

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

Vol. 12, No. 5, September – October 2020, 92 pages

Compilation:

Dr. Roland Seib, Hobrechtstr. 28, 64285 Darmstadt, Germany

<http://www.roland-seib.de/mining.html>

Copyright: The material is copyrighted by the media and authors quoted.

Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

Wafi-Golpu: State to move on project

By GYNNIE KERO, October 30, 2020, The National

THE Government wants to end the stalemate in talks over a waste disposal system for the K18 billion (US\$5.4 billion) Wafi-Golpu gold-copper project, according to Environment, Conservation and Climate Change Minister Wera Mori. He told The National yesterday he was going to sign an “approval in principle” for the environment permit to allow the project developers use the deep sea tailing placement (DSTP) “without any further delay”. The Morobe government and landowners have strongly opposed the DSTP method and prefer to use an on-land dam system to store mine waste. Mori said the Government was tired of waiting for the Morobe government and landowners to make up their minds. “We will go ahead. I am ready to sign,” he said. The Morobe government and landowners met in Lae last week and resolved to reject the DSTP method which the Government favours.

Governor Ginson Saonu said there was an alternative to the DSTP which should be considered. “The people of Morobe have spoken saying yes to Wafi-Golpu and no to DSTP,” he said. “To

propose a submarine deep sea tailing in Huon Gulf Sea must be prohibited (as) it is unethical and improper.” Saonu said submarine tailing was prohibited in international gold mining principles and standards which project developers Newcrest Mining Ltd and Harmony Gold Mining Ltd knew about and must abide by. “Wafi-Golpu mine must be subject to international best practice and principles of which Newcrest and Harmony Gold Mining Company Ltd are members,” Saonu said. Mori yesterday said the provincial government was supposed to make a submission but only wrote a letter to Marape. “They did not make a submission. They only wrote a letter to the Prime Minister. Their approach is wrong,” he said.

“All statutory requirements have been complied with or met. We can’t make exceptions. We’ve asked them for a submission but they (instead) wrote a letter.” Mori said the Environment Council accepted on Sept 10 the environment impact statement for the Wafi-Golpu project and recommended to him to grant an approval in principle to develop the project. He said this was a result of several requirements and processes that were fulfilled by the joint venture for the Wafi-Golpu copper/gold project in Morobe. Some of the country’s mines such as the Misima gold mine (Milne Bay), Lihir gold mine (New Ireland), Simberi gold mine (New Ireland) and Ramu nickel mine use the DSTP method and have not reported any negative impact on marine life or the environment.

Kanak groups push to take over Vale's New Caledonia nickel assets

A rally has been held in New Caledonia to demonstrate against the planned sale of the Vale nickel plant to a consortium led by a Swiss-based commodity trader, Trafigura.

Radio New Zealand on 30 October 2020

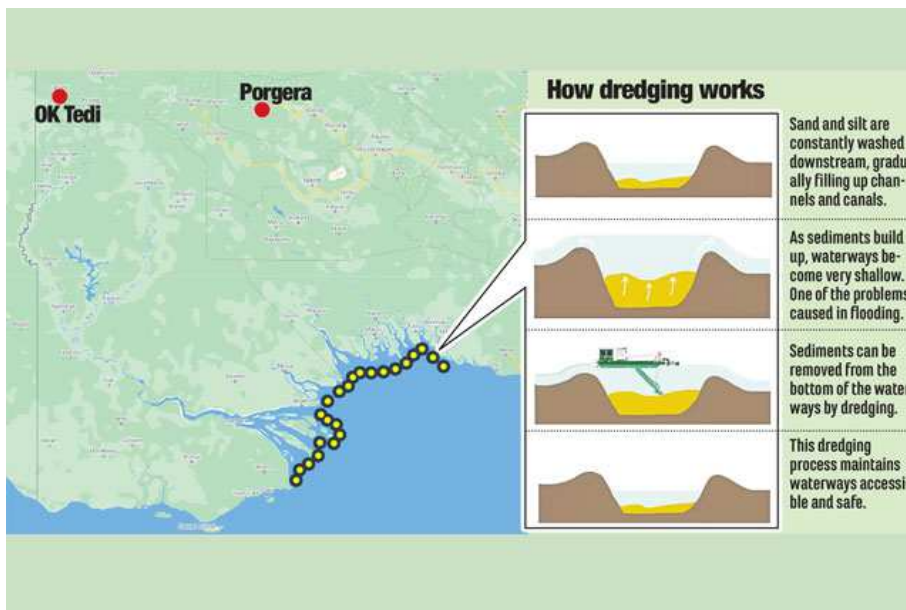


Kanak group 'Instance Coutumière Autochtone de Négociation' rallies over Vale nickel plant sale Photo: FB ICAN

Thousands of people marched from the French High Commission to the seat of government. The groups opposed to the sale insist that Vale enter in a due diligence process with Sofinor of the Northern province whose bid with Korea Zinc has been rejected by Vale. Vale has said it will shut the plant if there is no buyer by the end of October. The Kanak groups, made up of local chiefs and pro-independence politicians, insist that the nickel ore be processed in New Caledonia and not exported. The Trafigura bid reportedly provides for New Caledonia to have a 38 percent share. Vale's sale to New Century Resources of Australia failed last month after months of negotiations. The nickel sector with its 35 mines and three processing plants accounts for about 20 percent of the jobs in New Caledonia. New Caledonia is the fourth biggest nickel ore producer in the world and the seventh largest nickel producer.

