in the oil and gas sector. Talisman Energy vice-president Grant Christie said Papua New Guinea offered significant opportunities. He said this was part of Repsol's five-year strategic programme in the development of its resources and growing of its portfolio. Talisman Energy became a member of the Repsol Group following its acquisition by the Spanish firm this year. It saw the purchase of Talisman's assets in the country. Christie said the purchase of Talisman by Repsol was based on the company's portfolio in Asia and an interest in the country. "We met with Prime Minister Peter O'Neil and Minister (Nixon) Duban and the clear message was that we like Papua New Guinea and we are committed to continuing here," he said. "Having just revalued our five-year strategic plan, Papua New Guinea was part of our next five-year programme with Repsol. "As far as what happens in the market place, Repsol is committed to PNG." He said with that strong commitment, it allowed the firm to do a few things in the country. "The big changeover in 2015, with the Repsol acquisition, is looking more into commercialising and bringing projects to bear and ideally find ways to bring projects on stream in Western province." Christie said the focus for the next 12 months was the Stanley gas project in Western with joint venture partner Horizon Oil.

Deep Sea Mining a New Ocean Threat

Richard Steiner, Huffington Post, 10/20/2015



(Image courtesy of NOAA)

Adding to concerns about the disastrous decline in ocean ecosystems, now there is another emerging threat - deep sea mining. While shallow water mining for sand, gold, tin, and diamonds has been conducted for decades, commercial deep sea mining has yet to occur anywhere. But that's about to change. Extensive deep sea mineral exploration is currently underway in international waters governed by the International Seabed Authority (ISA), under the U.N. Convention on Law of the Sea (UNCLOS), and within Exclusive Economic Zones (EEZs) of many coastal nations. There are currently three main types of deep sea mineral deposits of interest to industry and governments:

1. Polymetallic nodules (also called "manganese nodules") are potato-sized metal nodules found on the abyssal plain from 4,000 m - 6,000 m deep. These nodules are rich in manganese, nickel, cobalt, copper, lithium, molybdenum, iron, and Rare Earth Elements. Nodules grow slowly over millions of years, to diameters from 5 cm - 50 cm, and host unique invertebrate communities. Currently, 13 national consortia operate exploration leases on 4.5 million km^2 of the Clarion-Clipperton (Fracture) Zone (CCZ), between Baja and Hawaii. The U.S., as a non-party to UNCLOS and ISA, issued exploration leases on its own to Ocean Minerals Company (OMCO), a subsidiary of defense contractor Lockheed Martin, to explore for nodules in the CCZ. The only nodule deposits being seriously considered within a national EEZ at present are in the Cook Islands in South Pacific.

2. Seafloor Massive Sulphide (SMS) deposits are found beneath deep sea hydrothermal vents along the 67,000 km of volcanically active mid-ocean ridges and back arc basins, between 1,500 m - 5,000 m deep. These contain high-grade copper, gold, silver, zinc, and other trace metals. Deep sea hydrothermal vent ecosystems were first discovered in 1977 at the Galapagos Rift, and stunned the world of science, as these vent systems rely entirely on chemosynthesis rather than photosynthesis - the first ever known. Over 300 deep sea vent systems have been discovered so far, and it is estimated that perhaps only 500 - 5,000 may exist in the world ocean, making this one of rarest ecosystems in Earth's biosphere. China and Korea hold contracts to explore SMS deposits in international waters of the Indian Ocean, and Russia and France hold exploration leases on the Mid-Atlantic Ridge. Other SMS deposits being considered are in waters of Papua New Guinea (PNG), Vanuatu, Palau, Niue, Fiji, Micronesia, Solomon Islands, Tonga, and New Zealand. The Nautilus Minerals "Solwara 1" project in PNG waters is fully permitted, the mining ship and equipment are being built, and mining is scheduled to begin in 2018. This would be the first commercial deep sea mining project in history.

3. Cobalt-rich ferromanganese crusts are found on summits and flanks of seamounts at 400 m - 4,000 m depth. There are some 10,000 seamounts in oceans rising at least 1,000 m above the seabed (and perhaps another 90,000 smaller seamounts). Many are in EEZs of central Pacific islands (Federated States of Micronesia, Marshall Islands, Hawaii, Johnston Atoll), and in international waters of the tropical Pacific. Metal crusts form on shoulders of seamounts, rich in cobalt, nickel, copper, iron, manganese; rare metals such as tungsten, platinum, bismuth, tellurium, etc.; and Rare Earth Elements. Crusts grow slowly, 1 mm - 5 mm per million years, and can reach total thickness of up to 260 mm. Seamount crusts are currently being explored by China and Japan in international waters of the western tropical Pacific, but many feel actual mining of seamount crusts would be by far the most problematic and least feasible.

Marine phosphate (fertilizer) and methane hydrate (energy) resources found in shallower waters, 100 m - 500 m deep, are often discussed in context with deep sea minerals. Marine phosphate mining is in consideration off Namibia (currently under moratorium), New Zealand (the environmental permit was denied earlier this year, but the developer is considering reapplying next year), and off Baja Mexico, where Odyssey Marine has submitted its EIA for mining the Don Diego phosphate deposit in 70 m water depth, 12-25 miles offshore. Japan has successfully tested methane hydrate, or "fire ice," extraction from its offshore waters.

But here's the problem. The deep ocean, where mining is proposed, constitutes the largest and least understood biological habitat on Earth. It's an Alice-in-Wonderland world of extremes, extraordinary adaptions, bizarre organisms, beauty and mystery. The region is characterized by darkness (infused with sparkling bioluminescence), extreme pressure, cold temperatures, high biodiversity (perhaps millions of species, most yet to be identified), slow growth and reproductive rates, and high sensitivity to disturbance (low resilience). Given our poor understanding of deep sea ecosystems, growing industrial interest, rudimentary management, and insufficient protected areas, the risk of irreversible environmental damage here is real.

Environmental risks and impacts of deep sea mining would be enormous and unavoidable, including seabed habitat degradation over vast ocean areas, species extinctions, reduced habitat complexity, slow and uncertain recovery, suspended sediment plumes, toxic plumes from surface ore dewatering, pelagic ecosystem impacts, undersea noise, ore and oil spills in transport, and more.
Due to the global rarity of deep sea hydrothermal vent ecosystems, the impact of vent mining would be disproportionately high relative to terrestrial mining. Full-scale nodule mining on the abyssal plain would affect thousands of square miles of ocean floor, kill attached invertebrate communities, and create huge subsea sediment plumes that would flow and settle over thousands of square miles of seafloor. Such sedimentation would smother seabed habitat, reduce habitat complexity and biodiversity over vast areas, and post-mining recovery would be extremely slow. Mining of cobalt crusts on seamounts would cause enormous, possibly irreversible impacts to unique, productive seamount ecosystems.

Clearly, we need to avoid such ecological damage. Before any deep sea mining moves ahead, we would need much more extensive scientific research - species identification, community ecology, distribution, genetics, life histories, resettlement patterns, resilience to disturbance, and at least a 10-year continuous time series of observations to understand dynamics of proposed mining sites overtime. In addition, we need more robust management regimes at the ISA and in coastal nations, royalty-sharing and liability agreements, stakeholder engagement, and significant advancements in subsea technology. Until this is achieved, the only wise policy is a global moratorium on all deep sea mining.

(Image courtesy of NOAA)

The need for more deep sea Marine Protected Areas is paramount. New Zealand established its Kermadec Ocean Sanctuary this year on over 620,000 km2 of the islands and submarine volcanoes northeast of the main islands; Cook Islands established a marine reserve on 1.1 million km2 (over half) of their EEZ; the U.S. established a 1.2 million km2 Pacific Remote Islands Marine National Monument; and the ISA established Areas of Particular Environmental Interest (APEIs) over about half (or about 2.3 million km2) of the area currently under lease in the CCZ. This is a good start, but still insufficient.

Industry and governments recognize the huge challenges in mining the deep ocean, but are resolved to move forward anyway. As justification, they invoke the "peak minerals" argument, depletion of land-based minerals, and a projected increase in mineral demand in the world economy. But mining proponents habitually avoid discussing the opportunity to reduce mineral demand by increasing the efficiency of metal use in the global economy, cradle-to-cradle design, recycling, and landfill mining. To build a sustainable economy, we will have to break the "economy of waste" - mining raw minerals, using them once or twice, discarding them, and continuing the demand for mining raw minerals. Surely at some point, with smart renewable metal use, we will have enough minerals already up into the global economy and won't need to keep digging holes for more. The sooner we get there, the better.

The Nautilus Minerals "Solwara 1" vent/SMS mining project in PNG waters will likely be the first deep sea mining project, with others following elsewhere in PNG, Tonga, and Fiji. Others projects to watch in national waters include Odyssey's Don Diego phosphate mining project off Baja, and manganese nodule mining in the Cook Islands. Mining on the international seabed is likely 5-10 years off, but there is intense political pressure to do so. This emerging industry would result in serious impacts to our oceans, so it is critical for civil society to engage now, in the early stages of exploration and development. It would be truly unfortunate if we allow the same industrial paradigm that destroyed much of the terrestrial ecosystems of our home planet to do the same in the deep sea. It is time to change this model. This is a very big deal, and we need to pay close attention. Groups such as the Deep Sea Mining Campaign, MiningWatch Canada, Greenpeace, Earthworks, and the Center for Biological Diversity are doing great work on the issue. The future of our oceans, and thus our planet, may depend on their success.

Landowners to miss out on LNG proceeds for 10 years

Post-Courier, October 20, 2015

BY JEFFREY ELAPA

MORE than 60 000 landowners and five provincial Governments are likely to miss out on proceeds of the PNG LNG project for the next 10 years if the Government secures another inflated Sovereign Bond in International market. This is in addition to the UBS loan, in which the proceeds of the PNG LNG have so far being used to offset the loan. Attempts to get comments from the office of the prime minister through two several emails on Sunday and Monday to media advisor Chris Hakins and another to the Treasury Secretary were unsuccessful. The loan of K2.5 billion which the Government is expected to be secured from International Financiers is to repay the state for the 4.27 percent stake in the PNGLNG project secure on behalf of the five Provincial Governments and the landowners on top of the two percent free carry. However the Landowners and the provincial governments have yet to benefit from the project as per the Kokopo UBSA agreement although more than 120 shipment of the LNG have been made, despite ExxonMobil maintains that the benefits are paid into a trust account with the Bank of PNG.

It is understood that all the PNG LNG proceeds by ‘Payment Direct Deed’ concluded by mid-March 2014 have been directed to an Escrow Account with UBS in Singapore to repay the Bridging loan of AUS$330 million of a total of AUS$350 million secured to save oil search with blooming monthly interest. An agreement was entered between NCPC and the PNG Liquefied Natural Gas global Company (GLOCO, an operating vehicle established by ExxonMobil) directing GLOCO to make payments to UBS of all of the funds that NPCP is entitled to under the PNG LNG project. The Conditions under this agreement are all negative to PNG. If the new loan is secured, the landowners and the provincial governments have to pay triple the value of the 4.27 percent (K700 million) to K2.5 billion, an access of K1.8 billion and that they have to wait for 10 years minimum before they can be able to reap their benefits.

The Opposition confirmed the arrival of the International Bankers in the country to do due diligence with the department of Treasury and the Bank of PNG before they would sign of THE k2.5 billion Sovereign Debt, as indicated by Treasurer Patrick Pruaitch last week. Mr Polye described the deal as illegal as it would breach the Umbrella Benefit Sharing Agreement in Kokopo in 2009. A copy of the NEC submission, the Government has approved for the bank of PNG for the issuance of PNG's debut sovereign bond of US$1.025 million to secure a loan of K2.5 billion, an excessive loan from the K700 million. The NEC Decision No. 51/2015, mandated the Governor of the Bank of PNG, Secretary of the Department of the Treasury and state solicitor to deal with all domestic and offshore financing matters to raise the financing of 4.27 percent in the PNG LNG project equity options by the five provincial governments and landowners.

The depressing part of the K2.5 billion sovereign bond plan is that the debt burden will be carried entirely by only 60 000 landowners and the five provincial governments impacted by the PNG LNG project. "Not only will the landowners replay the K2.5 billion but all their dividends from the equity as promised to them in the UBS signed in Kokopo in 2019 will be locked away for the next ten years in a lender controlled Sink Fund, the Sink fund when setup will deprive landowners of their promised dividend cash flows for the ten years. Meanwhile Opposition leader Mr Don Polye said he would take the matter to court in PNG and Australia. He said he would further inform the International community and Financier like World Bank and the Asian Development Bank of the dirty loan. "I call on the banker to be responsible and shy away from corrupt deals as it is a breach of the UBSA agreement," he said.

Deutschland will Schätze 4000 Meter unter dem Meer bergen

Vertrag mit Frankreich zur Zusammenarbeit im Tiefseebergbau
Hamburger Abendblatt, 19.10.2015

Bremerhaven. Mit vielen Wünschen an die Bundesregierung trifft sich die maritime Wirtschaft ab heute in Bremerhaven zu ihrer nationalen Konferenz. Sie erwartet von der Bundesregierung klare Aussagen zur Stärkung der Wettbewerbsfähigkeit der maritimen Wirtschaft. Der Maritime Koordinator der Bundesregierung, der SPD-Bundestagsabgeordnete Uwe Beckmeyer, will auf der Konferenz eine entsprechende Strategie vorlegen. Augenmerk legt er auch auf eine neue Übereinkunft zwischen Deutschland und Frankreich: Die beiden Staaten wollen den Bergbau im Meer vorantreiben. Sowohl die Regierungen der beiden Länder wie auch Industrieunternehmen werden am Dienstag im Rahmen der Nationalen Maritimen Konferenz in Bremerhaven eine entsprechende Absichtserklärung unterzeichnen, die dem Abendblatt vorab vorliegt. Dabei entsteht eine bedeutsame Allianz, denn sowohl Deutschland wie auch Frankreich verfügen über Tiefseebergbaulizenzen bei der Internationalen Meeresbodenbehörde.

Deutschland will unabhängiger vom Import von Rohstoffen werden

Angesichts steigender Preise gerät der Tiefseebergbau zur Rohstoffversorgung immer mehr in den Blick. Deutschland ist als Industrienation beispielsweise im hohen Maße vom Import wichtiger Metallrohstoffe abhängig. Gelingt es deutschen Firmen, eigene Zugänge zu den Rohstoffen zu bekommen, würde die Versorgungs-sicherheit wachsen. Zur langfristigen Sicherung des Zugangs zu Metallrohstoffen sind vor allem Vorkommen von Manganknollen am Meeresboden, Kobaltreiche Manganerzkrusten und Massivsulfiden von großem Interesse. Seit 2006 verfügt Deutschland über eine Lizenz zur Erkundung von Manganknollen im Pazifik und seit 2015 über eine zweite für Massivsulfide im Indischen Ozean. Einziges Problem: Ein Abbau im großen Stil rechnet sich noch nicht. Genau hier setzt die Übereinkunft mit Frankreich an. Deutschland will mit den französischen Partnern Strategien zur Umsetzung kommerziellen Tiefseebergbaus in den jeweiligen Lizenzgebieten entwickeln. "Deutsche Unternehmen können dafür zuverlässige, innovative Technologien liefern", so Beckmeyer.

Unterstützt wird die Politik aus der Wirtschaft. Seit April 2014 gibt es auf deutscher Seite den Verein DeepSea Mining Alliance ein Zusammenschluss deutscher Industrie Unternehmen, der die Kommerzialisierung des Tiefseebergbaus vorantreiben will und internationale Kooperationen zur Forschung und Entwicklungen sucht. Projektpartner ist in diesem Fall das Französische Maritime Cluster (FMC). Synergieeffekte lassen sich durch die Nutzung verwandter Technologien aus dem Bergbau und Pumpentechnik erzielen. Technologische Herausforderungen für eine Kommerzialisierung des Abbaus sind die Erhöhung der wirtschaftlichen Effizienz, und die Verbesserung der Umweltverträglichkeit. Wie aus dem Bundeswirtschaftsministerium zu hören ist, wollen Deutschland und Frankreich Impulse für eine stärkere internationale Zusammenarbeit am Meeresboden geben, und dabei hohe Umweltstandards durchsetzen. "Die Umsetzung eines verantwortlichen Tiefseebergbaus ist nur in einer internationalen Zusammenarbeit möglich. Deshalb freue ich mich, dass es uns gelungen ist, mit Frankreich eine Kooperationsvereinbarung auszuhandeln", sagte Beckmeyer dem Abendblatt.

Six mining policies before government, Himata says

The National, October 19th, 2015

THERE are six important mining policies to be approved by the National Executive Council, according to the Department of Mineral Policy and Geohazard Management. Department secretary Shadrach Himata revealed that last Friday during the signing of a memorandum of understanding between Government agencies and the Japanese International Cooperation Agency to improve mine waste management in the country. He said the reviewed Mining Act (1992) was before Parliament. The six policies include the Offshore Mining Policy, Involuntary Resettlement Policy, Rehabilitation and Mines Closure Policy, Sustainable Development Policy, Geothermal Policy, Overall Mining Policy. He said the six polices were going throught the Government vetting process. “These six policies together with the Mining Act amendments are going thought the Government vetting process and approval,” he said. “Once the Government passes the legislation and policies in terms of implementation, we will wait for a year before we can implement them.”

Mine operations at Porgera forced to shut

Post-Courier, October 19, 2015

By ROSALYN ALBANIEL
PORGERA Mine in Enga Province has stopped operations due to low water levels caused by the *El Nino*. This will be the second biggest mining operation to shut down after the OK Tedi mining operations stopped operations due to low water levels. The PNG Chamber of Commerce has also stated that the long drought period caused by the *El Nino* weather will see companies scaling down operations and laying off workers. Operator Barrick (Niugini) Limited said production has been temporarily halted at the Porgera Mine due to low water levels at the mine’s Walie Creek reservoir, brought on by the El-Nino. Barrick was forced last week to temporarily shut down its milling and processing plants which are water-intensive production activities. Barrick managing director Greg Walker said in responding to questions put to him last week that some minor processing activities had been suspended the week prior.

"The very unusual extended dry weather conditions that we have seen in recent months have meant that our supplies of production water have run very low and we have made the decision to shut down our milling and processing plants for the time being to conserve our water supply," he said. Mr Walker said that the company would be using the opportunity to bring forward some of its scheduled maintenance activities, adding that they did not anticipate any significant economic impact to the mine's operations. At a time when many companies in the resource sector have had to shed staff and/or cut costs to maintain their operations, Mr Walker said that "to date no Porgera Joint Venture (PJV) employee has been laid off due to the temporary shutdown." "This may mean some changes to current work rosters at our operations, as we shift towards maintenance tasks, but we are hopeful these will be minimal," he said. He said the lifting of the temporary suspension to the mines activities would depend on the return of adequate water levels at its reservoir. "We are continuing to monitor those water levels, and will resume all mine functions once the levels meet water supply needs," Mr Walker said.

