

**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>

Nautilus Minerals linked to corruption allegations around Namibian seabed mining
PNG Exposed, 31 October 2016



The giant machines Nautilus wants to use to mine the seafloor in Papua New Guinea

Prospective Solwara 1 seabed mining company Nautilus Minerals can be linked to the allegations of corruption surrounding a controversial decision by the Namibian government to allow seabed mi-

ning. Namibia's Fisheries Minister, Bernhard Esau, is crying foul over a government decision to allow phosphate mining on the seabed. He says the decision to grant an environmental permit to Namibian Marine Phosphate was done behind closed doors and in defiance of an earlier government imposed ban. As Fisheries Minister, he says he was denied an opportunity to present his own proposal for a detailed 3-5 year environmental study before any approvals were granted. Namibian Marine Phosphate is owned by the same company, MB Holdings, that is the largest shareholder in Nautilus Minerals. MB Holdings owns 85% of Namibian Marine Phosphate through its wholly owned subsidiary, Mawarid Mining LLC. MB Holdings is owned by Omani business man Mohammed Al Barwani.

Badepiam association

Post-Courier, October 31, 2016



BY JEROME IKUAVI

The mining and resource sector continues to grow in South Fly-Daru, Western Province, the local Badepiam clan group after seven years have formally registered their Land Owner Corporate group in preparation for the upcoming Hydron Carbon energy Luquified Natural Gas (LNG) in the province. According to the Badepiam Association Inc Chairperson and CEO Atawei Asei, the Badepiam tribe group of Irupi village, South Fly District in Western Province is one of the affected tribe with the rest of the tribal of the other groups. He added that since its exploration of the project including other LNG projects in the country the local people have greatly missed out of the benefits and services that was suppose to be delivered. "We foster our bid through hydro carbon energy (LNG) OIL and GAS sector exploited must be given back to us. It has been farmed during the colonial interest era. The government is responsible to listern to our interest and negotiate for better decision reached," Asei said.

He added that it is a challenging task for Papua New Guinea government to do away with colonial legacy and sort out the people's interest and their rights that are been badly affected. "Our bidding through idegenous people's ownership rights must be addressed at the diplomatic level through political and administrative will to satisfay our interest, our call, our identity, our destiny, our birth-right and our wealth and resources," he said. It is believed that the current discovery of the project is the Third LNG PPL 286 KUPILUTE, in the Western Province. The project area occupies a bigger capacity of land mass with 99 300 square kilometers. The association is the first registered local association that was form to address land owner issues that is affecting the locals in south fly and preparing to further address issues that may arise in the near future concerning benefits as services.

Lifebrandz ends Papua New Guinea buy, eyes firm with Mongolia business

Jamie Lee, The Business Times, October 27, 2016

LIFEBRANDZ, an entertainment group, said on Thursday it will not proceed with a proposed acquisition of a company based in Papua New Guinea, and will instead try to buy a company with business in Mongolia. It said that it will no longer acquire all the shares of Tolukuma Gold Mines, a company incorporated in Papua New Guinea, for US\$212 million. The company owns a non-operational gold mine there. Tolukuma also holds five exploration licences, and has one exploration licence under application. Lifebrandz said that the term sheets have lapsed, and both parties have not been able to finalise the agreement.

Seabed mining ‘catastrophic’

Marine phosphate mining is nothing like diamond dredging and will have extreme and irreversible consequences for millennia to come, says an expert.

Catherine Sasman, Namibian Sun, 26 October 2016

Marine biologist and former director of the Sam Nujoma Marine and Coastal Resources Research Centre of Unam, Professor Edosa Omoregie, has warned that marine phosphate mining, however small or large the scale, will lead to devastating and long-lasting effects on the marine ecosystem. He said this could cause serious damage to the productivity of the Namibian marine environment and the country’s fisheries. Omoregie made these remarks at the first annual research conference of the Sam Nujoma campus at Henties Bay in late September. Despite strong resistance from environmental groups, environmental clearance has been granted to start with marine phosphate mining. The Ministry of Environment and Tourism has granted the certificate to Namibia Marine Phosphate, which is developing the world's first marine phosphate project off the coast of Namibia. Omoregie said marine phosphate mining involves massive seabed dredging that removes as much as 20 metres of the top sediments that have accumulated for millions of years.

With massive removal of this large quantity of sediments, reclamation after mining would be practically impossible, hence other countries with huge marine phosphate deposits have refused to allow mining. The presentation noted that the high productivity of the Namibian marine ecosystem is dependent on the biological and chemical processes taking place in these sediments. Once these sediments are disturbed and eventually removed, the consequences could be extremely devastating to marine life. Another concern raised by Omoregie is that marine sediments rich in phosphorite are known breeding grounds for several commercial fish species and other marine life. The removal of these sediments would, therefore, directly affect fish stocks. There is currently no scientific data on the effects of marine phosphate mining on fish productivity because it has never been done anywhere in the world.

And for good reason, figured Omoregie, because of what is known about disturbances of the seabed, which should concern everyone, including decision-makers and politicians. “Remedying phosphate mining on land is easy but in the deep sea reclamation would be practically zero and will take several million years to recover,” was Omoregie’s apocalyptic prognosis. Another concern he raised is the release of several types of nutrients into the water column, including inorganic phosphates that have been locked up within aggregates in these sediments. One consequence of this release would be red tide and sulphur eruptions, which the mariculture industry is scared of. Another consequence would be the direct toxic effects of nutrient over-loading. Omoregie and others have investigated the effects of varying concentrations of a single superphosphate fertiliser on the survival and respiratory dynamics of Nile tilapia under laboratory conditions. They concluded that fertilisers in water bodies stimulate growth of phytoplankton and waterweeds, which in turn provide

food for fish. However, at certain concentrations of these fertilisers, algae and waterweeds grow wildly, clogging the waterways and depleting the dissolved oxygen present in the system. In short; aquatic life suffocates as a result.

Moreover, said Omoregie, the geology of the seabed is poorly understood and for this, it is not clear to what extent massive removal of seabed sediments would disrupt underlying rock formations. It is a known scientific fact that there are several vents within underlying rocks of seabed sediments. Massive sediment dredging could expose some of these vents, making whatever has been locked up within the vents erupt into the water column. Omoregie likened this eventuality to the 2010 Deepwater Horizon oil spill in the Gulf of Mexico, recognised as the worst oil spill in the history of the USA, in which an estimated 3.19 million barrels of oil spilled into the sea. “The incident in the Gulf of Mexico will be child’s play if anything should happen here,” he warned, as it is a known fact that there are massive gas reserves beneath the sea bedrock.

He said while taking cognisance of rapid economic development in several countries and the global need for more food production both for human and bio-fuel production, extensive removal of deep seabed sediments would set up disruptive events that cannot be reverted for millions of years to come. “Why would Namibia want to play the guinea pig?” he asked, since no other country has allowed massive removal of deep seabed sediments for whatever reason, be it marine phosphate mining or any other kind of mining based on the outcry from the scientific community. “What we as scientists refer to is what can be proven scientifically but the choice lies with decision-makers and politicians,” Omoregie said.

Landholders call on Government to fast-track Land Titles for Mining town and Benefits

Scott Waide, EMTV, 26 October 2016

Leaders from five villages in the Bulolo District who will be affected by the Wafi-Golpu project have called on the National Government to fast track the hearing of the Land Titles Commission to determine the ownership of the land on which the future mine sits. They have also called on the National Government to outline plans for the development of a township in the Mumeng-Bulolo area. Leaders from the five villages, gathered at Gurako along the Lae-Bulolo Highway calling on the National Government to fast track a Land Titles Commission hearing. The concerns are long-standing and have come to the fore again as work towards opening one of the largest mines in PNG progresses. They’ve also raised questions about the future benefits of the mine, seeking clarification from the MRA as to where a township if any will be built in the Bulolo District. The leaders of the villages previously called for a response from the National government but got none. They are among several groups claiming ownership of the area where the mine will be developed.

Clans’ K200m on hold

October 26, 2016, The National

By MALUM NALU

PRIME Minister Peter O’Neill says more than K200 million in benefits for PNG LNG Project landowners are sitting in trust accounts at the Bank of PNG. He told Parliament yesterday that the benefits for landowners in Hela and other LNG-impacted provinces were awaiting the clearance from the courts, as regards to cases initiated by the landowners themselves, before they are released. O’Neill said until the cases were resolved, all payments would be held. “The orders that have been given to the Government by the National Court and Supreme Court, initiated by various landowners against themselves and against Government, are stopping us from making payments to individuals and proper landowners from funds that are Prime Minister Peter O’Neill after the first sitting of Par-

liament available,” he said. Lagaip-Porgera MP Nixon Mangape had queried during the opening session of Parliament yesterday when the landowners would receive their benefits. He cited the recent cases at Hides where landowners stopped the project in protest over the non-payment of benefits.

He said K35 million for the Hides landowners was available but a court order had stopped the payment to landowners. “A cheque for K35 million has been written but is still held by Treasury. It will only be released when those court orders have been lifted,” O’Neill said. “We are talking to all the litigants, all the landowners, to try and resolve all the issues amicably so that we can pay the landowners the rightful benefits they deserve. “We are not in the business of withholding the benefits that the previous government agreed to in the UBSA signed in Kokopo. “We can only do so when the seven or eight cases initiated by the landowners are fully discharged. That is where we are. “It is certainly beyond the control of Government. It is in the hands of the courts.” He said the Solicitor-General had been directed to settle the matters because they were affecting the landowners in the Petroleum Development Licence areas. “We want to make sure that they receive the benefits that they are entitled to,” he said. “We are working closely with leaders of those provinces, leaders of those landowner groups, we are also working closely with all the developers in trying to resolve all these matters as quickly as possible.”

Mining leases on Woodlark Island not cancelled: Samar

The National, October 25, 2016

MINERAL Resource Authority managing director Philip Samar says mining leases on Woodlark Island in Milne Bay have not been cancelled. Clarifying a media statement by Lands Minister Benny Allan that mining leases on Woodlark were cancelled and land titles given back to the land owners, Samar said that according to a feasibility study on the island, a resource of two million ounces of gold was defined. “The mineable reserves or the actual gold ounces to be mined out of these two million ounces were estimated at 766,000 ounces over a period of nine years. There is potential to increase the mine life beyond nine years by converting the total resources into mineable reserves,” he said. Samar said that the media had misreported that the Woodlark mining leases were cancelled. On the contrary, the mining leases had not been cancelled and were intact.

“The only thing that has happened is the transfer of the State land on Woodlark Island by the Department of Lands to the people of Woodlark Island,” he said. Allan had said that the declaration for the State land to land owners after more than 50 years became effective following gazettal on Aug 1. “The land area totalling 60,440 hectares comprise portion 138 (19,160 ha, portion 139 (12,280ha) and portion 140 (29,000 ha) Milinch of Woodlark, Fourmill of the Samarai-Murua District.” Allan said that an existing mining lease on those portions was cancelled to allow for a formal declaration as customary land. “Prime Minister Peter O’Neill had given instructions for the mining leases to be extinguished and for the transfer of titles to the landowners following concerns raised by Milne Bay Governor Titus Philemon,” he said.

Resumption Of Phosphate Mining In French Polynesia Opposed

50 years after mines were abandoned on Makatea atoll, Australian firm has exploration license

WELLINGTON, New Zealand (Radio New Zealand International, Oct. 24, 2016) – A petition has been launched by two associations in a bid to halt the planned resumption of phosphate mining on French Polynesia's Makatea atoll. The mines were abandoned in 1966 but an Australian company Avenir Makatea has been exploring the raised atoll for two years after the French Polynesian

government gave it a licence. The associations, Fatu Fenua no Makatea and Rupe no Makatea, want the French environment minister Segolene Royal to intervene and save the island from exploitation. A member of the associations Sabrina Birk said the exploration was done without the consent of the landowners who now fear expropriation. "You cannot expropriate people if it's not in the general interest, public interest. And mining is not public interest; this is for economic reasons," she said. The petition said after the French nuclear weapons tests on Moruroa another destruction is looming.

Risks for Mining Companies in PNG

"PNG's political environment has historically been characterised by volatility, executive dominance, rampant corruption and deficient institutions"

JLT Group, 24 October 2016

Richly endowed with natural resources, a decade ago Papua New Guinea (PNG) was set to become one of the fastest growing economies in the Asia-Pacific. Yet the end of the commodities supercycle has seen the country's economy contract considerably, with serious implications for future political stability. On account of PNG's over-reliance on natural resources exports, the collapse of oil and precious metals prices in recent years has led to an increase in economic risks, and has further implications for future political stability as the economy struggles to readjust to reduced revenue streams and to diversify away from commodities based income. Government spending has had to be, and will continue to be, cut back. These cuts, particularly as an election approaches in June 2017, will be highly contentious. The government has little room to manoeuvre; public spending increases before the oil price collapsed will be difficult to claw back, while ongoing debt servicing payments still make up nearly 10% of government expenditure. The challenging economic conditions in PNG, combined with the upcoming election, only adds a further layer of complexity to investing.

PNG's political environment has historically been characterised by volatility, executive dominance, rampant corruption and deficient institutions. With an election approaching next year, political risks will increase. The challenging economic conditions in PNG, combined with the upcoming election, only adds a further layer of complexity to investing in the country, which may see miners delaying investment. PNG's reputation as a viable destination for foreign investment has been repeatedly tarnished in recent years. The decision of Rio Tinto in June 2016 to relinquish its stake in the Panguna copper and gold mine (Bougainville Copper Ltd) following a dispute with the government stretching back to 2014, and decades of controversy surrounding the mine, is the second high profile exit of a major mining company from PNG. While undoubtedly the mining sector holds considerable promise, the fact that two of the world's largest mining companies have exited the country in the last three years demonstrates the sheer scale of the challenge.

Alluvial gold price looks promising says MRA

Post Courier, October 24, 2016

ALLUVIAL gold production and revenue levels between 2014 and 2016 have naturally responded to the fluctuating gold prices on the world market. This is according to the managing director of the Mineral Resources Authority Philip Samar who said in 2016, MRA expects a further decline, with just 90 ounces being produced. In a statement released yesterday Mr Samar said, production had dropped from a historic high in 2014 of 120 ounces (oz) of gold which had netted K373.3million to 113 oz in 2015, generating K356.3million. However, he said because gold prices had increased substantially earlier in the year to an average US\$1340/oz, (K 4,247.27) and remained stable at that for almost six months (only dropping below US\$1200/oz), (K 3,804) the revenue side had been holding against the 2015 figures of K356.3million.

According to the statement revenue to date is K266.7million as at the end of Quarter-3 and MRA projects around K355.6million for the full year. On the upside, in the past 12 months there has been considerable interest in tenement applications within this sector especially for alluvial mining leases (AML) and associated joint venture arrangements. According to Mr Samar while some previously approved deals had collapsed, MRA remained confident that the future of the sector especially the ability to generate greater production and significant revenue, lies in mechanisation. Hence, the theme it is promoting at the upcoming Alluvial Mining Convention which will be held in Goroka on November 3-4, 2016. The entity had also noted an increase in gold smelting and refining opportunities in PNG from overseas investors. The conference is open to all and MRA is urging all to attend to not just learn about the sector but establish contacts as well.

Gold miner Zijin stands out as overseas acquisition pioneer

Post-Courier, October 24, 2016

Chinese gold mining firms have said for years they've been on the overseas acquisition trail, especially as the recent crash in commodity prices has sent asset prices tumbling. Few have managed to land any gilt-edged deals on foreign turf – but Zijin Mining is now standing head and shoulders above the crowd as being able to buy at just the right time. One of three state-backed gold miners listed on HKEX, the Xiamen-based Zijin has also been by far the most aggressive. It has spent around 7.9 billion yuan since 2010 on 13 transactions, mainly buying stakes in gold and copper projects in the Democratic Republic of Congo, Australia, Tajikistan, Papua New Guinea, Peru and Canada, more than double the 3.3 billion yuan it has invested in domestic mines. Its biggest deal was worth 2.52 billion yuan, for a 49.5 per cent stake in Canadian mining major Ivanhoe Mine's Kamoa copper project in the Congo in western Africa. It also bought Australia's Norton Gold Fields, which operates the Paddington mine in Western Australia State's Kalgoorlie region, outright last year in a transaction worth 1.44 billion yuan, raising its previous stake from 16 per cent in 2011 to 100 per cent. And in Papua New Guinea, later last year, it bought a half stake in the Porgera gold mine from the world's largest gold producer, the Canadian firm Barrick Gold Corporation for 1.82 billion yuan.

The deals attracted huge analyst applause, because the company's bold acquisition spree came when gold was fetching around US\$1,200 an ounce, some 37 per cent less than the US\$1,900 peak of 2011. When Norton was bought, it was US\$1,400. "Zijin pounced on the opportunity to bolster its own reserves when gold prices were near the cycle's bottom, and at a time when international miners were speeding up the disposal of assets," said China Galaxy Securities' analysts. Gold has traded in recent days at around US\$1,250, down from this year's peak of around US\$1,370 on concerns an imminent interest rate rise in the United States will raise the cost of holding gold, which does not earn interest. But analysts still remain upbeat that prices will continue to rise. ANZ senior commodity strategist Daniel Hynes cited in a recent note "rising inflation expectations, geopolitical issues and signs of improving physical demand" represented strong reasons for holding onto the yellow metal. They expect it to rebound to US\$1,375 in the first quarter of next year, once the "headwind" of any interest rate rise has passed. Foreign acquisition efforts by other Chinese gold miners, however, have proved a lot more frustrating.

Shandong province-based rival Zhaojin Mining Industry and China Gold International Resource – the sole overseas listed arm of the nation's largest gold miner China National Gold Group – have both failed to secure any international targets since going public in Hong Kong, despite scouring the globe for years. Size matters when it comes to overseas gold mine acquisitions, and risks have to be taken, according to analysts. "Zijin's larger scale and balance sheet has helped, it also has a bigger stomach to take on larger targets," Daniel Meng, an investment analyst at CLSA, told the Post. "The assets that smaller acquirers can consider buying are limited, since quality large projects are most

likely already in the hands of other miners.” Zijin, which also produces copper and zinc, has a market cap of around HK\$73 billion, compared to HK\$22 billion for Zhaojin and HK\$7 billion for China Gold. Meng noted that Zhaojin, which in the middle of last year bought what is likely to become China’s largest domestic gold mine at Zhaoyuan in Shandong province, is not under as much pressure to acquire assets abroad to boost its reserves, since that project is large enough to provide strong output growth and took up much of its available resources.

Zijin’s overseas successes have already started bearing fruit, helping the firm grow its production at a time when output from its mainstay Zijinshan project in Fujian province continues to decline. Zijinshan’s contribution to total output slid from 37 per cent in 2013 to 20.4 per cent in the first half of this year, while the shares from its biggest three overseas mines - led by the Papua New Guinea project - rose to 37.5 per cent from 22 per cent. Zijin pounced on the opportunity to bolster its own reserves when gold prices were near the cycle’s bottom, and at a time when international miners were speeding up the disposal of assets “Zijin’s foreign acquisition record is streets ahead of its Chinese peers,” said CLSA’s analyst Daniel Meng. “Although some investors have felt the valuations of certain assets it bought were on the high side, at [previous-year] price-to-earnings ratios of 20 to 30 times, Zijin has compensated by reducing production costs at those assets more than expected.” The Norton mine, and another gold mine joint venture in PNG with Barrick, are particularly good examples where huge cost savings were achieved, Meng said. Although Zijin’s net debt-to-equity ratio has surged from 11 per cent in 2010 to a relatively high 84 per cent at the end of June this year, as it finances its acquisitions primarily with cash and loans, Meng said the company’s methods are in line with other firms in Asia, which are taking on more debt as borrowing costs remain low.

Namibia approves world’s first marine phosphate mining project

African News Agency via Mining Weekly, 19 October 2016

The Namibian Ministry of Environment and Tourism (MET) has approved the marine phosphate mining application from an Omani mining company, paving the way for the opening of the world’s first ever sea-bed phosphate mining project. In a letter addressed to the company and circulated on local media, Namibian Environmental Affairs commissioner Teofilus Nghitila said the environmental impact management plan submitted by Namibian Marine Phosphate (NMP) was sufficient enough to mitigate the anticipated impacts of sea-bed mining operations. NMP is a subsidiary of the Omani mining joint venture company, Mawarid Mining, which is 85% owned by billionaire Mohammed Al Barwani while the remaining 15% stake is held by local company Havana Investments. The mine will cover part of a sea-bed phosphate concession that lies about 120km into the Atlantic Ocean, off the coast of Walvis Bay. “This letter serves as an environmental clearance certificate for the (marine phosphate mining) project to commence,” Nghitila said.

He said the company should carry out regular environmental monitoring and evaluation and set timelines for further improvement of the environmental impact management model. He said the plans should be advanced in line with government regulations. Among other regulatory demands, the company would be required to regularly monitor sea-bed and water quality and submit reports on a quarterly basis. “In view of the fact that your project is located in an environmentally sensitive area, this ministry reserves the right to attach further legislative and regulatory conditions during the operational phase of the project,” Nghitila said. However, he said the clearance letter did not ‘in any way’ hold the Ministry of Environment and Tourism accountable for misleading information or any adverse effects that may arise from the implementation of the project.