Clean-up of mine waste

By GYNNIE KERO, October 30, 2020, The National



AN overseas company will be involved in a major dredging project in the Gulf of Papua to remove all the sediments building up there, says Environment and Conservation Minister Wera Mori. Mori said the company from Hong Kong would undertake the project and ship away all the sediment to clear the waterways and sea at no cost to the Government. He announced yesterday a project to dredge and clean the Fly River at no cost to Ok Tedi Mining Ltd or the State. Ok Tedi currently spends K273.3 million annually on its dredging operation at Bige which has so far seen a regrowth. Mori said the sedimentation had the potential to affect marine life, reef ecosystems and farming land for the Middle Fly people. Mori therefore considered a proposal to clean up the Fly River system by the Hong Kong Finance Commercial Group Ltd.

Mori said a similar clean-up exercise would be done on the Ramu River and other river systems affected by a buildup in sedimentation. The company will ship all the residue to Hong Kong. Mori said Parliament had passed the Ok Tedi Mining Environment Management Act 2020 "for the Government and independent contractors to assist Ok Tedi Mining Ltd for a sustainable environmental management programme in Western, especially the tributaries of Ok Tedi River and Fly River systems". "The Government is concerned about the amount of revenue generated by the mine that is dependent on the mine life. "The mine life depends on a sustainable environment to commensurate the 2025 CMCA (Community Mine Continuation Agreement) review," he said.

Porgera mine denies recruiting new workers

October 29, 2020, The National

THERE are 670 employees and 200 contractors engaged by the Porgera Mine to carry out care and maintenance activities, according to Barrick Niugini Limited. A statement from the company said other employees on site were looking after areas such as environment monitoring, maintenance, community relations, human resource administration, safety and security. The company clarified recently that it was not into recruiting new workers as some had been speculating on social media. It said that the mine was "on care and maintenance mode" while discussions continued with the Government on the reopening of the mine. "Care and maintenance mode essentially means that no mining, processing or production activities are being undertaken at the mine," it said.

“Only limited activities are being carried out to maintain machinery, vehicles and equipment, and to ensure the safety and security of the mine site, the environment and employees. “The mine has been in this mode since late April this year.” It said employees were working “under ordinary employment conditions of the mine, and are subject to typical company employment and staff welfare policies”. Around 2,900 employees and 600 contractors were terminated in June and paid their full entitlements in accordance with company policies and Papua New Guinea labour laws, according to the company. It said should an agreement be reached with the Government allowing the resumption of operations at the Porgera mine, any recruiting processes “will be conducted in accordance with long-standing company recruitment policies”.

Law, order issues dictate development: Chairman

October 29, 2020, The National

LAW and order dictates what development and change can occur in an area, Porgera Development Authority chairman Thomson Kulara says. Kulara said crime and security issues affected business and services and if people were to benefit, maintaining law and order had to be a priority. The authority donated two vehicles to help maintain peace in Porgera, Enga. He said a vehicle was given to Porgera police and another was allocated to the district’s law and order team. Kulara said there was a need to address issues affecting peace and order in the community as lives and properties in Porgera were at risk. “Many lives are lost and properties destroyed because of tribal fighting and issues affecting the communities,” he said. “This is why we all need to stand together and address law and order issues affecting us.” Kulara said law and order had to be a community concern and not just for those directly affected. He said changes and development could only occur in a safe, stable and peaceful environment. Kulara said most communities were affected because there was no peace. “We must work together and help in combating issues affecting us.”

Pläne für Goldabbau in Intan Jaya, West Papua – Indigene Papuas leiden bereits unter Auswirkungen des bewaffneten Konflikts

West Papua Netzwerk, zuletzt aktualisiert: 28.10.2020

Der bewaffnete Konflikt in Intan Jaya hat sich seit Dezember 2019 erheblich verschärft. Schießereien im Januar und Februar 2020 führten zu mehreren zivilen Todesopfern, während mindestens 15 Dörfer Berichten zufolge von Binnenvertreibung betroffen waren. Die [jüngste Ermordung eines papuanischen Pastors](#), der bewaffnete Angriff auf einen katholischen Katechisten und der Angriff auf ein von der Zentralregierung entsandtes Untersuchungsteam machen deutlich, dass der bewaffnete Konflikt in Intan Jaya noch nie so ernst war wie heute. Mitten in der humanitären Krise kündigte der indonesische Minister für staatliche Unternehmen, Erick Thorir, Ende September 2020 an, dass er plant, das indonesische Bergbauunternehmen PT Aneka Tambang Tbk (ANTAM) zu unterstützen, um die großen Goldressourcen unter dem Berg Wabu im Regierungssitz Intan Jaya auszubeuten.