Offshore mining policy vital

The National, October 15th, 2015

By SHIRLEY MAULUDU

THE country should have an Offshore Mining Policy by the end of the year or early next year to cater for offshore mining operations, an official says. Department of Mineral Policy and Geohazards Management secretary Shadrach Himata was responding yesterday to questions by The National on whether it was necessary to have an offshore mining policy in place before any seabed mining operation could take place. “The Offshore Mining Policy is currently going through the Government’s vetting and approval process,” Himata said. “If all goes well, the policy will be applicable by end of the year or early next year.” However, he said the Mining Act 1992 catered for offshore operations such as the Nautilus Minerals Solwara One project, but only to a certain extent. “The current mining legislation (Mining Act 1992) was sufficient enough to cover the regulation of both onshore and offshore mining activities in Papua New Guinea,” he said.

He said although the current Act was more comprehensive, it requires more improvements. “Although the current Act is a bit more comprehensive with respect to the regulation of onshore mining activities, it requires more specific improvements on the regulation of offshore mining activities,” Himata said. Hence, the Nautilus Solwara1 project was sufficiently permitted under the current Mining Act 1992. “What the department is doing now is developing a more specific offshore mining Policy,” he said. “The policy will entail how benefits derived from an offshore project will be distributed and shared. This policy will be used when the Nautilus project comes on stream.” He said the policy would greatly assist the department.

Central leaders want Tolukuma MOA reviewed

Post-Courier, October 15, 2015

Political leaders of Central Province have resolved to have the Tolukuma Mine MOA reviewed before the actual operation of the mine. This move was supported at the Central Provincial Assembly meeting last week. Three parliamentary leaders of the province, Governor Kila Haoda, Kairuku-Hiri MP Peter Isoaimo and Goiala’s William Samb, however, snubbed the signing ceremony between the developer Asi Dokona Mining Petroleum Limited and Petromin Holdings at the Petroleum Office last week Wednesday. The signing between both parties was a formality in agreeing to the sales shares agreement between Petromin Holdings Limited and the Singapore firm. Woitape LLG president Joe Geru during the assembly meeting said that the MOA should be reviewed by Petromin

Holdings, the Central Provincial Government, the developer and the landowners, prior to any operation of the mine.

"Since the mine was taken over by Petromin Holdings, my people have not benefited and that is why I am asking that the MOA be reviewed for the benefit of my people," Mr Geru said. Mr Isoaimo backed Geru’s comments and urged the developer to resolute on better alternatives to dispose of its mine tailings. "For over 25 years since the establishment of the Tolukuma mine, my people of Kairuku, especially people living along the Angabanga and Apanaipi rivers, have been affected by the polluted water," Mr Isoaimo said. He said the MOA needed a close consultation and review before finalising any agreement with the developer. Governor Haoda said there should have been consultation with the Central Provincial Government before an agreement was reached with the new developer. "Our decision not to attend the signing ceremony was done in the best interest of the people of Central Province," he said.

Majority Of New Caledonia Congress Favors More Nickel Exports

Extraordinary sitting sees support for exports to China

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 15, 2015) – New Caledonia's Congress has narrowly backed calls to extend nickel ore exports to China - an issue at the centre of a three-week industrial conflict in August. In an extraordinary sitting to discuss the policy, 27 members voted for and 25 against, with two abstaining. The debate was prompted by France, which for the first time invoked its right to summon the territory's legislature to end an impasse between Congress and government leaders. The decision to change the nickel policy still rests with the collegial government, but a majority in Congress has found that the 2009 mining scheme allows for low grade ore to be exported to China to counter a decline in exports to Australia.

This has been a demand by truck drivers in the industry who blockaded key places across the territory for three weeks in August to back their cause. Those for the export expansion are the pro-French Republicans and the anti-independence Caledonian Union, who argue that such a change is indispensable to counter the current crisis. However, the anti-independence Caledonian Together Party as well as the separatist Palika say they should not contribute to a further erosion of the nickel price. The president of the northern province, Paul Neaoutyine, says once the Chinese get a foothold, they won't let go as seen in Africa.

New Caledonia Congress To Debate Controversial Nickel Policy

Industrial conflict arose over possible exports to China

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 14, 2015) – New Caledonia's Congress is today due to meet in an extraordinary sitting to discuss the government's controversial nickel policy which in August prompted a three-week industrial conflict. The meeting was called after Paris for the first time invoked its right to summon the territory's legislature in a bid to advance the debate amid a protracted dispute. The government in Noumea is refusing to approve exports of low grade nickel ore to China after a decline in exports to Australia. Support for the policy in Congress is evenly divided, with splits on the matter within the two traditionally rival political sides. The August protests, which caused major disruptions across the territory, saw some drivers align themselves with small miners and one of the main companies, SLN. The conflict ended with an agreement for further talks but disagreements over how to proceed resulted in legal action.

Landowner group plans to start alluvial mining

The National, October 14th, 2015

A LANDOWNER group in Enga plans to go ahead with alluvial gold mining rather than wait for developers. The Lepyok-Saii Landowners Association from Kweokam in the Kompiam-Ambum district has submitted its resolution to the Mineral Resources Authority. Association secretary Peter Tambalo said they were now waiting for a reply. He said the 10 clans of the Porelyin tribe were behind the plan to mine their gold and urged the MRA to speed up the process of granting them a licence. The association has formed its company to get things off the ground. He said the Lepyok-Saii Landowners Association Inc had as its own investment company called Akim Ku, which will be involved in the alluvial mining activity. Akim Ku managing director Joe Tomorop said the landowner company would be the first to operate alluvial or hard rock mining. “We will see how we go,” he said. We will try and hire some expatriates, who have experience in the mining field to drive our day-to-day operation.” Tomorop said locals should stop relying on foreigners but try to manage themselves their own resources.

New Caledonian Should Control Continental Shelf: Gomes

Territory already has rights over EEZ

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 13, 2015) – A leading New Caledonian politician, Philippe Gomes, has called on France to assign to the territory the right to access the continental shelf. Mr Gomes made the call after France last month extended the continental shelf off several of its overseas territories, including New Caledonia, by a total of half a million square kilometres. Mr Gomes, who is a member of the French National Assembly, says the Assembly should make the change by modifying the organic law, which already gives the territory control over its Exclusive Economic Zone. The shelf extension for New Caledonia applies to about 80,000 square kilometres towards Australia's Lord Howe island, an area believed to be rich in oil and gas deposits. Two years ago, the French Economic, Social and Environmental Council urged the government to secure resources in the seabed off France's overseas territories. In a report, the Council said the Law of the Sea allowed for France to lay claim to an additional two million square kilometres, half of which are in French Polynesia.

News Release

Management Options For Deep Sea Minerals Development Explored

Secretariat of the Pacific Community, Suva, Fiji, Oct. 13, 2015

Recognizing the importance of a consultative approach to the topic of deep sea minerals, the Secretariat of the Pacific Community, in collaboration with the European Union Deep Sea Minerals Project, recently held a regional workshop in Fiji on environmental management options for deep sea minerals development. Representatives from 11 Pacific Island governments, civil society groups, the private sector and international environment experts participated in the weeklong workshop in Nadi. Comprising panel discussions, working group activities, presentations by mining companies and international environment experts, the workshop was an opportune time for participants to ask experts relevant questions about the environmental issues and impacts associated with deep sea mining. A major component of the workshop involved a review of two important regional environmental documents that will serve as guides for Pacific Island countries.

Firstly, the Regional Environment Management Framework contains an Environment Impact Assessment template developed for deep sea minerals activities, and secondly, the Regional Deep Sea

Minerals Scientific Research Guideline has been written for Pacific Island countries and territories to use to develop their respective national marine science guidelines or regulations. These documents are aimed to assist Pacific states to ensure that marine scientific research, prospecting, exploration and mining activities relating to deep sea minerals are well managed and performed in accordance with international standards and best environmental practice. In addition to the workshop's environment management component, civil society representatives attending the workshop held a meeting amongst themselves to discuss ways in which they can better engage in deep sea mining discussions; as well as their positions on deep sea mining and issues they wish to raise with the experts.

"There's still more to learn about how the ocean environment may be affected by deep sea minerals exploration and mining activities, given this type of mining is yet to commence in the Pacific Islands region," SPC Deep Sea Minerals project manager Akuila Tawake said. "It's important for Pacific governments to possess greater in depth knowledge of the environmental management of deep sea minerals and how to implement effective strategies that will ensure seabed resources are properly and responsibly managed," he added. Pacific countries represented at the regional meeting include Cook Islands, Fiji, Kiribati, Marshall Islands, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Vanuatu and Palau. This was the eighth regional workshop in the SPC-European Union Deep Sea Minerals Project series. Deep sea minerals occurring in the Exclusive Economic Zones of many Pacific Island countries are increasingly being recognized as a future potential source of economic development.

MRA to aid alluvial miners

Post-Courier, October 12, 2015

Mineral Resources Authority (MRA) plans to gather more geological data on alluvial gold occurrence in the country in 2016, and avail them to the small scale miners in the country. MRA's manager for the Geological Mapping and Exploration Branch Dulcie Saroa, said at the recently concluded Alluvial Mining Convention and Trade Show in Lae that there was insufficient data on alluvial gold occurrences-deposits. Ms Saroa said this had resulted in missed income earning opportunities for small scale miners in the country and export revenues. Last year PNG's alluvial gold sector produced 119,000 ounces of gold which generated export revenue of K373m. The aim is to increase these figures through the collection of more geological data and making it readily available to miners and stakeholders so as to stimulate activity in the sector. This in turn is also expected to contribute to alleviating poverty amongst miners and their surrounding communities through increased spin off economic activities. Ms Saroa said to achieve this, the MRA plans to embark on a number of initiatives that will result in the identification of alluvial gold prospective areas in the country. They include:

- Research into gold depositional environments where the primary source of gold has not been clearly identified to provide new geological models which can be used to support mineral exploration;

- Carry out resource estimation work for non-mechanised alluvial miners to build resource confidence;
- Sample and essay all alluvial gold specimens (nuggets and refractory) with records kept in the MRA's geoscientific (alluvial gold) database and to be available to all stakeholders.

The latter she said would be done in consultation with the authority's Small Scale Mining Training Centre in Wau. MRA's managing director Philip Samar said the entity would spend time and resources to provide necessary services to alluvial miners in the country as it is mandated under the Mining Act. He urged miners and stakeholders to co-operate and support his geologists when they are in their areas collecting data.

Singapore firm buys Tolukuma mine

The National, October 12th, 2015

By SHIRLEY MAULUDU

A COMPANY in Singapore has bought the Tolukuma gold mine in Central for around K81.35 million to re-capitalise and eventually restart the mine. The official exchange of the share sale agreement took place last Wednesday between Petromin Holdings Limited and Asidokona Mining Resources Ltd. The ceremony was witnessed by Petromin chairman Sir Brown Bai, Mining Minister Byron Chan and the Mineral Resources Authority managing director Phillip Samar. Petromin managing director Thomas Abe said Petromin recognised several years ago that the struggling Tolukuma mine was best divested. "We have a buyer who has the integrity, the will, and the capacity to reinvigorate the Tolukuma mine," he said. Asidokona Mining Resources Ltd executive chairman Philip Soh said the company would be run by Papua New Guineans.

As per the agreement, the Central provincial government and landowners would have a 10 per cent shareholding in the new company at no cost to them. The deal includes a K6 million commitment by Asidokona to assist in funding the construction of a new road, which will not only benefit the mine but open up Goilala district to further exploration and provide people access to markets and basic services. The company said while design and tendering on the new Doa-Tolukuma road continued, they would widen the existing horse trail currently being used by locals to reach the Hiritano Highway. Chan highlighted the significance of a reputable Singapore investor choosing to invest in Papua New Guinea. "This is a sign of confidence in the country's resources sector, and a lead for other investors to follow," Chan said. He thanked Petromin for bringing a reputable and committed investor to keep the mine open - for the benefit of the Goilala people. Petromin would change its name to Kumul Minerals Holdings Ltd from January 1 next year.

MP condemns decision

The National, October 12th, 2015

MOROBE Governor Kelly Naruhas condemned the Government decision to dissolve the special land titles commission to complete the determination of land boundaries and ownerships in the Wafi-Golpu project. But despite the decision, he said the provincial government and the district development authority would support the three landowner associations. Naru said the Government's decision affected the Morobe Mining Joint Ventures'confidence to complete feasibility studies. "Government needs to re-examine its decision and re-establish the SLTC to complete court determination process of land boundaries and ownership," Naru said. "The SLTC must come back and finish the land boundaries court determination."

Naru said “we can bring in world class mining developers but land boundary disputes and ownership rights still exist which SLTC are subjected to settle”. Babuaf Landowner Association president Thomas Nen had raised his concern during presentation of two vehicles and opening of community hall at Finnchif on Saturday. Huon Gulf MP Ross Seymour, DDA adviser Robin Bazinuc and members presented the vehicle while the MMJV built the hall. Naru commended MMJV for providing such infrastructures in advance. He told the landowner associations to form an umbrella company to work with government and investors. Hengabu and Yanta landowners associations have also raised similar concerns.

Clan chiefs talk of civil unrest over unpopular Australian bank deal

Story courtesy of Financial Review, Post-Courier, October 12, 2015

UNTIL now, the tribal chiefs in LNG impact areas in the Highlands have been happy to host a hugely profitable natural gas project on the slopes of their mountainous land. It might have disrupted hunting grounds, ruined waterways and uprooted fruit and vegetables, but the money flowing from it also promised progress and development for the people. So they stuck with a 2009 agreement to provide access and security to a $US19 billion ExxonMobil PNG liquid natural gas project, which has given Australia's nearest neighbour one of the highest GDP growth rates on earth. All that, though, could change. They are threatening to "turn off the taps" after the PNG government barred their Australian lawyers from entering the country. It was the final straw for the deal that has turned increasingly sour for local tribesmen in the mountainous Hela province, where the majority of the gas is sourced. ExxonMobil, Australian company Oil Search, and the PNG governments have all received profits ahead of schedule, but the local people say they are missing out.

Under the deal struck in 2009 to allow the gas project to go ahead, the tribesmen and women are entitled to exercise an option to buy a 4.2 per cent equity share, which could deliver upwards of US$6 billion over the project lifespan. But a Fairfax Media investigation can now reveal that a complex and unlikely deal inked in March last year between Australian bankers at Swiss firm UBS and close advisers of Prime Minister Peter O'Neill has unnerved tribal leaders. They say the deal effectively "mortgaged" their equity to plug a widening fiscal hole in the government's own finances. It's clear that trust between these land owners, the PNG government and the bank has been obliterated. Prime Minister O'Neill has moved quickly to attack the "politicised" leak of documents, as a Fairfax report on Friday dominated social media in the country over the weekend. He pointed blame at the previous Somare government, skirted revelations that the PNG government had "surrendered" most of the potential upside to UBS, and promised that ongoing court proceedings would provide clarity. Fairfax can now reveal that tribal chiefs are seeking a court injunction to prevent Mr O'Neill and UBS from having further dealings with their promised equity without their full consent.

And they are incensed that the PNG government has obstructed those court processes by banning their Queensland lawyer, Greg Egan, from entering the country. Last week Australian diplomats dismissed the blacklisting of Mr Egan as a "private" matter. But matters such as this have a history in PNG of blowing up into much more than that. The landowners cite the precedent of the civil war in Bougainville, which followed the failure of mining company Rio Tinto and governments in PNG and Australia to adequately negotiate with local people. "We fear that when the government runs out of money, they may touch our money and spend it elsewhere," says Dickson Ango, a chief of the Buta people, who own much of the land beneath the Hapono Block near Hides gas field in the Southern Highlands Province. "If they are stopping us from expressing our rights to the courts of the land, then our own people will ask the government to come and talk to us by way of other means, like sit-in protests. "It may cost the project."

ONE DAY A WHITE-LEGGED MAN WILL COME

Dickson Ango is old enough to remember how his elders used to carry around the bones of their ancestors before the missionaries came. They decorated those bones, and spoke with them. These days, bones are buried in the ground and traditional animist beliefs have been supplanted by Christianity. But there are astonishing continuities between the old world and new. "When the white-legged man came to this mountain, Gigira, they found one of the world's highest quality natural gas fields – enough to bring light to hundreds of thousands of people," says Ango, recalling the "prophesy" of his forefathers. "We can see now that everything is happening according to that prophesy," Ango says. "So I want to tell the future generation that we must live in appreciation of what God has done." Ango believes his people have been "chosen" to be custodians. "God in his divine plan put all those resources on our land, where our forefathers lived, because he knew that we – these people of Hela – we are people who are able to share, people who can laugh with others, and able to share those benefits with the rest of PNG and are able to agree with the government and welcome the developers." But such agreements are not without cost.

PYTHONS ARE GOOD PROTEIN

Wandigo Kau is a clan leader from the area known as PDL 1, which supplies 57 per cent of the gas to the PNG LNG project. When he was born in 1982 there were no schools, no shops and certainly no doctors to help a mother giving birth. Life was short. Like most of his contemporaries, chronic malaria had given him a hugely swollen spleen. His own baby child, however, has been born into a world of previously unimaginable possibilities. "My child will have a modern standard," Kau says. "Not like my life. My life was too hard." For all that's been gained, though, much has also been lost. Kau can no longer go on long hunting treks through lush jungle, crossing the tumbling streams of Mount Gigira with bow and arrows strapped across his shoulder. Now the cassowaries, hornbills and protein-laden pythons that Wandigo Kau used to hunt have been chased away by three well-pads, three quarries, a waste dump, a huge gas conditioning plant, nine kilometres of pipeline and a main road. Kau's home in Tugu Tapira is the most intensely impacted in the PDL-1 area, where the majority of gas is sourced. But all his neighbours have similar stories. "We have given up our land, our water, our hunting grounds, our food gardens, we have given everything," says Hamule Ngiame.

THE BIG MEETING

Ngaime, like Wandigo Kau and Dickson Ango, was one of the tribal leaders who travelled to Kokopo, in far-away East New Britain, to negotiate the 2009 agreement that got the project off the ground. That meeting was an anthropological and logistical feat to rival the engineering that has followed. Thousands of clan leaders were flown to Kokopo and stayed for months of rolling talks, camping in Oil Search-issued tents, arm wrestling government leaders to work out how compensation should be apportioned and spoils divided. Oil Search managing director Peter Botton says the scale of the discussion was unprecedented. "Where else would you get 5000 people to sit down and discuss the size of the pie, and thousands more to talk about how to divide it?" The negotiating motto of the tribal chiefs was straightforward: "No equity, no gas." Many wanted a 10 per cent share. In the end, they were happy to settle for 7 per cent, plus royalties and grants – 2.8 per cent would be paid up front and the remaining 4.2 per cent when the gas was flowing.

"It was a huge task to mobilise all the people because most of the people were illiterate," says Andy Hamaga, a leader of the Jula and Aya clans. "It took us six solid weeks to negotiate." The corporations had already conducted a complex social mapping exercise to work out the entitlements of 60,000 people. They had to do it an area where traditional land ownership is relatively fluid, and partly contingent upon continual occupation. Meanwhile tens of thousands of migrants were arriving in search of work. In the end: "We were satisfied." Hamaga says his people trusted then prime minister Sir Michael Somare, often referred to as the founding father of the nation, his son Arthur, then a cabinet minister, and the provincial governor, Anderson Agiru. "They asked us to provide security to the project, which we did." Adding political intrigue, the land owner claims are being supported by Arthur Somare, who led the 2009 negotiations, and who is the son of Sir Michael Somare, who recently referred Mr O'Neill to a leadership misconduct tribunal.