“If it is identified at any time during the environmental monitoring and reporting stages that significant negative environmental impacts have been proven to be associated with the proposed mining,

processing or beneficiation techniques, such operations will be terminated,” the commissioner said. Meanwhile, the ministry has called on members of the public and interest groups, such as fishing companies, to submit any objections to the phosphate mining projects to its offices across the country. Local fishing groups have vehemently opposed the proposal for marine phosphate mining saying it was a threat to the industry while environmental conservation groups said it would upset an already fragile marine ecosystem.

Papua New Guinea’s resources sector still has some ‘bright stars’, says Anderson

David James, Business Advantage, 19 October 2016

Times are undoubtedly tough in Papua New Guinea’s mining and petroleum sector, but as the industry prepares for its biennial conference in Sydney in December, the PNG Chamber of Mines and Petroleum’s Greg Anderson tells *Business Advantage PNG* there are still ‘bright stars’ to get excited about. In spite of encouraging rallies this year from gold and silver, global prices for mineral commodities remain low. PNG’s mining and petroleum industry is not alone in feeling the effects. Profits are down worldwide and exploration activity is at a low ebb. But experienced hands like Greg Anderson, Executive Director of the PNG Chamber of Mines and Petroleum, understand that the industry is cyclical in nature and that the preparatory work that will create the next upturn is already underway. ‘There are still some bright stars, in spite of the global situation,’ he tells *Business Advantage PNG*. Anderson and his team at the Chamber are preparing for the 14th Papua New Guinea Mining and Petroleum Investment Conference, set to be held at the Hilton Hotel in Sydney from 5 to 7 December. The biennial event, the industry’s major gathering, will provide a comprehensive overview of these positive developments, as well as providing updates on PNG’s many existing resource projects, including the ExxonMobil-led PNG LNG project.

More LNG to come

Anderson believes the takeover by ExxonMobil of InterOil (finally approved by a US court in the last week in September) will clear the way for greater synergies between the existing PNG LNG project and the Papua LNG project, the country’s second planned LNG development in which InterOil had a significant stake. He expects ExxonMobil and France’s Total SA, which is the designated operator of Papua LNG, to optimise the project. ‘Papua LNG is expected to be in the lower cost quartile of LNG projects around the world,’ he observes, indicating that prospects for financing of the second LNG project are positive. In addition to this, ExxonMobil’s promising efforts to develop the P’nyang gas field in Western Province could well underpin the opening of a third train at its LNG plant outside Port Moresby. That would be a significant expansion for a project already beating production targets.

Mining progress

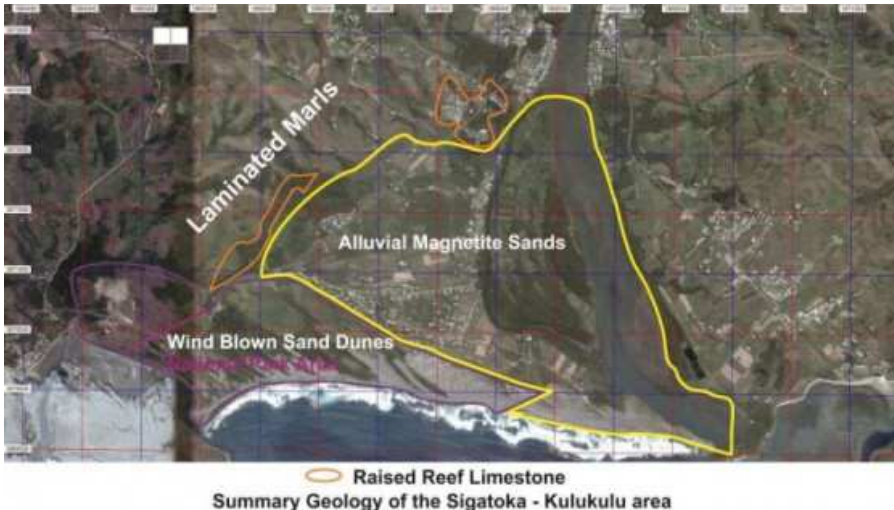
‘The highly promising Frieda River and Wafi-Golpu copper-gold projects continue to make significant progress towards commencement,’ notes Anderson. PanAust, the developer of the Frieda River project, applied for its mining lease in late June, less than a year after being acquired by Chinese provincial investment fund, Guangdong Rising Assets Management. Newcrest Mining and joint venture partner Harmony Gold are not far behind, having applied for a special mining lease for Wafi-Golpu only last month. Nor has exploration activity altogether stalled in PNG. Harmony Gold, which only this month ramped up its presence in PNG by acquiring joint venture partner Newcrest’s 50% share of the Hidden Valley gold mine, is getting exciting results from its Kili Teke prospect in Hela Province. Latest estimates suggest a resource of some 1.2 million ounces of gold and half a million tonnes of copper. Meanwhile, Anglo American and Highlands Pacific are continuing exploration activity in their joint venture in the Star Mountains in West Sepik Province, north of the Ok Tedi copper-gold mine.

New Act

If there's one key issue outstanding for miners, it is the proposed new Mining Act. Despite a lengthy drafting process, industry still has many major outstanding issues with the current draft. Anderson says what PNG needs is 'a continuation of our successful internationally competitive and stable legal, fiscal and regulatory regime so that benefits such as royalties, employment, education and training among others are maintained and that there is continuous growth in both the mining and petroleum sectors.'

Concern over Fiji river mining

Felix Chaudhary, The Fiji Times, October 18, 2016



DESPITE assurances by the parent company of a mining project near the mouth of the Sigatoka River that environment impacts would be minimal, some residents remain concerned. Robert Kennedy, a member of the Western Division development committee said people needed to understand all the implications of the proposed project by Magma Mines Ltd, a subsidiary of Australian company, Dome Gold Mines. "I was there when this iron-sand mining project was first suggested and I had expressed reservations because of the possible implications to tourism properties and historical sites," he said. Mr Kennedy is also the owner and operator of Sandy Beach Cottages at Korotogo near Sigatoka. "My understanding is that once the heavy minerals are taken out of the sand, the residual sand becomes lighter and it will float and affect reef area and coral around the river mouth and out to sea."

Magma Mines Ltd also plans to conduct drilling work on Korura Island near the mouth of the Sigatoka River. Mr Kennedy said the island was considered historically significant because of the number of prominent citizens who were buried there. "These are some of the early Europeans and other people who contributed significantly to the establishment and development of Sigatoka and it would be a real shame if mining work is allowed on the island. "I would urge all the authorities concerned and the people of Sigatoka to reconsider allowing mining of the river because of the impact on the environment and also on historic Korura Island." Mineral Resources director Rajjeli Taga said the Department of Environment had given the project the go-ahead after completion of the environment impact assessment carried out by an independent organisation.

Australian Mining Company Gets Iron Sand Exploration License In Fiji

By Felix Chaudhary

SUVA, Fiji (Fiji Times, Oct. 18, 2016) – An Australian company has been granted a mineral exploration licence covering more than 2522 hectares or 25.22 square kilometres near the mouth of the Sigatoka River. *[PIR editor's note: On Oct. 18, 2016 Fiji Times reported that 'About 100 new jobs could be created if Magma Mines Ltd's iron sand exploration project near the Sigatoka River mouth proves to be feasible. ... CEO Jack McCarthy said locals from surrounding villages were involved in the initial exploration works and more employment opportunities were on offer if the site proved to be sustainable for a full-fledged iron-sand extraction project.]*

Mineral Resources director Raijeli Taga said Magma Mines Ltd, a subsidiary of Dome Gold Mines, has been given a licence to explore the river bed largely for iron sand. "As such, it is not yet a mining project but it is an advanced mineral exploration project," she said. "The project is at the pre-feasibility stage whereby the company undertakes preliminary studies to ascertain whether it could progress to feasibility stage. "At the said stage the study will demonstrate the economic feasibility of the proposal and certainty of reaching mine development phase. "The company has undertaken an environment impact assessment of the whole area of the exploration and have carried out consultations with involved stakeholders from the public and also from regulatory agencies. Approval has been given by the Department of Environment."

[PIR editor's note: On Oct. 18, 2016 Fiji Times reported that 'Despite assurances by the parent company of a mining project near the mouth of the Sigatoka River that environment impacts would be minimal, some residents remain concerned. ... Robert Kennedy, a member of the Western Division development committee said people needed to understand all the implications of the proposed project.] Ms Taga said work on the mineral exploration project has not commenced because of ongoing discussions with the Agriculture Ministry's Land and Water Resources Management Division about proposed dredging of the Sigatoka River.

Lihir benefits not shared properly: Lawyer

October 18, 2016 The National Business

A GOVERNMENT lawyer has conceded that benefits from the Lihir gold operations have not been properly shared since 1997 when the mine began operations. Benjamin Passingan, the principal legal officer with the Conservation and Environment Protection Authority (Cepa), told the people of Londolovit last week in Lihir that their concerns pertaining to lack of benefits "are substantive issues. It raised powerful issues that the State is required to take note of in terms of benefit sharing". "We, the State, need to find answers to these issues in an expeditious manner," he said. "It is good that we are hearing it now from the (Londolovit) people. The issue of the LMALA (Lihir Mining Area Landowners Association) is now becoming clearer." Passingan was responding to a six-page submission by the Londolovit water resource owners of Lihir Island.

The Londolovit River is where Newcrest Mining, the operator of the Lihir Gold Limited, extracts water from for its operations. Passingan was one of the four officers from Cepa sent as an "advance team" to Lihir to look at outstanding water issues of the Londolovit community. Cepa's deputy managing director Dilu Muguwa was impressed with the detailed responses by the people through the Londolovit Sagomana Association. He promised to pass on their grievances to the Minister for Environment, Conservation and Climate Change John Pundari. Muguwa said a team comprising officers from the Mineral Resources Authority, Cepa, State-Solicitor and Department of Prime Minister and National Executive Council would visit them again on October 24 to reply to their grievances.

MCC sets new production record

The National, October 17, 2016

THE exportable mixed hydroxide precipitate output from the Ramu NiCo project in Madang set a record last month – a production capacity of 95.2 per cent. According to operator Ramu NiCo Management (MCC) Ltd, the achievement sets a new record since the project load commission in December 2012. The company in a statement said total production was 7100.49 tonnes. Metal nickel was 2637.87 tonnes while metal cobalt was 264.45 tonnes. The company reported that based on the working principle of “stabilise and improve production” and subtle management at the Kurumbukari (KBK) mine and Basamuk refinery. Both successfully completed their monthly target with production cost at both sites greatly reduced.

However, the company still recorded a great loss due to the low nickel price and high operational cost. The company had taken measures to control operational costs including reducing bulk materials. “The Ramu NiCo management team had set up the operational principle of compliance in safety, operation at high efficiency, processing at stable and proper maintenance for both KBK mine and Basamuk refinery for the remainder of 2016 to reduce deficit.” MCC manages the Ramu Nickel project on behalf of the Ramu Nickel Joint Venture. The project boasts a total reserve of 140 million tons of nickel including over 78 million tons that are proven and mineable. It employs integrated processes including mining, concentration and refining.

ExxonMobil supports EITI

October 17, 2016, The National Business

By GEDION TIMOTHY

EXXONMOBIL PNG says it strongly supports Papua New Guinea’s efforts to achieve Extractive Industries Transparency Initiative candidacy. The initiative is a global standard which sets the yardstick for implementing countries to be measured against in their effort to improve transparency and accountability in the management of revenues derived from oil, gas and minerals. The National had sought clarification from ExxonMobil whether, as the operator of the PNG LNG Project, it urged the Bank of Papua New Guinea not to publish LNG exports figures in its trade statistics published in March this year. The Bank of PNG had deliberately omitted the LNG exports on the trade table with a footnote saying “LNG export volumes were not provided due to concern by the company on disclosure of information”. BPNG declined to comment when approached for a clarification on Friday.

The ExxonMobil PNG spokesperson said: “ExxonMobil PNG strongly supports Papua New Guinea’s efforts to achieve Extractive Industries Transparency Initiative (EITI) candidacy, and have been – along with other industry and civil society stakeholders – part of the process alongside the PNG Government. “Good governance and revenue transparency are critical to ensure that the value of the country’s natural gas resources leads to a higher standard of living and increased opportunities for the people of Papua New Guinea. “Our revenue details are included in the most recent reports (2013 year) and we publish our annualised production figures, which was 7.4MTPA (million tonne per annum) in 2015. “To date 237 cargoes of LNG have been shipped. PNG LNG commenced production in 2014.”

PNG Energy Secretary: No Hides Payments Until Court Clears Injunctions

Clarification of payment withholdings that contradicts claims by the opposition leader

By Jeffrey Elapa

PORT MORESBY, Papua New Guinea (PNG Post-Courier, October 14, 2016) – Petroleum and Energy Secretary, David Manau, says the State cannot pay its commitments to the landowners until court injunctions are resolved. Mr Manau warned that it will be in direct contempt of court if the State, through its agencies, go ahead to pay Hides Gas landowners. He said the State has agreed to pay the Hides landowners K35 million [US\$10,749,000] recently through the Hides Special Purpose Authority for projects but when they were about to pay, a disgruntled group of landowner went to the court again to stop the payment. He said the Government has not deliberately stopped or lied to the Hides Gas landowners in paying the K35 million [US\$10,749,000] funds. Mr Manau while responding to a media statement by the Opposition Leader Don Polye who claimed the state had lied to the landowners and continues to test their patience. Mr Manau said the holdback in the payment was because of the court's decision to restraint them from executing the payment until all matters are resolved.

He said the Prime Minister and Minister Nixon Duban are committed to the landowners will deliver once court injunctions in questions and legal issues are cleared. Mr Polye said the Government has continued to test the patience of Gulf, Hela and Southern Highlands landowners. Mr Polye says continuous empty promises by Prime Minister and his Finance Minister, James Marape will eventually put the country's multi-billion kina oil and gas projects at risk. He also said, the Prime Minister and his Ministers have promised K35 million [US\$10,749,000] in outstanding commitments under the UBSA agreement to be paid to the landowners of Hides PDL 1 and 7 after the gates to the conditioning and other PNG LNG project sites were reopened gates. Mr Polye says the Prime Minister was full of empty promises and continues to lie to the landowners.

BHP Billiton slammed for tax avoidance and dishonesty by former treasurer Wayne Swan

Rebecca Hyam, ABC News, October 13, 2016

Former Labor treasurer Wayne Swan has taken a huge swipe at the mining giant BHP Billiton, accusing the company of tax evasion and lying to the former Labor Government during the height of the mining tax debate. Mr Swan told Parliament yesterday that BHP employed the practice of transfer pricing, or profit shifting to lower-tax overseas jurisdictions, to avoid paying taxes on billions of dollars in profits between 2005 and 2014. He accused the miner of selling Australian minerals to its Singapore marketing hub to avoid paying taxes on the profits, which totalled \$5.7 billion. Speaking to Radio National this morning, Wayne Swan said the company had been engaging in practices that were against the national interest.

"For a long period of time, they've been involved in very aggressive transfer pricing, that is profit shifting - taking profits that they've made in Australia, shifting them to Singapore and then paying no tax in Singapore, or very little tax, and pretending that this is all done in the name of a marketing hub," he said. "It is terrible behaviour from the big Australian, it's un-Australian behaviour." Mr Swan said that BHP Billiton had since been forced to pay a \$1.4 billion bill for back taxes to the Australian Taxation Office. BHP Billiton responded to Mr Swan's allegations, saying it paid its "fair share" of tax both in Australia and globally. The company said it has paid about \$65 billion in taxes and royalties over the past decade, and the amount in dispute with the ATO is less than 2 per cent of that figure.

"Our Australian adjusted effective tax rate, inclusive of corporate tax, Petroleum Resource Rent Tax and royalties in financial year 2016 was approximately 57 per cent," a BHP Billiton spokesperson said. "Our global rate was slightly higher at 59 per cent." Mr Swan told Radio National those figures were fanciful. "That's just laughable and I don't know where they get that figure from and they'll have to justify that figure in the court of public opinion," he said. Mr Swan also said that when the

mining tax debate was dominating politics in 2010, BHP Billiton had inflated the impact of the Minerals Resource Rent Tax on its business, while it channelled its profits through foreign tax havens. He also accused BHP Billiton of failing to publicly disclose the fact that the Australian Taxation Office had been auditing its tax arrangements at the time.

\$3.7m study to reveal deep-sea mining impacts in New Zealand

New Zealand Herald, 11 October 2016



A new \$3.7 million study will assess potential impacts on seafloor life from proposed seabed mining operations.

The potential environmental impacts of controversial deep-sea mining will be investigated in a new multi-million dollar study. Dr Malcolm Clark, a fisheries scientist at the National Institute of Water and Atmosphere (Niwa), said a lack of knowledge about life on the seafloor and how it could be affected had been one of the major factors that led the Environmental Protection Authority to refuse the two off-shore mining applications lodged so far. There were particular concerns around impacts from sediment plumes, created by disturbance to the seafloor and mining operations discharging the processed water back into the ocean. Clark is now leading a \$3.7 million programme to tackle the questions. While the Government has stated a strategic priority to reap benefits from seabed resources, the sustainability and integrity of the natural environment also had to be maintained, he said.

What we know about the structure of deep-sea communities remained limited, Clark said; it's estimated that only 20 to 30 per cent of the seafloor species have been formally described. "Of particular importance, however, is a lack of knowledge of the key species or communities that drive ecosystem function, and when human activities could tip a system from the one we know to something different." In deep sea environments, this was especially tough to study, given the cost of funding the large ships and technology needed for the research, and the fact that the ecosystems themselves were so large. Of those research expeditions that had been led, nearly every survey had recorded new species, and there was much more to discover. Global estimates of the number of known marine species total 250,000 - but scientists believe this figure is only about one quarter of what is believed to really be out there.

While we know more than 15,000 marine species inhabit our coastal waters and ocean territory, it's estimated there may be a further 50,000 yet to be found. "This means that extensive and detailed biodiversity surveys are required to characterise the baseline conditions of any proposed area before mining can be considered." The study would test the belief that life is highly sensitive to sedimentation stirred by seabed disturbance, and investigate specific impacts, any differences in resilience and prospects for recovery. Clark said we already knew what general effects could be expected from se-

abed mining, ranging from physical damage to the seafloor as it was mined, to those that could affect a wider area, through sediment plumes that could bury animals, or eco-toxic releases that could contaminate environments. Yet, because deep-sea mining had not yet taken place anywhere in the world, the actual effects were uncertain.



Members of Ngati Ruanui iwi, of Patea, last month presented to Parliament a 6000-signature petition opposing seabed mining, following a fresh bid by Trans-Tasman Resources. Photo: Mark Mitchell

Most studies to date had focused on the direct impact of disturbance, and there had been little work looking at the effects of sedimentation from deep-sea mining. Work that had been carried out in shallow water couldn't be applied to what might be expected in deep-sea habitats, where effects would vary between sites and depths. But Clark said it could still be assessed how ecosystems responded to decreased light levels, how their feeding or respiration was affected and whether such effects were lethal or could be tolerated for certain periods of time. The Niwa-led study would combine in-situ observations on the effects of sediment deposition with lab-based experiments. Areas of the seabed would be disturbed, then closely monitored by ship-based surveys, with sampling to be repeated over time to determine which seafloor communities were more affected than others, and whether species and communities could eventually recover. The churned-up sediment itself would also be assessed to refine plume models that predict spread, while back in labs, experiments would use live deep-sea coral and sponge species to assess their resilience.

Ultimately, the research would define the levels at which sediment impacts became ecologically damaging and offer insights into how such impacts might be reduced. Clark expected the study would be mainly used by mining companies as part of impact assessments and management plans, but also by fisheries companies assessing effects of bottom trawling. But he said the science wasn't being carried out in support of what remains a controversial industry. "The work is not about advocating for a new industry, but to provide environmental managers with information that is needed to evaluate the nature and extent of potential impacts on deep-sea communities, and what measures could be needed to reduce these effects if mining was allowed to proceed," he said.

"Science around environmental effects of any activity is balanced with social and economic issues, and that is one of the roles of the EPA that requires more information on the long-term sustainability of affected ecosystems." The study comes as company Trans Tasman Resources (TTR) has drawn fresh protest with a second attempt to mine ironsands on the South Taranaki Bight, two years after its first bid was rejected by the EPA. TTR executive chairman Alan Eggers has described the area where it wants to extract 50 million tonnes of seabed material each year, in waters 20m-42m deep, as "a largely featureless area of naturally shifting sands and sediments colonised by hardy species of common forms of marine life of no unique or special ecological significance".

Off-shore mining in New Zealand

- No application to mine on New Zealand's sea floor has succeeded. Trans Tasman Resource's first bid failed in 2014 after the EPA raised concerns about the impact on the environment, iwi and fishing interests, and its economic benefits.
- Last year, an application by Chatham Rock Phosphate Limited was also rejected, with the EPA concluding its operation would cause "significant and permanent adverse effects" on the seabed environment at its proposed site on the Chatham Rise off the coast of Canterbury.
- Last month, TTR lodged a second application, prompting a protest hikoī led by Taranaki iwi Ngati Ruanui and delivering to Parliament a 6000-signature calling for a moratorium on seabed mining.