Experten schätzen, dass der so genannte Wabu-Block eine Fläche von etwa 10.700 Hektar mit einem Potenzial von 4,3 Millionen Tonnen Golderz mit einem potenziellen Goldgehalt von 2,47 Gramm pro Tonne aufweist. Vertreter der Indonesischen Gemeinschaft der Kirchen (PGI) kritisierten den Plan der Regierung, in dem konfliktreichen Landkreis Projekte zur Ausbeutung von Bodenschätzen in Angriff zu nehmen. Die PGI ist besorgt, dass die Minenräumung negative Auswirkungen auf die indigenen Moni- und Miagani-Gemeinschaften in Intan Jaya haben könnte. Diese Gemeinschaften müssen bereits jetzt mit der Verschärfung des bewaffneten Konflikts und der starken Präsenz des indonesischen Militärs (TNI) fertig werden.

Vale sale plan triggers more protests in New Caledonia

Radio New Zealand on 28 October 2020

A rally has been called in New Caledonia on Friday to demonstrate against the planned sale of the Vale nickel plant to a consortium led by a Swiss-based commodity trader, Trafigura. The groups opposed to the sale insist that Vale enter in a due diligence process with Sofinor of the Northern province whose bid with Korea Zinc has been rejected by Vale.



Goro mine Photo: AFP or licensors

The groups, made up of local chiefs and pro-independence politicians, insist that the nickel ore be processed in New Caledonia and not exported. They want Paris to support their proposal and asked the visiting overseas minister Sebastien Lecornu to take a position. One of the leaders Raphael Mapou said they could prove that they could suspend operations at the Vale plant. The mainly Kanak USTKE union called for a general strike on Friday in support of the cause. The Trafigura bid, which has not been made public but reported by a union, reportedly provides for New Caledonia to have a 38 percent share. The nickel sector with its 35 mines and three processing plants accounts for about 20 percent of the jobs in New Caledonia. New Caledonia is the fourth biggest nickel ore producer in the world and the seventh largest nickel producer.

Resource laws need reform: Kua

October 28, 2020, The National Business

PETROLEUM Minister Kerenga Kua says certain areas in the laws on the resource sector must ensure that investors, the State and people benefit from projects. He told a radio show in Port Moresby yesterday that the laws needed to be reformed so that the Government need not borrow to finance commercial projects. He said when the State signed a project agreement, it forfeited its ownership over the resource thus giving away 100 per cent ownership to the developer. As a result, Kua said he was keen to see some changes made to the laws to address:

- Losing ownership rights without any compensation;
- Increasing debt level; and,
- Generating more revenue for the people.

“We want to reform the structure of mining and petroleum laws that underpin how the business is conducted and how we all can benefit out of it – the investors, people and the government,” Kua

said. “Investors are more concerned about their rate of return. If they put in K1 billion, they want their profit to be better than over investment destinations. If they were to put money into PNG, we must give them the confidence.” He said landowners had their dreams to do business. “So if we are to sell their resource, we have to give them a bigger benefit. We have to extend consultations to the investors and the people. “Every time there is a mining or petroleum project, when you sign a development agreement you forfeit the ownership of that resource.” He said the legislation was before Parliament. “We need to remove borrowing to finance commercial projects in the mining and petroleum,” he said. “State ownership in minerals and petroleum will remain all the way to the point of sale. We will not transfer ownership on the signing of a gas agreement and mining development contract. All costs for project must be financed by the project.”

Horizon Oil leaving PNG

October 28, 2020, The National

Horizon Oil is leaving the country and selling its assets valued at US\$3.5 million (K11.79 million) to co-venturer Arran Energy, chief executive Chris Hodge says. Arran is a privately-owned Australian company with interests in the country including operated assets in PDL 10 (Stanley, PRL 40 Pukpuk/Douglas), non- operated assets in PRL 21 (Elevala/Ketu) and PRL 28 (Ubuntu). Hodge said the decision to sell its PNG interest was not easy as it had been a big part of the company’s story for years. He said substantial good quality resource “and our ability to realise the value in Papua New Guinea was becoming increasingly long-dated and uncertain”. It was also highlighted by the impairment write-downs taken earlier this year. “Divestment of our PNG interest was carefully considered in the context of our overall corporate strategy and we are pleased to have agreed with Arran Energy,” he said. “The transaction will provide Horizon with an opportunity to optimise its asset portfolio and focus its efforts on securing a significant growth asset.” Horizon has been operating in the country since the late 1990s with assets in Kiunga, Western. It employed 20 people in Australia and one employee in PNG. It has other offshore oil fields in China and New Zealand.

Govt to decide on waste disposal

October 27, 2020, The National



People of Morobe during a forum to discuss the Wafi-Golpu project mining waste disposal in Lae last week.
– Nationalpic by GLORIA BAUAI

THE Government says while it respects the views of the Morobe government and landowners on the waste disposal method to be used in a gold-copper project, it will make its own decision.

Environment, Conservation and Climate Change Minister Wera Mori was responding to a statement attributed to him yesterday that the Government would respect the landowners and Morobe government's rejection of the deep sea tailing placement (DSTP) method for the Wafi-Golpu project. He told the Morobe landowners and government to come up with "hard-backed facts" in support of the mining waste disposal system they preferred. Mori said the State still supported the developers' environment impact study on the DSTP system for the project. "It is true that the views of the people of Morobe are noted and respected, but that does not necessarily mean that the position of the State will change," he said.