TURNING ON THE TAPS

Every three or four days a tanker leaves the Gulf of Papua for terminals in Japan, China and Taiwan, filled with tens of millions of dollars worth of gas, condensed at temperatures of minus-160 degrees into liquid form. Already, the $US19 billion investment in the highlands has expanded the GDP of Australia's closest neighbour by a staggering 25 per cent in just two years. ExxonMobil, the US oil giant, delivered the project ahead of schedule. It has buoyed the share prices of Australian gas majors Oil Search and Santos, and it has poured hundreds of millions of dollars into PNG government coffers. Port Moresby's Grand Papua hotel is filled to bursting and the rents on expatriate apartments have gone through the roof. But for the country's 8 million citizens, the boom times never came. A World Bank report released **last** week declares that welfare standards might actually be going backwards.

The report also said PNG had breached its legislated debt level of 35 per cent of GDP by a considerable margin. More worrying, a mid-year Treasury update said the budget deficit for this year could blow out to 9 per cent of GDP without corrective action. Government services are not being delivered and bills are going unpaid. Partly, PNG is suffering from a king-sized version of the resources bust also affecting Australia. But mismanagement and cronyism are also to blame. On the figures, the government might want to extract every kina of profit that it can from the "benefits-sharing" arrangement to give land owners their 4.2 per cent equity stake, which they are due to receive in the first half of next year. And this is where Hela landowners, Australian investment bankers, and Australian and PNG politicians could all find themselves in the kind of serious conflict that, in the past, has led to civil war.

WE'LL TURN OFF THE TAPS

The fight is over the honouring of the old "gas for equity" deal. Last May, the money started flowing. Exxon Mobil got its share, Australian company Oil Search got another, as did the PNG government. But what should have been a stream of revenue from royalties and grants to the local landowners has been nothing more than a trickle. The PNG government says it has not yet finished the "vetting" process to ascertain who is entitled to a share of the money. Landowners, however, say the government is deliberately dragging its feet. Exxon Mobil, with an eye to its biggest risk, cannot afford any further delay. It recently offered 7 million kina ($3.5 million) worth of Land Rovers, hotel rooms and helicopter rides to make the journey of officials from Port Moresby to Hela easier.
A respected judge has been called in to accelerate the vetting process. Some tribal chiefs are still showing patience. Last week the court intervened by overturning the ban on lawyer Mr Egan from entering the country. But those who are taking the court action say time is running out for a negotiated solution. And the first thing they want is their own choice of financier and a chance to negotiate a reasonable price for their 4.2 per cent equity option. "We don't trust UBS … because they failed us in the first place," says tribal leader Andy Hamaga.

The government, he says, has "mortgaged our equity to get the UBS loan". And if they don't get their way? "We will turn the tap off," says Hamaga. "No choice." On Sunday, a UBS spokeswoman said the land owner's 4.2 per cent equity option had been "carved out" of last year's loan security terms, and that the bank was not doing the ongoing financing work that land owners feared. "We have not been mandated by anyone in PNG to raise the finance for the landowner call option," said the spokeswoman. The tribespeople have tried to talk to the politicians. Then they tried the courts. Options are running out. Another leader, Hamule Ngiame, whose Pii and Komen clans live on the PDL-1 land, responsible for more than half of the PNG LNG's gas supplies, says "Coming to the media is the second [last] option." "The last option is to disturb the project. We know that in 1989 we had the Bougainville crisis, over a similar issue of government failure in meeting its part to deliver landowner benefits. "We will do the same." *The Age*

Indonesia Could Change Law On Papua Mine Contract

Allow for decade extension for US company at Papua mine

WELLINGTON, New Zealand (Radio New Zealand International, October 12, 2015) – Indonesia's government is planning to amend its rules on mining contracts to allow the United States company, Freeport-McMoRan, to extend its contract at the Grasberg mine in West Papua. Freeport's contract for the world's largest copper and gold mine ends in 2021, but present rules only allow talks on an extension to end two years before a contract is due to expire. Reuters reports a mines ministry official, Bambang Gatot, saying a revision to the government's regulations is being processed by the economics ministry, and should be released by the end of the year. The new rules may allow companies to propose an extension 10 years before their contracts expire. Freeport says it has been assured by the Indonesian government that its Grasberg contract would be extended beyond 2021. The company plans to invest 18 billion dollars to transition the mine from an open pit to underground mining in late 2017.

Sir Julius demands greater benefits from mining for people

Post-Courier, October 12, 2015

NEW Ireland Governor Sir Julius Chan today issued a statement concerning the benefits received from the Lihir Gold Mine by the company Newcrest Mining, the State and the people of New Ireland. “Recently Newcrest issued a press release saying the mine had paid K376 million in royalties over a ten year period. ‘It seems they think that is a lot of money. “But when you look at it the total only represents K37.6m each year that the people of New Ireland have received in royalties. “Compare that to what Newcrest and the National Government have received,” said Sir Julias. Newcrest has actually only operated the mine for five years since late 2010. However, in that five years, according to Newcrest’s own annual reports, the difference between the cost of production and the sale price of gold means they have made nearly K5 billion in profit.

“So during the time that the people of New Ireland were receiving only K37.6m per year in royalties, Newcrest was making nearly a billion kina per year. That is over twenty-five times as much as the people of New Ireland,” Sir Julias said. Sir Julius also said that during the same time “the National Government has been making over K300 million per year in various taxes, mining levies and other fees. “This means National Government is making nearly ten times as much as the people from whom the wealth actually comes. “So when you look at it, between the company and the National Government they are making about K1.3 billion per year, while the province is only receiving K37.6 million in royalties and a pittance in special support grant.

“So the people of New Ireland are only getting about 3% of the benefits coming from their own ground. This is unacceptable.” “The situation must change, we need to increase royalties to be consistent with international practice. “Royalties should be set at 10% of annual revenues. Special Support Grant should be increased from the current ridiculous level of ¼ of 1% to 10%. The same with the tax credit scheme, increase it from ¾ of 1% of assessable income to 10% of assessable income.” Sir Julius concluded by saying that the people of Papua New Guinea should refuse to allow any further exploitation of their natural resources until the National Government and the mining companies are willing to direct the lion’s share of the benefits to the people from whose land the wealth comes.

Drilling at Gulf continues: Oil Search

The National, October 9th, 2015

OIL Search Limited says it is continuing to drill at Antelope 4 in Gulf. Antelope 4 is within the Total-led Papua LNG. Oil Search and InterOil are partners plus other minority partners. The area is located within the petroleum retention license (PRL) 15. The drilling commenced on August 27. The company wants to confirm the structure, reservoir continuity and quality in the southern portion of the field. As at September 30, Antelope 4 was at a depth of 1940 metres and running liner in an eight and half hole, after tagging the top of the target carbonate reservoir. Oil Search said in a report to the market that during the month, the well encountered the target reservoir about 32 metres high to prognosis. “Drilling progress for the month was 1037 meters. The forward plan is to complete cementing the liner and then drill ahead through the reservoir to the planned total depth.”

Lihir Mine to work with audit team

The National, October 9th, 2015

Lihir Gold Ltd says it will work with the government in implementing recommendations of government sanctioned environmental audit into the extraction of water at Londolovit River on Lihir Island that it extracts. The audit had confirmed that LGL has complied with its water extraction permit conditions for the overwhelming majority of the period and identified some brief periods of non-compliance. Australia’s North Victorian based company Moroka Pty Ltd carried out the environmental audit of the Londolovit River between May and August after it been commissioned to do so by Conservation and Environment Protection Authority (CEPA) of the Government.

“LGL acknowledges these and while the periods and levels of non-compliance were relatively minor, we will work with the Government and local stakeholders to implement all of the changes recommended in the report” a statement released by the company said. The LGL said it acknowledged those brief periods of non-compliance and supported the recommendation to work with CEPA to agree a longer term water supply strategy to ensure this does not happen in the future. “LGL has introduced innovative measures to manage the use of water during the current extended dry spell at Lihir,” the company said. “ We are monitoring water extracted from Londo River supplies the mining operation and others.”

Mineral Resources Authority promotes yoga within mining industry

Post-Courier, October 08, 2015

The Mineral Resources Authority (MRA) through its Inspectorate Branch of the Regulatory Division has taken the initiative to promote Yoga within the mining industry. MRA says this initiative follows its concern of the health and wellbeing of mine workers in the country. It stated that this initiative is consistent with the fact that mining companies are mandated under the Mining (Safety) Act 1977 to, inter alia, ensure the ‘health and wellbeing’ of their employees which the Mines Inspectorate is obliged to administer and oversee. These legislative provisions also align with the PNG Vision 2050 and National Goals to achieve Integral Human Development.

"To give effect to this initiative, the Inspectorate adopted September 22 as the "Mining Industry Day of Yoga." MRA stated that the Inaugural Mining Industry Day of Yoga was celebrated on September 22 this year where Mines Inspectors of MRA went to the various mine sites to engage with mine employees in Yoga sessions. Unfortunately, the concept of ‘holistic health’ is not much understood by most of the people and selective strategies therefore fall short of the desired outcomes. "We are confident that introduction of Yoga in the Mining Industry in particular and PNG in general, would prove to be the ‘game changer’ in achieving the PNG Vision 2050 and National Goals."

Sir Julius: Claims not true

Post-Courier, October 08, 2015

Sir Julius Chan, Governor of New Ireland Province, has refuted claims by Newcrest Mining concerning the amount of royalties paid to the Provincial Government. He said that for almost half that period, royalties were paid by the previous owner of the mine, Lihir Gold Limited contradicting the claims by Newcrest. He said the media reports by Newcrest Mining gives the impression that huge sums have gone to the province, when in fact this is not the case. He explained that it was not until late 2010, when Newcrest finalised purchase of the mine, that Newcrest began paying royalties. "The total return of the mine to both the company and the National Government is between five and ten times what comes to the province. "Between the two, they make literally billions of kina per year, while the province, the LLG and the landowners combined make around K40m. There is something wrong here.

It is true that the mine under both LGL and Newcrest has paid K374m in royalties over the past ten years. Of this amount, half has gone to the landowners and the Local Level Government. The other half has come to the Provincial Government," Sir Julius said. However, under a PEC decision on the 50 per cent received by the Provincial Government, only 10 per cent is retained as 30 per cent is given to the Namatanai District, where the mine is located and 10 per cent to Kavieng District. According to this calculation, the provincial government has only received directly about K37 million over the last ten years. "The Provincial Government came to an agreement with the two Districts that royalty funds should be used for the ‘benefit of all New Irelanders."

Copermoly still needs permit, firm says

The National, October 6th, 2015

THERE is no guarantee that Coppermoly will be able to obtain all of the necessary approvals, permits, licences and consents required to develop the West New Britain (WNB) project, the company says. Coppermoly is an Australia Stock Market-listed exploration company targeting porphyry-style large scale-low grade projects prospective for copper, gold and molybdenum. The company’s projects are located in WNB. The company in its 2015 report said WNB projects and its other licences were subjected to the following key sensitivities:

- The delineation of sufficient copper/gold reserves so as to result in the viable extraction and processing of copper/gold from the West New Britain projects,
- copper and gold prices,
- mining and processing costs of copper and gold ores,

- the capital cost to construct any required processing plant and associated facilities or the cost of transporting any extracted materials to a third party’s processing facility,
- national/provincial/local government stakes that may be included in any subsequent development agreement; and,
- consent from the customary landowners or other parties for access to exploration licences.

Coppermoly’s wholly owned subsidiary, Copper Quest Papua New Guinea Ltd, is the legal holder of five exploration licences (EL). The five are; EL 1043 (Nakru), EL 2379 (Simuku), EL 1782 (Powell), EL 2014 (Makmak), EL 2272 (Wowonga) . As at the date of this report, the current term of the Powell EL has expired.

Appeal to miner to clear mess it left behind

The National, October 5th, 2015

POMIO MP Elias Kapavore is calling on the Canadian developer of the abandoned Sinivit gold mine in East New Britain to come back and clean up the mess it left behind. Landowners during a meeting last week raised their concerns over the damage to the environment and pollution from the mine leaking into the rivers. Resource owners moved into the mine site recently and tampered with cyanide-filled vats and vandalised the camp buildings, after New Guinea Gold left abruptly in July 2014. According to the Mineral Resources Authority, under the Mining Act, the company still had mining lease licence at Sinivit, which had not been cancelled.

The company there must ensure that regulations are in place and safety measures followed. “This is a clear example of a company that is allowed to come in and do everything it could and get whatever it wanted and then gone leaving our people like this,” Kapavore said. “This is a good lesson for ENB and especially Pomio district to seriously consider in future when allowing similar companies to come in. “The NGG is given until the end of October to return and clean up the mess.” He urged the provincial government to act on the recommendations compiled by the Department of Environment and Conservation last November.

New Caledonia Union Welcomes Nickel Talks

French ministry forces government debate on nickel exports

WELLINGTON, New Zealand (Radio New Zealand International, October 3, 2015) – The union behind a three-week long industrial conflict in New Caledonia last month has welcomed a debate about the future of the territory's nickel exports. In an interview on local television, a union spokesperson, Max Foucher, said there is no doubt that allowing exports to China is the only solution to arrest decling exports to Australia. In August, truck drivers set up blockades that brought the capital, Noumea, to a standstill to protest the government's policy to not approve exports of low grade ore to China. Last week, the French overseas ministry invoked its rights under organic law to force the territory's government to debate the issue of nickel exports. Mr Foucher says he welcomes the debate, saying the decline is threatening jobs and livelihoods.

Nautilus shrugs off activists’ critique as ‘unscientific’

By Henry Lazenby, miningweekly.com, 2nd October 2015

Deep sea mining pioneer Nautilus Minerals is making light of an environmentalist attack on its flagship Solwara 1 copper/gold/zinc/silver project, in the Bismarck sea, earlier this week, charactericising critique released on Monday as being unscientific and full of errors and misunderstandings.

As steel cutting for Nautilus's production support vessel started in China last week, environmentalists on Monday ramped up the ideological battle against the sea floor mining project by publishing a critique entitled 'Indefensible Flaws', at the Asia Pacific Deep Sea Mining Summit, held in Singapore. "Their critique is highly flawed and it is clear that they only partially understand what it is they're criticising. For instance, to criticise the assessment because it didn't include gold, had no bearing on the overall mining operation," Nautilus CEO Mike Johnston told Mining Weekly Online from Brisbane, Australia.

He explained in the interview that independent natural capital accounting firm Earth Economics did not include gold in the environmental and social benchmarking analysis, released in June, as it was not a critical part of the mining operation, while it had the potential to polarise opinions. "The reason Earth Economics left gold out was because gold is a little bit contentious with most environmentalists. Gold is one of these things that polarises people's opinions. However, if one included it, it would only improve the economics for Solwara 1," Johnston said. He questioned the credentials of the people who criticised the report, noting that the company that undertook the field work also serviced top-tier clients including the World Bank, the International Finance Corporation and the US federal government. Another criticism was that there was not enough information available on the deep ocean ecosystem to evaluate it. "It's true that there had not been natural capital accounting assessments made of those ecosystems, but what economists did was take the highest comparable land values, so that the values assigned to the ocean floor environment would be very conservative," Johnston stated.

Another critic bemoaned the fact that Earth Economics's assessment did not provide adequate surface current data on the project, prompting Johnston to waylay the concern, saying that the person obviously failed to grasp that the whole ore extraction system was designed not to disturb the upper layers of the water column. "We did four water column current measurements and we have all the data. The reason for not including it is because it's irrelevant – we don't impact the surface waters," Johnston stressed. Nautilus planned to use three huge robots to mine the sea floor. The machines would cut into the seafloor with 4-m-wide claws, break the rock and collect it in a slurry that would be piped to a support vessel. The remaining water and rock would be sent back down another pipe nearly all the way back to the ocean floor. Johnston added that certain individuals in the environmentalist lobby were fighting an ideological battle against mining, saying that all mining should end, while others would see no mining happening in the oceans. "We've always had an open relationship with environmental lobbyists. We've invited them to our annual general meetings and have always had an open-door policy," Johnston said, stressing that the world increasingly needed copper to develop. The company was bullish on the base metal's strong medium- to long-term fundamentals that would support the Solwara 1 project, with added upside when gold was also accounted for.

THE CASE FOR MARINE MINING

Johnston noted that there was, however, a strong case to be made for marine mining, arguing that several studies had shown that the majority of marine pollution was coming from land-based mines and industries through the rivers. Marine mining was also much better than land-based operations, because there were no long-term liabilities of tails dams or waste dumps. "We just mine high-grade ore and send it to China and that's it." The Solwara 1 project would also not impact fresh water sources, such as on land, which could sometimes be in short supply and get politicised owing to the potential long-term impact on the natural resource. "These kind of critiques are not science based and are merely an example of free speech in practice. It cannot impact the company's progress on Solwara 1 to production. Our Papua New Guinea- (PNG-) based partner Eda Kopa is fully on board with us as we progress work on the environmental management plan," Johnston commented.

Work was currently progressing on the Solwara 1 project's environmental management plan, in collaboration with the PNG government. Nautilus expected to submit the completed plan to the PNG government at least six months before it would be able to start mining. The plan would deal with some 80 conditions attached to the 20-year mining licence awarded by the government in January 2011. Johnston said the Eda Kopa partnership was "working well". The relationship seemed to have struggled after an earlier hiccup, when the PNG government wanted more say in the project, since they were paying for their 15% interest in the venture. Meanwhile, Johnston was participating in the International Seabed Authority's efforts to draft guidelines for seabed mining, which would probably be published "in a few years time". "But in the mean time, we work in the PNG government's territory, whose guidelines we follow. We take on board everybody's inputs and, while we would try to implement best practice, we are pioneering a mining method, so we would try to set the bar really high," he said. One of the pitfalls of developing legislation for such ocean floor mining operations was that it could be ambiguous, as was the case in New Zealand, where current legislation presented many trapdoors for miners to be taken to court.

THE METHOD

Nautilus aimed to recover high-grade polymetallic seafloor massive sulphide (SMS) deposits at 1 600 m below the surface, within the Western Pacific Ocean's Rim of Fire. The company planned to produce more than 1.3-million tons a year, with the capacity to ultimately ramp up to 1.8-million tons a year of dewatered ore, which would be delivered to the PNG Port of Rabaul. The Solwara 1 project team in 2007 reported the world's first SMS resource statement after it drilled a National Instrument 43-101-compliant resource using newly developed, remotely operated drills. As of November 25, 2011, the Solwara 1 project had an indicated mineral resource of one-million tons, grading at 7.2% of copper, 5 g/t of gold, 23 g/t of silver and 0.4% of zinc. Its inferred resource comprised 1.54-million tons, grading at 8.1% of copper, 6.4 g/t of gold, 34 g/t of silver and 0.9% of zinc.