Download: Solomon Islands draft National Minerals Policy

PNG Mine Watch, October 11, 2016



National Minerals Policy

Ministry of Mines, Energy and Rural Electrification

Solomon Islands

Forward

While Solomon Islands has, at the time of writing, no active mines, it is nonetheless currently experiencing unprecedented levels of mineral exploration. This exploration is taking place in many parts of the country both onshore and offshore, and these exploration efforts may result in the discovery of commercially valuable minerals. While there is no doubt an abundance of minerals, our limited land mass and the scattered islands mean that the impacts of mining are heavily felt. There is little room for error and we have few opportunities to get the sector right. For this reason, it is more vital than ever that the country attracts reputable investors who are able to work alongside the Government, building responsible practices and ensuring that there is a good balance between commercial gain, local benefits, and environmental and social risk.

The recent closure of Gold Ridge mine (and its continued declaration as a disaster zone), the lengthy court case involving the Isabel nickel deposit, and the explosion of bauxite mining – most significantly felt in Rennell Island – have left a mark on the mining sector in Solomon Islands. It has highlighted the urgent need for the sector to have a vision, and for changes to be made to mining legislation left largely untouched since 1990. Above all, mining must avoid the malign outcomes experienced in both the logging industry and elsewhere in the Pacific.

Mining by its basic nature is not sustainable over the long run. Minerals are a non-renewable resource, and we must plan wisely for minerals-led sustained development even after our minerals have been depleted. Implementing a holistic minerals policy that takes into account both the short and long-term aspirations of our nation and its people in fundamental to making the most of these

resources. To do this, the development of the sector must look beyond the mere payment of land-owner compensation and collection of taxes to ensure that future generations will continue to enjoy a healthy environment and bettered circumstances. Traditional values need to be respected in the pursuit of a better life for our people, and it is important that as we move forward, the respective rights and roles of government, impacted communities, mining companies and others be carefully defined and integrated.

Our present system of mineral sector regulation is far from perfect. Experience has demonstrated that we are faced with numerous challenges that must be addressed. First and foremost is the need to situate mining within a Solomon Islands specific climate. This is necessary to understand and negotiate the social and cultural issues that underpin the viability of many mining activities. In addition, and critical to our ability to secure sustainable benefits from the mining sector, is the need to manage volatility in revenue due to shifting commodity prices and sector productivity. This is contingent on our ability to regulate and tax the sector in a manner beneficial to all and by embracing efforts to improve approaches to mineral sector regulation and economic diversification. This National Mineral Policy (NMP) provides a vision and objectives for the mineral sector and additionally outlines the steps that can be taken to achieve this vision.

This document is a long time arriving. This policy builds on work that is the result of an intensive year long collaborative process. The MMERE has headed this effort and has sought the insight of: national, provincial and traditional leaders; landowners and communities, non-governmental organisations; industry stakeholders; technical experts; multilateral institutions; and other parties. We will continue to learn from our mistakes and successes, and it is intended that this NMP, including its objectives and approaches, will evolve over time. This NMP sets out an ambitious agenda. Our work is cut out for us, but by working hard together, I believe that our emerging mineral industry can flourish in a way that is mutually beneficial to both investors and the people of our country.

Download the draft National Minerals Policy: [nmp-draft-v2-2-for-public-distribution](#)

Only 5% of oil and gas companies operating in Australia pay resource tax Heath Aston, Sydney Morning Herald, 11 October 2016



LNG projects are at the heart of a "fossil-fuelled roort"

Just five per cent of oil and gas projects operating in Australia are paying anything towards the Federal Government's royalty-like scheme designed to share the wealth generated by the nation's resources with the public that owns them. As pressure builds for a parliamentary inquiry into the petroleum resource rent tax, Fairfax Media can reveal that just eight out of 149 resource projects currently generating revenue contributed a cent in PRRT in 2014-15. The Australian Tax Office is con-

cerned that the petroleum resource rent tax will not deliver anything over time. The as-yet-unpublished figures from the Australian Tax Office will add to concerns by some academics and tax transparency campaigners that Australians are being short-changed by the boom in liquified natural gas exports. On Monday, the Greens backed a parliamentary inquiry into what Senator Larissa Waters called a "fossil-fuelled rot" while Treasurer Scott Morrison hinted at some concern within government. "The Treasurer will continue to take advice on sensitive tax matters such as this," said a spokesman. ATO data shows the oil and gas industry, which is now dominated by multinational-operated LNG projects off the Western Australian coast and Queensland's coal seam gas sector, had revenues of \$25 billion last year.

But the design of the PRRT, which is a rent based on super-profits rather than a flat royalty, allows companies to write off exploration and other capital costs against revenue before being forced to pay any PRRT. The ATO figures shows the total "carry-forward expenditure" of the industry has risen to \$187 billion. Effectively, that means the sector can pocket sales of \$187 billion before being forced to pay any PRRT. Resource tax experts like Diane Kraal, a senior lecturer at Monash University, say the picture is worse because generous "uplift rates" like the 18 per cent rate applied to exploration costs mean carry-forward expenditure grows by that percentage every year that they are not used against revenue. According to the ATO, total carry-forward expenditure grew sharply from \$128 billion in 2012-13. Ms Kraal has warned that the PRRT will not deliver any significant revenue "in her lifetime" if its design is not overhauled.

On Monday, Fairfax Media revealed that Qatar, which will lose its crown as the world's biggest LNG exporter to Australia in 2020, will receive \$26.6 billion from its LNG sector in that year. Treasury forecasts Australia to receive less than \$1 billion in PRRT in 2020. Oil and gas peak body, the Australian Petroleum Production & Exploration Association, defended the industry on Tuesday, saying "PRRT was never intended to be paid by all projects at all times". "It is a super-profits tax so it only applies when projects achieve super-profits," said APPEA chief executive Dr Malcolm Roberts. "The PRRT is just one of many taxes paid by the industry. The combination of company tax, state and federal royalties and the PRRT adds up to more than 50 cents in every dollar of profit. "Taking all these taxes into account, the oil and gas industry pays the highest effective tax rate of any industry in Australia."

In October last year, Chevron, the US-owned company that owns Gorgon, the world's largest LNG plant, which is located in Commonwealth waters off WA, was hit with a \$300 million bill by the Federal Court for tax avoidance. When it sought approval for Gorgon and sister project Wheatstone, Chevron promised it would contribute "\$338 billion to Federal Government revenue" by 2040. Asked whether this was guaranteed, Mr Roberts said: "The revenue to government from any project will depend on market conditions over the life of the project – when commodity prices rebound, government revenues will benefit."

Fiji: State pleads with chiefs over Bauxite Mining

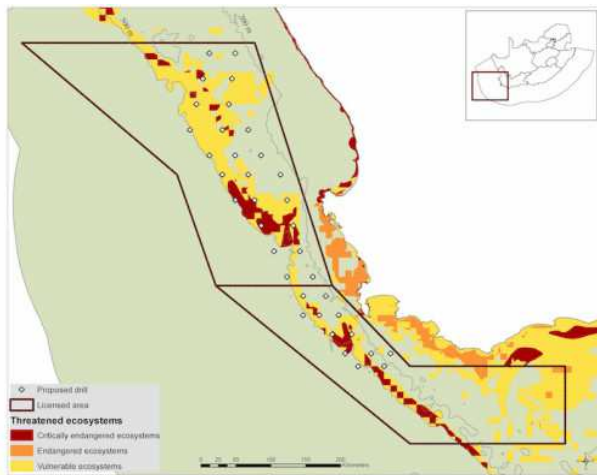
Luke Rawalai, The Fiji Times, October 10, 2016

CHIEFS in Bua have been advised to seek sound advice from Government departments and various organisations before entering into bauxite mining projects. Speaking while officially opening the Bua Provincial Council meeting last week Ministry of iTaukei Affairs permanent secretary Naipote Katonitabua said chiefs needed to acquire the consent of mataqali members before entering into any contract. He said chiefs needed to be mindful of the dialogue that needed to be undertaken with respective stakeholders. Deliberating on their roles, Mr Katonitabua told chiefs that they needed to work closely with their respective provincial council offices. Reflecting on the procedures, Mr Katonitabua said that they were put in place to ensure that natural resources were not overexploited.

He appealed to chiefs to conduct meetings and consultations with respective stakeholders before making any decisions on the mining of minerals such as bauxite or any projects affecting their natural resources. He said chiefs and traditional leaders played an important role in setting out the proper platforms for talks to take place regarding matters affecting people under their leadership.

Coalition lobbying for ban on experimental marine mining in South Africa

Heather Dunmore, Business Day Live, October 10, 2016



The Safeguard Our Seabed coalition says phosphate mining prospecting rights overlap with threatened ecosystems and fishing grounds.

PHOSPHATE mining of the seabed, known as bulk marine sediment mining, has never been done and is a major concern for leading marine scientists worldwide. SA is about to become the testing ground. Despite objections, three rights have been granted by the Department of Mineral Resources to prospect for marine phosphates, predominantly used for fertiliser. This extremely destructive form of mining requires dredging up the top 3m of the seabed, destroying critical, delicate and insufficiently understood sea life in its wake. "Two prospecting rights were granted in 2012 and one in 2014; the three extend over 150,000km² or 10% of SA's marine environment, known as our exclusive economic zone," says Saul Roux, a legal campaigner for the Cape Town-based nonprofit Centre for Environmental Rights. Roux has been appointed as part of a WWF Nedbank Green Trust project called Safeguarding Our Seabed, which has among its objectives ensuring a moratorium on bulk marine sediment mining, which he describes as "the height of irresponsibility". He has a master's degree in biodiversity and conservation and is completing his PhD. "There is already immense pressure on our oceans, with 98% of our exclusive economic zone leased for offshore oil and gas exploration or production, and only 0.4% officially protected," says Roux. "This is considerably below our commitment of 10% according to the Convention of Biological Diversity, of which we are signatories."

The marine phosphate prospecting rights overlap with SA's major fishing grounds, its critically endangered seabed and nine proposed protected areas. The benthic zone — the ecological region at the seabed or sediment level, and the sub-surface layers — are highly productive ecosystems that constitute the building blocks of larger marine systems where many species breed, spawn and feed. The prospecting rights extend offshore from the northern reaches of the West Coast, down to Cape Town and up to Mossel Bay. The areas are located between 200m and 2,000m depth contours, with the shallowest at 5m. "We are highly concerned about the type of technology used for bulk marine sediment mining, which is similar to strip-mining the sea floor, with giant dredge vessels scooping up a 3m layer from the seabed and causing the direct destruction of seabed habitats," says Roux. The dredging also releases hazardous substances that are normally locked into the seabed, including radioactive materials, methane, heavy metals and hydrogen sulphide. This can destroy wildlife and

cause many commercial fish stocks including hake, to be not fit for consumption. Roux says after the sediment layer is scooped up, it is suctioned on board a vessel in which the larger phosphate-bearing sediment is separated. Significant quantities of freshwater are required for this.

The excess water and fine particulates are poured back into the ocean, creating a giant sediment plume that buries and smothers seabed ecosystems and disturbs the marine environment by affecting water quality, photosynthesis and plankton. The noise from the mining process will also affect and potentially damage marine mammals. Research from across the world indicates that the impacts of the dredging are potentially irreversible. Three private companies have acquired the three prospecting rights, each about 50,000km². South African companies Green Flash Trading 251 and Green Flash Trading 257 each acquired a right. The two companies are virtually identical, seemingly set up separately to create the impression that the owners do not have a monopoly. They have no experience in marine mining and it appears they were established solely for marine phosphate prospecting.

Diamond Fields International, a Canadian mining company with marine exploration and mining rights in other jurisdictions, also has a right to prospect SA's coast. "These rights were granted by regional managers with no experience of dealing with offshore applications of this kind. Our existing mining laws are wholly inadequate for dealing with seabed mining," says Roux. "The current Mineral and Petroleum Resources Development Act does not deal with offshore mining and there is no capacity for compliance monitoring and enforcement or to properly assess applications in terms of environmental and socioeconomic impact," he says. "They granted the rights without sufficient knowledge of how marine ecosystems work and despite the fact that they overlap with massive fishing grounds and critically endangered ecosystems." Roux says that in 2013, when the Centre for Environmental Rights applied for access to the information and the policy documents on seabed mining that guided the department's decision to grant the exploration rights, access was denied. There was no response to an appeal against the denial.

Other countries facing marine phosphate-mining applications have either denied them or placed a moratorium or permanent ban on bulk marine sediment mining. In Australia, the government in the Northern Territory imposed a moratorium three years ago, while further environmental and risk assessments are conducted. Namibia placed a moratorium on marine phosphate mining in 2013. In 2014, New Zealand denied applications for marine phosphate mining while in 2016 Mexico's federal environmental authority denied a licence for the Don Diego marine phosphate mining project. "With WWF Nedbank Green Trust funding, which came into effect in 2015, we are now working towards securing a moratorium on bulk marine sediment mining in SA through the Safeguard Our Seabed coalition, which we helped to establish," says Roux.

This includes 11 member organisations including commercial and small-scale fishing, organised labour, environmental and environmental justice organisations. The coalition has been engaging with stakeholders in Namibia and other countries that confront similar seabed mining proposals. In March last year, the Department of International Relations and Cooperation, in partnership with the Department of Mineral Resources, the International Seabed Authority and the South African Council for Geoscience hosted a seminar on seabed mining. Mineral Resources Deputy Minister Godfrey Oliphant told the seminar that "the world demand for minerals continues to increase and some terrestrial resources are becoming depleted". He added that "African countries had to share in the potential benefits arising from seabed mineral exploitation".

Watch the Advent of Deep Sea Mining Unfold With this Big Data Tool

Becky Ferreira Vice, 5 October 2016 via PNG Mine Watch, October 10, 2016

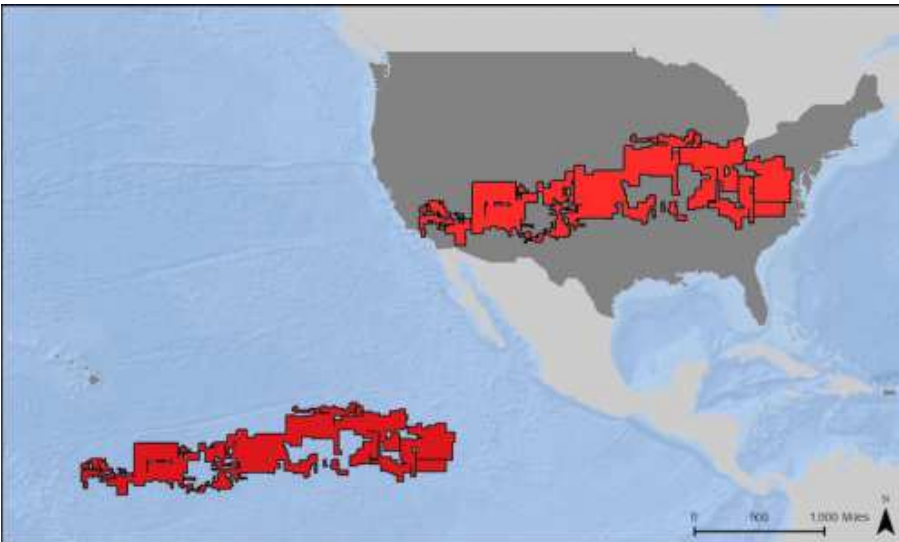


Screenshot of Deep Sea Mining Watch. Image: Benioff Ocean Initiative/Deep Sea Mining Watch

The deep sea is the most mysterious realm on Earth, and remains virtually untouched by human activity. But this vast wilderness may soon experience a rude awakening. Over one million square kilometers of ocean floor, between 800 and 6,000 meters deep, have been earmarked for exploration by mining companies. While seabed mining has occurred at shallower locations within national borders, it has never been conducted in deep international waters before. Unlike the offshore oil industry, which has been drilling in underwater environments for decades (with sometimes devastating consequences), the machinery required to mine gold, zinc, nickel, copper, manganese, and other valuable minerals from the deep sea is only now reaching maturation. It may be less than a year before this type of industrial extraction kicks off, and vessels are already prospecting to get a sense of their potential yield.

Now, you can track these ships online with Deep Sea Mining Watch, a web tool launched on Wednesday at the Dreamforce software conference in San Francisco. It's the first public platform that allows users to directly follow the movements and distribution of these vessels, according to Douglas McCauley, director of the Benioff Ocean Initiative and a marine biology professor at UC Santa Barbara. "Our philosophy is just serving up information, trying to make it more accessible, and letting people know exactly where and what is happening with this industry in the oceans," McCauley told me over the phone. The tool's dataset is generated by automatic identification system (AIS) trackers that ships are required to carry to prevent collisions with other ocean traffic. McCauley and his team previously used this method for a project called Global Fishing Watch, which uses AIS trackers to monitor fishing vessels around the world, in part to ensure that they don't exploit protected areas.

"Everyone behaves more responsibly when they have a tracker attached to them," he noted. For Deep Sea Mining Watch, the team developed new parameters to sift for signs of ocean prospectors in a dozen regions across Pacific, Atlantic, and Indian Oceans. "You can have a fishing vessel that can be pretty small, but you can't have a small mining vessel," he explained. "We started searching for big vessels that are doing particular kinds of mining and prospecting-associated behavior. That's how we pull them out of the billions of data points about all vessels that are floating around on the ocean." The map illustrates the growth of this emerging industry. For instance, this graphic from the new tool displays claimed regions stretching 4,500 kilometers across the equatorial Pacific Ocean, a distance roughly equivalent to the diameter of the continental United States.



Claimed sites in the Pacific. Image: Benioff Ocean Initiative/Deep Sea Mining Watch

Even ocean experts like McCauley were surprised at how actively the seabed is being probed for minerals, now that companies have developed the technologies necessary to extract them. “I thought, ‘wow it’s actually happening and these vessels are out there searching around inside their claims’,” he told me. “I think that same epiphany, or that same kind of connection to the reality of this, is what we’re hoping to inspire for anybody who jumps on the tool. It’s not the material of *The Abyss*, or science fiction. This is something that we’re able to do.” The question is: Should we do it, and if so, to what extent? The intimidating 300-ton bulk cutters that mining companies plan to drive through these undisturbed regions will no doubt tap into a wealth of new resources, but they will also disrupt delicate seafloor ecosystems that we know next to nothing about.



Concept art of bulk cutter. Image: N.R.Fuller

“These are often very ancient, very slow-growing ecosystems,” McCauley pointed out. “Species are found there and nowhere else on the planet, and many of the species are just getting discovered. So, the prospect that you are going to grind a road on that space and then roll one of these 300-ton robots over the top of it and suck it all out—that makes a few alarm bells go off in terms of what the impact would be.” Indeed, these hulking machines would not only be disrupting life in their direct path. They are also expected to create a lot of noise pollution, while kicking up plumes of sediment that could choke out organisms in higher escalons of the water column. They might even contribute

to climate change by disturbing normal carbon storage processes in the ocean. Some companies have acknowledged the potential environmental costs of seabed mineral extraction, including Nautilus Minerals, the industry's main trailblazer, which is headquartered in Toronto. But Nautilus CEO Mike Johnston has argued that it would be more damaging to continue mining solely on land than to open up this new frontier.

"Growing copper demand requires our industry to look at more sustainable ways to meet this demand," Johnston said in a statement. "As showcased in Earth Economics' Report, seafloor mining has the potential to not only provide economic benefits within the communities nearest to the operations while minimizing the impact of copper mining, it also has the potential to change the physical nature of the mining industry for the better." The Jamaica-based International Seabed Authority, an intergovernmental organization established in 1982 by the United Nations, is responsible for balancing the interests of the mining industry with environmentalists and advocacy groups. "It is a brand new legal space and technological space," McCauley told me. "The International Seabed Authority has been writing the rules literally as they go forward because we have never mined in the oceans, and we are figuring out how to do it." To that point, tools like Deep Sea Mining Watch will play an essential role for public activism about seabed mining and its consequences. "I think it will at least make people want to engage more with the question when you see and learn about the slow life history and the unique species that are being discovered," McCauley said.

New Zealand seabed mining company's Chinese investor was caught up in 2010 bribery scandal

SIMON O'CONNOR/Stuff.co.nz, October 10, 2016

A Chinese company once caught up in a multi-million dollar bribery scandal is a key investor in a New Zealand company proposing to mine iron ore off the South Taranaki coast. The Tianjin Rock Check Steel Group is a Chinese company with a 6.6 per cent share and a place on the board of directors at mining company Trans Tasman Resources, TTR. TTR has applied to mine iron ore in a 66 square kilometre area of seabed off the South Taranaki coast. It is the company's second application after being denied in 2014 because not enough was known about the potential environmental impacts of the mining on the area.



Rock Check Steel Group is based in Tianjin, China, and headed by president Rhonghua Zhang.

In 2010 its Chinese investor Rock Check was embroiled in a bribery scandal that involved millions in bribes being paid to employees of Rio Tinto, one of the world's largest mining companies. Rock Check was one of 20 Chinese companies implicated in bribing four Rio Tinto employees to obtain iron ore pricings that allowed the companies to gain a bidding advantage over their competitors.