"The way forward still remains. "It will be the DSTP – unless they have an alternative proposal backed up by strong and sound data, authenticated by qualified people, showing where they got the data from so the Environment Council can make a decision." He expects the landowners and government representatives to submit their plan on Friday to a committee. "Then the working committee will submit it to the environment council, and I will make a decision on Nov 13," Mori said. Mori said the purpose of the meeting in Lae last Thursday and Friday was to discuss how stakeholders would benefit from the project. But it was dominated by discussions on the waste disposal option. "It is only fair to the landowners and the provincial government that they be given a week to come up (with an alternative disposal plan)," he said.

Church oppose proposed waste disposal method

BY JANET KARI, -Courier, October 27, 2020

The Evangelical Lutheran Church of PNG (ELCPNG) is opposing the proposed Wafi-Golpu waste management method and has called for reviews on several mining and environment laws. Head Bishop Dr Jack Urame, who spoke at the consultation forum on the alternates to the deep sea tailing (DSTP) method, last week, said the church's view is that DSTP is both unethical and immoral to humanity and the society. "DSTP poses much uncertainty and unknown; creating anxieties and fear in the impacted communities whose views have not been sufficiently garaged and their consent obtained for the construction of DSTP outfall systems in their traditional waters and seas," he said. While most of the discussions on the issue are centered on science, engineering, economics and legislative implications, the church has special emphasis as a faith based organisation.

"The sacredness and goodness of creation is a conviction affirmed by the Scriptures and by core, Lutheran theological principles therefore, we ask for intergenerational justice and equity in all environment management plan negotiations now and in the future," Bishop Urame said. He said there are many uncertainties on the use of DSTP as a tailing management solution around the world and Huon Gulf is no different based on the experience of other mines in the country. The balance in the ecology system is disturbed at an increasing rate through extractive and unsustainable development. The trees and forests have depleted through massive logging, rives and seas are polluted through disposal of mine waste and the lands are destroyed through suppressive economic system with the flora and fauna suffering from extractive human activities just for money.

"We have come to realise that the ideologies of wealth creation, profit accumulation and consumerism brought so much suffering on humanity and creation and we must make our stand to protect them. "As church, we join individuals and groups in the campaign against environmental pollution and destruction and we stand together and affirm our common responsibility to humanity and creation and speak against all forms of human activities that contribute to pollution and destruction to environment." The reviews recommended include; reforms to Environment Law and Mining Act relating to management and disposal of tailings, review of Environment and Mining Act to create provisions for mine tailing, management and disposal, review and amendment of section 59 of

Environment Act to reduce political influence on environment permit process and set up of a parliamentary committee on environment to address section 59 of Environment Act.

Deep sea tailings method at Misima mine successful: Marine biologist

October 27, 2020, The National

THE Misima mine in Milne Bay has been using the deep sea tailings placement (DSTP) method of disposal successfully, a marine biologist says. Prof Ralph Mana of the Biological Sciences Division at the University of PNG used the Misima mine as the best example of how the DSTP worked. He was addressing a forum in Lae last week between stakeholders of the Wafi-Golpu gold-copper project to discuss the best mine tailing disposal method. But he warned that any mine project developer wishing to use DSTP method must “adhere to all requirements to make it function optimally like at Misima”. “Misima is the model DSTP system that really works well because the 1,000m drop is very close to the shoreline.

“So the tailings are practically being dropped from a cliff, settles and nothing comes back up,” he said. Prof Mana, who has done extensive studies on marine life around Huon Gulf and Basamuk, warned about the impact on the environment if requirements were not followed. He said the mistake exposed at Basamuk in Madang must not be repeated at Wafi-Golpu and other mines. “The problem with Basamuk is that right after 25 degree from the head of the canyon, it goes for a few kilometers and it’s very flat,” he said. “So the tailings go nowhere. They collect at about 500 to 700 meters and accumulate in the canyon.” A marine study of Basamuk he conducted in 2014 revealed that tailings accumulating in the Basamuk Canyon had slowly spilled over into two nearby canyons.

New Vale sale plan irks pro-independence camp

Tension is rising again in New Caledonia over the sale of the Vale nickel plant after last month's planned purchase by New Century Resources of Australia was abandoned.

Radio New Zealand on 26 October 2020



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

Its Brazilian owner said in the absence of a buyer it would shut the multi-billion-dollar site within months, triggering fears of thousands of job losses. Pro-independence politicians said the nickel resource had to be retained by New Caledonians and not passed to a foreign financier. Local chiefs in

the south of the main island as well as pro-independence parties are fiercely opposed to a new proposal to sell the plant and its ore reserves to a consortium, reportedly led by a Swiss-based commodity trader, Trafigura. Yesterday, they marched to near the plant at Goro, with the USTKE union warning of a general strike next week to push Vale to accept a local bid submitted by Sofinor of the Northern province and its partner Korea Zinc

The offer had earlier been rejected. One leader Raphael Mapou said action might be taken to halt work at all mines in New Caledonia. Meanwhile, media reports said an offer had been submitted to Vale by the consortium which included Trafigura, but the company had declined all comment. *Le Nouvelles Caledoniennes* said according to the Useonc union, the bid provided for Vale employees in New Caledonia to become shareholders. The nickel sector with its 35 mines and three processing plants accounts for about 20 percent of the jobs in New Caledonia. New Caledonia is the fourth biggest nickel ore producer in the world and the seventh largest nickel producer.