Dispute over seabed mining negotiations in east Arnhem Land as mining company looks to pull out of the Northern Territory

By Daniel Fitzgerald, ABC Radio Australia, October 1, 2015

Photo: There is a dispute over mining interests in Blue Mud Bay in east Arnhem Land. (supplied: Google Maps)

A dispute has broken out between traditional owners, the Northern Land Council (NLC) and shareholders of a company interested in seabed mining in east Arnhem Land. A general meeting had to be held last month by Northern Manganese, which has interests to explore for minerals in Blue Mud Bay, in an attempt to resolve the issue. In August, a group of breakaway shareholders, unhappy with the company's financial performance and the way the directors have handled the Blue Mud Bay project, tried to replace the board for the second time. They said they were approached by Conway Bush-Blanasi, a spokesperson for the Traditional Owners in the area, who told them the major indigenous stakeholders supported renewed corporate action and wanted new leadership at Northern Manganese. The attempt to replace the board failed, but questions remain over who the company should be negotiating with. Mr Bush-Blanasi said Traditional Owners had the right to bypass the Northern Land Council.

"[The NLC] is there to listen to traditional owners, it is stated there in the Land Rights Act," Mr Bush-Blanasi said. "If traditional owners want to negotiate straight to mining companies, they should be allowed to. "I speak on behalf of my people and traditional owners, but as for decision making, it takes a lot more than just me." While Conway Bush-Blanasi wants to negotiate directly with Northern Manganese over the east Arnhem interests, it appears the company does not want to negotiate with him. This is despite the company welcoming the direct approach by Traditional Owners in 2012. In a statement issued to shareholders last month, the company said it had asked the NLC if it represented the Traditional Owners of Blue Mud Bay in relation to exploration licence applications. The NLC replied it did and that it did not support the attempted removal of the Northern Manganese board. In the past, some of the Traditional Owners from Blue Mud Bay have argued in favour of seabed mining.

While Conway Bush-Blanasi wanted to fight for his right to negotiate directly with mining companies, he said he did not want any seabed mining in Blue Mud Bay. "Seabed mining is out of the question, I want it there for my children, my grandchildren and my people," Mr Bush-Blanasi said. "We are looking at all projects, not only mining, Indigenous people have to look at anything and everything and what is sustainable out on country. "Northern Manganese, they are a small company, but like all mining companies, they only have one objective, profit. "We value our family better than what we value a dollar." A Northern Territory moratorium on seabed mining since 2012, renewed in March this year for another three years, prevents Northern Manganese from any further mineral exploration. The company stated in a letter to shareholders, because of the moratorium, coupled with high exploration costs and low commodities prices, the time for a mine "is not now."

Northern Manganese has offered the breakaway shareholders the chance to buy all the company's Northern Territory's interests, saying it wanted to focus on a gold project in Western Australia instead. Mr Bush-Blanasi said he had also been told the company was moving out of the Northern Territory, and he thought there should be opportunities for traditional owners to take on its exploration licences. "I spoke with [Northern Manganese] three or four months ago and they said they want to leave the Territory," he said. "I was thinking, as an Indigenous businessman, not as a traditional owner, if [Northern Manganese] is going to do that, what chance do landowners have to get their own [exploration licences] over their own country. "So they can deal with the [mining companies] their own way, [then] call the NLC in to make sure everything is okay." Northern Manganese and the Northern Land Council were contacted for comment but no responses have been received.

Lihir: K374million royalty paid

The National, October 1st, 2015

LIHIR Gold Ltd has paid K374 million [131 Mio. US$] in royalty payments between 2006 and 2015. A statement released by the mine’s operator, Newcrest, said all royalty payments went to the New Ireland provincial government (NIPG), Nimamar local level government (NLLG) and special mining lease (SML) block as stated in a memorandum of agreement signed in 1995 by appropriate parties including the National Government. “Since 1996, in the case of Lihir Gold operations, the National Government has agreed under a memorandum of agreement signed with the New Ireland provincial government, the NLLG and the SML landowners that this two per cent royalty should be paid directly to the NIPG, NLLG and the SML landowners," the statement said. It stated that the royalties were distributed with NIPG receiving 50 per cent, NILLG 30 per cent and the SML block executive 20 per cent. Meanwhile, since 2006, the total gross value of 30 per cent royalty paid to NLLG was more than K112 million, where 30 per cent portion paid to NLLG should be split into two smaller portions, as follows:

- 20 paid to NLLG for social projects and programmes, which to date was nearly K75 million; and
- 10 per cent paid to NLLG for longer terms investments, which to date was more than K37 million

Sir Peter: Stop fighting, be more productive

Post-Courier, October 01, 2015

BY PHILIP KEPSON
GOVERNOR Peter Ipatas has told the people of Porgera, Enga Province, to stop tribal fights and concentrate on activities that can sustain their living when the gold mine closes. "Give up tribal fighting and concentrate on activities that will keep you going when Porgera mine depletes. If you do not listen, I am telling you that you will be last in the province when the mine ends its operation," he said. Sir Peter made the remarks last week when committing K200,000 to Tipini Primary School to restore learning facilities, including classrooms and teachers houses, which were destroyed during a prolonged tribal warfare.

He said looking after school facilities and children were his government's long term strategy to realise improved living. "The people of Porgera should be critical about their plans to sustain living when Porgera comes to a situation where it cannot produce gold anymore. One of the constructive ways is to invest in education through your children. To do that, you must say no to tribal fighting first," he said. Tipini head teacher James Kapia from Wabag, who volunteered two years ago to go and work in the "no go zone" to restore education, thanked Sir Peter for his help and made a commitment to make wise use of the funds to restore the learning facilities.

French EEZ Around New Caledonia Extended

Continental shelf claim expands territory by 500,000 km^2

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 1, 2015) – France says it has extended the continental shelf off several of its overseas territories, including New Caledonia, by a total of half a million square kilometres. This follows a favourable recommendation by the United Nations' Commission on the Limits of the Continental Shelf. The move, which also applies to Guyana, Guadeloupe and Martinique, allows France to claim control over the sea shelf beyond the internationally recognised 200-mile Exclusive Economic Zone. France, which has islands in the Atlantic, Pacific and Indian Ocean has the world's second largest maritime zone. Two years ago, the French Economic, Social and Environmental Council urged the government to secure resources in the seabed off France's overseas territories. In a report, the Council says the Law of the Sea allows for France to lay claim to an additional two million square kilometres, half of which are in French Polynesia. It says France would be negligent not to profit from this as French Polynesia has rare earths, whose reserves are held by China in a near monopoly.

Seabed mining impacts bared

The National, October 1st, 2015

AS the deep sea mining industry chase investors at the Asia Pacific Deep Sea Mining Summit, a new critique by the deep sea mining campaign revealed indefensible flaws in the environmental and social benchmarking analysis of the Solwara 1 project commissioned by Nautilus Minerals. The proposed Solwara 1 deep sea mine, situated in the Bismarck Sea, is the world's first to receive an operating licence. Endorsed by a coalition of economists, scientists, non-governmental organisations and civil society groups, the critique, entitled Accountability Zero, was launched by professor Richard Steiner during his presentation at the Summit on Tuesday. Francis Grey, founder of Economists at Large and co-author of Accountability Zero said: "By using metrics that bear no relevance to deep sea and marine environments, the Solwara 1 ESBA values at zero the ecosystem goods and services provided by deep sea and marine ecosystems. The ESBA report fails to meet the well accepted requirements of a cost-benefit analysis."

Alluvial mining steady

The National, September 30th, 2015

By PISAI GUMAR

THE alluvial mining sector produced 119,000 ounces of gold with a K373 million export revenue last year and hopes to achieve the same this year despite the fall in gold prices, an official says. Mineral Resources Authority executive manager (regulatory operations division) Roger Gunson said the production was more than the Simberi mine and slightly less than Hidden Valley mine production. Morobe Governor Kelly Naru was impressed by the alluvial mining sector's contribution to the economy while opening an alluvial mining convention and trade show in Lae this week. "Alluvial mining is the source that measures the income and livelihoods of ordinary landowners involved in the activity," he said. "I am pleased to note that by law, alluvial mining is meant to be operated exclusively by rural villagers (but) it has contributed immensely to the national economy." Naru said although alluvial mining was mainly in Bulolo, he had a fair knowledge of its activities, how much the miners earned. "Therefore villagers must take ownership and operate according to the law because it also enhances the small-to-medium enterprises sector," he said. He gave K10,000 to the conference and encouraged villagers and landowners to listen to what the MRA told them.

Landowners support Mt Kare gold project developer

The National, September 30th, 2015

A GROUP of landowners from the Mt Kare gold project in Enga are supporting the project developer. The group representing the clans of Pakeya, Leyapi, Heli, Komai, Yolo, Kewai Terewana and Yangeyame said the Summit Development Ltd, a subsidiary of Indochine Mining Ltd, was able to demonstrate commitment in resolving landowning issues. They want the company to continue with development of the project. Landowner chief Timothy Hewe Balope said in supporting the work of Summit Development, the landowners wanted the Government to fast-track the renewal and granting of the exploration license (EL) 1093 to the firm. "We have seen and experienced a lot of companies coming into develop a project but they shut down operations," Balope said. "For the past years, the work by Summit especially with the success of the Land Investigation Study and Land Investigation Reports conducted by the firm has been well received by all landowners. "The company has done well in its exploration work and we want them to continue with that. "The EL 1093 held by Summit Development expired in August of last year and since then there has been no word from the Mineral Resources Authority and the Mining Minister's office on the renewal.

World's first deep sea mining proposal ignores consequences of its impacts on oceans
Deep Sea Mining Campaign, 29 September 2015

SINGAPORE, September 29, 2015 | As the deep sea mining industry chases investors at the Asia Pacific Deep Sea Mining Summit, a new critique by the Deep Sea Mining Campaign reveals indefensible flaws in the Environmental and Social Benchmarking Analysis of the Solwara 1 project commissioned by Nautilus Minerals. The proposed Solwara 1 deep sea mine, situated in the Bismarck Sea of Papua New Guinea, is the world's first to receive an operating licence. Endorsed by a coalition of economists, scientists and civil society groups, the critique entitled *Accountability Zero*, will be launched by Professor Richard Steiner during his presentation at the Summit today. "By using metrics that bear no relevance to deep sea and marine environments, the Solwara 1 ESBA values at zero the ecosystem goods and services provided by deep sea and marine ecosystems." said Francis Grey, Founder of *Economists at Large* and co-author of *Accountability Zero.*

He continued, "Fundamentally, the ESBA report fails to meet the well accepted requirements of a cost-benefit analysis. It is of little value to public policy and deep sea mining (DSM) decision-making," US based consultancy firm Earth Economics (EE), which Nautilus commissioned to write the report, compared the social and environmental impacts of the Solwara 1 deep sea mining project to existing and proposed land-based copper mines. "Comparing the impacts of Solwara 1 to selectively chosen land-based mines is like comparing apples to oranges," said Payal Sampat, Mining Program Director of Earthworks. She continued, "Nautilus commissioned a study that purports to make a case for seabed mining – but which neglects to value marine ecosystem services, or consider the likely impacts on sea water quality, marine ecosystems, or communities who depend on healthy oceans."

The Solwara 1 deep sea mining project has been met with local and international opposition, including three independent science-based reports that detail deficiencies in the science and modelling employed by Nautilus.[1] "The ESBA is not fit for its intended purpose. It fails to provide a framework to assist decisions about the advisability of Solwara 1 or of any other deep sea mining project. Indeed, the use of the ESBA for decision-making purposes would lead to very poor public policy outcomes. The risk of unexpected costs and losses due to unpredicted environmental and social impacts is high and could leave coastal and island communities carrying the brunt of the burden into the long term," said Dr. Helen Rosenbaum, Coordinator of the Deep Sea Mining Campaign and co-author of the *Accountability Zero* critique.

Granted a 20 year mining licence in January 2011, Nautilus is yet to release the environmental management plan for Solwara 1. "The time for public relation exercises such as the Solwara 1 ESBA is over. Investors, civil society, and governments looking at the world's first deep sea mine need to see real substance. The release of the Solwara 1 Environmental Management Plan would be a good step," said Professor Richard Steiner of Oasis Earth. He continued, "It is critical that this foundation document be subject to independent examination and feedback in the public domain."

[1] Steiner, R (2009) *Independent Review of the Environmental Impact Statement for the proposed Nautilus Minerals Solwara 1 Seabed Mining Project, Papua New Guinea*, Bismarck-Solomon Indigenous Peoples Council, http://www.deepseaminingoutofourdepth.org/wp-content/uploads/Steiner-Independent-review-DSM1.pdf;
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DOWNLOAD:
http://www.deepseaminingoutofourdepth.org/wp-content/uploads/accountabilityZERO_web.pdf

New Zealand: Kermadec marine sanctuary announced

Otago Daily Times, 29 Sep 2015

The waters around the Kermadec Islands to the north of New Zealand will become one of the largest ocean sanctuaries in the world, Prime Minister John Key has announced at the United Nations. "This is an area twice the size of our land mass and 50 times the size of our largest national park. It is truly a special place, and we want to keep it that way," Mr Key said from New York on Monday (local time). "The new sanctuary will preserve the home of a huge range of species - millions of sea birds and whales and dolphins, endangered turtles and thousands of species of fish and other marine life will be better protected.' The decision will be celebrated by organisations and individuals who have campaigned for years for such a sanctuary. The Kermadec Islands have had a marine reserve around them since 1990 but this decision will extend it from 12 nautical miles to the 200 nautical miles of New Zealand's exclusive economic zone (EEZ).

Mr Key said the sanctuary would mean no fishing, commercial or recreational, and no prospecting or mining in the area. As well as marine life, the sanctuary would protect the ocean floor, Mr Key said. "The Kermadecs contain the world's largest underwater volcanic arc, and the second deepest ocean trench at 10km deep - deeper than Mt Everest is tall.' A Cabinet paper on the establishment of the Kermadec Ocean Sanctuary says that while the protected area will comprise 15% of New Zealand's EEZ, there is little viable commercial fishing in the area so no compensation should be paid. "But the mining resources are potentially very, very large there, because there are unknown quantities of silver and other resources there," Mr Key said.

"On the other side of the coin, we are also trying to protect what is, from a geological perspective, a very important and significant part of the world." Mr Key said he thought in decades to come New Zealanders would judge the decision to set-up the sanctuary as the right one, just as today's generations viewed the establishment of national parks such as Fiordland and Tongariro. The sanctuary will cover 620,000 sq km - an area twice the size of New Zealand. Mr Key made the announcement during the "leaders' week" at the UN General Assembly in New York. "New Zealanders value our coasts and oceans, which are an important part of our culture, economy and environment, and we are committed to managing them sustainably.

"Creating protected areas will support not only our own fisheries but those of our Pacific neighbours." Groups that have campaigned for the sanctuary include the Pew Charitable Trust, WWF New Zealand, the Royal NZ Forest and Bird Society, Greenpeace and Ngati Kuri. WWF-New Zealand chief executive Chris Howe said the creation of the ocean sanctuary put New Zealand "back at the forefront of marine protection on the global stage". "[It] will allow some of the ocean's most exploited and threatened species to not only recover but flourish."

Sanctuary a year away

Minister for the Environment Nick Smith said the sanctuary would require legislation and the aim was to have it in place by October 1 next year. He said the decision was taken now to give certainty to a Canadian company, Nautilus Minerals, which had applied for a prospecting permit covering an area that was partly within the sanctuary. Officials would work with the company to revise its application. Dr Smith said New Zealand had committed to having 10 per cent of coastal and marine areas conserved by 2020, and already had 9.7 per cent of its territorial sea (within 12 nautical miles) protected.

10 new marine reserves
Ten new marine reserves were created last year: around the subantarctic islands, Akaroa, Kaikoura and the West Coast, making a total of 44 marine reserves. Forest and Bird advocacy manager Kevin Hackwell said the announcement was "a really significant move" which would give the Kermadecs a much higher profile. The Green Party said it was delighted with the announcement, which lifted marine reserves in New Zealand's territorial sea and Exclusive Economic Zone from 0.4% to 15%. However, the party's environment spokeswoman Eugenie Sage said there was more work to do, including protecting the Maui's Dolphins, improving water quality and lifting New Zealand's "embarrassingly weak" proposal to limit greenhouse gas emissions. "That said, good start National Government. We certainly want to see Nick Smith's discussion document on marine protection include provision for other large scale no-take marine reserves in the Exclusive Economic Zone."

Barrick Gold urged to come clean on rape victims' compensation
Radio New Zealand, 29 September 2015

There are lingering tensions among victims of rape by employees of Canadian miner Barrick Gold at its Porgera Joint Venture in Papua New Guinea's Enga province. Barrick Gold is being urged to come clean about its varying levels of compensation for victims.

The Canadian miner Barrick Gold is being urged to come clean about its handling of compensation for women raped by employees at its Porgera Joint Venture in Papua New Guinea's Enga province. Under Barrick's "remedy programme" it provided compensation to 120 rape victims who had to sign legal waivers that they would not sue Barrick in civil court. However, eleven other victims rejected the settlement and with representation by EarthRights International, negotiated a separate, far higher compensation from Barrick. Catherine Coumans of MiningWatch Canada told Johnny Blades that this angered the 120 women:

CATHERINE COUMANS: You know, they signed away their legal rights, nonetheless Barrick talked them up with another 30,000 kina but that brings them still to one-fourth of what the other women had received and so this is an ongoing issue. Now Barrick is being very quiet about this, there's also no explanation being given by Barrick about why they've decided to give these women an additional 30,000, but there's also no explanation about why Barrick isn't just giving the 120 women the same amount that the women got who were represented by Earth Rights International. And it brings Barrick's entire remedy programme into question.
JOHNNY BLADES: Just establishing again, people in Barrick Gold's employment raped these women. Were they ever taken to task in the local judicial system? Did police investigate?
CC: Yeah this is of course a real problem, so what we are talking about are women who were raped -- gang raped, very often beaten, you know these were often extremely brutal events -- by personnel of Barrick's Porgera venture mine. And when I interviewed women about this over a number of years, what very often was the case was that either they didn't know who had raped them, because these were very often security guards who come from all over the place, they're not local. So the women often didn't know who it was, and then often they would say that these people, even if they did think they knew who it was, then the person would disappear so they would no longer be working at the mine, they would suddenly be moved out. But even if they filed complaints with police they were very often arrested because the police would often then say 'well if you were raped by the security guard then you must have been trespassing', and by trespassing they mean basically walking out onto the huge waste flows that surround this mine because the mine is dumping all of its waste rock and tailings directly into the surrounding environment, so these people have to cross these waste flows just to get from one part of the village to another. But that's called trespassing and that would then give security guards permission, in their mind, to take action against these women

and rape them -- and very often they would rape them and then bring them to the police department and say 'these people were trespassing' and get the police to lock them up.
JB: How are things there on the ground these days? Are these rapes still going on? Are these pack rapes and assaults, do you know if the situation has improved?
CC: We understand that it has improved, that it's not as extreme as it was for the many, many years that we were recording this information and bringing it to Barrick and having Barrick deny it. Now that Barrick is no longer denying that this has been happening and has been going on for a very long time it seems that the situation has somewhat improved. It's hard to say because one of the things we discovered in doing the interviews that we did was that women were very often only willing to speak about the fact that this had happened to them around two years after it had happened.