Rock Check purchased shares in Trans Tasman Resources in 2011. Rock Check's then-president Xiangqing Zhang was named in court documents reported on by the *Sydney Morning Herald* and *China Daily* as being one of the biggest benefactors of the espionage. Court details revealed by Melbourne newspaper The Age and reported in the Sydney Morning Herald stated the Shanghai No. 1 Intermediate People's Court verdict detailed how Xiangqing was one of two Chinese steel billionaires who both gave bribes to Rio Tinto salesman Wang Yong and credited him for helping to build their steel empires. Investigators found RMB99m (NZ\$20m) in Yong's bank accounts. Green MP Gareth Hughes and Phil McCabe of Kiwis Against Seabed Mining presented a petition to parliament last month calling for moratorium on seabed mining. It was reported Xiangqing suffered no consequences from the case. Before his death in 2014, Xiangqing was well known in China as a tycoon with a "tender heart and steel spirit". It was reported in China Daily that in 2008 he donated RMB100m (NZ\$20m) for the rescue and rehabilitation of victims of the Sichuan earthquake in May that year. Rock Check is headed now by Xiangqing's wife Ronghua Zhang.

Wafi-Golpu project will have a hugh impact on PNG: Hay

October 10, 2016, The National Business

BASED on findings, the Wafi-Golpu project in Morobe will have a huge impact on Papua New Guinea, Newcrest chairman Peter Hay says. He said during a function last Thursday that based on contained metal, it is ranked within the top 10 undeveloped copper and gold deposits in the world. "Following the completion of a strategic review, we signed an agreement last month to sell our 50 per cent interest in the Hidden Valley mine to our joint venture partner, Harmony Gold Mining Limited," Hay said. "We look forward to continuing to work with Harmony on the exciting Wafi-Golpu copper gold project in Morobe. It would be Papua New Guinea's first major underground mine, and first major, large-scale resource project in Morobe since the Hidden Valley mine commenced operations in 2009. "Independent assessments indicated the project would have a significant positive impact here in PNG, with billions of dollars of direct capital investment and hundreds of millions of dollars in recurrent operating expenditure. "With a potential mine life of over 30 years, it would also generate benefit streams to landowners and host communities, and creating hundreds of new jobs and business development opportunities."

Nautilus' support vessel on dry dock

October 10, 2016, The National Business

NAUTILUS says the production support vessel was on dry dock last week to allow the launching of two adjacent vessels. 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 Solwara 1 project site. "The company was very excited to see the support vessel (PSV) floated in the dry dock last week. It shows the fantastic progress the team at the Fujian Mawei Shipyard Ltd (FMSL) and Marine Assets Corporate (MAC) have made over the past three months," Nautilus chief executive officer Mike Johnston said. "When you consider the first block for the PSV was laid on June 10 this year, to having a 220-metre hull able to be floated some 14 weeks later, it is a huge achievement by FMSL and a significant milestone for our company. "We have worked with FMSL, MAC and others on the PSV for over two years now. "During this time we have established a good working relationship, with very capable stakeholders. "We are now looking forward to continuing that very strong working relationship as we progress the final build phase and fit out of the vessel."

Sir Ipatas commended for call to probe Porgera mine

Post-Courier, October 10, 2016

BY JEFFREY ELAPA

THE executives of the Porgera Mt Kare Young Generation Association have commended Enga Governor Sir Peter Ipatas for calling for an investigation into the operation of the Porgera Development Authority. PMKYGA Inc chairman Jonah Puli Kipu and public officer Philip Mungalo have supported the call by Sir Peter to investigate the PDA which has operated for the past 25 years but has failed in delivering services to the people. They say the call by Sir Ipatas and Chief Aliape was in the best interest of the little people. They said it was amusing that the chairman and board apologised to Sir Peter when he made the call, they should be ashamed and apologise to the people for denying them their rights to basic services to improve their lives. Mr Kipu and Mr Mungalo said the landowners have been suppressed, marginalised and misrepresented by both PDA and PLA.

And that there was evidence of gross mismanagement of special support grants, royalties and equities since 1990 as funds had not been acquitted for accountability and transparency purposes. "It is inappropriate for PDA to solicit or threaten the National Government for funding. PDA and PLA must publish in the media and inform the National Government and the people of Porgera the status of all projects they have implemented and promoted at the community level over the years," Mr Kipu said. "As per the Porgera MOA of May 12, 1989, PDA was tasked to implement the Porgera to Tari road project. The people have patiently waited over 25 years for the construction of a road linking Porgera and Tari. Consecutive funding by the National Government on this project is like filling an endless pit. "The threats of riot, damage of properties and closure of operations are unwarranted.

Call for MPs to help develop gas project

Post-Courier, October 10, 2016

CHAIRMAN of the proposed multi-billion kina oil and gas project to be developed in the Aitape sub-basin in the northern part of West Sepik Province has called for support from all local MPs. Chairman of Sandaun Petroleum Energy Development Limited Florian Sarwap said the project was initiated in line with the government's Vision 2050 plan to be jointly developed by landowner company Sandaun Petroleum Energy Development Limited in partnership with investor Yongzheng Financial Holding Company Limited of Hong Kong and China. Mr Sarwap is calling on all Members from West Sepik and the National Governor to support the project. He said this was because it is expected to generate thousands of job opportunities for the locals as well as improve the local economy not only for the province but for the country as well. "Considering the fact that Sandaun Province is among the least developed provinces in the country with poor infrastructure and poor delivery of Government services compared to other provinces in the country, Sandaun Petroleum Energy Development Limited is determined to improve this situation through this project," he said.

He said according to the company's profile SPEDL will also work with the national, provincial, district and local level governments to fulfill its development objectives it believes their work will add value and enhancement the delivery of services to the local people and the country. Mr Sarwap said the project was initiated in 2012 after seeing the need to bring more development and employment opportunities to the people. He said his people have migrated to other provinces just to seek employment opportunities but this project will be a turning point. "It is my dream to develop my area through this project and I am determined to develop it with the support of the foreign investor partner, my people and leaders of the Sandaun," he said. He said that Yongzheng Financial Holding Company Limited with its diversified business and experiences in the last 30 years in mining and petrochemical business and industries, SPEDL believes they have the experience, resources and ex-

expertise to explore on this difficult capital and technical incentive industry. The project stretches to the Torecelli-Bewani range, Nuku-Lumi areas, Ramu basin and the Salawati basin in Indonesia.

Fiji promises more mine licence checks

Luke Rawalai, The Fiji Times, October 9, 2016



GOVERNMENT agencies will take more serious stances in monitoring 67 mineral exploration licences in the country. Minister for Lands and Mineral Resources Faiyaz Koya said it was important to monitor mining works to ensure that proper procedures were followed. Mr Koya said he would continue the work of former minister Mereseini Vuniwaqa to ensure that the environment was free from different types of pollution during mining. "Monitoring is something that we take seriously," he said. "With regards to the environment, there is a need to seriously monitor mining works and ensure that proper procedures are followed throughout the extraction of minerals. "I will soon begin meetings with the responsible departments under the Mineral Resources Department to ensure that policies are put in place to safeguard our environment."

Mr Koya was responding to earlier statements made by former Lands Minister Ms Vuniwaqa who had earlier said that since bauxite mining was new the ministry initially found it hard to monitor mining works, adding that it was better with it now. Ms Vuniwaqa, who has since been appointed Minister for Women, Children and Poverty Alleviation, had said the recent spate of mining projects in the country had been a learning project, adding they learned very fast through bauxite mining because of the objections to it. She had said bauxite mining had negative impacts on natural ecosystems because of failure in monitoring systems. Ministry of Lands and Mineral Resources permanent secretary Malakai Finau said recently there were currently 67 mineral exploration licences issued in the country.

Landowners threaten to disrupt Ramu mine

Post-Courier, October 07, 2016

Four landowner associations of the Ramu Nickel project in Madang are demanding the National Government to immediately release their outstanding business development grant of K10m or Ramu Nickel project will be disrupted. In a meeting on Wednesday this week, the four landowners association chairmen questioned why the National Government pays close attention to other similar projects in the country by paying their development grant and ignores its commitment towards Ramu Nickel project landowners. "If the National Government thinks that Ramu Project is not im-

portant to the national economy and the country's bilateral relationship with China then sooner or later, we will disrupt the project. "We have waited since 2006 when former Prime Minister, Sir Michael Somare made the commitment of K20million. K10m was released in 2011 under Prime Minister Peter O'Neill and we are now demanding the release of the balance K10million," chairman and spokesman Toby Bare said.

In a letter dated August 10 to Prime Minister, Peter O'Neill, the four chairmen asked the Prime Minister to direct the release of the remaining K10m which was intended as seed capital to support the four landowner companies KBK Ltd, Maigari Ltd, Wass Matau Ltd and Basamuk Enterprises. "The landowner companies urgently need the funding to increase capacity to compete with companies outside and within the project area for contracts," "This is because not many commercially viable contracts were off loaded to the landowner companies during the construction and initial operational phase of the Ramu Nickel project." "We are simply asking the Prime Minister to direct the release of the long overdue K10m because we have waited since 2006. We cannot compete with other businesses at this stage," Bare said. He said that the money should be paid to Mineral Resources Authority to administer the disbursement of the money to the four landowner companies and not any alien agents claiming to represent them.

PNG Court Order Prevents Payment For Hides LNG Landowners

Petroleum Secretary says government not deliberately withholding funds; By Jeffrey Elapa

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Oct. 7, 2016) – The Government has not deliberately stopped or lied to the Hides gas landowners in paying the K35 million [US\$11 million] MOU funds, Petroleum and Energy Secretary David Manau said yesterday. Mr Manau while responding to a media statement by Opposition Leader Don Polye said the hold back in the payment was because of the court's decision to restrain them from executing the payment until all matters are resolved. He gave assurance that the Government led by Prime Minister Peter O'Neill and minister for Petroleum and Energy Nixon Duban are committed to deliver on commitments made once court injunctions in question and legal issues are cleared. Mr Polye said the Government has continued to test the patience of Gulf, Hela and Southern highlands landowners, warning that continued empty promises will eventually put the country's multi-billion kina oil and gas projects at risk.

The Government had promised K35 million in outstanding commitments under the UBSA agreement to be paid to the landowners of Hides PDL 1 and 7 after the gates to the conditioning plant and other PNG LNG project sites were reopened. Landowners closed the gates in protest of outstanding payments. Branding O'Neill a liar for his continuous empty promises, Polye called on him to come out and explain why the MOU funds had not been released as promised when they reopened gates to the LNG project site in Hides. However Secretary Manau said they were ready to pay the landowners through the Hides Development Authority (HSPA) as approved by the NEC but the landowners went back to court and took out a restraining order to stop the payment to HSPA. "With the restraining order, the Government cannot disburse the funds as it will be in direct contempt of the court's orders," Manau said.

China's deep-sea mission to mine the wealth beneath the ocean floor

South China Morning Post, 6 October, 2016

Resource-hungry China is stepping up activity in one of the final frontiers of mineral wealth – the remote seabeds lying kilometres beneath the Indian and Pacific oceans. The world's largest consumer and importer of minerals and metals is now studying the core technologies of seabed mining in the Indian Ocean, according to Tao Chunhui, one of the country's leading oceanographers and a re-

searcher at the State Oceanic Administration. Vast sulphide deposits on the 3,000 metre deep seabed might contribute to China's metal supplies in the long term as it tried to narrow the technological gap with other maritime powers, said Tao, who was chief scientist of a number of China's Indian Ocean expeditions. The volcanically formed hydrothermal sulphides on the seabed contain copper, zinc and precious metals including gold and silver. They are formed in hot underground springs seeping through cracks in the seabed. Tao said that to prepare for the future exploitation of seabed minerals, Chinese scientists are developing techniques to mine the ocean floor, extract minerals and bring them to the surface without damaging the environment.



“When we will actually be able to do it depends on commodity prices as well as the state of the technology,” he said. “Our focus now is to figure out where the minerals are.” Unlike some of its contentious claims in the South China and East China seas, Beijing's seabed mining activities have been carried with the full blessing and involvement of other countries under exploration contracts awarded by the International Seabed Authority (ISA), an intergovernmental organisation established by the UN Convention on the Law of the Sea (Unclos) to regulate deep-sea mining. It was the international arbitration tribunal of Unclos that earlier this year rejected China's historic claims to the South China Sea in a case raised by the Philippines. China has been exploring sulphide deposits in the Indian Ocean since it was awarded a contract in 2011 by the International Seabed Authority, an intergovernmental organisation established under Unclos to regulate deep-sea mining.

The 15-year contract allows Beijing to prospect for seabed sulphides across a 10,000 sq km area in the Southwest Indian Ridge just south of Madagascar. Tao said the next expedition would take place in November, by which time China's unmanned submersible Qianlong would have been upgraded. Beijing depends increasingly on imported metals and minerals to meet its growing demand for commodities. State-owned companies have been snapping up mining projects across Africa, Latin America and Asia. China is world's main importer of metals, growing from less than 10 per cent of global share in 2002 to 46 per cent in 2014, according to the International Monetary Fund. To secure its supply of resources, the Ministry of Land and Resources vowed in a strategic plan released last month to boost “deep-underground, deep-sky and deep-sea” capabilities in the coming five years.

The plan's tasks include developing a submersible that can dive to 11,000 metres by 2020. This is slightly more than the deepest known point in the seabed, the Challenger Deep in the Mariana Trench near Guam. Besides the Indian Ocean, China is also looking for seabed minerals in two areas in the western and northeastern Pacific. Tao said these exploration projects had become drivers of the country's deep-sea technology. He has taken the Jiaolong submersible, China's first manned deep submersible, to a depth of 3km in the Indian Ocean. The vessel reached 7km on a subsequent mission in the Pacific. Two domestically produced submersibles have also been deployed to

the Indian Ocean. “China has made huge progress in deep-sea technology,” Tao said. “We went from importing and copying to making our own innovations.”

But some key components, such as high-accuracy sensors, are still imported. The country also relies on some foreign-made equipment to analyse samples from the ocean. Meanwhile, China’s advances in deep-sea research have made some countries anxious that Beijing’s motives are not entirely economic. Pankaj Jha, director of research at the Indian Council of World Affairs, a government-funded think tank, said it would be years before China could start mining in the Indian Ocean, but its long-term presence there was a concern for India. “China’s lack of transparency and inflated claims about its research shows that it wants to conduct more operations under the garb of technological achievements and discovery of mineral resources,” Jha said. “The long deployments of research vessels and on-board deep-sea diving equipment will certainly raise suspicions about China’s intentions.”

Nautilus Minerals Vessel Progress Update

Press Release, Nautilus Minerals, Marketwired, October 6, 2016

Nautilus is pleased to note that the [Marine Assets Corporation] Production Support Vessel (PSV) was floated in the dry dock last week to allow the launch of two adjacent vessels. The PSV 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 site, in the Bismarck Sea of Papua New Guinea. Mike Johnston, Nautilus' CEO commented: "The Company was very excited to see the PSV floated in the dry dock last week, as it shows the fantastic progress the team at the Fujian Mawei Shipyard Ltd (FMSL) and Marine Assets Corporate (MAC) have made over the past three months. When you consider the first block for the PSV was laid on the 10th of June this year, to having a 220 meter hull able to be floated some 14 weeks later, it is a huge achievement by FMSL and a significant milestone for our Company. We have worked with FMSL, MAC and others on the PSV for over two years now. During this time we have established a very good working relationship, with very capable stakeholders. We are now looking forward to continuing that strong working relationship as we progress the final build phase and fit out of the vessel." Subject to further financing, Nautilus' objective remains to develop the world's first commercial high grade seafloor copper-gold mine and launch the seafloor resource production industry.

PNG Gold Corporation Announces Papua New Guinea Licence Renewal Decision

PNG Gold, Marketwired, October 6, 2016



PNG Gold Corporation announces that it has received correspondence from the Papua New Guinea Mineral Resources Authority indicating that applications filed by the Company seeking renewal of its exploration licences EL 1069 and EL 1091 [Imwauna Gold Project and Sehulea Property Normanby Island] have been refused by the Authority. This action on the part of the Authority has come as a complete surprise to the Company as it has previously renewed the licences without any issues. Indeed, the Company completed a work program in November 2015 and earlier this year its representative met with various parties in Papua New Guinea who indicated no issues with the licence renewal process. The Company has instructed its in-country legal counsel to contact the Authority to discuss the matter and will provide ongoing updates as to the progress and outcome of those discussions.

Authority told to acquit for government, Porgera mine funds

October 6, 2016 The National National

By GYNNIE KERO

ENGA Governor Sir Peter Ipatas is urging executives of the Porgera Development Authority (PDA) to acquit for millions of kina they received over the years. Sir Peter said the board and management of the authority have to explain how they had utilised huge sums of money they got from the Government and the Porgera mine (Barrick). He said that a report released by the National Research Institute (NRI) in 2012 found that K130 million was paid directly into PDA account. “Further, more funds have been allocated after 2012 up until now. “I’m really concerned, in my 20 years as governor for Enga, I have not spoken against PDA. What happened to all these millions of kina?” Sir Peter made these comments yesterday following a recent paid advertisement by the management and board of the PDA to close its office in Porgera over lack of funding by the Government.

“Threat to close the Porgera Development Authority (PDA) is suspicious – audit accounts required,” he said. “This noble intent has been given lip service instead and funds have been diverted elsewhere, especially financing the board and management fees and forgetting the real purpose for which PDA was initially established,” Sir Peter said. “PDA is a public vehicle created to develop Porgera Valley as part of its mining benefits for its residents. “As such, PDA is subject to scrutiny and accountability under the Public Finance Management Act and Investment Promotion Act Regulatory Guidelines and Audit Requirements. “Since its establishment, PDA has not furnished any audit accounts to my Government. “These funds have to be acquitted properly. “PDA and its board and management are answerable to the authorities.”

K92 Mining Commences Gold Production at Kainantu Gold Mine

Press Release by K92 Mining, October 5, 2016

- K92 Process Mill has successfully treated the first batch of underground ore delivered from Irumafimpa, with concentrate now produced
- Concentrate shipment deliveries anticipated to start Nov 2016
- Gold production at Irumafimpa will ramp up to steady state operations, reaching an annualised production rate of 52,000 Au per annum, over coming months

K92 Mining Inc. (“K92” or the “Company”) is pleased to announce that gold production has commenced from the Irumafimpa Gold Deposit. Ian Stalker, K92 Chief Executive Officer, states: “This milestone is highly significant for our Company, and for this region of PNG. A great deal of thanks goes to the entire team on site in PNG in achieving production ahead of schedule and on budget. The rehabilitation of the Irumafimpa Gold Mine, process plant and associated infrastructure commenced in late March this year and is now complete. As an enhancement of the processing facility,

we are also pleased to note that the installation of a new Drum Scrubber is also nearing completion and commissioning of this will be completed by the end of the month. Over the past months, K92 has enhanced the existing underground mobile plant fleet including receiving onsite delivery of trucks, LHDs, jumbo and stope drills.

With mining at Irumafimpa and processing now commenced, we are now well positioned to evaluate and advance production expansion opportunities that exist within our Mining Lease ML150 including potential at the Kora Gold Deposit.” K92 purchased the Kainantu Gold Project from Barrick Gold Corp. (“Barrick”) in 2015. The initial resource estimate for the Kora and Irumafimpa deposits, situated within Company’s ML 150, is 1.84 M inferred oz. at 11.6 g/t Au eq. and 240,000 indicated oz. at 13.3 g/t Au eq (based on the Independent Technical Report, Resource Estimate and Summary of Mining Facilities, Kainantu Project, Papua New Guinea, Nolidan Mineral Consultants, Author Anthony Woodward, BSc Hons., M.Sc., MAIG, April 15, 2016 (the “Technical Report”) – a copy of which is available for review and has been filed on SEDAR under the Company’s profile and contains a full description of all underlying assumptions)). This mineral resource estimate is based on 78,935 metres of drilling from 767 holes and 18,312 metres of assayed intervals across all lodes. Kora remains open in all directions and strongly mineralized at the extent of drilling.

Western Province Hospital lacks leadership

October 5, 2016, The National National

THE Daru General Hospital in Western was performing at district hospital level due to weak governance and leadership over the past decade, chief executive officer Orpah Tugo says. Tugo said Daru General Hospital assumed the role of a level 5 health facility where it is expected to have 12 medical officers, five of whom should be specialists. “Unfortunately, over several decades, despite its delineated role, the hospital was performing at level 4 delineated role (district hospital level),” Tugo said. “Consequently, the local community has lost total confidence in the services provided at the door step and cross over to Australia to get medical attention and that has resulted in the multi-drug resistance and exclusively drug-resistant tuberculosis. “Given the fact that PNG’s TB treatment regime protocols differed from Australia.” Tugo said the hospital was recently bombarded with a serious plight of multi-drug resistant and exclusively drug resistant TB that has resulted in suffering and deaths.