Committee to decide on waste management

BY JANET KARI, Post-Courier, October 26, 2020

A working committee will be established to deliberate on alternates to the deep sea tailings placement (DSTP) of Wafi-Golpu mine project as discussed during a consultation forum in Lae last week. Environment and Conservation Minister Wera Mori said the committee will be established under the Environment Act and will deliberate more on the discussions and move forward on the next course of action. He said the purpose of the gathering is an extension of an earlier discussion to which Prime Minister James Marape had attended. “The purpose of this is what would be the provincial (Morobe) government position in the event that we go to DSTP and see how to maximise your position,” Mr Mori said. “I would prefer that the presenters can put up their positions and what are the alternatives and then we will as per the statutory requirement have a review team to review what has been presented.”

After the review of the submissions to be made by the experts of engineers and scientists by the review team it can be presented to the council and later to the minister. Mr Mori has challenged the presenters to base their presentations on alternates to the proposed DSTP on facts and not force him to make decisions without facts. Despite the announcement to have a review team to go through the discussions by the experts, the coastline people of Morobe, the provincial government and the second largest church in the country Evangelical Lutheran Church, are firm in opposing the DSTP waste method. Representatives of the villages to be affected by the DSTP who spoke at a public forum last Wednesday said while DSTP will destroy their livelihoods and a source of their income, DSTP is a global concern.

Governor Ginson Saonu made a strong closing remark saying; “I cannot afford to destroy the livelihood of my people who depend on the sea for profit and life and this is my stand (opposing DSTP but agreeing to the operation of the mine) and PEC members and we will not divert from it.” “Mining waste deposition in the rivers and seas is only considered if there is no inhabitant of people and ecology,” Mr Saonu said. He has appealed to the minister and all presenters to meet and come up with a possible course of action before leaving the province. However, Mr Mori has advised for a committee set up and all the presenters must make submission of their study and alternates to DSTP with facts to the review committee.

MP urged not to resign, continue engaging with landowners

October 26, 2020, The National

CONSERVATION, Climate Change and Environment Minister Wera Mori has been urged to continue engaging with the Wafi-Golpu stakeholders even if they reject the deep sea tailing placement (DSTP) method. Peter Seske, who is attached with the Wafi-Golpu Mine Area Landowner Association, was responding to a threat by Mori to resign if the landowners rejected the DTSP method. “I encourage him not to resign but to support our proposal on the on-land dry-cake tailing storage facility. “The Minister will create history in writing a new chapter in on-land dry cake tailing storage facility,” he said. “We believe that the Prime Minister (James Marape) and Morobe Governor (Ginson Saonu) will agree because they want to get the project off the ground.” He said the construction phase of the project could go ahead with the on-land dry cake tailings storage facility. “We believe in the dry-cake tailings storage and will meet with Ceba (Conservation and Environment Protection Authority) next week (to explain) this method,” he said.

Govt will respect Morobe

By LARRY ANDREW, 26 October 2020, The National



Morobe Governor Ginson Saonu (left) with provincial administrator Bart Ipambonj (right) after the three-day workshop on the Wafi-Golpu project last Friday.

– Nationalpic by LARRY ANDREW

THE Government will respect the rejection of the deep sea tailing placement (DSTP) system for the Wafi-Golpu mine project by the Morobe government and landowners, says Conservation and Environment Protection Minister Wera Mori. “Money is money but people’s lives are more important,” he said at the conclusion of a three-day workshop in Lae. The Morobe government and landowners have maintained all along that the DSTP method which the Government and developers prefer will cause massive damage to marine life and the ecosystem which is the main source of food for coastal villagers. Mori said the position of the people of Morobe “is very clear”. “The livelihood and future of the people will not be bargained for any amount of money,” he said. “The Morobe government had taken up a position. “We (Government) are here to listen to what you are going to say and for us to find a way forward.”

He supported a suggestion to appoint a committee to consider Morobe’s submissions backed by data and confirm the information therein. Governor Ginson Saonu said there was an alternative solution which everyone should work towards. “The people of Morobe have spoken: Yes to Wafi-Golpu and No to the DSTP,” he said. “We are here to find a way out. “We cannot destroy the livelihood of the people who depend on the sea (to earn money) and (for food). “This is (the) stand (of

the) provincial executive council and members of the Tutumang assembly. “It is Morobe people’s stand and we will not divert from it. No waste deposit in rivers, lakes or sea. “It is only considered if there are no inhabitants like in the desert. “Deep sea tailing in Huon Gulf must be prohibited. It is unethical and an improper practice.” He said submarine waste disposal was prohibited by international gold mining principles and standards which the operators Newcrest and Harmony Gold Mining Ltd must abide by.