Ramu acquires monitoring device

Post-Courier, September 29, 2015

The developers of the Ramu Nickel project in Madang have acquired a device which will assist it to conduct checks on its deep sea tailing placement disposal (DSTP). The Remote Operating Vehicle (RVO) will also enable it to report to its stakeholders on a timely basis. The ROV was purchased from SEABBOTIX Australia Ltd at the cost of US$94,290m (K276,510m) following recommendations from a sea-expert. "The device will enable the company to better meet the National Government's environment regulatory compliance under the Operational Environment Management Plan (OEMP)," the company stated. Its acquisition the company will no longer have source experts from abroad to conduct its DSTP checks.

The ROV is deployed into the water body commencing at DSTP Mixing Tank tailings outlet pipe and along the 150m DSTP Pipeline right down to where the tailings falls off into the ocean floor. With the ROV pilot's control, the equipment travels along capturing images and records what is in front of the video camera and sound device which are mounted to the ROV. Data captured are normally downloaded off from the ROV at the end of the operation for consumption. Meanwhile a ROV data acquisition training was conducted at Basamuk Refinery recently where a hands-on practical training session was part of the second quarter DSTP inspection activity for 2015.

The Dangers of Deep Sea Mining

Shreema Mehta, EarthWorks, September 28, 2015

Photo credit: Papua New Guinea Mining Watch

Papua New Guinea, a small and remote country tucked in a corner of the southwestern Pacific Ocean, has dealt with a long and tumultuous history of mining, including one mine that led to a civil war. So the recent news of yet another mining company securing permits to extract gold, despite community opposition, is a familiar one. But there's a twist to this story: This mine would be located under the sea. Canadian mining company Nautilus Minerals secured a permit from the PNG government to extract gold and copper from Solwara 1, a deep-sea basin of hydrothermal vents located in the Bismarck Sea. These vents release mineral-rich fluid from beneath the seafloor.

New technologies have made the world's oceans the new frontier for mining. Both companies and governments have started exploration - and even tout deep-sea mining as a safer alternative to the problems caused by mineral extraction on land. But they do so in the absence of any scientific consensus on the long-term impacts of deep-sea mining, and in an environment with very little oversight of mining and other industrial activity. What accounts for this enthusiasm? Perhaps these mines' locations, under the sea and out of sight, make this emerging industry abstract, making it easy to forget its dangers. But in fact these projects pose real dangers. Mining the Solwara 1 site, which Nautilus expects to begin in 2018, would involve digging up sediment from the seabed and destroying the hydrothermal vent chimneys containing gold and copper ore deposits. This liquid ore slurry would then be transferred to a ship via pipe, where it would be dewatered before ultimately going to a land-based processing facility.

The effects of this project are unknown, as the Solwara 1 project is the first of its kind. However, the project will certainly kill off all living organisms living in the chimneys and seabed that would be destroyed and dug up. In addition to the destruction of these fragile sources of marine biodiversity, Solwara 1 will create sediment plumes, or clouds of particles that would proliferate from the removal and dumping of sediments and waste. These plumes disrupt the natural movement of ocean water, and in the process can potentially:

- Smother entire ecological communities on the seabed
- Clog hydrothermal vents
- Introduce nutrient-rich deep water into surface waters, which can cause increased algae production that can harm shallow-water organisms
- Expose organisms to heavy metals: Metals once out of reach to shallow-water organisms can be ingested and accumulate up the food chain — potentially harming the health of humans consuming fish as well. Consumption of these metals can also be fatal to these organisms, or lead to mutation or reproductive failure and other impacts.

It's for these reasons that several community groups in Papua New Guinea have come together to oppose the Solwara 1. Communities that are still grappling with waterways devastated by mining projects are skeptical of this experimental project. "The PNG Government has put the cart before the horse by issuing Nautilus Minerals [the] Solwara 1 mining license without adequate and independent scientific studies, or comprehensive national policy, laws and regulations for Deep Sea Mining (DSM)," said Thomas Imal, a lawyer with local group Centre for Environmental Law and Community Rights (CELCOR). We know dangerously little about the world's oceans. A sensible way forward would be to hit the pause button on deep-sea mining until greater scientific consensus can be reached on the full short and long-term impacts of this new industry.

Press Release

Steel Cutting marks start of physical construction of Nautilus' Production Support Vessel
Toronto Ontario, September 28, 2015 - Nautilus Minerals Inc. announces that the steel cutting ceremony for the Company's production support vessel occurred on Friday, September 25, 2015. The

vessel is to be used by Nautilus and its PNG partner, Eda Kopa (Solwara) Limited, as the base for its seafloor operations planned at the Solwara 1 Project, in the Bismarck Sea of Papua New Guinea. The ceremony took place at the shipyard of Fujian Mawei Shipbuilding Ltd. It was attended by the General Manager of Fujian Shipbuilding Industry Group Company Limited, Mr Xie Rongxing, the Chairman, Mr Zhang Zhitong, and General Manager, Huang Yihao of Fujian Mawei Shipbuilding Ltd., Senior Vice President of Greater China (ABS), Mr Kwok-Wai Lee, Mr Robin Reeves, CEO of Marine Assets Corporation (MAC) and representatives from the MAC team.

MAC will own and provide the marine management of the production support vessel, which will be chartered to Nautilus. Mike Johnston, Nautilus' CEO, commented, "I am delighted that steel cutting has happened on schedule and in line with our plan to commence testing and initial production activities at Solwara. As we have now moved into the physical construction phase of the vessel, it was important to mark such a significant occasion. We have worked with Fujian Mawei Shipyard, MAC and others on our project for nearly a year now, and have established a very good relationship, which will continue over the coming years. Our objective remains to develop the world's first commercial high grade seafloor copper-gold project and launch the deep water seafloor resource production industry. With the eyes of the world waiting to see the dawn of this new industry, we look forward to taking delivery of the vessel in December 2017 to enable us to commence our seafloor operations in Q1 2018."

Divisions remain in PNG over Barrick compensation

Radio New Zealand, September 28, 2015

There are lingering tensions among victims of rape by employers of Canadian miner Barrick Gold at its Porgera Joint Venture in Papua New Guinea's Enga province. This follows the conclusion of Barrick's remedy programme under which it provided compensation to rape victims. The compensation relates to brutal sexual violence, including gang rape and imprisonment, by security staff at the Porgera mine. Some 120 women received "remedy packages" but had to sign legal waivers that they would not sue Barrick in civil court. However, eleven other victims rejected the settlement and with representation by EarthRights International, negotiated a separate settlement from Barrick, far higher than what the remedy programme women got.

Catherine Coumans of MiningWatch Canada says that Barrick subsequently topped up the 120 women with additional funding, but their compensation is still only about a quarter of what the eleven women got. She says while the disparities have caused divisions, Barrick has trumpeted the success of its remedy programme. "As soon as Barrick had provided this remedy to these 120 women and got them all to sign the legal waivers, Barrick came out with a big publication. They presented the publication at the United Nations, this UN forum on business and human rights, and they said you know this has all gone very, very well and that this was a fair and equitable remedy. But clearly it wasn't fair and equitable because women who were represented by proper independent legal representation received a higher remedy."

Fiji: Mining Act review to determine shares

Siteri Sauvakacolo, Fiji Times, September 28, 2015

LANDOWNERS of Fiji's first bauxite mine at Nawailevu in Bua are yet to get their fair share of royalty because a formula to determine it will be part of the review of the Mining Act. And until that happens, royalties will be held in trust by Government. This was clarified by Lands Minister Mereseini Vuniwaqa in Parliament on Friday. Last Monday, Opposition parliamentarian Mosese Bulitavo told Parliament that Nawailevu landowners managed to buy only two twin cabs, set up a village canteen, improve their homes, invest in Fijian Holdings Ltd and also a $600,000 fair share of royalty for the future generation compared with the landowners of Papua New Guinea western and southerland highland province.

Mr Bulitavo said the PNG landowners were shareholders of PNG's mineral resource development company and had invested in the Fiji economy through the Grand Pacific Hotel and the Pearl Resort South Pacific as they were selling minerals through their own investment company. He also said the State had derived income through royalty, tax and landowners benefited through leases and a fair share of royalty. President Ratu Epeli Nailatikau in his official Parliament address on September 14 highlighted that the Mining Act would be one of the existing laws that would be reviewed in the new Parliament session. Ms Vuniwaqa asked landowners to contact her directly should they need clarifications.

MP: Bulolo first to apply for mining exploration licences

The National, September 25th, 2015

Bulolo in Morobe will become the first district to apply for mining exploration licences over mineral rich areas within its boundaries. Bulolo MP and deputy Opposition leader Sam Basil announced that in front of the Opposition leader Don Polye on Tuesday in Lae. He said Bulolo District Development Authority (DDA) chief executive officer Tae Gwambelek, as the appointed company chairman engaged few retired geologists, who had already applied for two exploration licenses over two different land areas in Bulolo. “One part is from the Bulldog to Lakekemu and the other is at Waria,” Basil said. “The the district will be under the chairmanship of our CEO who will be engaging with the companies outside to come in and explore. “So far we have not spent any money. “I’ve put my own K15,000 for the applications and the formation of the company. “When the DDA meets and deliberates further then that’s when we will have the company documents and exploration licenses and all these things put in place. “I am doing this is because Hidden Valley is operating but Wau, has nothing to show for,” Basil said.

Ramu Miner’s environment plan approved

Post-Courier, September 25, 2015

GOVERNMENT has approved the Operational Environment Management Plan (OEMP) for the Ramu Nickel project in Madang. The OEMP contains all the requirements to be implemented during the Project construction and production phase to protect the environment. The approvals were granted last month by the Conservation, Environment and Protection Authority (CEPA) director Gunther Joku Ramu NiCo Limited announced in a statement yesterday. The company stated the approval had been based on the company’s performance and achievements being granted the interim OEMP approval in 2011. "Based on the environmental management programs implemented by the company, the Director of Environment has accepted and approved Ramu NiCo’s 2015 Final Operational Environment Management Plan Version-Four OEMP for implementation at the mine site and its associated operations in Madang Province. " CEPA will continue to monitor Ramu NiCo’s Environmental performance via quarterly reports, site visits, audits and other such avenues as is required to ensure compliance with the environment permit WD-L3 (115) and the OEMP. "The granting of the final approval now places the company in a position where it can confidently implement all the environment protection requirements starting from Kurumbukari (KBK) Mine to Basamuk Refinery including the 135km slurry pipeline," the statement read.

LNG: Royalties in trust account

The National, September 24th, 2015

THE K108 million royalties for landowners from the PNG LNG project in Bank of Papua New Guinea will not be touched until the clan vetting process is completed, Mineral Resources Development Company (MRDC) says. Managing director Augustine Mano, pictured, said MRDC was waiting for the process to complete before the funds could be distributed. MRDC manages the equity funds for landowner companies from the major resource development areas of PNG. Mano said: "The monies parked there are royalties and are currently waiting clan vetting. "We are currently waiting for clan vetting and land owner identification and only after that then these monies will be distributed. "The fact is no one is allowed to touch or get any of that money until clan vetting is done."

Bank of Papua New Guinea governor Loi Bakani had reassured the people that all revenue streams from the PNG LNG Project were paid by the operator on time and as required under the PNG LNG Project Agreement. Bakani further confirmed that landowner royalties were being paid by the operator into a trust account with the Bank of PNG. "I would like to allay landowner concerns that their royalties have not been paid. "To date approximately K108 million in landowner royalty payments has been deposited by PNG LNG, into a trust account set up by the Government of Papua New Guinea with the Bank of PNG. "The money has been safeguarded for landowners with multiple government signatories required before the money can be released. "As soon as the Government completes the process of landowner identification which is currently underway, all necessary arrangements will be made to disburse the funds to the rightful landowners."

Total value of proposed hotel at K1.1bn, company says

The National, September 23rd, 2015

MINERAL Resources Development Company (MRDC) says the total value of its Star Mountain Plaza in Port Moresby is almost K1.1 billion. Managing director Augustine Mano said the first phase which included the Hilton Hotel and convention centre would cost less than K700 million. MRDC and partner Hilton Hotel launched the project earlier this month and aimed to redefine the standard of accommodation for the business and tourism sectors in the country. Construction was already underway and expected to be completed by late 2017 in order to host the APEC Leaders' summit which is set for 2018. Mano said: "When we include the tower, it's almost K1.1 billion.

We are structuring it and talking to the banks but we have not completed the financial announcements of what we are doing and that's why we are doing it in stages. "The Government will be a part of it and we are negotiating on that at the moment, but just to meet the schedules we are now working on the hotels first and then the car park. "Next year we will start on the convention centre and that's when the arrangement with the Government will come in. "With Hilton now in Papua New Guinea, we should be looking at other provinces apart from Port Moresby. Tourism has great potential in PNG but its underdeveloped so somewhere we need to make a breakthrough which is always risky." Mano added that a room at the new hotel would be around K500 for premium and – upwards to K900.

PETROLEUM Resource Kutubu sees significant expansion

Post-Courier, September 23, 2015

By GLORIA BAUAI

PETROLEUM Resource Kutubu (PRK) has seen a good growth particularly over the last five years, says the Mineral resource Development Company managing director, Augustine Mano. PRK is a joint venture partner in the Kutubu Petroleum Project and a subsidiary of Mineral Resource Development Company (MRDC) Limited. Mr Mano said in this same period the landowner total assets had also doubled from K781 million to K1.55 billion and a further growth in net Assets from K708 million to K965 million. "Such investments include PRK being the third largest shareholder in BSP, 1.12 per cent in the PNGLNG project, acquisition of additional 6.5 per cent of the Kutubu Strategic oil pipeline (Pipeline License 2), largest unit holder and shareholder of Pacific Property Trust and Hevilift respective, 14 per cent of Pacific International Hospital, 42 per cent of the Pearl Resort and more recently will be 1/3 owner of the Star Mountain Plaza."

Director and a founding father of PRK, John Kapi Nato pinned this success on the management of MRDC. "On behalf of the landowners, I'd like to thank Mr Mano, especially for his management. I've seen him to be a very vibrant person in terms of bringing the landowners forward with his very prudent management that has turned over the direction of landowner companies, especially PRK. "We've seen the diversification of our investments grow from BSP to where it is today and I think there's a vision and a look ahead to what's down the line. Furthermore, Mr Mano highlighted the company's performance last year describing PRK financial performance in 2014 as phenomenal.

Lanco records windfall of K40m

Post-Courier, September 23, 2015

By GLORIA BAUAI

PETROLEUM Resources Kutubu (PRK) has declared a final dividend of K40 million, recorded as the highest dividend ever by PRK. This amount is also the biggest ever to be recorded by any subsidiary company owned by Mineral Resources Development Company, said MRDC managing director Augustine Mano. Announcing this yesterday, Mr Mano gave a break down on the dividend distribution between the company stakeholders. "From the dividend, 40 per cent will be distributed to the two Provincial Governments – Gulf and Southern Highlands Provinces. The other 60 per cent will be distributed to the Fasu, Foe and Kikori pipeline landowners," he said. In addition, Mr Mano noted that a total of K260 million has been paid to the beneficiaries since 1992 as dividend. This is an average divided per year of K22 million during the past 12 years. The decision on the current K40 million approved by the PRK board was based on 2014 Deloitte audited consolidated accounts this year.

Southern Highlands Governor William Powi, who is also a director, thanked the management and the board for this decision. He said such an achievement has come because of the foresight in directions and decisions the management has taken in consultation with the board. His words were also echoed by PRK chairman Abraham Murepe, a director representing the landowners of Kikori pipeline. Mr Murepe said such decisions to raise the equity would better benefit the people and sustain their livelihoods in the future. The MRDC managing director noted that despite the downturn in the price of oil and reduction in the LNG revenue, next year the dividends from other investments outside of the petroleum sectors such as Bank South Pacific, Pacific Property Trust, Hevilift and Pearl Resort will slowly fill the gaps to sustain the dividend flow.

Solomons Bauxite Miner Ordered Out Of Renbel Province

Premier cancels license for Asia Pacific Investment Development

By Denver Newter
HONIARA, Solomon Islands (Solomon Star, Sept. 23, 2015) – Renbel premier Collin Singamoana has ordered Asia Pacific Investment Development (APID) to get out of Renbel Province. The order came after the executive cancelled APID's provincial business licence last week. Premier Singamoana told the Solomon Star that since APID's business licence was cancelled, the company has no right to remain in his province. "I now called on APID to go and pickup all their machineries, equipment and other materials and leave Rennell Island immediately because they are now longer welcomed in the province," he said.

"We do not need APID to operate in Renbel since they have never complied with our provincial business licence ordinance. "And in view of that I would like to call on them to vacate Rennell island as soon as possible,'' Mr Singamoana said. He added he had already informed the relevant authorities about the cancellation of APID's business licence. "My executive did not want them anymore and we do not want to work with them since they have disobeyed our decision," he said. Premier Singamoana said APID must leave the land area they are currently occupying as their station headquarters in West Rennell .

Mine operator refutes K10m landowner claim

The National, September 22nd, 2015

THE operator of the Lihir Gold Mine has refuted claims by the landowners of K10 million compensation over an environmental issue. This is in relation to water pipes and electricity cables running exposed under each other at a section of the Lihir Highway, on Lihir Island in New Ireland. The landowners had claimed that Lihir Gold Ltd promised them K10 million as compensation for this posed security threat. However, Lihir Gold engineering manager Greg Bridge said it was common for power cables and water pipes to be buried with earth separation in trenches which reduced safety risks to the community with less overhead power lines. He said the Lihir highway section of exposed cabling and pipes was an exceptional situation which followed heavy rain combined with an earthquake that caused that section of road to slip.

"Lihir Gold Ltd immediately isolated that section of the road from vehicles and people while there was no imminent danger, security people were located at the slip 24 hours a day to ensure the safety of the public with daily survey to monitor geotechnical movement. Work is commencing shortly to repair the section of the road," Bridge said. Meanwhile, in relation to an earlier landowner claim of use of water of K113 million for the use of the Londolovit water, community relations manager Felix Kipalan said the amount of water that could be extracted by the Lihir mine was controlled by an environmental permit issued by the Government. He said under the permit the company paid the Government an annual permit fee and a water extraction fee.

Kipalan said under the existing legislation, Lihir Gold owners Newcrest was not required to pay landowners for water use and extraction however since 1998 Newcrest had paid the Londolovit community direct financial compensation for the impact of the weir constructed on the Londolovit River consistent with the Londolovit River Community Agreement. "This involves an annual payment that increases each year in line with the Consumer Price Index (CPI). Since 1998, LGL has paid K3.6 million in compensation to the Londolovit community and its payments are in full compliance with the terms of the Agreement" Kipalan said. He said extraction of water from the Londolovit River was currently the subject of a government audit (led by the Conservation and Environment Protection Authority) agreed to by the Lihir Mine Area Landowner Association (LMALA) and the Nimamar Local Level Government. LGL fully supports the completion of the audit and will consider its findings carefully.