She said this could have been prevented if the medical strength and resources were made available. “Having recognised the gap the hospital has improved its organisational structure by creating additional specialist medical officer positions and was able to recruit five specialists,” Tugo said. These were a surgeon, an obstetrician and gynaecologist, a paediatrician, a physician and a rural health medicine specialist. “The remaining gap is the infrastructure expansion to have a unit for each discipline,” she said. “Currently, we have a general ward with three bays allocated to each discipline (paediatrics, medicine and surgical) 10 beds each. “The need is overwhelming as to satisfy the progress in active case finding towards the fight in ending TB in Western.” She said the hospital would hold a corporate dinner in Port Moresby last Friday to secure funds to construct a makeshift transitional building for the administration functions so the existing building could accommodate clinical services. “A shift and configuration with redesignation will be done with the existing building to make available for a 30-bed unit space to cater for the growing number of patients.”

Canada Accused of Complicity in Mining Companies' Abuse of Women and Girls

New report calls on Canada to stop financing and supporting companies that abuse and discriminate against Indigenous women living near mines abroad

By Nadia Prupis, staff writer, Common Dreams, October 4, 2016



Abuses were documented in Papua New Guinea, Tanzania, Colombia, and Guatemala. (Image: Humphrey King/flickr/cc)

The Canadian government is failing to protect women against human rights abuses by supporting and financing mining companies that are involved in discrimination, rape, and violence abroad, according to a new report submitted to the United Nations on Monday. The report written by Earth-Rights International (ERI), MiningWatch Canada, and the Human Rights Research and Education Center Human Rights Clinic at the University of Ottawa, states that the Canadian government continues to support these corporations instead of holding them to account, despite its obligations to do so as a member of the U.N. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Canada's complicity in the abuse is especially noteworthy because it is home to a majority of the world's mining company headquarters, which operate at more than 8,000 sites in over 100 countries.

In one case outlined in the report, Indigenous women and girls living near Papua New Guinea's Porgera Joint Venture (PJV) gold mine accused security personnel at the site of engaging in a decades-long campaign of sexual violence, including gang rape. The companies that run PJV—Barrick Gold and Placer Dome—also reportedly allowed environmental devastation and other forms of violence against men and women, as well as forced displacement, extrajudicial killings, and arbitrary detention, the report states. The community has been fighting for redress since 2005. Although Barrick Gold established a so-called "Remedy Framework" in 2010 to compensate victims, less than half of the women who filed claims received remuneration, and those that did say it was not enough to "reflect the gravity of the harm suffered," the report states.

Similar abuses, and lack of accountability, occurred in Tanzania, Colombia, and Guatemala, the groups continue. At the Fenix nickel mine near El Estor, Guatemala, women were reportedly gang raped by police, military, and security personnel during a forced eviction. Despite these and other abuses, the Canadian government continued to provide support to the owners of the mine. In a leaked email between the Canadian embassy and the mine's then-owner, Skye Resources, the native community is referred to as "invaders" and a property conflict is described as "an anarchic free-for-all land grab." "The allegations against Canadian corporations are not isolated incidents," said Marco Simons, general counsel at ERI. "There is a systemic pattern of reported abuses associated with Canadian extractive sector companies operating outside Canada."

Under CEDAW, Canada is required to do all it can to eliminate discrimination against women by any corporations that work in foreign countries, including through prevention and punishment measures. It is also obligated to compensate victims. As Catherine Coumans of MiningWatch Canada summed up, "Despite calls from civil society, the Standing Committee on Foreign Affairs and International Trade, individual members of parliament, and numerous U.N. treaty bodies to take proper legislative action to regulate its corporations, ensure accountability for involvement in harm and

access to a remedy for victims of corporate related abuse, Canada has failed to do so." Salvador Herencia-Carrasco, director of the Human Rights Clinic, said, "With this submission, our organizations hope that Canada and other home states implement mechanisms to assure that private extractive companies respect environmental standards and the human rights of women."

Report:

https://www.earthrights.org/sites/default/files/documents/eri_hrc_mwc_cedaw_committee_report_october_3_2016.pdf

PNGSDP case against State underway in Singapore

Gorethy Kenneth, Post Courier, October 04, 2016



THE Papua New Guinea Sustainable Development Program case against the State started yesterday in the High Court of Singapore and will run for two weeks. The Attorney-General's office confirmed last Friday that the case was scheduled for this week but did not provide dates. But Koh Swee Yen, one of the lawyers for the plaintiff, which is the State in an email last week, said the case was scheduled to October 3 and was anticipated to run for the next two weeks. The case, HC/Originating Summons (OS) No 234 of 2015, which was last heard in July and August will be heard in the Singapore High Court this morning with its Coram Judith Prakash J and counsels Koh Swee Yen, Yin Juon Qiang and Joel Quek (Wong Partnership LLP) for the plaintiff and Nish Shetty, Joan Lim-Casanova, Jordan Tan, Lim Chingwen and Sarah Hew (Cavenagh Law) for the defendant. In this originating summons, the State, sought a declaration that it was entitled to inspect and take copies of all true accounts, books of account and/or records of PNG Sustainable Development Program Limited.

This OS was an offshoot of the action in suit 795 of 2014, having been started after a summons in S795, which had applied for the same relief, was dismissed on the ground that the relief applied for, being final, had to be sought by way of an originating process rather than by an interlocutory application. PNGSDP mounted a root-and-branch attack on the State's alleged right of inspection. Its argument was that the State was not entitled to the relief it sought which was threefold. First, it was inappropriate to commence this action by way of an originating summons. Secondly (and this is the most hotly contested ground), the State did not have and may not enforce any alleged right of inspection. In particular, it refutes the State's three arguments, which are based on the Memorandum and Articles of PNGSDP, an alleged collateral contract incorporating the same, and stopped. Thirdly, even if the State had an enforceable right of inspection, it does not extend to the documents listed in the schedule to OS 234.

Alluvial mining reaches peak in Bougainville

PNG Loop, October 2, 20016



Alluvial mining in the Autonomous region of Bougainville is now at its real peak with people taking it as a compulsory exercise and millions worth of gold being taken out. A lot of con activities are also happening in and around Bougainville spoiling the good name of honest alluvial miners. In a recent incident, a highlander was conned into buying iron oxide instead of gold and a hundred thousand of his money gone wasted. When he went into testing in Moresby, it was confirmed that what he bought wasn't gold at all. An alluvial gold miner who wishes to remain anonymous due to the sensitivity of the issue said a lot of these type of people are spoiling the good name of honest dealers and miners. "We will surely loose business and buyers will fear buying gold from us because they will think we will trick them like what some people are doing right now," he said.

Landowners fail to use K9.8m: Aliape

Post-Courier, September 30, 2016

THE threat to close the Porgera Development Authority (PDA) is unacceptable when more than K9.8 million was paid by the State to the organisation in the 2015 and 2016 financial year, a landowner chief has said. Chief Wasa Aliape, one of the signatories to the Porgera gold mine MOA in 1989 said that the PDA is not a party to the MOAs and should not be misleading the public and the Government with the threat to shut down the operation. "They have failed miserably in using K9.8 funding in 2015 and an additional K1 million from the National Government this year and have not submitted acquittals," Mr Aliape said. He said all issues can only be dealt with within the reviewed MoA but because the matter is before the courts, no one including the PDA should be issuing threats to shut down PDA or even threaten the Porgera mine.

Chief Aliape a principle landowner of the Porgera gold mine said no one should issue any threat to shut any operation as they are not mandated to represent the people. He said that all third parties (PDA & PLOA) who have benefited from the mine since 1995 must provide financial reports and acquittals. "They have failed to provide the acquittals and yet are threatening to shutdown the mine if the the Government fails to provide them another K100 million. This is unacceptable and not in the best interest of the people of Porgera and the landowners," Mr Aliape said. He said John Mui-kin, PDA and the landowner associations should acquit for the public funds given to them over the years and explain how the funds were used and on what projects instead of asking for more when the country is also facing a financial crisis.

US company to explore Cook Islands seabed for minerals

Radio New Zealand, 29 September 2016

A new US company says it has signed an agreement with the Cook Islands granting it rights to prospect and explore the country's seabed for minerals. In a statement the Texan company Ocean Minerals said it had secured exclusive access to parts of the seabed within Cook Islands exclusive economic zone. The company said it believed these areas contained sediments enriched with rare earth elements. It said this was based on research conducted by the Houston-based Deep Reach Technology Inc. on existing archived samples throughout the Pacific. Ocean Minerals said it plans to undertake several phases of seabed sampling over the next few years which will incorporate the collection of environmental baseline data.

In July the Cook Islands Investment Corporation's chair, Mike Henry, signed a contract with the United Nations' International Seabed Authority giving it exclusive mineral rights to an area of 75,000 square kilometres in the Clarion Clipperton Fracture Zone. The 7,240 km long mineral rich zone extends over millions of square kilometres in the north Pacific. Cook Island News also reported that a joint venture agreement was also signed with Belgian company, GSR, giving it the possibility of exploring and exploiting the Cook Islands ocean floor minerals. The Texas Limited Liability Company Ocean Minerals was formed in 2016 and is focused on developing the Rare Earth Element enriched sediment resources in the Cook Islands EEZ.

Bougainville Copper Ltd changes management

September 28, 2016 The National Business

THE Bougainville Copper Limited and Rio Tinto have executed a deed to terminate the Rio management agreement effective from September 12 this year, according to chairman Rob Burns. Burns in a statement said BCL was now an independently managed PNG company. Its head office and management team will still be based in Port Moresby. "On June 30, 2016, Rio Tinto transferred its controlling interest of 53.8 per cent shareholding in BCL to an independent trustee," Burns said. "The Independent State of Papua New Guinea took up its 17.4 per cent entitlement of the BCL shares under the arrangements established by Rio Tinto. "Previously, the PNG Government had 19.06 per cent of shares. So the Rio Tinto gift gave PNG a 36.4 per cent equity holding in the company. "The Autonomous Bougainville Government also accepted its 36.4 per cent shareholding making them equal shareholders." Following the transfer of its shareholding, the two Rio Tinto directors resigned from the BCL board. Burns is the new chairman of the board of directors.

He has a 40-year experience in operational and technical mining experience including seven years with BCL while the mine was operating. He has been a director of BCL for the last 10 years. Former MP Sir Moi Awei has been appointed to the board. He had been credited for brokering the Bougainville peace agreement. The other independent directors of BCL are Sir Rabbie Namaliu and Dame Carol Kidu. BCL employed and trained about 12,000 people, including 1,000 who completed trade apprenticeships and 400 who completed graduate and post-graduate studies. Since the closure of the mine, the Bougainville Copper Foundation has continued annually to provide educational scholarships for 100 Bougainvilleans. BCL holds the exploration licence over the Panguna mine site. It is working with the Government and the ABG, people of Bougainville, landowners and stakeholders to have a redevelopment plan for a new world-class Panguna copper, gold and silver mine.

Wau's small scale mining centre attracts Goilala MP

Wendy Katusele, Loop PNG, September 27, 2016

BULOLO district in the Morobe Province has a lot to offer and one such is the Small Scale Mining Training Centre at Wau. This activity has now attracted interest from Goilala MP William Samb to send people from his electorate to attend courses offered by the institution. This mutual relationship with Bulolo MP Sam Basil for both districts to work together in the name of bringing tangible development to its people. Goilala MP Samb officially opened the 6th Bulolo District Show on Saturday and a few hours later was on the road to Wau to see for himself the training centre. He was accompanied by members of his Goilala District Authority who used the opportunity to see other projects run in Basil's district. Samb said while both electorates share the same boundary, there was a lot to learn from the Bulolo district and one such was the alluvial mining and training his people was paramount.

He was given a tour around the training centre and was impressed by the set up adding he would not waste time now but to see the first batch of students to come start training next year. The training facility wholly funded by Mineral Resources Authority was established seven years ago and is the only training centre in the Southern Hemisphere according to training coordinator Samuel Leonarhd. Leonarhd said the centre offers courses equivalent to TVET in certificate in Small Scale Mining which includes basic background information on small scale mining, introduction to law governing SSM in PNG, introduction to geology, simple gold mining and processing techniques, environmental issues, occupational health and safety, mercury, economics of small scale mining, social issues in personality and gender issues, HIV/Aids. He said the courses come in level one, two, three and four with also extension and outreach programs offered. Leonarhd said the centre was established in 2009 and its aim was to empower small scale mining alleviate poverty, reduced unnecessary deaths, awareness on safety practices.

SOLOMON ISLANDS MINISTRY OF MINES RELEASED DRAFT MINERALS POLICY

Solomon Islands Broadcasting Corporation, September 26, 2016



The Gold Ridge Mining Limited. Photo credit: SIBC.

The Ministry of Mines, Energy, and Rural Electrification today released the draft National Minerals Policy for public consultation. The policy sets out the Government's vision for the mining sector. It aims to balance investor confidence with respect for landowner and community rights. A government statement says, under the policy, mining discussions must happen in the impacted community and community bodies such as chiefs, churches, and other groups are encouraged to oversee these negotiations to make sure that everyone is included and able to participate in discussions. It says chiefs will also be responsible for identifying landowners under the new policy.

Landowners claiming rights to mining revenue will need to have their claim verified by their Council of Chiefs before receiving any royalty or compensation from the mine. Landowners, communities, and provincial governments will also need to agree on a development plan that explains how they will spend their share of the mining revenue.

The money will be deposited in an account managed by the community or landowning group – not an individual bank account. An Oversight Committee will be responsible for making sure the money goes where it is rightly due. Meanwhile, companies will benefit from a more attractive prospecting and mining environment that allows for increased tenement areas and other tools to make community and landowner negotiations easier and more transparent. Both companies and the government will be required to provide detailed reports on where they receive money from, and how this money is spent, encouraging greater transparency in the mining sector. There is also an increased role for Provincial Governments, especially in the area of artisanal mining. The policy was developed by an Inter-Ministry Taskforce comprising representatives from the different sectors responsible for regulating the mining sector, including the Ministry of Finance and Treasury, Ministry of Environment, Climate Change, and Disaster Management, and the Prime Minister's Office.

Porgera Development Authority may face closure

Post-Courier, September 26, 2016

Chief Executive officer of the Porgera Development Authority John Miukin says a closure is looming if funds for the Porgera Development Authority (PDA) are not released by the government. "Even though the Porgera Gold Mine contributes 30 per cent of the country's Gross Domestic Product, the National Government still owes PDA more than K100 million in royalties. "If Governor Peter Ipatas does not come to our aid in next three months, we will wind down our operations," Mr Miukin told a huge crowd yesterday (Saturday) in Porgera, Enga province. He warned that if they shut down their operations, they do not see the future of the mining.

Fiji: Unit monitors State land and mineral resources

Serafina Silaitoga, The Fiji Times, September 24, 2016

THE Mineral Resources Department has upgraded its environment unit to properly monitor and control development of State land or mineral resources. Acting director Apete Soro said the unit, under the mines' division and part of the mineral department, would have clear roles. "We have upgraded the environment unit and this will ensure the approvals granted by the respective directors (director of lands and director of mines) for development of State land or mineral resources are monitored and controlled," he said. "This is according to the provisions of the Acts (Environment Management Act and Mining Act) and any special conditions of approvals in safeguarding the environment. "For mining, special conditions are set to further ensure such protection in details are guaranteed.

Companies have to produce monitoring, rehabilitation plans/programs that ensure environment compliance and protection, which are reviewed and approved by approving authorities." Mr Soro said the Mineral Resources Department carried out routine inspections at the bauxite mine in Bua. In responding to comments by former lands minister Mereseini Vuniwaqa that bauxite mining had had negative impacts, which included emissions and dirty waterways, Mr Soro said they had done their routine checks. "There are a number of ministries that are involved in environmental monitoring and the Ministry of Local Government Housing and Environment is the principal ministry as it has the mandate under the Department of Environment (director) through the Environment Ma-

nagement Act," he said. "This regulation is to ensure the protection of the environment from developments."

Golden task for vessel's maiden trip

Echo Yang, Shanghai Daily, September 24, 2016

CHINA'S first privately funded oceanic research vessel "Zhang Jian" returned to Shanghai yesterday after its maiden voyage off the coast of Papua New Guinea in the Pacific Ocean. Hired by two mining companies in Papua New Guinea, the ship carried out surveys offshore near two gold mines to assess the influence of mining operations on the environment.



"Zhang Jian," the mother ship of China's deep-diving submersible "Rainbow Fish," docks in Shanghai yesterday after its maiden voyage to the New Britain Trench in the Pacific Ocean. The ship also tested scientific equipment during the 73-day voyage, said Wu Xin, chairman of Shanghai Rainbow Fish Ocean Technology Co, the ship's operation company. Samples of ocean water and marine macro organisms were collected at the 8,000-meter-deep New Britain Trench, testing the ship's capability in oceanic research to prepare for future missions aiming at depths of more than 10,000 meters. The ship also carried 15 Chinese deep sea exploration enthusiasts, each paying 100,000 yuan (US\$15,000).

Pacific warned against being exploited by seabed miners

ABC News, 21 September 2016

Researchers are warning that the Pacific risks becoming an experimental test centre for seabed mining if regional nations don't adopt proper policies. The potential impacts of seabed mining are not fully known but concerns have been raised about damage to fish stocks and marine ecosystems. PNG Centre for Climate Change and Sustainable Development Director, Professor Chalapan Kaluwina has told the Pacific Islands University Research Network meeting in Samoa that seabed mining in places like Papua New Guinea shouldn't go ahead until proper checks have been put in place.

Link: <http://www.abc.net.au/news/2016-09-20/pacific-warned-against-being-exploited-by-seabed/7862522>

Panguna Landowners Claim Ownership Of Bougainville Copper Mine

Neither PNG, nor Bougainville government have right to shares in mine: Osikaiang Landowners Association



WELLINGTON, New Zealand (Radio New Zealand International, Sept. 21, 2016) – A Panguna landowners' group says it is the rightful owner of the huge mine and of Bougainville Copper Ltd. The claims from the Osikaiang Landowners Association come amid an ongoing fight over the ownership of shares in BCL, after the majority owner Rio Tinto ended its involvement. The Autonomous Bougainville Government wants that majority stake though the Papua New Guinea government gave some of its shares to landowners. But the chair of Osikaiang, Lawrence Daveona, said the company and resource belongs entirely to his group. He wants both governments to re-assess their mining laws and for Port Moresby to consider his group's claim they have been the rightful owners of BCL since, he say, its licence expired in 2011. "So let them have a look at that. National Government must repeal the BCA Act [The Bougainville Copper Agreement Act - under which the mine was established]. And unless they deal with this issue on their own, among themselves, then come back to us, because we are the real resource owners, the people of Panguna SML OsiKaiang Landowners."

Hides Landowners Give State Ultimatum

Post-Courier, September 21, 2016



BY JEROME IKUAVI

Landowners in the PDL 1 and PDL 7 project areas of the PNG LNG project have given the state four days ultimatum after the state had failed to honour its MOU that was signed in Hides in Hela Province after the landowners threatened to close all LNG operations last month. The landowners from all various blocks in the two licence project areas met with officers from PNG LNG operator

Exxon Mobil PNG Limited to express their frustrations. According to the landowners, they the government had failed to honour its commitments within the thirty days as agreed in the MOU signed between the state and the Hides landowners on the 19th of August last month. Landowner leaders Erick Kembe and Makape Katia who met with the Exxon Mobil's community affairs team this week cautioned the stakeholders of the LNG project and expressed dissatisfaction in the manner in which the government had failed to deliver within its agreed 30 days. They said the thirty days had lapsed and the government had failed in delivering the promised K35 million Infrastructure Development Grant (IDG) as well as failing to complete the clan vetting exercise in which the government was suppose to have carried out. "We give state four days ultimatum to respond positively or we will express our frustrations to completely shut down the LNG project again. We are disappointed with the government's empty promises and delay in not meeting what is rightfully owed and what was agreed," they said.

New Zealand: Moratorium on seabed mining needed

Gareth Hughes MP, NZ Greens, 19 September, 2016

"Seabed mining should be considered a novel experimental activity"



Today at Parliament, I accepted a petition signed by more than 6,000 people calling for a moratorium on seabed mining. This is also the day Trans-Tasman Resources' (TTR) second application attempt to mine the seabed of the South Taranaki Bight opens for the twenty days of submissions period under the Environmental Protection Authority's (EPA) rules. It was fantastic to see the petition organised from Kiwis Against Seabed Mining (KASM), who have led the successful campaigns that saw TTR's first application and Chatham Rock Phosphate's seabed mining applications declined by the EPA. Three busloads of local iwi Ngāti Ruanui also travelled down from Patea for the event and they say consultation with TTR has been flawed. This company is applying for consent to suck up 50 million tonnes of seabed, extract the iron ore and dump 45 million tonnes of sediment back. This is in the feeding ground of the world's largest whale and the habitat for the world's smallest and rarest dolphin so it's no surprise there's huge opposition. Last time TTR tried, only 8 of the 4800 submissions to the EPA supported the mining.