Engineer suggests land-based waste processing

By DALE LUMA, October 26, 2020, The National

AN engineer has suggested a land-based waste processing plant to be used in the US\$5 billion (K17.18bil) Wafi-Golpu mining project in Morobe. Thomas Benguma, an engineer and waste management specialist, told a forum on the project in Lae last week that the plant would collect and recycle mining waste. “There is an alternative waste disposal method which will be environmental-friendly and generate revenue,” he said. “We are proposing a land-based mine tailings waste management option that seeks to not only manage waste, but go beyond waste management to mine tailings resource management where waste is processed into a resource material that can be further processed to recover precious metals still remaining in the tailings after the chemical extraction process. “Mine tailings waste is a blessing in disguise.

“It is a resource that can be processed to derive value-added products.” He said it was the latest trend in mine tailings waste management. “New technologies have been developed to process all forms of waste and convert them into products that can be sold to generate revenue,” he said. The first phase will involve processing tailings waste to produce resource material by separating the liquid and solid components of the tailings slurry. The second phase is the processing of the tailings cake resource material to recover precious metals and by-products that can be sold. “This plant will be erected close to Watut to process the tailings slurry. “This of course will save money and reduce the water derived from the environment,” he said.

Morobe backs landowners’ rejection of sea disposal

By JIMMY KALEBE and GLORIA BAUAI, October 23, 2020, The National

THE Morobe government is supporting landowners in their opposition to the Wafi-Golpu project deep sea tailings placement proposed disposal (DSTP) method. During a forum in Lae yesterday, Governor Ginson Saonu highlighted reasons for the stand:

- the pipeline at Wagang is unlikely to achieve what the project proponent said it will;
- people along the Huon peninsula depend on the sea; and,
- terrestrial storage will hold recycling value of the tailings estimated at around 30 percent which may otherwise be completely wasted.

Saonu said Morobe at this stage preferred the terrestrial storage facility tailings dam. “Babuaf landowners and others are preparing to offer between 1,000 to 5,000 hectares of lands to make it a success,” he said. “I urge the developer and State not to dismiss this possibility.” The meeting was attended by engineers and scientists who provided scientific evidence on why the DSTP should be rejected and the terrestrial storage facility tailing dam be accepted. He said the manner in which the memorandum of understanding was conceived and executed by the previous government must never be repeated. “Between November 2018 and February 2020, the provincial government was engaged in a lengthy court battle regarding an MOU between the State and

developer which as we all know was devoid of any form of consultation.”

Evangelical Lutheran church head bishop Rev Jack Urame said careful consideration should be taken before the Wafi-Golpu mining project could use the deep sea tailings placement. Rev Urame said there were many uncertainties regarding the use of DSTP. “It has not provide that expected solution in the world and Huon Gulf as a disposal area is no different,” Urame said. He called on the Government to review the environment and mining legislations and make adjustments to how we manage mining wastes. On Wednesday, people from the special mining lease area along the pipeline corridor and those at the DSTP area said they would not accept DSTP as a mining waste disposal for Wafi-Golpu.

Clash over project

By GYNNIE KERO, JIMMY KALEBE, GLORIA BAUAI, October 23, 2020, The National



THE Government is on a collision course with landowners and the provincial government over the mining waste disposal system to be used in the K18 billion Wafi-Golpu project in Morobe. The Government prefers the deep sea tailing placement system (DSTP) while the landowners and the Morobe government want the terrestrial storage facility (TSF) dam which they are prepared to provide land for. Prime Minister James Marape who is expected to be in Lae today wants the parties to agree on a waste disposal system this week, failing which he will make a decision on it. He wants the project off the ground now. The project developers are the Harmony Gold Mining Company Ltd and Newcrest Mining Ltd.

Environment and Conservation Minister Wera Mori assured the landowners that the DSTP would not damage the environment, marine life and ecosystem they depend on mainly for food. Mori even threatened to resign if the landowners failed to accept the DSTP method. “In the event the people opt for the TSF, I will not sign the permit. “I will ask the prime minister to replace me,” he said. “I cannot sign something I know is going to have a major consequence.” The landowners are basing their stand on an independent review conducted by a team of local professionals led by marine biologist Prof Ralph Mana of the University of PNG biological science division. The review found that current design of waste disposal went against the requirements of a proper DSTP. “The DSTP out-fall site selection should not be near a populated area,” Mana said.

“There has to be an intensive survey of two other sites before a site can be confirmed. “And the pipeline carrying oil, tailings and waste cannot run through an infrastructure corridor.” He said the proposed site for the DSTP pipe at Wagang was not the best. “One of the requirements for the DSTP to really work is that the head of the canyon must be closer to the shoreline by at least 2km so when the pipe hits 1,000 meters, the tailings can be released into the depths and will be hard for it to come back up,” he said. “You don’t have that at Wagang because the required 1,000 meters drop is 10km away from the shoreline, and not in a straight line. “So only 50 per cent of the tailings will make it into the canyon floor.” The review identified the Morobe Patrol Post and Bukawa as more favourable sites for a successful DSTP, based on the sea floor geography. Mana said if the DSTP outflow was to take place at the current proposed site, there was a chance some tailings could be swept up in the current causing “irreversible destruction to the rich deep sea biodiversity”.