Our Promise to Future Generations: A Healthy, Sustainable Ocean
Catherine A. Novelli, U.S. Under Secretary of State for Economic Growth, Energy and the Environment, Huffington Post, 09/21/2015

World leaders and the international community are gathering soon at the United Nations to adopt the Sustainable Development Goals, which will guide the UN and member states for the next 15 years. A critical component of achieving all the goals will be conservation and sustainable use of the world's ocean, seas, and marine resources -- Goal 14. This is good news. A healthy ocean is essential to ending poverty, drives prosperity, and ensures the health of our planet for generations to come. The ocean makes this planet habitable for human life. It generates half the oxygen we breathe and regulates our climate. Our fate is tied to the ocean's fate. We cannot talk about sustainability without it. Yet, those who depend on the ocean for their livelihood are telling us about the changes they are witnessing. Many of the world's fish stocks are depleted and overfished. Runoff and debris are choking our waters and harming marine life. Carbon emissions are making the ocean more acidic, threatening ancient ecosystems, like coral reefs.

In June 2014, Secretary of State John Kerry brought global leaders and international experts together at the first Our Ocean conference in Washington, D.C. The conference drew attention to the dire state of the ocean, while also highlighting the ocean's regenerative nature and collective actions we can take to make our ocean healthy again for future generations. Addressing threats to the ocean will require innovation, research, and new technological approaches -- and these solutions are in sight. But it will also require significant and sustained action by all of us. We are now preparing for U.S. participation in the next Our Ocean conference, to be hosted next month by Chile. In just 16 months since the last Our Ocean conference, we have already witnessed significant progress and commitments turned into real actions by the United States and partners around the world.

President Obama's expansion of the U.S. Pacific Remote Islands Marine National Monument made it the largest marine protected area (MPA) in the world. This expanse of the Pacific is particularly rich in marine life, including an unusual concentration of large predators, like sharks, five species of protected sea turtles, 22 species of protected marine mammals, and several million seabirds. With this bold step, the President protected a chain of underwater seamounts that are hotspots of biodiversity and created an area where marine life can thrive, fish stocks can regenerate, and marine ecosystems can regain balance so that they can thrive and continue to provide for our needs. And President Obama is not alone in his actions. With a global target of protecting 10 percent of the world's coastal and marine areas by 2020, other nations such as Gabon, the United Kingdom, Palau, and the Bahamas also have recently committed to establishing new MPAs.

Illegal, unreported, and unregulated (IUU) fishing is particularly problematic for sustainable development, threatening food security and stability in many places. Developing countries are most at risk. For instance, total catches in West Africa are estimated to be 40 percent higher than reported catches. Many crews on IUU fishing vessels are from underdeveloped parts of the world and are often subject to unsafe conditions. Experts estimate that global losses from IUU fishing are more than $10 billion annually. Working closely with other governments and NGOs, we are exploring new technologies to improve surveillance and enforcement of fishing activities in the ocean and fishing bans in MPAs. We are developing a system to keep illegally caught seafood out of the United States by tracking it throughout the supply chain -- from harvest to entry into the country. And we are urging all countries to join the Port State Measures Agreement, a new international treaty that will block illegally caught seafood from entering the stream of commerce around the world. These actions will help level the playing field for fishers and countries who follow the rules and work hard to sustainably manage ocean resources.

Overfishing isn't the only threat to marine life. Experts estimate that by 2025 there could be one ton of plastic in the ocean for every three tons of fish. Plastic created for a single, short-term use can live on for centuries as trash. When not managed properly, plastic waste finds its way into the ocean, where it entangles sea creatures, damages coral reefs, and breaks down into small, non-biodegradable pieces that are eaten by fish and marine mammals. We are rolling up our sleeves, together with businesses, entrepreneurs, scientists, NGOs, and other governments, to solve our plastic-waste problem. We need to reduce plastic waste, look for alternative packaging, and improve waste collection and management on an urgent basis, including by encouraging and incentivizing innovation. There are real business opportunities in waste-to-energy projects and recycling innovations. The United States is helping to support an experimental project in the Philippines that turns plastic waste into clean energy. A new generation of eco-entrepreneurs is recycling discarded fishing nets into skateboards and jeans. Forward-thinking companies are researching how to reduce plastic packaging in the near term and in the long term create a "circular economy" where all parts of a product and its packaging are reused. This is true sustainability.

Perhaps the most challenging threat to our ocean is acidification. The same carbon emissions that cause climate change make the ocean more acidic. This has the potential to undermine dramatically the growth and survival of numerous marine organisms, including oysters, clams, and corals. Achieving an ambitious, durable international climate-change agreement that all countries can join in Paris this December should be front and center on all our agendas. The U.S.'s intention to reduce greenhouse-gas emissions 26 to 28 percent below 2005 levels in 2025 will contribute substantively to international efforts to combat climate change, and we look for similarly ambitious contributions from other major emitters. Sustainable development is a great challenge for us all. During this year's UN General Assembly, the world is watching. The energy we see at this moment to address the challenges of climate, growth, and sustainable development needs to be carried forward, and heightened attention to the ocean is crucial.

Life-sustaining ocean ecosystem dying

By Melanie Gosling, Environment Writer, Cape Times, September 18, 2015

WWF’s Living Blue Planet Report has highlighted enormous losses in the world’s oceans – but this was not just about “losing some fish and turtles”, according to John Tanzer, director of WWF International marine programme. “It is about the unravelling of the fabric of an ecosystem that sustains life on Earth.” Tanzer said while Nasa’s photos taken from space in 2015 showed the same blue planet that Nasa had captured in 1972, “we know the planet has changed substantially and perhaps irrevocably in the intervening four decades”. The report, released every two years, gives a current picture of the state of the oceans, and according to WWF’s director-general, Marco Lambertini, it shows how humanity is “collectively mismanaging the ocean to the brink of collapse”. Lambertini said within a single generation, people had severely damaged the oceans, both by catching fish faster than they could reproduce and by destroying fish nurseries such as estuaries, seagrass meadows, mangroves and corals.

Marine populations globally have dropped by more than half in the last 40 years, and deep-sea fish populations in the North Atlantic have dropped by a massive 72 percent. The report measures trends in 10 380 populations of 3 038 species of marine mammals, birds, reptiles, amphibians and fish. These populations have declined by 52 percent between 1970 and 2010. Tuna, mackerels and bonitos show a decline of 74 percent between 1970 and 2010. There is no sign of their recovery. Researchers looked at three marine species – sharks, turtles and sea cucumbers – as they were good indicators of the level of stress on marine ecosystems. In the Galapagos, sea cucumbers had declined by 98 percent from 1993 and by 94 percent between 1998 and 2001 in the Red Sea. Sea cucumbers, regarded as a delicacy in many areas, play a vital role in marine ecosystems, and researchers found some areas without sea cucumbers had become uninhabitable for other organisms. Global catches of sharks and rays had risen more than three times between 1950 and 2003. One of four species of sharks and rays are threatened with extinction, mainly from over fishing. Sharks are apex predators, and the loss of apex predators will cause degradation of the ecosystem.

Four turtle species are categorised as endangered or critically endangered. More than 25 percent of all marine species live in coral reefs – and 75 percent of coral reefs are threatened, and could be lost altogether in 35 years. About 850 million people directly benefit from coral reefs, which provide food for hundreds of millions. Seagrass meadows, which provide food and protection for many species, including fish that are commercially important, have declined by 30 percent over the last 100 years. Seagrass is also vital for storing carbon and can store more than twice as much as a forest. Nearly 20 percent of mangroves – or 3.6 million hectares – were destroyed between 1980 and 2005, mainly to build harbours and infrastructure, and for agriculture and tourism. Marine and coastal zones have been damaged by mining. While no commercial deep-sea mining operations have occurred yet, the International Seabed Authority has issued licences covering 1.2 million square kilometres of ocean floor. The report said while the impacts from this type of mining were unclear, the huge areas of seabed that had been licensed, could cause impacts that were “unprecedented”. Lamberti said considering the vital role oceans played in world economies, the mismanagement of the oceans was “simply unacceptable”.

Over 120 LNG shipments so far

The National, September 18th, 2015

FIFTY-two liquefied natural gas cargo was exported in first half of this year with more than 120 cargo to date since the PNG LNG project start-up last year, according to a roadshow information. The National Petroleum Company PNG had said the value for each LNG shipment was between US$50m (K138m) and US$60m (K165.8m). Oil Search Macquarie US Roadshow information released recently noted that PNG LNG had established an excellent reputation as a reliable gas supplier. It was highlighted that there was solid demand for PNG LNG spot cargo. The full contractual volumes being taken, with ramp-up underway to plateau of 6.6 MTPA in second quarter of next year. “Good demand for spot volumes, more than 85 per cent of spot cargo has been sold to contract customers.” The roadshow information said PNG LNG product was being well received by market, reflecting:

- High heating value gas – well suited to Asian reticulation network
- proximity to Asian LNG markets; and,
- Diversification source

Oil search is the second largest partner in the PNG LNG project with a 29 per cent stake after ExxonMobil PNG Ltd. Oil Search has 60 per cent interest in all PNG's producing oil fields, operated by the company. It has market capitalisation AS$10bn. The company's net profit was up 49 per cent to US$227.5 million, driven by near tripling of production operating cash flow more than double first half of last year. Interim ordinary dividend tripled, from 2 US cents to 6 US cents, 40 per cent payout ratio on first half of this year's core profit. There is good progress on gas commercialisation activities in PNG, with potential PNG LNG expansion and Papua LNG project among most competitive new LNG projects globally.

Resource landowners to be partners: MP

The National, September 18th, 2015

RESOURCE landowners will partner with the Government on projects on their land, according to a Cabinet-approved paper. The National Executive Council approved the policy which will be tabled in the October session of Parliament. Public Enterprise and State Investments Minister Ben Micah said landowners would form a partnership with the State and companies to own the projects on their land. "I have submitted it to Cabinet and it's been approved. I will take to Parliament in October for the benefit of landowners of Tatana, Ahi and Labu people of Lae and landowners of the Tidal Basin," he said. It will mean landowners do not have to depend on the "small royalties" they are being paid but will be a partner in the project. "So you translate the value of your land into cash into something that can help the value of the lives of the landowners."

New Caledonia Government Wants Congress To Address Nickel Impasse

Special session to take place later in September

By Lauren Baker

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 17, 2015) – The New Caledonia government has requested a special session of Congress later this month to address a major issue about nickel exports. This comes amid a stalemate in mediation talks that followed protests last month by truck drivers over the government's policy to not approve exports of low grade ore to China after a decline in exports to Australia. The drivers were aligned with small miners and the territory's veteran miner SLN who opposed the stance on the issue by the government's leading party, Caledonia Together. France TV in New Caledonia reports that six of the eleven members of the collegial government have voted in favor of a special session of Congress on the subject of exports to China. The office of the President, Philippe Germain of Caledonia Together, has indicated the special congress session will take place on September 28. Caledonia Together appears at odds with the Republicans grouping which has demanded that the government exercises its jurisdiction and decides on applications to export ore to China. The Republicans are also pushing for a dedicated debate on the territory's nickel strategy.

Solomons Landowners Block Plane Over Mining Dispute

Bauxite mining firm in West Rennell prevented from flying charter

By Aatai John

HONIARA, Solomon Islands (Solomon Star, Sept. 16, 2015) – West Rennell landowners in Honiara on Tuesday blocked a Solomon Airlines plane from flying to the remote island as tensions between landowner rages. Asia Pacific Investment Development (APID), which has a licence to do bauxite mining in west Rennell chartered the flight, which was scheduled to leave Honiara at 12.30pm. But members of the West Rennell taskforce in Honiara assembled early at the domestic terminal with placards warning APID not to take the trip. They also advised Solomon Airlines not to allow the charter, which was subsequently cancelled. A spokesman for the taskforce Jefter Tuhangenga told the Solomon Star APID officials who are scheduled to board the plane will be armed with eviction orders from the High Court. "Their intention is to go to west Rennell and start chasing people off the land they recently acquired through a controversial acquisition process," Mr Tuhangenga said.

"We cannot allow that to happen because if they do, there will be blood-shed," he added. "We have decided to drive up to the airport for the Solomon Airline management to see how we dislike the move by the mining company and our strong message to airline to cancel the chartered flight by APID. APID responded to the action yesterday by labelling it "a childish move". "I don't understand what these people are trying to do," the company's media consultant Takika Tu'ata stated. "If they have any problem with APID they should request for dialogue, but not to protest in front of an airline office demanding cancellation of a chartered flight," he added. Mr Tua'ata said if the so-called landowners claimed ownership of the airport runaway then that is a different story, and if that was the case then the airfield should close to all flights. He claimed the west Rennell taskforce members acted in the interest of opposing parties like Samlimsan logging company and World Link, a company also eying the bauxite deposits on Rennell.

Treatment Of Solomons Gold Mine Tailings Dam Underway

Gold Ridge's new owners have begun draining dangerous facility

By Biriau Wilson Saeni

HONIARA, Solomon Islands (Solomon Star, Sept. 16, 2015) – New owners of Gold Ridge Mine, Gold Ridge Community Investment Limited (GCIL), has taken steps to treat and drain the most talked about Tailings Storage Facility (TSF) that has posed environmental and health risks to people in the area since St Barbra left the site. Work to treat the dam, which has not been treated or drained since St Barbra left Gold Ridge last year, is underway, a visit to the site yesterday confirmed. Site supervisor for Remote Water Treatment System, Bobin Hunter said, to lower the existing level of the dam down to required safety level which is one metre, it will require 90 days of continuing pumping of treated water to reach the one meter level.

He said the water on the top is safer to pump into the river system, but then treatment is paramount before any draining of the water could take place as safety is very important. He said the materials that will be used for the treatment plant is currently in the country now awaiting clearance from the Customs. "Once the materials get here it should be six to eight weeks and then the treatment plan is ready to go," he said. According to the chairman of tGCIL Walton Naezon, the dam, which is about six metres deep with a perimeter of about 12 kilometres was lucky not to overflow, thanks to the dry session that has keeping the water level down. Mr Naezon said the work to treat and drain the dam is about 60% complete, adding when it is 100% complete de-watering will take place to make way for new investors.

Deep Sea Mining Simulator for Solwara 1
The Maritime Executive, September 15, 2015

Nautilus Minerals has signed a contract with Tree C Technology for a simulator and a mining site monitoring system for the world's first seafloor production system at Solwara 1 in Papua New Guinea. Solwara 1 is expected to be the world's first commercial high-grade seafloor copper-gold mine project. The mine site is approximately 30km (18 miles) from shore in the Bismarck Sea in around 1,600m (5,000 feet) of water. The site has indicated resources of one million tons grading 7.2 percent copper, five grams (0.18 ounces) of gold per ton, 23 grams (0.81 ounces) of silver and 0.4 percent zinc. Inferred resources add 1.5 million tons of 8.1 percent copper, 6.4 grams of gold, 34 grams of silver and 0.9 percent zinc. The planned mining operation at Solwara 1 is the first of its kind, using bespoke designed equipment and a new remote control system designed specifically for the seafloor production tools (SPTs) that will be used.

The excavation and collection of mineralized material has been split into three individual tasks, which will each be carried out by a different seafloor production tool. The auxiliary cutter is designed as the pioneering tool which prepares the rugged sea bed for the more powerful bulk cutter. These two tools gather the excavated material; the third, the collecting machine, will collect the cut material by drawing it in as seawater slurry with internal pumps and pushing it through a flexible pipe to the subsea pump and on to the vessel via the riser and lifting system. Successful execution of the mine plan is contingent on the safe and efficient manipulation of all of the elements of the seafloor production system. The simulator will enable operators to use the consoles and control software that will be used during the actual operation. The virtual environment will respond and behave as close as possible to the real world conditions at this depth requiring the best of simulation technology available today in terms of physics, hydrodynamic and wire dynamics engines.

Nautilus will employ an operations manager who will take overall responsibility for coordination of the seafloor production system. The Tree C developed mining site monitoring system will be a critical tool that shows a simulated but actual view of the subsea mining assets and surface support assets in real-time. The operations manager will direct all SPT and equipment moves based on the monitoring system since there will be no visibility due to turbidity and lack of light at this depth. The simulator is based on the actual control systems and consoles that will be used and is built within a 30-foot container. Delivery is scheduled for the first half of 2017.

It is anticipated that the proposed Solwara 1 project will commence operations in the first half of 2018 subject to project financing and completion of the company's seafloor production equipment and vessel. The production support vessel is being built in China by Fujian Mawei Shipbuilding. When completed, the vessel will measure 227m (750 feet) in length and 40m (130 feet) in width with accommodation for up to 180 people and generate approximately 31MW of power. All of the below deck mining equipment will be installed in the vessel during the build process to minimize the equipment integration to be completed following delivery of the vessel. The vessel is expected to be delivered by the end of 2017.

Fiji welcomes Pearl Resort

Post-Courier, September 14, 2015

Fiji Prime Minister Voreqe Bainimarama has welcomed The Pearl Resort into the tourism industry of Fiji. Pearl Resort is owned by the Mineral Resource Development Company of PNG in partnership with its subsidiaries the Mineral Resource Ok Tedi (MROT) and the Petroleum Resource Kutubu (PRK). Officiating the launch, PM Bainimarama said the FJ$85m investment of the Pearl Resort is a very warm welcome milestone in the development in the tourism industry in Fiji. He thanked MRDC and the benefiting landowners of MROT and PRK for the confidence in Fiji. "We are certainly worthy of that confidence and evidence for that is all around us. "Tourism in Fiji has grown by 9.5 per cent compared with the corresponding period last year and we are seeing a clear upstream in capital in the tourism sector, which as you all know is Fiji’s biggest revenue earner and an important source of income for the Fijian people through the employment it generates," he said.

The Prime Minister said any investment on this scale, is significantly boosting the number of jobs our people need to care for themselves and families, as well as of course contributing to the overall wellbeing of the national economy. He said the confidence placed in Fiji with this investment is certain to lead to considerable rewards in the years to come. "This investment is already having a positive impact in the development of Pacific Harbour and will be an important contributor to the national economy as a whole… "So we all look forward to the positive spin-offs of a project that is truly unique, first hotel in beach front development in Fiji that also includes a river marina." During construction, 300 workers were directly employed and many more indirectly through sub-contractors and suppliers. Currently the resort employs 132 local employees and only two expatriates. According to MRDC MD Augustine Mano, after commissioning and operation, it will provide another 70 more jobs.

History of the World Bank’s EITI project in PNG

PNG Mine Watch, September 15, 2015

PNG has been accepted as a candidate country under the international Extractive Industry Transparency Initiative, but PNG’s first annual EITI report reveals a complete lack of commitment from the government to implementing the EITI Standard. This lack of commitment is in very large part due to the fact the whole notion of PNG’s EITI membership has not grown organically from within government but has been relentlessly fostered on PNG by the World Bank. World Bank attempts to persuade and push EITI onto PNG date back to at least 2008. Some of the key World Bank interventions include:

2008 World Bank initiated discussions with the Department of Treasury about EITI which led to Treasury seeking National Executive Council approval for further investigation of the possibility of implementing EITI
2009 World Bank provided technical assistance to the government to investigate implanting EITI

2011 World Bank provided technical assistance to a State Working Group established by NEC to investigate implanting EITI
2012 World Bank sponsored a public workshop in Port Moresby to gauge the views of industry and civil society. The workshop established an informal Multi-stakeholder Support Group to work with the SWG
2012 World Bank organized a delegation from Timor Leste to visit PNG and brief the Prime Minister and Treasurer on EITI
2013 World Bank sponsored a EITI workshop hosted by Transparency International in Alotau in which government and other stakeholders commit to implement EITI
2014 The World Bank pays Deloittes to engage a foreign consultant to produce PNG's first EITI Annual Report.
Clearly the whole engagement with EITI in PNG has been initiated and driven by the World Bank and the lack of national stakeholder and government commitment means the whole project is fatally undemined.