Seabed mining is a controversial new activity. The two applications to date were rejected by the EPA because of environmental impacts and scientific uncertainties. One thing that has stuck in my head from the last process was the Rumsfeldian quote 'the uncertainties around the uncertainties is uncertain'. This is an entirely new field, apart from a little shallow water diamond mining. Seabed

mining should be considered a novel experimental activity. Both Australia's Northern Territory and Namibia, who have grappled with seabed mining, have instigated moratoria. I support KASM's call for the Government to place a moratorium on the activity here. We have the fourth largest Exclusive Economic Zone in the world and with huge scientific uncertainties surrounding seabed mining, it's responsible to wait and to learn more before risking our marine ecosystem and fisheries. I'd contend it's better for the companies interested in undertaking seabed mining too, as consent applications can cost millions of dollars, so a delay and more research benefits everyone. The petition will be referred to a select committee to consider and with only twenty days to make a submission on TTR's application, I hope you can make one.

Newcrest dumps Hidden Valley mine, Harmony Gold takes control

Peter Wells, Financial Times, 19 September 2016

Harmony Gold will take full control of the Hidden Valley mine in Papua New Guinea after Newcrest Mining, the Australian gold producer, said it was selling its half of the joint venture. Newcrest said in a statement to the ASX today it was selling its share in the 50/50 Hidden Valley joint venture to its South African partner. Harmony will now assume all liabilities and expenses related to the JV and mine, including rehabilitation costs and remediation obligations with effect from August 31 this year. As a result of the exit, Newcrest will recognise a loss on the sale of approximately \$10m. The miner also said that as part of the transaction and to help cover a one-off contribution towards Hidden Valley's future closure liability it was funding its subsidiary which held the stake in the JV with \$22.5m. Sandeep Biswas, Newcrest's CEO, said: Having completed the strategic review of Hidden Valley, Newcrest determined that the best outcome was to exit the operation and focus our attention on safe profitable growth at our other assets. Located 300km north-west of Papua New Guinea's capital, Port Moresby, Hidden Valley is an open pit gold and silver mine. Production commenced in September 2010 and in the 12 months to June 30 the mine produced 145,132 ounces of gold (on a 100 per cent basis).

New Zealand Iwi bracing for another fight against seabed mining

Isaac Davison, NZ Herald, September 18, 2016

Iwi members will arrive in their busloads on Parliament's front steps tomorrow to protest a mining company's latest bid to scour the seabed off the coast of the North Island for iron ore. A hikoi led by Taranaki iwi Ngati Ruanui and environmental advocates will deliver a 6000-signature petition to MPs, calling for a moratorium on all seabed mining in New Zealand. The petition comes as mining company Trans Tasman Resources makes its second attempt to get approval to mine ironsands on the South Taranaki Bight, around 30km off the west coast of the North Island. The company's application was notified by the Environmental Protection Agency (EPA) on Friday, meaning the public has 20 days to make submissions. No application to mine on New Zealand's seabed has succeeded. Trans Tasman's first bid failed in 2014 after the EPA raised concerns about the impact on the environment, iwi and fishing interests, and its economic benefits.

The EPA also said the company's proposal was "premature" and that it should have done further work on understanding the environment and engaging with local residents. Trans Tasman now believes it has addressed those gaps. Executive chairman Alan Eggers said the company had carried out additional research to refine the environmental aspects of its application, and had met with "a wide range of stakeholders". The group travelling to Parliament tomorrow believes little has changed. Kiwis Against Seabed Mining spokesman Phil McCabe said the method of mining was still experimental and damaging. "It's inherently a destructive activity. If you're looking at deep-sea oil, you're poking a needle through the bottom of the ocean.

"But in this one, the moment they start, they're breaking stuff. There's sensitive habitats out there." It was frustrating and exhausting to have to fight the company a second time, McCabe said. Hikoi leader Debbie Ngawera-Packer said her iwi and residents of Patea, near the proposed mining site, did not protest lightly. "This is a real humble community that doesn't mobilise like that. "They live off an average of \$17,000 a year. They are used to going without and things not going their way. "So when they mobilise it's because they feel there's a real injustice." Trans Tasman is seeking approval to extract 50 million tonnes of seabed material a year, of which 45 tonnes would be returned after the iron ore was extracted. It estimates that the mining project would boost export earnings by \$300m a year and would support up to 1650 jobs - 300 in the immediate region.

Nautilus pushes Solwara 1 production back by 12 months

Start date for experimental seabed mining pushed back to 2019 but Nautilus STILL needs to find substantial extra funds to meet that deadline

Henry Lazenby, Mining Weekly, 16 September 2016

Cash-strapped marine mining pioneer Nautilus Minerals has pushed out the start of production from the offshore Papua New Guinea (PNG) Solwara 1 project by about 12 months from the original schedule, citing a cash crunch. In providing an update on company activities Friday, CEO Mike Johnston outlined the company's revised plans, pending the company successfully raising the required capital by June 2017. The revised work programme entails a more staged approach, moving the Nautilus equipment integration phase of vessel construction out until after the vessel has been delivered by Marine Assets Corporation and Fujian Mawei shipyard, in the fourth quarter of 2018. This will result in a 12-month delay to the original schedule, pushing first production out to the first quarter of 2019. Johnston advised that the vessel, which keel-laying ceremony was held on June 10, continues under a revised schedule that splits funding requirement into three or four "more manageable" chunks. Current estimates valued the first chunk of the financing required for the dewatering plant and derrick structure at about \$50-million.

Meanwhile, all 'below-waterline' production equipment has been completed in January and shipped to Oman, where it remains in storage. The company has received additional opportunities for the equipment's wet testing phase, that management is looking at. The subsea slurry and lift pump has recently completed factory acceptance testing and will be delivered in November by GE Hydril. The riser system is now complete and in storage, also located in the US. Johnston said key minor contracts are continuing and all major outstanding contracts will probably be awarded to Chinese companies, including the derrick structure, the dewatering and flotation plants, as well as flexible hoses. Work is also progressing on the production simulator and control systems, while the environmental monitoring and management plan and associated baseline data collection activities are ongoing, to provide a detailed base data set to compare the impact of marine mining with.

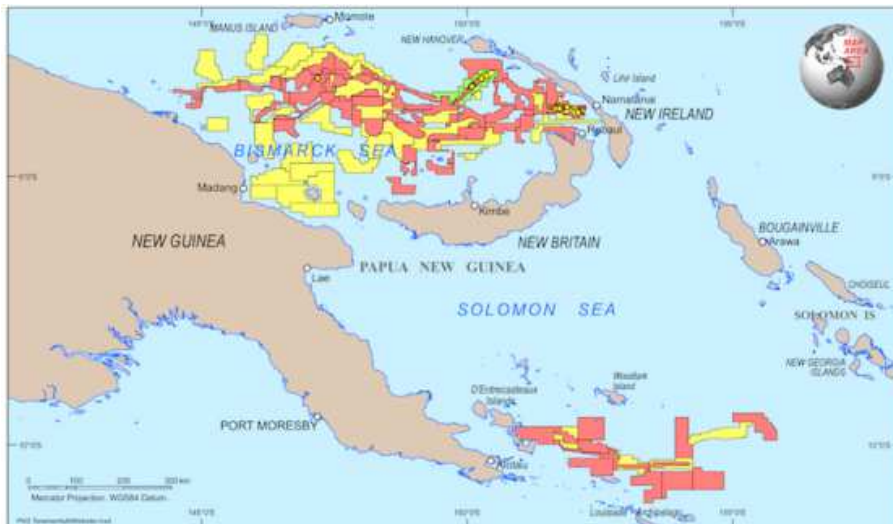
FINANCE UPDATE

Johnston advised that Nautilus has about \$51.4-million in cash at the moment. It has recently signed a subscription agreement for about \$20-million with its largest shareholders Mawarid Offshore Mining and Metalloinvest Holding. Under to the subscription agreement, the shareholders will buy shares on a private placement basis, in monthly tranches from December 1, through to November 30, 2017, should Nautilus need capital. Nautilus will hold an emergency shareholder meeting on October 26 to seek approval of the bridge financing, which will keep the project on track as Nautilus pursues further funding. Johnstone advised that discussions with other interested parties and stakeholders are ongoing. "We do require more funding to cover the build and delivery of the project, to maintain and grow the project ad to commence deployment and operations the Solwara 1 by the end of Q1 2019," he stated.

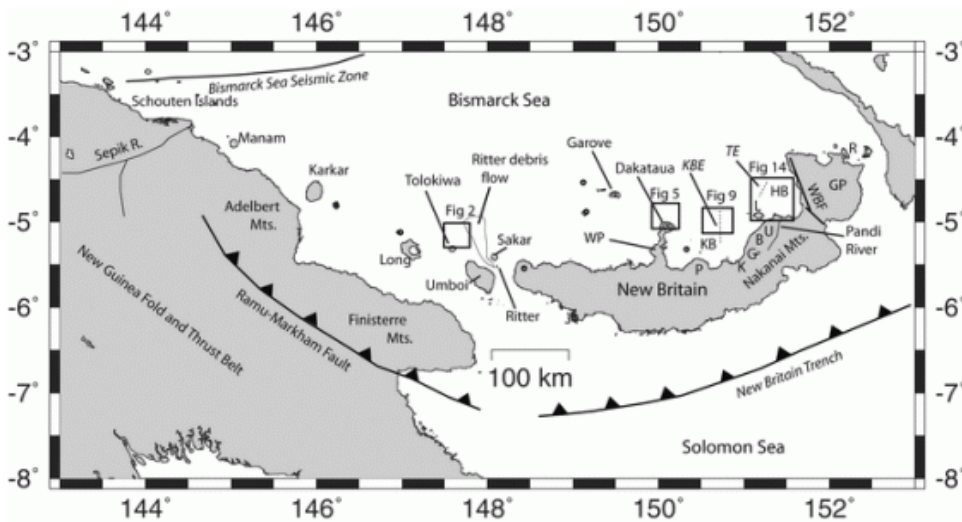
The company has reduced staff levels by some 60%, maintaining only Johnston as president and CEO and VP for PNG operations Adam Wright in its executive management structure. The company is looking towards achieving its next milestones, including completing environmental monitoring and management plan in the first quarter of 2017; vessel launch at the end of the second quarter 2017; securing additional finance by mid-2017; the second dry docking of the production vessel in the third quarter of 2017; and committing to contracts for the dewatering plant and derrick structure by the fourth quarter 2017. Further, the company is busy modifying its exploration drill rig to significantly reduce costs. It plans to explore initial targets on water by year-end, pending financing. Meanwhile, Nautilus is maintaining all its PNG political and social licences in good standing, Johnston said. Nautilus formed a joint venture company with PNG's nominee, Eda Kopa (Solwara), in December 2014 to mine high-grade polymetallic seafloor massive sulphide (SMS) deposits. Nautilus has an 85% shareholding and Eda Kopa (15%). As of November 25, 2011, the Solwara 1 project had an indicated mineral resource of one-million tons, grading 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 8.1% of copper, 6.4 g/t of gold, 34 g/t of silver and 0.9% of zinc.

Experimental seabed mining a threat in at least ten PNG Provinces

ACT NOW! 15 September 2016



As much as half of the whole of Papua New Guinea could be impacted by potentially destructive experimental seabed mining operations. While a lot of attention has been focused on the small area between East New Britain and New Ireland, known as Solwara 1, where Nautilus Minerals intends to start mining the seafloor in 2018, the Canadian company has far grander plans for experimental seabed mining and has recently been joined by the Chinese government in searching large areas of our sea floor. Nautilus' exploration activities include the whole of the Bismarck Sea and parts of the Solomon Sea, as shown in the map above (*credit: Nautilus Minerals*). Areas indicated in red are where the company already holds exploration licences. Areas in green show exploration licences being transferred to Nautilus and areas in yellow are where Nautilus has applied for an exploration licence. In addition, the Chinese government is currently surveying the New Britain Trench looking for potential seabed mining sites. The Trench is situated in the Solomon Sea between New Britain and Bougainville as shown in the map below (*credit: Geological Society of America*).



In combination, experimental seabed mining could potentially directly impact the lives of over 3 million people living in East Sepik, Madang, Manus, East and West New Britain, New Ireland, Morobe, Oro and Milne Bay Provinces and the Autonomous Region of Bougainville. Nautilus is struggling financially, has been forced to stop machine development, lay off staff and close offices, but the threat of experimental seabed mining, whether by Nautilus, another mining company or the Chinese is still very real. The potential impacts of seabed mining are still not fully known but they could be devastating for PNG with people's lives and livelihoods potentially impacted across ten Provinces and untold damage to our economically important tuna stocks and marine ecosystems.

Extractive industry efforts completed

September 15, 2016, The National Business

EFFORTS by the PNG Extractive Industry Transparency Initiatives to promote transparency and accountability in the industry will complement the operation of the PNG Sovereign Wealth Fund, according to secretariat head Lucas Alkan. A Sovereign Wealth Fund (SWF) is a State-owned investment in real and financial assets such as stocks, bonds, real estate and precious metals, or in alternative investments such as private equity fund or hedge funds. Sovereign wealth funds invest globally. The PNG Organic Law on the Sovereign Wealth Fund was approved by Parliament in July last year. The Department of Treasury and the Bank of PNG are working on the final stage of its implementation, including the appointment of a board and the establishment of an office to manage the operation. Alkan said the SWF was a global initiative that promoted accepted principles and practices based on the Santiago Principles.

Rules set to protect Sovereign Wealth Fund

September 15, 2016, The National Business

By Gedion Timothy

AS the Government moves to establish a Sovereign Wealth Fund, governance arrangement in the management and sustainability of funds should be in place, an official says. THE head of the PNG Extractive Industries Transparency Initiative secretariat Lucas Alkan said work had been progressing slowly since 2012 because of the laws and legislative requirements which needed to be in place. The EITI is a global standard that sets the yardstick for implementing countries to be measured against in their efforts to improve transparency and accountability in the management of revenues derived from oil, gas and minerals. He said the Organic Law on the Sovereign Wealth Fund was approved by Parliament in July last year. The Department of Treasury and Bank of PNG are

currently working on the final stage of its implementation. “Mechanisms such as deposit and withdrawal rules, oversight by Parliament on expenditure decisions through the budget process, the annual reporting through quarterly reporting process as stipulated in the Organic Law on SWF Act needed to be explicitly clear,” Alkan said.

“These seem too general and appear inadequate in a developing country like PNG with weak institutional arrangements.” Alkan said experiences in countries such as Russia, Venezuela, Libya, Brunei and Guinea which had established SWF showed that such funds had been mismanaged and failed to meet the objectives. Alkan said the SWF objectives seemed very clear – macroeconomic economic stabilisation and savings for future generations. “However, one question is whether we should earmark for specific expenditures from funds to come into the national budget from the stabilisation component of the fund,” Alkan said. He said there should be clear fiscal rules relating to withdrawals and deposits. “A lack of these rules could leave the fund open to discretionary withdrawals and could allow temptation for Government to spend unnecessarily during times of high commodity prices,” he said. “Likewise, a lack of deposit rule leaves it open for government to divert funds elsewhere or lead to irregular deposits as happened in other countries. “Even if there are fiscal rules established by law, these laws could be manipulated through amendments like what happened in some African and Caribbean countries.”

ExxonMobil and Total: Co-operation will lower costs

Post-Courier, September 14, 2016, Story and caption courtesy of Upstream website

The strong performance of ExxonMobil’s liquefied natural gas project in the country has helped bolster the case for co-operation between it and Total’s proposed project in the country, according to Oil Search which holds stakes in both projects. ExxonMobil’s PNG LNG project produced at a rate of 7.7 million tonnes per annum during the first half of the year, well above its nameplate capacity of 6.9 million tpa. Oil Search managing director Peter Botten told delegates at the Good Oil conference in Perth on Tuesday that the figure could edge closer to 8 million tpa in the second half of the year. “I’ll stress that we’ve not spent any capital to get that extra capacity yet so we’ve actually not done any, per se, debottlenecking of the plant,” he said. “Our instantaneous production rates have actually gone up as high as 8.4 million tpa on a daily basis. So working on high uptime rates will, I believe, push that number up towards an average of 8 million tonnes in the second half.”

The strong performance of PNG LNG combined with ExxonMobil’s recent agreement to acquire Canadian company InterOil, which holds a 36.5% stake in Total’s Papua LNG project, bolsters the case for cooperation between the two projects. Oil Search believes between US\$2 billion and US\$3 billion could be saved in capital costs, based on a two train project, if PNG LNG and Papua LNG cooperate. Botten said the ground work had already been laid for “a very competitive” brownfield expansion for both the PNG LNG third train and at least one train out of Elk-Antelope for Papua LNG which would save “a substantial amount of operating costs”. “There’s obviously spare land (at PNG LNG), there’s spare camps, there’s spare capacity in the tanks, there’s spare capacity in the jetties,” Botten said. “If you are able to work together and build clones of the two very higher performing trains that we have in PNG LNG and develop Papua LNG and the PNG LNG expansion together, then we think we can also save around \$125 million per annum in operating cost savings.”

Botten also highlighted the current competitive LNG market, with oversupply seen through to the early 2020s, would also necessitate co-operation between the two projects. “You have to be at the bottom end of the cost curve to compete and that’s where a cooperative development between PNG LNG and Papua LNG can be very competitive we believe, we are at the bottom end of that cost curve,” he added. Botten also pointed to customers needing to work with operators to ensure projects move forward, with the Oil Search boss noting not many boards around the world would be

sanctioning LNG projects without robust economics which was difficult in the present world of low oil commodity prices. “No customer wants to see no LNG projects get up over the next five years because there is inevitability about much, much higher pricing which is not necessarily good for anyone,” he said.

K92 mine starts diamond drilling

September 14, 2016 The National Business

By GEDION TIMOTHY

THE K92 Mine has begun diamond drilling underground at the Irumafimpa Gold Deposit and has engaged Quest Exploration Drilling (QED) to undertake the work. Chief executive officer Ian Stalker said K92 selected QED as the drilling contractor due to their extensive experience in the Asia Pacific region. In PNG, QED has a regional office and workshop in Lae near the Kainantu mine site. He said the combination of being locally established, which provided excellent support for site, and their specialised expertise in underground drilling, made QED an ideal supplier to K92. “QED has provided two rigs, one of which is focused on drilling out the Irumafimpa orebody for grade control and mine planning purposes, and the second unit for drilling of the Judd Vein System targeting expansion,” he said.

“The initial resource estimate for the Kora and Irumafimpa deposits, situated in the company’s mining lease 150, is 1.84 million inferred ounces, at 11.6 gram per ton of gold equivalent (g/t Au eq) and 240,000 indicated ounces at 13.3 g/t Au eq,” Stalker said. “This mineral resource estimate is based on 78,935 metres of drilling from 767 holes and 18,312 metres of assayed intervals across all lodes. “Kora remains open in all directions and strongly mineralised at the extent of drilling. “Judd was identified from earlier drilling by Barrick Gold Corporation, and exploration work, as having a strike length of at least 2500 meters running parallel to and to the East of the Irumafimpa and Kora deposits, only 50 to 100 metres from the main incline.” Chief operating officer and director John Lewins said: “The technical team onsite has done an excellent job with the production re-start and we are on schedule.”

ExxonMobil, Oil Search gain offshore stakes

Post-Courier, September 14, 2016, Story and caption courtesy of Upstream website



US giant ExxonMobil and Australia-listed company Oil Search have signed agreements to gain a stake in two permits in the Papuan Gulf, off the coast of Papua New Guinea. Oil Search revealed both it and ExxonMobil had entered into separate agreements with CNOOC Ltd-owned Gini Energy to acquire a 40% interest each in PPL 374 and 375, with ExxonMobil also to take over operatorship from Gini, which will retain a 20% stake. Oil Search managing director Peter Botten said the deal to farm in to the offshore acreage followed a comprehensive study of exploration opportunities in PNG. “This work identified the offshore Papuan Gulf as an area where there is significant

gas potential, with several multi-trillion cubic feet gas leads and prospects already delineated in these licences,” he said. “We are delighted to be partnering with ExxonMobil, which has significant experience in exploration and production in deep-water, and we also welcome the opportunity to work with CNOOC Ltd for the first time.” The licences cover 24,936 square kilometres, about 150 kilometres south of Port Moresby, with water depths ranging from 1000 – 2500 metres.

Nautilus obtains bridge financing

Post-Courier, September 12, 2016

Nautilus Minerals Incorporated has signed a subscription agreement for its common shares which will see it raise proceeds of up to US\$20million. The agreement was signed with two of its major shareholders-Mawarid Offshore Mining Limited and Metalloinvest Holding (Cyprus) Limited. Nautilus chief executive officer Mike Johnston said the gross proceeds available under the Subscription Agreement will provide the bridge financing necessary to enable the Company to operate and to carry on the Solwara 1 Project, while it continues to explore additional financing, joint ventures or other transactions that provide the funding required in order to complete this project. “The Company appreciates the ongoing support of its two major shareholders through this bridge financing arrangement, especially given current market conditions.

“We are also heartened by the continued support of all of our key stakeholders, in particular, our joint venture partner in the Solwara 1 Project, the Independent State of Papua New Guinea’s nominee and our vessel contractors, Marine Assets Corporation and Fujian Mawei shipyard. “The global interest in seafloor mining continues to grow, and Nautilus remains the industry leader in this expanding field, Mr Johnston said. As previously disclosed, the company requires significant additional funding in order to complete the build and deployment of the seafloor production system to be utilised at the Solwara 1 Project by the Company and its joint venture partner (as to 15 per cent), the Independent State of Papua New Guinea’s nominee. “Pursuant to the Subscription Agreement, the shares will be purchased on a private placement basis and will close in tranches, on a monthly basis, during the period from December 1, 2016 through to November 30, 2017, at the election of the Company,” the firm reported.