Misuse case adjourned

October 23, 2020, The National

FOUR men charged with misappropriating royalty and equity payments of an incorporated land group in Central had their case adjourned at the Waigani Committal Court yesterday. On Dec 24, 2019, Ray Gorogo, George Gorogo, Barnabas Reggie and David Reggie of Vanapa in Kairuku district allegedly misused a sum of K40,468 LNG project benefits funds.

New bid expected for New Caledonia's nickel plant

There's growing expectation in New Caledonia that a successful bid will be finalised shortly for the take over of the Vale nickel plant. Radio New Zealand on 22 October 2020



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

Two weeks ago, the Brazilian owner reconfirmed it would shut the plant, triggering fears of massive job losses. After New Century Resources of Australia failed with its planned purchase of Vale in September, the government of the Southern province said all efforts would be made to save the more than 3000 jobs at risk. While a bid by Sofinor of the Northern province keeps falling short, reports say a viable offer is being finalised by a multi-national consortium. The reports say a Swiss-based commodity trading company Trafigura is central in mounting the offer, but the company has declined all comment on any possible involvement. Meanwhile, Nickel prices are being buoyed by

a surge in demand of the metal for batteries used in electric vehicles. Vale has been in negotiations with Tesla to provide cobalt and nickel based on supplies from Canada and not New Caledonia.

Landowner groups oppose disposal of mining waste at sea

By JIMMY KALEBE, October 22, 2020, The National



LANDOWNERS are unwavering in their opposition to the deep sea tailings placement (DSTP) method for the mine waste from the K18 billion Wafi-Golpu project. They travelled to Lae yesterday from various areas of Morobe which will be affected by the project. It is awaiting approval by the Government. The two methods being discussed to dispose mine waste are the DSTP which the Government is leaning towards and the on-shore dam which the landowners prefer. Prime Minister James Marape has given stakeholders until the end this week to agree on a tailings placement method otherwise he will make a ruling himself. Yesterday's meeting was organised by Morobe Governor Ginson Saonu for landowners of the special mining lease, pipeline and DSTP areas. United Morobe Voice Against DSTP chairman and former Huon Gulf MP Sasa Zibe said the dumping of mine waste at sea could impact marine life and ecosystem. "We depend on the sea and the marine environment to sustain our livelihoods," Zibe said.

"Our communities should not be disturbed as a result of DSTP. "So we say no to DSTP." Saonu backed their call saying other options needed to be considered. "We have to look at all the options available and make sure we employ the one that best suits the developer, the Government and most importantly, the landowners," Saonu said. He described the DSTP as a cheap method of disposing mine tailings which had the potential to permanently damage the environment. Saonu said despite the significant revenue expected to be generated by the mine, the people's concerns must be respected. He said PNG had seen environmental damage caused by mine waste and did not want Wafi-Golpu to suffer the same. "For any disposal of mining waste on land or sea, we have to be convinced fully before the Wafi-Golpu project is to start," he said.

State favours sea disposal

By GYNNIE KERO, October 22, 2020, The National

ENVIRONMENT and Conservation Minister Wera Mori views the deep sea tailings placement (DSTP) as the better option for the US\$5 billion (K17.4bil) Wafi-Golpu project. In a three-day

meeting with landowners and public servants in Lae yesterday, Mori pointed out that the DSTP which most landowners are sceptical about, would have minimal damage on the environment. He said if landowners did not agree with the DSTP, he was willing to step down from the ministry. “We will inform landowners why we are discussing this (DSTP),” Mori said. “Failing that will mean no (mining project). “In the event that people opt for terrestrial (tailings) mine, I will not sign the permit. “I’m going to ask Prime Minister (James) Marape to replace me. “I cannot sign something that I know is going to have a major consequence on the future.

“I cannot live with it so I am going to ask him to decommission me.” Mori said submarine tailings disposal was the best option and would not affect people or marine life. The argument against the on-shore dam is that the project area is in a “high seismic activity” area. “The size of the deposit is so huge that the tailings it generates is expected to be eight times more than that of Hidden Valley,” he said. “Those tailings have to be disposed of. “The Wafi-Golpu Joint Venture partners have looked at several sites (for terrestrial tailings) but they are unsuitable for various reasons. “One is that it will be a problem to address and mitigate acid drainage. “The minute you expose sulphide to water and air, they generate sulphuric acid which is dangerous. “They would cause death.”

Parties complete mine review

October 22, 2020, The National Business

A LATEST review of Woodlark mining project memorandum of agreement (MOA) was successfully completed in Alotau, Milne Bay, last week with new agreements and clauses. The parties to the agreement are the State, Milne Bay government, Murua local level government, Dal Wanuwun Woodlark Mining Lease Inc (landowners) and the developer Geopacific Resources Limited who have agreed in principle to the various clauses of the MOA including:

- Royalty payments;
- Equity;
- Special support grants;
- Business development grant; and,
- Tax credit scheme.