Driver Protests In New Caledonia Could Return

Talks about exporting nickel to China have foundered

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 14, 2015) – There are signs in New Caledonia that truck drivers, who protested last month about a dispute over nickel exports, are poised to restart their blockades. In August, the drivers established blockades in and arround Noumea and other key access points in the territory over the government's policy to not approve exports of low grade ore to China after a decline in exports to Australia. The drivers were aligned with small miners and the territory's veteran miner SLN who opposed the stance on the issue by the government's leading party, Caledonia Together. Mediation efforts began in Noumea, late last month, after the president of the Caledonian Union, Daniel Goa, stepped in to mediate. However talks have foundered and trucks have converged on the capital in anticipation of the collegial government meeting on the matter tomorrow. The Caledonian Union appears to have come out against Caledonia Together on the issue, adding to the political pressure on the Philippe Germain-led government over the issue.

New Ireland Province will aim for highest autonomy

Post-Courier, September 14, 2015

BY JEFFREY ELAPA
NEW Ireland Province will aim for the highest form of autonomy, similar to Bougainville, if the State continues to undermine laws and binding agreements. New Ireland Governor Sir Julius Chan says that the National Government and State agencies continue to undermine memorandum of agreements and rights of the people. Sir Julius said, "I will not allow my people to be bullied by constant disregard and violations of the MOA. I will not bend, if necessary New Ireland will unilaterally declare autonomy. Sir Julius said the New Ireland Provincial Government said while supporting the call by Lihir Islanders to compensate them for the use of their water sources on the Island and the continuous oversight by the state and its agencies to address the issues.

"I have run out of patience dealing with promises from the National Government, it continues to lie and compromise my legal role as custodian which requires me to protect under the Organic Law the rights of my people. We will aim for the highest form of Autonomy similar to Bougainville," Sir Julius said. He said while they understand the Government owns the water resources, the people have been using water as a natural right to life on customary lands for thousands of years.

He said the oversight by the state through its agencies like Mineral Resources Authority (MRA), Mining Department, Environment and Conservation and Justice departments continue to undermine his people for the past 20 years. "This week we hear landowners from gas projects from the Highlands threatening to close down the LNG sites mine for not honoring MOAs signed and the State jumped but continuously breached the Lihir MOA and ignored issues properly raised by my people. I am saddened by such discriminatory treatment from the State Agencies of the Government," Sir Julius said.

Porgera: Justice eludes rape victims

By Catherine Wilson, New Zealand Herald, Sep 12, 2015

Cash settlements intended for women abused by gold mine security staff claimed by wider family, while perpetrators get away scot-free.

Many families eke out a living by illegally mining in Porgera. Photo / Human Rights International

In April this year, 11 women in Porgera, Enga Province, the site of a multi-billion-dollar gold mine in Papua New Guinea, were awarded undisclosed compensation payments for brutal rapes they suffered over a number of years by members of the mine's security workforce. The damages, negotiated in an out-of-court settlement by human rights NGO EarthRights International, with the mine's majority owner, Barrick Gold, were applauded by international activist groups, such as MiningWatch Canada. But many of the women, who suffered injuries and marriage breakdowns following their ordeals, have seen little justice. "We should take them [the perpetrators] to court, take the company to court, too, and let the court make the decision," said Saberth Yengis, interim president of the Enga Provincial Council of Women. But the vast majority of perpetrators have escaped convictions, litigation against the company was abandoned after the out-of-court settlement and in some cases the cash awards have generated intra-family disputes.

The Porgera mine, located in an isolated area of the Papua New Guinean Highlands, has produced more than US$20 billion ($31.8 billion) of gold since operations began in 1990 and, as of 2010, about 280 million kina ($157.6 million) in royalties had been paid to local landowners and the provincial government. But that seems a remote fact standing in the middle of Porgera Station surrounded by under-development. While the mine employs about 2500 people, the local population has swelled from 6000 to an estimated 50,000 following an influx of economic migrants from other provinces. Women squat on the ground selling betel nut and small shop goods, while nearby people who once lived in villages amid agricultural land are forced by expanding mine waste dumps into overcrowded settlements.

Impacts of the extractive venture, such as environmental damage and human rights abuses, far outweigh the benefits, which include a school and hospital, claims Jeffery Simon, Secretary of the Porgera Alliance, an umbrella of community organisations defending indigenous rights. Since 1990, more than 200 local women, many of whom were scavenging on waste dumps for scraps of gold to sell to feed their families, allege they were violently gang raped by security officers employed by the Porgera Joint Venture (PJV). The incidents occurred before and after Barrick Gold acquired a 95 per cent share in the mine in 2006. Yapi and Koson suffered this fate in 2004 when they went searching for the precious metal, an activity classified as illegal mining. However, until local activists, including the Akali Tange Association (ATA), raised the alarm about abuses in about 2008, there was no awareness of human rights in rural communities, exacerbated by low literacy in Porgera of about 28 per cent.

We thought we had no right to go and report the case to the police. We didn't go to the police station because we were afraid that we would be arrested and put in jail. Koson, rape victim. Illegal miners risk prison or a hefty fine and ATA said some women were told by their attackers that "if you come out and give a report to the police station we will come and arrest you and lock you up". Fears of community backlash because of the stigma associated with rape, illiteracy and lack of money also made many victims reluctant to report abuses. "If you go to the police station, you have to pay the policeman to get a proper report done; it's too corrupt. It also involves money to go to the hospital to get a medical report," ATA's executive officer, Jethro Tulin, said. Koson said she wanted her assailant held accountable, "but the problem is that I couldn't identify him now". Following a 2010 Human Rights Watch report, Barrick conducted an investigation which revealed evidence of the alleged abuses. The company then "provided all relevant information to Papua New Guinea Police and urged that a full criminal investigation be conducted" and further "terminated employees who were implicated in the assaults", a Barrick spokesperson said.

But after more than 20 years, only two perpetrators, who were police officers, were charged this year and their employment terminated, according to Tulin. The Papua New Guinea Police Constabulary did not respond to requests for further information. Yapi and Koson also believe the halt of court proceedings against Barrick Gold is a further setback. They claim that, while they participated from Porgera in a telephone conference to discuss the settlement, they were not individually asked for their consent, nor did they sign an agreement. "Our desire was to go to court because there will be proper justice in court alone. We are not satisfied because it was an out-of-court settlement done without our consent ... we were deprived [of justice] twice," Koson claims. The planned lawsuit followed dissatisfaction by some women with a corporate remedy programme launched in 2012. Another 120 victims accepted Barrick's package of benefits to a total value of between $13,060 to $18,095, which included payment of medical benefits, school fees, a business training programme and start-up grants but, in so doing, waived their right to sue the company.

Now the plans Yapi had for investing the larger cash settlement she received have not eventuated, as the funds were distributed to her family, including male relatives. "The money has created a problem within the family and some of my relatives are not happy with me. Some of them are saying, 'I have looked after you, I have paid your medical bills, so what is my share'," she said. Local customary traditions prescribe that compensation is given from one clan or extended family to another to atone for wrongdoing, even though the perpetrator and victim may be individuals. Nevertheless, ATA claims that the safety of local women in the mine area has improved after Barrick's reform of its operations, including mandatory sexual violence and human rights training for security staff.

Bougainville Mine Landowners Support Reconciliation Process

Panguna owners support government effort in face of opposition

WELLINGTON, New Zealand (Radio New Zealand International, Sept. 11, 2015) – A landowning group in Bougainville's Panguna region say the Bel Kol reconciliation process is the only way forward for the region. The Bel Kol has been initiated by the government in the autonomous Papua New Guinea region as it endeavours to re-start mining at Panguna, which was as the heart of its civil war. The Panguna Mine Affected Land Owners Association says it is ready to lead the process, but it wants to make clear their focus is on the destruction of their land and the environmental damage, before talking about re-opening the mine. It says the ABG should transfer the management of the Bel Kol process to the Panguna landowners because that is where the conflict started. This comes as the acting Bougainville president Patrick Nisira says the ABG may stop focussing on Panguna after opposition from another group calling itself the Central Bougainville Hardliners. The hardliners say they are completely opposed to the Bel Kol. But the Panguna landowners say the hardliners are not landowners, just trouble makers.

Government assures support for Ramu Nico

The National, September 10th, 2015

THE Government has reaffirmed its support for the Ramu NiCo project in Madang. A delegation from China Metallurgical Group Corporation (MCC), the project's major financier and shareholder, met with Papua New Guinea government ministers this week after inspecting the company's two project sites. MCC vice president Xiao Xuewen and chairman of Ramu NiCo management Zong Shaoxing spent two days meeting with Government ministers in Port Moresby on Sept 6-7. The company representatives met with three ministers, Mining Minister Byron Chan, Environment Minister John Pundari and Transport and Infrastructure Minister William Duma. Discussions during the meeting centred around how the PNG government could support the Ramu NiCo project in a healthy, stable and constant manner for the benefit of MCC Group investment in the country. Xuiwen said the MCC Group had been generous to Ramu NiCo project each year since construction started 10 years ago.

However, MCC has not yet gained any favourable returns from its investment. He said during this current time when world metal price kept slumping and most mining companies around the world were shutting down, it was predicated that by end of this year, Ramu project would suffer a great loss. Xuiwen said in order to prevent all Ramu NiCo national workers and project-related PNG contractors and suppliers from losing their jobs, it was necessary for MCC Group and Government to put a joint effort to ensure survival and development of the project. Chan assured that his office and the Mineral Resources Authority would be doing their best in constant communication with Ramu NiCo. Pundari at the meeting also said his department would continue to assist and support the development of Ramu NiCo project.

India Interested In Sea Bed Mining In Cook Islands

Cooks looks to India as potential investor

By Sarah Wilson

RAROTONGA, Cook Islands (Cook Islands News, Sept. 9, 2015) – Minister of Health Nandi Glassie recently returned from the fast-developing nation for the second Forum for India-Pacific Islands Cooperation. He was involved in discussions about financial support from India, and their interest in seabed exploration and mining. Glassie says the Cook Islands is particularly interested in the progress made by India as a pioneer investor in ocean mineral resource exploration, and would be keen to engage in a beneficial exchange. He says there is a "commonality" in the Cook Islands and India’s endeavours. "Ocean resource exploration and seabed mining is the new frontier of future wealth, especially for a nation as small as ours." The Cook Islands and other Pacific States are pursuing viable options for mining and Glassie says there may be considerable advantages in developing stronger cooperation.

In terms of the Pacific, Glassie says Papua New Guinea is a recognised player in this field, and the Cook Islands would welcome opportunities to explore and investigate further opportunities to work more closely with partners like India, as well as within the region. "The Pacific can only be strengthened by working more closely with its partners, especially on the basis of shared interests and mutual respect as equals." He says the Cook Islands has appreciated the increase in Grant Fund aid, especially as this funding has a high level of impact on small communities and groups, which are able to access help in a very timely and effective manner. "Over a short period of time, small project aid has resulted in tremendous returns and benefits to many of our people." As Minister of Health, and an MP from a small island, Glassie has a particular interest in doing what he can for those who are disadvantaged by their remoteness and lack of local resources.

He says capacity-building and improving skills remain important priorities for the Cook Islands, particularly as a result of ongoing pressures from depopulation. "And opportunities to strengthen our mutual understanding through scholarship training and cultural exchange will continue to be supported." As a global leader in a wide range of fields, Glassie says India has provided beneficial experience and training to the Cook Islands, including specialist areas of expertise like renewable energy development. "India’s support and encouragement in strengthening the cooperative ties with the Pacific is warmly welcomed and deeply appreciated." "Our strengthening ties are not simply based on India’s historic links but because our ‘pool of goodwill’ is being enriched by a more visible presence."

Fiji: Mining licence for Canadian company

Repeka Nasiko, The Fiji Times, September 09, 2015

CANADA-BASED Lion One Ltd will be officially handed a licence to mine at Tuvatu, Sabeto, this month. The firm, which has invested about $56million on exploration works, will begin construction work on the mine's processing plants. Company lands and permit manager Moape Navia said board members were hoping to visit the country this month for the official handover of the mining lease documentation from Government. "The company has to commence developing the mine area in building the infrastructure like the processing plants, tailing dam area and stockpiling ore and other infrastructures that relates to the mine," he said. "However, construction work on the processing has not begun yet. "Landowners from Sabeto and Vaturu will benefit from the project." The company recently released the preliminary economic assessment report which revealed capital costs of $US48.6m ($F106.4m) would be spent over the 15-month pre-production schedule.

Fiji: Bauxite mining

Serafina Silaitoga, The Fiji Times, September 09, 2015

THE vanua of Wainunu in Bua has agreed to bauxite mining. However it has made its stand clear that proper preliminary work needs to be done first including an environment impact assessment report. Tui Wainunu Ratu Orisi Baleitavea confirmed the bose vanua of Wainunu (traditional leaders meeting) held in Daria Village last week agreed to open doors to bauxite company Aurum Exploration (Fiji) Ltd. "We will not have bauxite mining in our district anytime soon but at a later stage after all preliminary works are carried out properly in an accountable and transparent manner," he said. "Although we have agreed, we are seriously considering the impact it will have on the environment especially the rivers and streams in our district.

"There also needs to be a sustainable plan for the surrounding of Wainunu. So while we have opened options to have bauxite mining in our district, we are also looking at ensuring that the activities will be controlled." Ratu Orisi said the meeting agreed that landowning issues would be looked at following reports that landowners waived their rights when they signed up leases with the Land Bank Unit. "We will make sure and it will be our priority that our people are all happy and satisfied with whatever lease deals we will carry out," he said. "The bauxite mining will also bring a lot of benefits to our people like employment and income earning opportunities."

Ok Tedi: Miners union queries layoffs

The National, September 9th, 2015

MORE than 1000 employees sent home by Ok Tedi Mining last month was not due to drought and fall in the level of the Fly River but a rather “selfish business act”, OK Tedi Workers Allied Union president Jack Thomas claimed. Thomas said the company changed its name to Kumul Mining recently and now it is operating as Kumul Mining. “The Fly River is up by three-metres and it’s flooding, there is no problem with the river. After employees were sent home, the mining company quickly changed to Kumul Mining and a different company came in and took over the whole operation,” Thomas claimed. He said a company called AES took over the mining’s operations but none of the former employees got their jobs back.

Kina 23billion offered for Oil Search

Post-Courier, September 09,2015, 01:43 am

AUSTRALIAN oil and gas giant, Woodside petroleum has made an offer of more than $A11 billion (K23.12bn) to acquire all Oil Search shares. Oil Search Limited managing director Peter Botten confirmed yesterday that OSL has received a non-binding indicative proposal from Woodside. Mr Botten said that Woodside’s bid offers to acquire all Oil Search shares for a consideration of one Woodside share for every four Oil Search shares held. The proposal is subject to the following conditions:

- Completion by Woodside of satisfactory due diligence on Oil Search;
- Execution of a mutually acceptable confidentiality agreement;
- Oil Search granting an agreed period of exclusivity;
- Oil Search obtaining support from key stakeholders and shareholders; and
- Woodside being satisfied that the transaction is likely to be supported by the PNG Government on acceptable terms. The proposal would also be conditional on the parties entering into a binding Implementation Agreement. If the above conditions are satisfied and the proposal does proceed, the transaction would itself be subject to further conditions precedent, including Oil Search shareholder, court and PNG regulatory approvals.

In the meantime, Oil Search board intends to review the Proposal and will update shareholders and the market in due course. The company also wishes to emphasise that there is no guarantee that a binding proposal can be agreed between the parties. Mr Botten said while Oil Search will consider the proposal, it should be noted that Oil Search has a material equity position in the world class PNG LNG Project and attractive, low cost, LNG development opportunities, including the PNG LNG Train 3 expansion and the Papua LNG Project.

This, combined with the company’s low operating cost producing assets, reserves upside, significant discovered resources and extensive and high quality exploration acreage position, provide substantive scope for capital growth and position Oil Search to capitalize from a recovery in the oil price. He said clearly, Oil Search shareholders are entitled to an offer which adequately reflects this value potential. Oil Search has appointed Morgan Stanley as its financial adviser and Allens as its legal adviser. The Government, which owns 10 per cent stake in OSL, said in a short statement that it is waiting for a full briefing on the offer. "The offer will be considered if it is in the national interest," a spokesman said yesterday.

EITI report exposes PNG’s total lack of commitment to transparency standard
PNG Mine Watch, September 9, 2015

The publication of Papua New Guinea's first ever annual report under the Extractive Industry Transparaenct Initiative exposes the government's total lack of commitment to implementation of the international transparency standard. The Annual Activity Report reveals the Department of Finance has failed to attend any of six meetings of the government's EITI implementation committee; establishment of an EITI secretariat has been delayed for 12 months; a promised website has not been built; and a community awareness program has not been implemented. So poor has been the government's commitment it was even unable to write or fund its own annual report - that had to be done by a foreign consultant paid for by the World Bank, and the information in the report is inaccurate and incomplete. Even industry and civil society have shunned the EITI implementation meetings, Thomas Paka from the Eco-Forestry Forum managed to make it to just one of six meetings and Richard Kassman (Talisman Niugini) and Anthony Smare (Barrick) just two.

EITI is supposed to promote transparency and good governance in the management of financial flows from mining, gas and petroleum industries. Papua New Guinea was accepted as a candidate country to EITI in March 2014. PNG's candidacy came as a result of pressure (and funding) from the World Bank, which has been advocating for PNG to join EITI since 2008. The big problem for the World Bank is that the PNG government is not interested in EITI as anything other than a smokescreen for its rampant corruption and is not really committed to implementing the EITI standard. PNG's first EITI report, published in July, reveals just how weak the government's commitment to transparency really is. Under the terms of its EITI candidacy, PNG is required to publish annual reports on the steps it has taken towards implementing the international EITI standard.

Despite PNG trying to claim its EITI initiative is home grown and government driven it couldn't even produce its own report. Instead the report was written by an overseas consultant employed by an international company, Deloittes, and paid by the World Bank. So, not only was the report not written by the PNG government, it was not even written in PNG and it was not paid for by the government. To make matters worse the report is neither accurate or transparent. The report says the total cost for the implementation of EITI in PNG in 2014 was K869,176.But the breakdown of those costs reveal that the cost of the report itself has not been included! The report also claims all the funding for EITI implementation in PNG came from the PNG government - but then contradicts itself by revealing the World Bank paid Deloittes to produce the report.

Although the report is supposed to be all about transparency, it does reveal how much the World Bank paid Deloittes, and it does not say how much Deloittes paid its consultant. The report does not even reveal the identity of the consultant who was employed to write the report - so we don't know the author of a report that is supposed to be about transparency! What the report does reveal is the consultant author struggled to get relevant information out of government departments to put into the report. It also reveals and attendance at meetings by 'senior government officials from key departments and agencies was poor'. So poor in fact some departments attended only one or two of the six meetings held and the Department of Finance did not attend any at all!