Fiji Minister tells of negative mining effects

Luke Rawalai, The Fiji Times, September 12, 2016



OUTGOING Lands Minister Mereseini Vuniwaqa says bauxite mining had negative impacts on natural ecosystems because of failure in monitoring systems. Speaking during an interview, Mrs Vuniwaqa said negative impacts of bauxite mining included dust emissions and the dirtying of waterways, which needed to be strictly monitored by the Mineral Resources Department. Mrs Vuniwaqa said since bauxite mining was new the ministry initially found it hard to monitor mining works, adding that it was better with it now. "It has been a learning project and we have learnt very

fast in bauxite mining because of the objections to it," she said. "The company mining bauxite at the initial site in Bua is now replanting trees after mining, which is part of their licensing conditions. They need to fulfil it before they leave the country." Mrs Vuniwaqa said mining at the first site had been completed adding that the mining company had a 20-year lease over the land. "They mined for seven to eight years and if you go there now you will find it green," she said. "As per the conditions of the licences they plant things that were there before they began mining and the idea now is to plant pine."

Another seabed mining bid in New Zealand

Simon Hartley, Otago Daily Times, 12 September 2016



Chatham Rock Phosphate expects to rejoin the permitting fray surrounding seabed mining, with expectations it will make a second application to the Environmental Protection Authority (EPA) next year. Seabed mining is back on the mining agenda, and environmentalists' watchlists, after Trans Tasman Resources (TTR) reapplied a fortnight ago for its environmental permit to take ironsand from Taranaki's sea floor, at depths of up to 40m. Environmental group Kiwis Against Seabed Mining has vowed to again fight the proposal, having mobilised thousands of people to protest during the first application. TTR had spent \$66million in research and development and Chatham Rock spent more than \$30million, but both had their first applications turned down by the EPA. In a presentation to the annual mining conference of the New Zealand branch of the Australian Institute of Mining & Metallurgy in Wellington last week, Robin Falconer, a consultant and director of Chatham Rock Phosphate outlined the process so far. Chatham Rock wants to suction up phosphate nodules from the sea floor at depths up to 450m on the top of the Chatham Rise, taking 1.5million tonnes a year.

Mr Falconer remained adamant the Chatham Rise phosphate was a "strategic" for New Zealand's economy, in displacing imported Moroccan phosphate and potentially as an export earner. Although separate projects, Mr Falconer said Chatham had been working with TTR and would continue to do so. "We'll wait and see how TTR gets on on," Mr Falconer said of its application, which is yet to be formally accepted by the EPA, and will then be publicly notified. When asked in question time, Mr Falconer said Chatham intended to reapply to the EPA in mid-2017. "We have the capital to see us through and meet our commitments," he said. In July, a share purchase plan for Chatham Rock was oversubscribed and it raised \$616,000, plus issued 8.74million shares to qualified investors, reaping \$52,500 more. Mr Falconer noted that while "finance is hard to get" at present, he was still adamant "this is still a doable project," and could be operational by 2020.

In an earlier presentation at the conference, the EPA warned applicants in general that simply filling volumes of work and research was not adequate, and parties had to do more to prove how mitigation procedures, and outcomes, would work. There is a question of the plume created by seabed mining on the sea floor, and the plume on the surface if spoil was tipped off the ship. Chatham's design work to date is not to release tailings from a ship, but release them 10m above the sea floor. Mr Falconer said "We could do more plume work, but that would just be moving a decimal point to already world-class results." The discovery of beds of coral on the seabed around the Chatham Rise had raised concerns. "We could spend \$2million to \$3million on just looking at coral distribution," Mr Falconer said.

Global Conservation Body Votes to Ban Marine Mine Waste Dumping

Shreema Mehta, EARTHWORKS, September 12, 2016



Tailings waste from the Porgera mine in Enga Province. Photo: Emily Allen

Mining companies move staggering amounts of earth to extract small quantities of minerals like gold and copper. Much of this waste is contaminated with heavy metals and chemicals used to extract metals from ore. Dealing with the resulting waste is a constant problem -- for the industry, environment and nearby communities. In select places around the world, notably Indonesia, Papua New Guinea -- and now, Norway -- mining companies handle this problem by simply dumping their waste into rivers, lakes and oceans. In fact, mining companies are dumping more than 180 million tonnes of hazardous mine waste each year into the world's rivers, lakes and oceans. This week, thousands of activists, academics and policymakers from around the world are gathering in Hawaii to attend the IUCN World Conservation Congress to discuss the state of global natural resource conservation, including the issues of marine mine waste disposal. IUCN, or the International Union of Conservation in Nature, is a global network of over 1,300 government and civil society organizations. Every four years, the IUCN passes motions during this Congress that, like the United Nations Sustainable Development Goals, set priorities for the global conservation community.

This year, IUCN members almost unanimously approved a resolution calling for an end to the disposal of mine waste into marine and coastal environments, as well as an end to current sites of marine mine waste disposal. As noted by the resolution, most national governments do not allow marine tailings dumping, given both the severity of its impacts and available alternatives. Dumping mine tailings into oceans is destructive to marine life. Tailings are the waste leftover when the desired mineral, such as gold or copper, is separated from its ore. This waste is an often toxic sludge of waste rock and processing chemicals that can contaminate water, smother aquatic plants, and poison fisheries on which coastal communities depend. Earthworks has documented some of the egregious

examples of marine mine waste disposal in a report, *Troubled Waters*. The toxic mine waste has led to reduced populations of fish and bottom-dwelling organisms in Indonesia and Papua New Guinea, and local groups in both countries found higher concentrations of toxins such as arsenic or mercury in some surviving fish. In Norway, tailings have been found to be dumped into designated national salmon fjords, which support huge fishing and tourism industries.

But coastal communities around the world are fighting back. Norway, Papua New Guinea and Indonesia have seen communities rally against mines that are polluting the coastal waters on which they depend. Just this past February, more than 100 local activists conducted a powerful act of peaceful civil disobedience to protect majestic fjords from toxic mine waste. The protesters blocked test drilling from Nordic Mining, which proposes to build a rutile mine that would dump waste into the Fårde fjord. Norwegians of all types -- from fishers to student activists -- have united in opposition to companies proposing to dump tailings into fjords. Norway was among the only countries to oppose the IUCN's ban on marine mine waste dumping.

The world's oceans should not be considered dumping grounds for the mining industry. Mine tailings dumping is an egregious practice that should have been phased out decades ago, but instead, the practice continues - and is being considered in new, fragile marine environments like fjords and intact coral reefs. The almost unanimously approved IUCN resolution shows wide consensus among civil society, governmental and academic organizations that dumping tailings into oceans and rivers is environmentally destructive and unacceptable. National governments, particularly those of Norway, Indonesia and Papua New Guinea, should respond to this signal of public will to by banning the dumping of tailings into oceans. Mining companies should take a stand too -- by publicly committing to ban marine dumping for future operations and phasing out the practice at existing operations. It's time to bring the mining industry into the 21st century and end marine mine waste disposal.

Anti-mining groups gather in support of Ngāti Hau

"She is our mother symbol. The land and water is priority. Water is the life source."
Dean Nathan, Maori Television, 11 September 2016

Security for the Evolution Mining Company mining at Puhipuhi was breached today as anti-mining groups, hapū and the public from across the region gathered in support of local hapū Ngāti Hau's anti-mining stance. A march took place at Puhipuhi this afternoon with protestors determined to make it to the Evolution Mining company drill site. Hami Tohu, Te Orewai / Ngapuhi says, "All the placards will tell you that Northlanders don't agree with the drilling here. They [the mining company] are searching for minerals and there's no benefit here for the community." Jef Murupaenga - Ikin, Kanataa / Norway says, "We need to stand as one, steadfast to fight companies looking to drill because it's wrong." Te Uri o Hau is concerned that ten years of effort and resources on the Integrated Kaipara Harbour Management Group could be for nothing.

Deborah Harding, Te Uri o Hau says, "Is our investment going to be hindered by the impact of the mining action that would occur up here? By the sounds of it this morning, most definitely it will." Ben Smith, Farmer / Scientist says, "The plan to take action is gonna come in as well as we've gotta gain that employment and that science back into the community, so that we can employ these young people in an industry that's sustainable." One idea at today's talks suggests to continue this regular action would possibly put off investors keen to finance mining projects here. Murupaenga-Ikin says, "She is our mother symbol. The land and water is priority. Water is the life source." "It doesn't just affect Māori but all our families and friends of all ethnicities. If the water is poisoned and we have no water, then we all die," says Tohu. Time will tell whether today's action will have other consequences.

Fiji Confirms First Bauxite Shipment of the Year

Aluminium Insider, 9 September 2016

The Fijian government confirmed its first shipment of bauxite in 2016 on Wednesday. Fiji's Acting director of the Mineral Resources Department Apete Soro told local media that the first shipment of the year left the Fijian port of Bua last month, bound for refineries in the People's Republic of China. "I can confirm that the shipment of bauxite left our shores on August 14, with a total gross tonnage of 69,000," he said. "According to Aurum [Exploration (Fiji) Ltd], the estimated cost at present market value should be around \$1.4m. The next shipment is expected later this year or early next year." Soro went on to say that the bauxite in question had been stored at the Nawailevu stockpile area on Gaola Bay, Vanua Levu for the past year due to the general unfavorability of the market. A representative of Aurum indicated previously that Fiji's bauxite quality was an issue as well, as the ore found in the area was not of a high quality.

However, a bauxite ore washing plant at Aurum's Naibulu, Dreketi mine helped secure a buyer, as the washing plant aided in separating out impurities in the ore, improving the quality of the mined bauxite. The buyers, who are not named in any media reporting on the sale, were found in late July. Estimates for what the sale price might be were US\$1.92 million. Another 30,000 metric tons of low-grade bauxite remains in country at the mining site in Dreketi, Macuata, northeast of Nawailevu, awaiting a buyer. The Republic of Fiji is home to the Vanua Levu mine, which is one of the largest bauxite mines in Oceania, with reserves estimated at one billion metric tons. Known for its picturesque beauty, the country has been a difficult location to conduct mining operations due to a military coup in 2006, a constitutional crisis in 2009, and an ongoing military dictatorship.

Stakeholders agree on OTML shares

Post-Courier, September 09, 2016

By JEFFREY ELAPA

THE body representing the Fly River Provincial Government, Ok Tedi mine lease landowners and CMCA communities have formalised the split of the 33 per cent share equity in the Ok Tedi mine. The landowners thanked the Prime Minister and the NEC for hearing the pleas and giving them the ownership rights over their resources. The mine impact landowners said they have negotiated for the distribution with the Fly River provincial government receiving 12 per cent, community mine continuation agreement receiving 12 per cent while the six mine landowners receiving nine per cent as required by the NEC. Spokesmen Joel Dangkim, Richard Zumoi representing the Middle Fly CMCA communities and Kayama Simba representing the Fly River provincial Government said the parties have also passed a resolution for their equity to be managed by their nominated holding companies other than MRDC after experiencing issues in relations to their two per cent free equity.

Dangkim and Zumoi said while the Fly River provincial government will submit their nominee holding company, the CMCA and the mine villagers have nominated their holding companies and they are Fubilan Resource Management Company and CMCA Holding Limited who will manage their funds. They said they are meeting in Port Moresby to endorse their business plan and will present it to the Prime Minister next week. They called on people with vested interest not to mislead the people and the Government as they are the only mandated representatives with their respective holding companies who will manage their split equities. "This is the legitimate body recognised by the Prime Minister and it is the three parties who will negotiate on behalf of the people and the provincial government. We refute the statement by the defunct Ok Tedi mine srea impacted association on the 33 per cent share distribution. They are not part of the negotiation processes and do not represent the communities," they said.

Fiji: Law sets ground for mining consent

Luke Rawalai, The Fiji Times, September 8, 2016



THE Ministry of Lands and Mineral Resources will only seek the 60 per cent consensus from landowning units (mataqali) for the mining of minerals as required of them by law. Responding to concerns raised by the Bua Urban Youth (BUY) network on the non-involvement of yavusa (clans) for the procurement of such consensus, the ministry's deputy secretary Malakai Nalawa said the law was silent on the involvement of clans in the gathering of consensus. Mr Nalawa said they were obliged by law to approach the mataqali rather than the whole yavusa to obtain 60 per cent consent from its registered members in the Vola ni Kawa Bula (VKB). "iTaukei land, on which bauxite development is undertaken in Bua, is owned by individual mataqali which constitute the yavusa," he said.

"However, the respective clan heads are also consulted for their support, in their capacity as the chief, to reinforce the consent of the landowning unit, which are components of their clans. "Consent of the yavusa will only be sought if in the event the land is owned by the yavusa." Mr Nalawa said this meant that the land was owned by all the mataqali registered under that yavusa and therefore 60 per cent consent of the total members of all the mataqali registered under that yavusa, would be required to be procured. "We, as a Government agency, will always respect our iTaukei institution as it is mandated by law to do so," he said. Meanwhile, in a statement BUY said all the appropriate approach to obtaining consent involved consulting everyone who would be impacted including clans who were part of the iTaukei social structure.

Awareness on mine shares in Western Province

September 8, 2016, The National Business

AN awareness will be conducted in Western by the Community. Mine Continuation Agreement (CMCA) committees regarding the 33 per cent shares offloaded by the State. President of OK Tedi Mine Impacted Area Association Nick Bunn said they represented the 156 affected areas along the Fly River. "There are two groups of landowners – the 12 mine lease area villages unaffected by environment damages discharged from the Ok Tedi mine (the mine landowners), and the CMCA landowners (the people affected by the mine along the Fly River) comprising 156 villagers," Bunn said. More than 100,000 live along the Ok Tedi and Fly river systems and are directly affected by the pollution from the mine." He said the awareness aimed to educate the people of Western on how they could distribute the 33per cent shares fairly. The Government had decided to give the 33 per cent shares from Ok Tedi mine to the people of Western. Bunn said the North Fly District Develop-

ment Authority had given them K1 million to conduct the awareness. He urged the two other districts (Middle Fly and South Fly) to also fund the awareness programme. “The 33 per cent is for the people of Western,” he said. “We would like to decide on sharing these independently. “I have started talking to other Community Mine Continuation Agreement leaders that we must now reconcile and stop fight among ourselves and talk about sharing equity properly.”

MRA reports drop in mineral revenue

Post-Courier, September 08, 2016

The total revenue generated from export of minerals has dropped to K7.192 billion and a steady state of expenditure of K350m according to Mineral Resources Authority. It says in its exploration update that 2015 represented a low point in the current depressed mineral commodity cycle which has caused a drop in the revenue adding that this may be contrasted to 2016 forecasts, based on actual export data to July 2016, of in excess of K8.2 billion and a drop in the exploration expenditure, which has shown a significant drop from 2013 (K595.7m). Several factors account for this turnaround, mainly higher gold prices and production from the Lihir mine, and the resumption of gold and copper exports from the Ok Tedi mine in March. It also says that another key indicator is mineral tenement activity and figures for 2016 indicate the total number of tenements including all types of licences and supporting tenements for January to August 2016 has increased from 507 to 543 (a 7 per cent increase). This can be contrasted to total tenement applications in 2015 at 128 compared to a forecast of 170+ this year, which would represent a 32.8 per cent increase that is consistent with new and renewal applications and overall active tenements all being up on the previous year. This is indicative of a slow lift off the bottom of the cycle, although the situation will always be subject to some volatility, caused by external international events that have influences outside PNG’s control.

The exploration space active licences have increased for the period January to August 2016 from 125 to 134 which is consistent with the renewals increasing from 54 to 68 meaning the decline in exploration has stopped and there are incremental increases in activity, which indicate more positive signs for the sector. It says that these historic figures are heavily influenced by one company, Nautilus, which released over 50 offshore exploration licence areas during the period from 2014 with much of the current expenditure is confined to a small number of advanced tenements, such as Frieda River, Wafi-Golpu, Star Mountains, Townsville and Kili Teke. However the outlook of PNG which is consistently recognised in the top 5 of global rankings remains high due to the registration of Special Mining Lease (SML) applications for two world ranked (top 10) resource prospects at Frieda River and Wafi-Golpu, within the last 3 months, as well as entry to PNG by world class miners such as Anglo American and Rio Tinto. Total capital expenditure for these projects is anticipated to exceed K21m over a 5 year period commencing from grant of the SML’s, and final investment decisions by the project proponents. On current mineral prices these two projects alone could add approximately K7 billion per annum in export revenue by the mid-2020’s, almost equivalent to current total export revenue.

Chief Inspector of Mines: Change legislations to benefit workers

Post-Courier, September 08, 2016

By FRANKLIN KOLMA

Papua New Guinea’s foremost authority on mining standards says there is dire need for legislations that prioritise the health and safety of mine workers. Papua New Guinea Mineral Resource Authority’s Chief Inspector of Mines Mr Lave Michael said this yesterday during the third annual National Health and Safety Symposium held at the Divine Word University in Madang Province. Mr Micha-

el told a host of experts and scholars at the university's SVD Auditorium that workers needed to be brought back to the centre of legislative processes as current legislations were outdated and irrelevant and did not have the interests of mine workers at the forefront of operations. The MRA head explained that mining was at the epicentre of the country's economic endeavours accounting for 60 percent of our export earnings and that legislations had to be changed to ensure that the employees' health and safety were given prominence.

"Currently, mining companies come in and may have good worker welfare or health and safety policies, but at the end of the day our legislations take precedence," said Mr Michael. "Because our legislations take precedence, mining companies abide by our legislations which are out of date, focusing more on procedural and prescriptive notions rather than actual risk management." The MRA Chief Inspector said that as such legislations have let our mine workers down resulting in many cases of serious bodily grievances contracted during mine employment, a few of which have been fatal. He said that 32 workers employed in mineral extraction entities have reportedly suffered serious illnesses with two confirmed deaths as a direct result of hazardous mine related endeavours. "It is high time we stop being concerned about the golden eggs like infrastructure and development and start taking an interest in the hens that produce these societally enhancing eggs," said Mr Michael.

Assessment on mining leases need time: MRA

September 6, 2016 The National Business

By GEDION TIMOTHY

IT will take 12 months or longer to complete the technical assessments of two mining lease applications for Frieda in East Sepik and Wafi-Golpu in Morobe, according to the Mineral Resource Authority. Managing director Philip Samar said both mines provided their own development plans. PanAust Limited, the leader explorer and developer of the multi-billion kina Frieda copper-gold project in West Sepik lodged a special mining lease application for the project with the Mineral Resource Authority in June. Likewise, the Wafi-Golpu Joint Venture lodged an application on August 25 for a similar lease. The MRA is two months into the technical assessment of the Frieda proposal for development. The authority has circulated within government the relevant sections on business development, equity and training to the appropriate government agencies for their review. These will then be collated by the MRA for submission to Cabinet for approval. "The Wafi assessment is through the preliminary stages and should pick up within the next three months," Samar said. "It is anticipated that all mining approvals should be ready in the next 12 months.

The 12 months (could be more) is the time it will take MRA to complete its technical assessments of the two proposals for the development of both projects." He said the MRA would prepare a submission to Cabinet which the Mining Minister would table in Parliament. "The SML is not granted until and unless the Environment Permit by Conservation and Environment Protection Authority (CEPA) has been approved. "Frieda will build Papua New Guinea's largest land tailings storage facility (tailings dam) to ensure tailings are not disposed into the Sepik River over the life of the mine," he said. "This tailings facility will also double up as a hydro dam for purposes of generating electricity for operating the mine. "The copper concentrate is shipped down the Sepik to Wewak for export to market." Wafi is a large long-life underground mine using a similar sized land tailings storage facility with an extensive pipeline infrastructure that delivers the copper concentrate from site to the port of Lae, Samar said.

Frieda development must comply with laws: Tekwie

September 6, 2016, The National Business

FORMER Sandaun Governor John Tekwie says the developers of the Frieda copper-gold project and the provincial government must fulfil obligations, terms and conditions under the Organic Law on Provincial and Local Government Affairs Act. Project developer PanAust Limited lodged a special mining lease application for the Frieda River copper-gold project with the Mineral Resource Authority. Managing director Dr Fred Hess said the lodgement of the application was a milestone in the pursuit of organic growth for the company. Tekwie said apart from stringent legal requirements under the Mining Act for consultations and development forums, there was also the need for consultation and compliance by developers with provincial governments and landowners.

“PanAust must be reminded of its obligation for proper and full consultation with provincial leaders,” Tekwie said. “Overseas paid junket trips for governors and MPs do nothing meaningful to the many negative realities faced after full operation (such as in the case of Bougainville, Ok Tedi and Ramu Nickel). “This obligates investor parties and MRA to ensure that full and proper opportunity is given to our province to fully explore, ask, and know, and be included in/with all facts pertaining to the project prior to issuance of any mining lease by the minister. “No one should ever use our Sandaun people’s non-response as to mean we are not interested.”