EITI is a standard about financial transparency - but the government department responsible for Finance failed to attend all six meetings! The report also reveals establishment of an EITI SEcretariat in PNG was delayed by almost a year by "funding and process constraints". The EITI website is yet to be developed and no systematic nationwide awareness campaigns have been undertaken. This is despite a budget allocation of K777,700 in December 2014. The report also reveals the very poor commitment from some civil society and industry representative to the EITI implementation.

- Thomas Paka, Executive Director of the Eco-Forestry Forum managed to attend just one of six meetings!
- Anthony Smare of Barrick Niugini attended only 2 of 6,
- Greg Anderson from the Chamber of Mines just 3 of 6 and
- Richard Kassman of Talisman Niugini just 2 of 6 meetings.

Seems nobody in PNG really cares about EITI - except the World Bank!
Report: https://ramumine.files.wordpress.com/2015/09/png-eiti-annual-activity-report-2014.pdf

Small islands demand coal mine moratorium

Echo NetDaily, September 8, 2015

Six of the smallest Pacific island nations facing a potential wipe-out from climate change have called for a global moratorium on new coal mines. Leaders from the Cook Islands, Kiribati, Marshall Islands, Nauru, Palau and Tuvalu met on Monday in Port Moresby before the wider 16 nation Pacific Island Forum leaders summit, which include Australia and New Zealand later this week. The leaders issued a unanimous special declaration on climate change demanding the world limit the global warming temperature increase to 1.5C and that countries uphold the principle of polluter pays. 'We cannot afford to lock in any further fossil fuel emissions," the declaration said. Green-blue economies must be the way of the future and no one should be left behind, 'it said.
'We are simply seeking the rights of smaller island states to survive,' Tuvalu Prime Minister Enele Sopoaga told reporters. The leaders are pleading with Australia and New Zealand to do more to combat global warming before the United Nations climate change conference in Paris in December.

Some islands are less than a metre above sea level and face disappearing under rising seas. The ocean is already creeping up on graves on the Marshall Islands, and the Kiribati government has bought land in Fiji in case its entire population needs to move. Palau President Tommy Remengesau acknowledged that the small island states' declaration may not be popular with the entire PIF membership, alluding to Australia. Asked how the leaders would convince Prime Minister Tony Abbott to give up Australia's addiction to coal, Mr Sopoaga said they would be making a strong case for renewable energy. Mr Remengesau said the time for leadership was now. 'Our countries may be perceived as small but we are in fact pioneers and trailblazers in restoring balance to our earth,' he said. The leaders also discussed fisheries, cervical cancer, human rights issues in Indonesia's West Papua and communications technology. Fourteen Pacific leaders, excluding Australia and New Zealand, will meet for talks on trade negotiations and labour mobility on Tuesday.

Ties improve between Lihir Gold, provincial government

Post-Courier, September 8, 2015

SIGNIFICANT steps have been made in the last six months in building the relationship between New Ireland Provincial Government (NIPG), Lihir Gold Limited (LGL) and other stakeholders. The stalemate, which had lasted almost twenty years, according to NIPG Governor Sir Julius Chan, had resulted in the province not being able to achieve many of its development goals at the pace it would have wanted. In a recent interview in Namatanai, Sir Julius said notable progress had been made in rebuilding the working partnership between his Government and LGL which was promising, as he believed it would result in improvements in service delivery in the province. “They have a responsibility to look after the shareholders, I have a responsibility to look after the people of New Ireland Province. Together we can possibly meet both our responsibilities.

“The ultimate gain must be beyond the life of the mine, where the people will be able to live a lifestyle that is peaceful, proud, and satisfying,” he said. Sir Julius was part of a provincial government delegation, which included State Enterprises Minister Ben Micah, who travelled to Namatanai for the commissioning of several projects for the district including two that were funded under the LGL Tax Credit Scheme (TCS). The two TCS projects were the installation of 12, 12000 litre squat tanks and a new 65 KVA diesel generator for Namatanai Rural Hospital. “This has never been done before. This is the first time,” State Enterprises Minister Ben Micah briefly remarked of the current working partnership between LGL and NIPG.

Lihir: Report into use of New Ireland river ready

The National, September 8th, 2015

AN environment audit into the use of the Londolovit River in New Ireland is now ready, a Government official says. Conservation and Environment Protection Authority officer Gabriel Luluaki said: “The Environment Protection Authority undertook an environment audit and the report is ready and will be presented to the concerned community and other stakeholders in Lihir in the week beginning 21st Sept, 2015”. Luluaki said that yesterday following questions posed by The National after Lihir islanders demanded answers from the Government for the use of their water at Lihir Gold Mine.

Spokeswoman Roselyn Arau said the mine sourced its water from Londolovit River and it had been one month since they had submitted a claim for K113 million to the Chief Secretary’s Office but have not received a feedback. She said the amount was a claim for use of water that was to be paid by operator of the Lihir Mine, Newcrest, on Government’s approval because the mine operator relied to deny payment on an existing agreement with Conservation and Environment Protection Authority under which the company paid the Government for environmental damages. “For a fact, the mine is extracting water over and above the permitted rates therefore it has breached the terms of the water permit it holds. It must pay for over extraction.”

Prime Minister launches major hotel for Moresby

Post-Courier, September 04, 2015

THE Mineral Resource Development Company (MRDC) has officially launched the country’s first and single biggest landowner investment project on behalf of its subsidiary companies. MRDC announced the Star Mountain Plaza (SMP) development project in Port Moresby on Wednesday night from the project site on Ward Road, Hohola. It was launched by Prime Minister Peter O’Neill. The Star Mountain Plaza will soon appear across the horizon of Port Moresby’s landscape.

The Star Mountain Plaza project is an iconic and timely development for the country as it prepares for the APEC Leaders' summit in 2018. The Star Mountain development will be constructed in two stages. The first stage will consist of a 212- room five star Hilton Hotel, 3900 square free of the multilevel convention and performing arts centre, and a 160-apartment residential tower. This world class project is a joint venture between the PNG land owner groups, Petroleum Resources Kutubu (PRK), Mineral Resources Star Mountain (MRSM) and Mineral Resources Ok Tedi (MROT) No. 2 in partnership with the State.

Panguna hardliners order stop to 'Bel Kol'

Post-Courier, September 04, 2015

By ROMULUS MASIU
THE proposed "Bel Kol", appeasement ceremony between Bougainville Copper Limited/Rio Tinto and Panguna landowners planned for this month has been put off indefinitely. The postponement followed threats by disgruntled ex-combatants who are calling themselves Central No-Go Zone Hardliners in Kieta district, Central Bougainville. The group had issued a five-page ultimatum ordering the postponement of the ceremony which was to also involve the Bougainville Autonomous Government in Arawa. James Onartoo, who claims chairmanship, said it is an organised group made up of women, youths, community leaders and former combatants who oppose any "Bel Kol" negotiations between the Panguna landowners and Bougainville Copper Limited (BCL). Their protest letter has been copied to Bougainville President John Momis and other Bougainville leaders. It reads, in part: "We give this notice of order to all who planned the Bel Kol with BCL and Panguna landowners. As the hardliners who stood behind the late Francis Ona to see Bougainville set free from foreign exploitation, we feel we have been sidelined.

We remind the people of Bougainville that having earned Bougainville Freedom through sweat, tears and blood, we humbly step aside and make way for our community and political leaders to lead us. "We also know that it is our responsibility to ensure that all we sacrificed for during the war is not lost in the quest for profits by foreign exploiters. That is the purpose of the war why we lost our comrades, our families, our brothers and sisters throughout Bougainville is kept in our focus by our leaders, that is to regain our stolen rights. We see Bel Kol as a diversion from that focus." The group said that by custom it is right to initiate the Bel Kol. "We haven't met our brothers from PNG yet. Therefore, we order that the program be stopped until we reconcile with our PNG brothers and sisters. Anything to do with Australia, CRA and BCL follows on from there. "We give an order that the Bel Kol be halted and everything planned put off immediately. We represent those who are against Bel Kol to reopen the Panguna Mine throughout Bougainville. Any further move to continue with Bel Kol will leave us with no option except to stop the event ourselves by any means," the letter read. BCL is understood to have been informed about the postponement, saying it would leave the matter to the Bougainville Government to sort out. President Momis was not available for comments.

Mineral Resources Development Company hailed for its focus on investment

The National, September 3rd, 2015

GOVERNORS of Western and Southern Highlands provinces have praised the Mineral Resources Development Company for spearheading their landowner companies' investments both in PNG and abroad. Western Governor Ati Wobiro said the launching of the multi-billion kina Star Mountain Plaza in Port Moresby was a result of exceptional teamwork and partnership between the state, two provincial governments and three landowner companies. The Star Mountain Plaza will be constructed over two stages, the first stage to consist of a 212 room five-star Hilton Hotel, 3900 square feet of the multi-level convention and performing arts centre and a 160 apartment residential tower. The world class project is a joint venture of the Petroleum Resources Kutubu (Southern Highlands), Mineral Resources Star Mountains (Western) and Mineral Resources Ok Tedi (Western) and the State.

Southern Highlands Governor William Powi said the launching of the Star Mountain Plaza project was the dawn of a new era in landowner investment diversification. “My people are beneficiaries of the Kutubu Project and we are proud to be part of this investment,” he said.
“The people of Southern Highlands have been blessed with the Kutubu Oil Project and now the PNG LNG project, and have supported the growth of PNG’s economy since oil extraction started in the region in the 1990s to date. “With a project (Star Mountain Plaza) of this scale and magnitude in our own country, the game has changed. “We not only sit on the receiving end of the spectrum as ‘rent collectors’ of our land, but rather, business men and women.”

Star Mountain Plaza project to create more jobs, PM says
The National, September 3rd, 2015

Prime Minister Peter O’Neill (centre) unveiling the plaque last night to launch the construction of Star Mountain Plaza near Ward Road at Hohola, Port Moresby. Looking on are, from left: Western Governor Ati Wobiro, Mineral Resource Development Company managing director Augustine Mano, Hilton Hotel vice-president Paul Hutton and Southern Highlands Governor William Powi. — Nationalpic by EKAR KEAPU

THE development of the Star Mountain Plaza will create more than a thousand jobs for Papua New Guineans, Prime Minister Peter O’Neill says. O’Neill was speaking last night during the ground-breaking ceremony for the construction of the country’s first single biggest landowner investment project launched by the Mineral Resource Development Company (MRDC), on behalf of its subsidiary companies. “This project is going to create a lot of jobs for Papua New Guineans during and after construction,” he said. “It is going to create more than a thousand jobs for Papua New Guineas who are not going to only look after themselves but contribute meaningfully to our society.

“They are going to look after their families, particularly their children and our wantoks throughout the country. “It is important that we continue to provide employment for our citizens. It is such projects like this that continue to do so. “I know we have got many critics among our communities who think that this is not the right approach. “But I think after many years of neglect, now Papua New Guinea can see the opportunities of how our country should be managed properly and developed properly," O'Neill said. Hilton Australasia vice-president operations Paul Hutton said they were excited and privileged to be partnering with Star Mountain Plaza to bring Port Moresby a world class hotel. Construction is underway and expected to be completed by late 2017 in order to host the APEC Leaders summit in 2018.

Work begins on plaza

The National, September 3rd, 2015

THE first stage of the Star Mountain Plaza will cost K1.1 billion and involves a funding partnership between ANZ Bank and the State, Mineral Resources Development Company (MRDC) managing director Augustine Mano says. Mano said the next stage would be more challenging as MRDC only had less than three years to construct three world class facilities for the APEC Leaders summit in 2018. He said MRDC was confident in delivering the hotel project before APEC 2018, unlike the failed 4-Mile Casino in which it had only a small interest. Speaking at the launching of the hotel in Port Moresby last night, Mano said early work started for the first stage which consisted of the 15 storey 212 room Hilton Hotel and a five-storey car park. He said at year's end, foundations would have been laid for the four level Kutubu Convention Centre and the residential tower with 160 apartments.

"With the signing of the management agreement with Hilton Group two weeks ago, I'm hoping this will be a catalyst for other international brands to enter and unlock the country's tourism potential. "Star Mountain Plaza will not only transform the Port Moresby landscape but set a new benchmark for high-rise building in PNG. "Projects of such magnitude in the property sector have never been done before by a PNG company, and more so challenging given the current economic condition, but it takes sheer courage and confidence to undertake such a project." Mano praised owners of Star Mountain Plaza which come under MRDC.
These companies include the Mineral Resource Star Mountain, Mineral Resource OK Tedi and Petroleum Resource Kutubu. "The main contractor of the project will be announced before Sept 16," Mano said. "We hope that Star Mountain Plaza will change the mind-set, attitude and improve the quality of lifestyle of many Papua New Guineans. "Star Mountain Plaza will be the five star address where you eat, drink, shop or do business – you may feel you are in Australia or Singapore."

Hides gas landowners address grievances

Post-Courier, September 04, 2015

BY ANDREW ALPHONSE
ANGRY Landowners in Hela Province yesterday ended their forced closure of the $US20 billion PNG LNG project operations at Hides 4 PDL7 in Komo. The landowners removed the barricades and roadblocks after a Hela Provincial Government delegation yesterday visited them. On Tuesday, the landowners forced the shutdown of the gates to the Hides gas LNG conditioning plant site and the access roads. Komo-Margarima MP Francis Potape led the delegations which included acting Hela Governor Thomas Potape, acting Hela provincial administrator William Bando and acting Hela provincial police commander Chief Supt Mark Yangen. National Court judge Justice Ambeng Kandakasi who was mediating the alternate dispute resolutions (ADR) process for landowners in the neighbouring Angore PDL8 gas field also took time off and flew to Hides 4 to join the Provincial Government team to attend to the landowners.

Justice Kandakasi told the landowners the importance of landowner identification before any LNG royalties, equities and benefits can be paid to them. He told them he was spearheading the ADR process for landowners to be identified and paid their benefits. The landowners who have been misled by others appreciated what Justice Kandakasi said to them. They called on the Government to provide sufficient funding so that the ADR process can be expedited without any delay to their PDL area too. Mr Potape said the landowners listened to them and uplifted the shut-down of the Hides 4 project. MP Potape and delegation also met selected Hides 4 PDL7 landowners last night at the Hela Bushman Lodge in Tari. They discussed some of the issues the landowners have raised in their 21-point petition delivered to Prime Minister Peter O'Neill in July. The landowners have raised concern on missing out on benefits while the State and developer ExxonMobil led consortium are receiving their share since the first LNG cargo shipment last May.

Islanders demand Government response on water usage

Post-Courier, September 04, 2015

LIHIR islanders are demanding answers from the Government for the use of their water at Lihir gold mine in New Ireland Province. The mine sources its water from Londolovit village. Spokeswoman Roselyn Arau said it has been one month since they submitted a claim for K113 million through Chief Secretary's Office but have not received a feedback. Copies of their claim were given to Mineral Resources Authority (MRA), Environment and Conservation, Justice and Attorney General and other line departments and agencies. Ms Arau said Ok Tedi mine has shut down because of water problem and the least the Government wants is for Lihir to join the queue of closure as a result of water problem. "For a fact, the mine is extracting water over and above the permitted rates therefore it has breached the terms of the water permit it holds. It must pay for over extraction. "We commissioned an independent investigation last year and found that 113,949,504 litres of water were extracted outside of permitted rate. This is equivalent to K113,949,504," Ms Arau said.

Hilton deal signed

The National, September 2nd, 2015

MINERAL Resource Development Company (MRDC) will bring to Papua New Guinea its first Hilton Hotels and Resorts branded hotel, The Hilton Port Moresby. A management agreement signed early last month between MRDC and Hilton Worldwide would see the construction of a 5-star 212 premium room hotel in Port Moresby. The Hilton Port Moresby is part of the MRDC Group's latest development project, the Star Mountain Plaza (SMP) to be launched today. The Hilton Hotel complex will include four restaurants and two bars, a business centre, health club, spa and outdoor pool and event spaces. Under the agreement, the Hilton Group will manage the new hotel and a convention centre within the Star Mountain Plaza. MRDC managing director Augustine Mano said the partnership was set to redefine the standard of accommodation for the business and tourism sectors.

"We have not had a significant player in the hotel and tourism industry," Mano said. "With the Hilton Hotel brand, the perception of the tourism and business sector in the country is sure to change. "We are committed and excited to be part of a project that will set a new benchmark in world-class hotel experience here in Papua New Guinea." Mano thanked the Hilton Group for their confidence in bringing their brand into PNG. Hilton Port Moresby boosts Hilton's presence in the Australasia region where the global hospitality company operates 21 hotels under the Hilton and DoubleTree by Hilton brands. Paul Hutton, vice president operations Hilton Australasia, said they were excited and privileged to be partnering with Star Mountain Plaza to bring to Port Moresby a world class hotel.

New Caledonian Gov To Hear Nickel Drivers' Demands

Protested gov refusal to export ore to China

WELLINGTON, New Zealand (Radio New Zealand International, September 1, 2015) – The New Caledonian Government is next week expected to consider demands made by protesting nickel carriers last month. A Memorandum of Understanding was signed by the drivers' union Contrakmine and the government last Friday, putting an end to 24 days of chaos in Noumea, during which drivers had used their trucks to block key access roads. Although not providing any concrete response to the issue, the MoU says the territorial government will consider the drivers' demands on September 11th. The nickel carriers and some miners had been protesting at the government's refusal to allow exports of ore to China after a slump in demand from Australia.

PNG copper mine likely shut until Q1 2016 as El Nino set to worsen

Reuters, Sep 2, 2015

MELBOURNE (Reuters) - Ok Tedi Mining Ltd's Papua New Guinea copper mine is likely to stay shuttered until the first quarter of 2016 as an intensifying El Nino worsens a drought that has cut off river transport links to the project, an executive said. The state run firm last week put its mine under 'care and maintenance', the latest example of copper mining around the Pacific rim to be hit by changing weather patterns. "We don't expect to be up and running until the first quarter. It could be as much as a 7-8 month suspension of operations," executive manager for marketing Garry Martin told Reuters in an interview on Wednesday. The current El Nino weather phenomenon is expected to strengthen before the end of the year, potentially making it one of the strongest since 1950, the World Meteorological Organization said on Tuesday. El Nino can lead to scorching weather across Asia and heavy rains in South America.

The miner, which declared force majeure on its sales contracts on Aug. 17, expects to lose 65,000 tonnes of copper in concentrate if the weather conditions persist, Martin said. It has stood down most of its staff on reduced salaries to conserve capital as it conducts maintenance on the mine. Analysts say the mine produced about 76,000 tonnes of copper last year. Low water levels have meant river traffic on the Fly River into Ok Tedi's main river port at Kiunga have been unreliable and have also affected operation of the Ok Menga power station, the mine's main source of power. European copper smelter Aurubis flagged the potential for El Nino to cut copper supply as worsening storms in South America disrupt output in Chile and Peru, the world's top two copper mining countries. Heavy rain and winds forced the precautionary closure of some mines in Chile earlier this month, while floods in late March cut the country's copper production that month and in April.
(Reporting by Melanie Burton; Editing by Joseph Radford)