Scientists fear deep-sea mining

Euronews, 5 September 2016



Scientists fear that even before one of the last frontiers of exploration, the ocean deep, has been properly studied it will already have been exploited by commercial deep-sea mining looking for rare metal and minerals on the ocean floor, leaving its unique ecosystems badly damaged. Astonishingly less than 0.05 percent of the ocean floor has been mapped at a level of detail where objects a few metres in size can be discerned. Marine biologists estimate that there are around 750,000 marine species yet to be identified, many of them likely to be found in the deep sea. The mining industry has been developing technologies to extract metals and minerals more than 500 metres down on the seabed and it’s expected that commercial mining will start for the first time in 2018 around Papua New Guinea. One mining method is to use a conveyor belt system of buckets to bring soil containing metal and mineral deposits from sites on the sea floor up to a mining ship for processing. A second method is to use pipes to hydraulically suck up soil from sites on the sea floor, also to a mining ship for processing.

But before that happens the MIDAS project, which is made up of scientists, industry figures, NGOs and legal experts from 32 organisations across Europe, hopes to gather enough data to gain a good picture of what damage might be done by mining and so inform regulators of what needs to be put in place to protect the deep sea environment. Currently the UN Convention on the Law of the Sea governs activity on the seabed and since around 70 percent of the world's surface is covered by ocean – and more than half of that is designated as international waters – the area potentially under threat is enormous. The 1982 UN Law of the Sea treaty states that international waters are the “common heritage of mankind” and that the International Seabed Authority (ISA), based in Jamaica is the body responsible for administering it.

It's in the process of drawing up a mining code to govern deep-sea mining before 2018. On board the MIDAS project's research ship just off the Azores Islands in the Atlantic Ocean its chief scientist explained to Euronews why the seabed is now so attractive to mining. “There are a number of deposits that are on the sea floor that people think may be exploited for commercial purposes; they're principally metallic, but also phosphates, and we think hydrates, for energy. There's a lot of interest at the moment, there's a lot of investment going on, and there are a number of projects that are going to be coming to fruition fairly soon,” Ian Stewart said. MIDAS fears that mining will greatly damage fragile seabed habitats, although it's hard to be certain since deep sea ecosystems remain so poorly studied. Marine biologists on board the research ship are focusing on how exactly corals react to damage associated with mining.

One marine biologist from the University of the Azores is researching the damage done to coral reefs by humans such as bottom fishing, the trawling of the ocean floor with fishing lines. She is also looking at copper pollution, an unwanted by-product of deep-sea mining. “This group of corals was subjected to mechanical damage, which can be a significant risk for a colony. This other group has been subjected to copper pollution in a concentration that would be sufficient to affect their physiology,” Inês Martins said, standing in front of two sections, a metre square each, containing the two coral groups. Working from the research vessel located above the Mid-Atlantic Ridge Martins and her colleagues are putting a section of damaged coral and a section of undamaged coral back on the seabed to monitor how they survive and grow in the future. “This research is crucial, as corals are the basis of the deep sea ecosystem. We need to understand how they will be affected, because the whole of the rest of the ecosystem depends on them,” another marine biologist, Antonio Godinho, working alongside Martins explained. The coral samples will be deposited more than 200 metres deep at several underwater locations and the whole process will be visually controlled with a remotely operated underwater vehicle or ROV.

“We monitor the deployment of the corals and then, once they are landed, vertically we go along and cut the deployment ropes, make sure everything's clear. And just take a positional fix of the position of the landers on the seabed, so that they can find them when they want to recover them in a month's or a year's time,” Paul Bond, a technician from Subsea Vision explained, sitting in front of screens on the ship showing the ROV's underwater progress. However scientists, already troubled by the lack of data, remain concerned that they need a lot more observations to draw firm conclusions. “Scientists would always like more data – this is why we're on this cruise here. What we really need to understand better are the processes and the interactions in the deep sea, how would they respond to the mining activities; we still need a lot more research on this. And without more research, it's very difficult to predict accurately what the effects may or may not be,” Ian Stewart said.

Ok Tedi Development Foundation makes headway on sector goals

Post-Courier, September 05, 2016

THE Ok Tedi Development Foundation has moved a giant step closer towards achieving its economic development sector goals. It has secured an eaglewood patent and rubber licences for the benefit of Western Province people as stipulated under the Community Mine Continuation Agreement. Included is an exclusive license patent agreement was signed by OTDF chief executive officer Ian Middleton with Cultivated Agarwood Limited on August 6, providing property rights to the agarwood producing CA kit technology in PNG until 2041. Mr Middleton also led a delegation of partners that presented to and secured a licence from the PNG Rubber Board to buy cup lump rubber and export creped rubber sheets from Western Province. Fly Eaglewood and Fly Rubber are two newly incorporated companies approved by the OTDF board of directors in July 2016 to manage these initiatives. Fly Rice has also been incorporated for rice development in the province.

The companies were formed as part of OTDF's livelihood development package program, which is a core component of OTDF's economic development sector and new 2016-2020 strategic direction. Mr Middleton said while the LDP program focuses on the three primary packages OTDF further recognises the need to provide alternate support to South Fly delta villages and mine villages through fisheries and poultry development. "This is premised on the opportunity to scale up production, provide access to processing within Western Province and providing a guaranteed export market that enables farmers to earn a regular cash income and reducing their dependence on the annual compensation payments from the Ok Tedi mine. "The LDP program provides the opportunity to scale up production beyond subsistence levels through a more diverse range of primary products, in rubber, eaglewood and rice." OTDF has started the construction of permanent eaglewood seedling nurseries with 100,000 seeds being delivered . from Vietnam throughout September and expects to begin construction of a rubber creping factory in Aiambak once funding is approved.

K500m to be paid to LNG Landowners

Post-Courier, September 05, 2016

BY FRANKIY KAPIN

A TOTAL K500 million has been prepared to be paid to the landowners of the PNG LNG Project in Hela province, according to Energy and Petroleum Minister Nixon Duban. He said that K35 million will be paid this week and K465 million is reserved in the bank, Mr Duban, who is Madang Open MP, said last week. He said overtime in the lifespan of the LNG project, K40 million will be paid out at intervals to the landowners. "This money rightfully belongs to the landowners and they will get it for allowing normalcy to return at the LNG project sites which landowners had shut down in Hela Province last month." Mr Duban told the five traditional landowner groups of the Pacific Marine Industrial Zone (PMIZ) in Madang that this was the type of money that they could benefit from when the project gets into full swing on their land.

"What you need is foreign direct investment," Mr Duban told the people of North Ambenomb local level government where the PMIZ is located. He said Madang needed an impact project comparable to the PNG LNG Project to be able to generate its own revenue instead of waiting or poking its nose into revenues of resource-rich provinces. Similarly, money that rightfully belongs to the traditional PMIZ landowners must go into their pocket just as what the LNG project landowners can expect this week. Mr Duban said given this scenario, beneficiaries of the PMIZ must accept that they will bring new and more money to the district to generate business opportunities and job creation. Stage one of the PMIZ has been completed, costing US\$20 million (K64.9m), sourced from the Exim Bank of China and stage two will follow soon at a cost of \$156 million (K506m) to be funded also by Exim bank, according to Mr Duban.

Australian real estate investor circles Solomons 'disaster' gold mine

The Solomon Islands environment ministry has condemned the 'immoral' behaviour of an Australian miner for selling an abandoned gold mine to traditional landowners for A\$100.

Stefan Armbruster, SBS World News, 3 September 2016



Children play in the Tinahulu River downstream from the Gold Ridge mine. (Stefan Armbruster SBS)

In the latest twist of the saga involving the troubled, 20-year-old operation, Chinese-Australian property developer AXF is now preparing to buy the mine. Sixteen months after the sale of Gold Ridge, the country is struggling to deal with its toxic tailings dam and is considering legal action. St Barbara last year sold the site, with all legal liability, to a local traditional landowner company, Gold Ridge Community Investment Limited (GCIL). The government declared the tailings dam a 'disaster' zone shortly afterwards over fears it would overflow, possibly undermining the dam wall, and cause a collapse releasing millions of tonnes of toxic sludge. Earlier this year after heavy weather, the tailings dam full of sediments containing high levels of arsenic and cyanide, overflowed for the first time, sending millions of litres of untreated water into the local river systems. Thousands of subsistence farming villagers live along the Tinahulu river and use it to wash, fish, cook, drink and swim. "We are so worried because if the mining operations come again, we don't know what is going to happen," said John Kera, chief of New Rere village downstream from the dam.

However, the river diluted the tailings water and tests showed contamination was below World Health Organisation thresholds. "Our immediate focus is on securing the tailings storage facility, knowing full well what the impacts would be on the downstream people," said Dr Melchior Metaki, permanent secretary of the Department of Environment. "The major pollutants (in the dam), arsenic and cyanide, are really high." The Solomon Islands government is now relying on help from the UNDP, funded by the Australian government, to assess what the landowners have bought from St Barbara. "Knowing full well the recipient (GCIL) doesn't have requisite capacity and resources to adequately manage the tailings storage facility, in my view it's not morally correct to do. It's not morally right to do that," said Dr Metaki.

"Common sense tells me it would not be accepted in Australia. "Of course, legal recourse is something we'd need to be advised on how to properly take that forward." He added the landowners also bear some blame as: "it takes two people to put it down on paper". St Barbara in a statement said it: "does not comment on baseless speculation", adding the "Solomon Islands Government was aware of the sale process and the sale outcome". "Many of the shareholders and directors of GCIL had personal associations with and concerns for the success of the Gold Ridge Project since it was first established in the mid-1990's, with the GCIL chairman (Walton Naezon) being a former Minister of Mines and Energy.



Gold Ridge tailings dam spills untreated water in April 2016. (Stefan Armbruster SBS)

“St Barbara has no liabilities or commitments in relation to Gold Ridge.”

St Barbara sold up after a year-long dispute with the Solomon Islands government that prevented dewatering of the full tailings dam. Heavy flash flooding in 2014 shut the site down and it was looted until Australian Federal Police were flown in to protect the mine. St Barbara lost about \$300m while operating the mine and its share price jumped on news of the sale. The Gold Ridge landowners say they have no regrets buying the mine. “It’s time that my people had some ownership over the project,” said Walton Neazon. “We took the liability on from St Barbara with the confidence we can handle this liability.”

“We have dewatered untreated water during height of bad weather at the beginning of this year (but) we have dewatered 1.3 million cubic meters of treated water,” Mr Neazon said describing it as being like “mineral water”. The water level in the dam is now about two meters below the spillway. At the height of the tailings spill, the health department issued a press release warning people not to use the river water and added, “finally if the dam wall breaks, there may be a risk of drowning or injury due to the increase water flow”. The Australian-funded UNDP study will test the dam wall and “look at contingency planning should there be an extreme case,” said Mr Mataki. “We cannot say it is safe because there hasn't really been any structural integrity assessment done on the dam wall itself.”



Abandoned Gold Ridge mine processing plant. (Stefan Armbruster SBS)

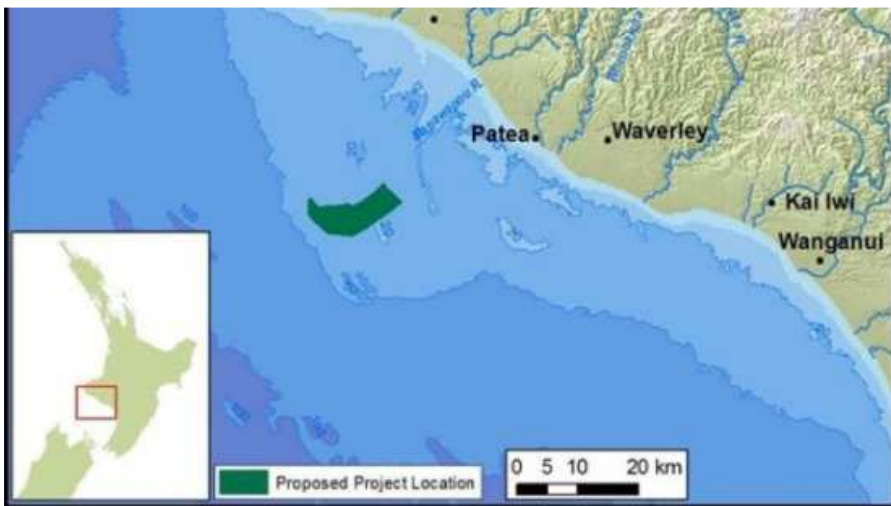
As the Solomon Islands grapples with this man-made ‘disaster’, Gold Ridge landowners have been negotiating to sell the mine to a subsidiary of major Chinese-Australian property developer AFX, headed by Richard Gu. “We had people in Australia check AFX, and we checked ourselves. Yes, we know it's a property developer,” said Walton Naezon. “AXF, regardless of their lack of knowledge of the mining industry, we want to partner with them because they've got the money to redevelop the mine.” Landowners hope to sell a 90 per cent stake for an undisclosed amount. The three-year-old AXF Resources has limited investments in gold and oil shale projects in Western Australia, New South Wales and Queensland. Managing director Dr Shaung Ren has decades of experience in the mining industry and heads up a small team. “We are working with consultants and other industry experts, some who have previous experience at Gold Ridge, to complete due diligence work with a view to repair, refurbish and upgrade the Gold Ridge plant to bring it back in to operation,” he said in a statement.

The sale has not been completed and conditions include “that the historic legal liability is either fixed or stays with the original owner”. “Although this is the responsibility of the original owner, AXF has extended a credit facility to fund the management and operation of the water treatment plant to reduce water levels in the tailings storage facility.” The department of environment’s ‘disaster’ declaration still stands and no mining can commence until it is lifted. “This is a man-made, potential disaster, a new type of risk for us,” said Dr Metaki. “The order made by the minister has not been lifted yet. Until we are satisfied that the measures that are in place can really reduce the risks associate with tailings storage facility, the minister will not be able to lift that state of disaster.” There is no official estimate for the clean-up cost or remediation of the site. “We will have to look at people who caused it in the first place,” Dr Metaki said. “It is something the government cannot do because of the resource implications it has and because there has been negligence along the way.”

NZ seabed mining company slammed as ‘arrogant’ by South Taranaki iwi

Jeremy Wilkinson, Stuff, 2 September 2016

Iwi have labelled a seabed mining company "arrogant" and slammed their consultation process in applying to mine offshore in South Taranaki. For the second time in as many years Trans Tasman Resources have applied for consent to annually mine 50 million tonnes of sand from the seabed off the South Taranaki coast. The Environmental Protection Authority denied the company's application in 2014 deeming the effects of uplifting so much sand would have an unknown effect on the environment. TTR applied again to mine the seabed on August 23 this year.



The 66 square kilometres off the South Taranaki coast where Trans Tasman Resources have applied to mine iron ore. Now kairataki of Te Runanga o Ngati Ruanui Debbie Ngarewa-Packer has said she, and her iwi, were extremely disappointed with the way TTR had gone about consulting with them in their re-application. "From our perspective there has been extremely poor consultation from their end," she said. "There's a high degree of arrogance from that company in that want us to clear their application on our end, but won't show us their science." Ngarewa-Packer said Taranaki iwi dealt extensively with oil and gas companies and had never before been kept so in the dark. "We've never had a problem like this before, companies we usually deal with are falling over themselves to give us as much information as possible," she said. "This is the exact opposite, they're saying it won't have any effect on the seabed but refuse to prove it to us."

The 66 square kilometre area TTR want to mine was last week described as a "vast expanse of sand" by the company, however a recent report tabled at the Taranaki Regional Council on Thursday indicated a variety of life on the sea floor. The report, conducted by the Cawthron Institute, found there were no threatened species within the 12 mile Coastal Marine Area (CMA) but further offshore within the Exclusive Economic Zone where TTR have applied to mine, there are at least five threatened species of invertebrate. While the Taranaki Regional Council has no jurisdiction in the EEZ they do have a say on activities which can affect the CMA. Councillor Craig Williamson said when the TTR appeared before the council several years ago their presentation was that it was pretty much just mud and sand. "Now I'm looking at this report which says there's a huge cluster of life that needed to be protected right in the very zone they are planning on sand mining," he said.

"In my opinion any adverse effect is too much of an effect, and I'm hoping that's the position the EPA will take." However, a spokesperson for TTR said the Cawthron report focused on marine life within the council's jurisdiction and referenced data commissioned by the TTR. They also said the company had done extensive work to limit the spread of the sand plume. "This has included controlled deposition of the de-ored sediment 4 metres above the seabed into areas from which the sediment was extracted," they said. Kiwis Against Seabed Mining (KASM) chairperson Phil McCabe said the Cawthron report was damning for TTR's latest application. "The miners say this area is a 'virtual desert', yet here we have scientists telling us quite the opposite," he said. "Many people are simply unaware of how much life exists on the sea floor, and how important that life is to maintain a healthy marine environment." The Environmental Protection Agency has until Tuesday September 6 to decide whether TTR's application is complete. From there the public will be notified and have 20 days to make submissions.

MRA: Mining leases unique

September 2, 2016, The National Business

By GEDION TIMOTHY

MANAGING director of the Mineral Resource Authority Philip Samar says the special mining lease applications by two developers of copper-gold projects in West Sepik and Morobe are "unprecedented". PanAust Limited, the leader explorer and developer of the multibillion Frieda copper-gold project in West Sepik applied for a special mining lease for the project with the MRA in June. The Wafi-Golpu Joint Venture lodged an application with the MRA last Thursday for a special mining lease for the Wafi-Golpu copper-gold project in Morobe.

"To receive two SML applications for two world-class copper projects is unprecedented and reflects the confidence of the proponents in investing in Papua New Guinea," he said. "The last SML application was for Ramu mine nearly a decade ago. So to receive not one but two applications a decade later. Samar said both mines came with their own development plans. "Frieda will build PNG's largest land tailings storage facility (tailings dam) to ensure tailings are not disposed into the Sepik

River over the life of the mine,” he said. “This tailings facility will also double up as a hydro dam for generating electricity for operating the mine. “The copper concentrate is shipped down the Sepik River to Wewak for export.”

Sensitive marine habitats near proposed mining area

A report has found that 158 unique species and sensitive marine habitats exist off the Taranaki coast in an area bordering a proposed seabed mining operation.

Radio New Zealand, 1 September 2016



Photo: 123RF

Taranaki Regional Council commissioned the Cawthron Institute to investigate the region's coastal marine area as it prepares a new management plan. It found as well as unique species, the area included valuable kelp and sponge gardens, and was more significant than previously thought. Trans Tasman Resources has re-applied to the Environmental Protection Authority for resource consents to mine millions of tonnes of iron sands off the Taranaki coast. The company's initial application was rejected in 2014 because it did not consider the wider effect on the environment.

Harmony's copper, gold prospect in Hela has potential

September 1, 2016 The National Business

HARMONY says its Kili Teke copper and gold discovery in Hela has potential for more exploration. Chief executive officer Peter Steenkamp said interpretation of analytical data showed increasing copper-sulphur ratios with depth, suggesting potential for the development of high-grade copper sulphide (bornite) stockwork mineralisation at deeper levels within the system. The Kili Teke copper-gold deposit is located about 40km west of the Porgera gold mine. Road infrastructure has developed to within 14km via the regional centre of Tari and the Highlands Highway.

A mineral resource estimate for Kili Teke was announced in November 2015, comprising 128 million tonnes at 0.4 per cent copper. Drilling completed since the maiden resource estimate in November 2015 comprised an additional 18 drill holes for 12,760m, with the total drilling completed at the project to date now at 22,067m. Steenkamp said the additional drilling focussed on in-filling and extending the currently defined mineralisation in the Central Mineralised Porphyry and the updated resource estimate incorporated the latest results from this work. “The exploration potential of

the project remains high with the current resource open at depth and to the southeast, along with a number of surrounding peripheral targets yet to be tested,” he said.

OTML pays out K40m to CMCA communities

Post-Courier, September 01, 2016

OK TEDI Mining Limited has paid more than K40 million to the community mine continuation agreement (CMCA) villages in Western Province. The payment made last month under the CMCA Extension Agreements. This is according to OTML deputy chief executive officer and general manager employee and external relations MusjeWerror. “The CMCA Extension Agreements were signed in December 2012 formalising the community consent for the extension of mine life from 2015 –2025. “These annual payments are consistent with this agreement,” Mr Werror said. The CMCA regions include North Ok Tedi, Highway (Tutuwe), Lower Ok Tedi, Middle Fly, Suki Fly Gogo, Manawete, Kiwaba and Dudi which have established Trusts to approve the use of funds allocated for development, investments and women and children.

MrWerror said the mine villages which include Atemkit, Bultem, Finalbin, Kavorbip, Migalsim and Wangbin will receive K9 million in September 2016 under the Mine Village Development Funds, land lease and general compensation payments. “By the end of this year over K80 million will have been paid out to the CMCA communities and mine villages under the various compensation and benefit sharing agreements between the communities, landowners and OTML. “This includes K15 million paid out in April 2016 under the Ok Tedi Restated Eight Supplementary Agreement General Compensation to the communities,” Mr Werror said. OTML community relations manager Kuam Sanewai said apart from the funds going into the Trusts, a large portion is allocated for cash payments to over 18,000 family accounts covering a population of 127,000 people. Mr Sanewai said the cash payments were made last week and families are now accessing their funds.