The agreed positions on these clauses are as follows:

- Royalty – the State upon receiving two per cent royalties based on free on board from the project, pledged to offload 25 per cent to the Milne Bay provincial government and 75 per cent to the Dal Wanuwun Woodlark Mining Lease landowners.
- Equity – the State is to take up five per cent equity interest in the project on behalf of the Milne Bay provincial government, Murua local level government and landowners. The equity will be received and held in trust by a State nominee or an entity established by the national government, for the beneficiaries.
- Special support grant –it was agreed that the State will make available in each financial year, special support grant to the Milne Bay provincial government, for the purpose of infrastructure development programmes. The grant will be shared on a 50-50 basis with the Murua local level government.
- Tax credit scheme – the State through the Department of National Planning and Monitoring has undertaken to apply tax credit scheme to develop infrastructural projects in the province.
- Business development plan – the State will provide a one-off business development grant to the umbrella company established by the Dal Wanuwun Woodlark Mining Lease (Landowners) Association. This is to assist the landowners establish their businesses in preparation for participation in spin off opportunities that may arise from the project.

Meanwhile, Geopacific Resources Limited will counter fund this initiative with additional funding. The company has committed to provide employment and training for mining lease landowners, other Woodlark Islanders, the people of Milne Bay and other Papua New Guineans. All parties expressed satisfaction and stated that they would all be committed to the agreed positions. The MOA was last reviewed in 2015.

Discussion on LNG expansion ongoing, says Oil Search

October 21, 2020, The National Business

DISCUSSIONS are ongoing between all parties on progressing LNG expansion opportunities in PNG, Oil Search Limited managing director Keiran Wulff says. “This coincides with a strengthening in demand and a potential improvement in the LNG price outlook, despite the Covid-19 impact on global energy and LNG demand pushing back the demand window to around 2027,” Wulff said in its third quarterly report 2020. Discussions continued between the P’nyang operator ExxonMobil and the Government with the objective of securing fair and balanced fiscal terms on the P’nyang Gas Agreement. “Internal analysis carried out by Oil Search during the quarter, utilising independent data and discussions with potential customers, assessed the impact of the Covid-19 on future LNG demand, resulting in a view that the supply gap anticipated for the mid-2020s has been deferred by a few years,” he said. Wulff said in addition to the strong production performance, the cost reduction and operational excellence programmes in PNG and across the company were now being embedded.

“Further work is being done on third-party spend, supply chain and operational efficiencies to ensure cost reductions are sustainable, with a focus on continuous improvement and performance.” He said despite improved oil prices during the quarter, the impact of the two-to-three month lag on LNG contract pricing and a higher portion of LNG spot sales had resulted in a 29 per cent fall in revenue. “The company’s liquidity position remained robust, with US\$1.65 billion (K5.77b) of cash and undrawn bank credit lines available as of Sept 30,” Wulff said. “Oil prices have since recovered from lows within the US\$20 (K68)/barrel range in the second quarter to above US\$40 (K136) in the third quarter, which will rebase the LNG contract prices going forward,” he said. “In addition, North Asian LNG spot prices have recovered materially from the lows of below US\$2/mmBtu (million british thermal units) to above US\$6/mmBtu.”

Prime Minister James Marape wants project off the ground as soon as possible

October 21, 2020, The National

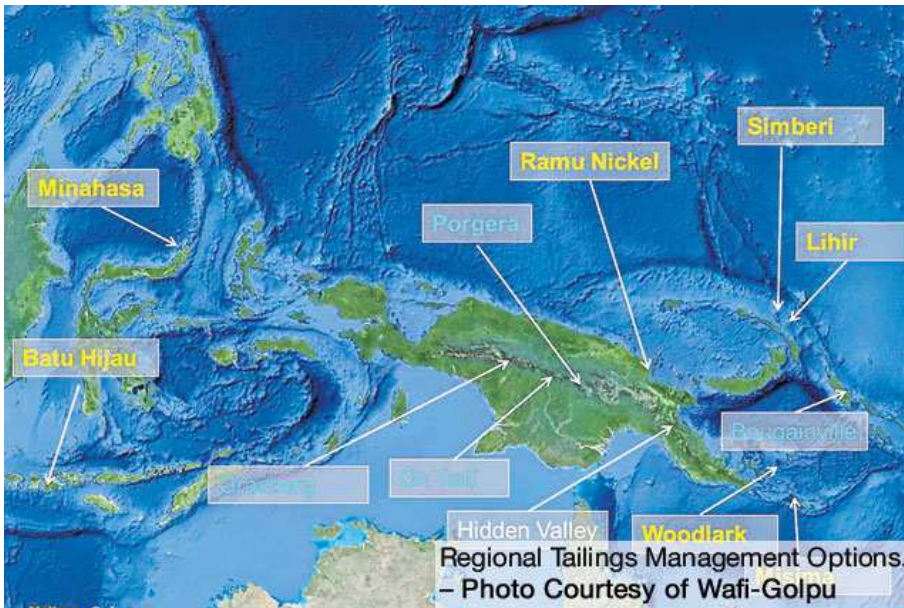
Prime Minister James Marape has urged stakeholders in the Wafi-Golpu Project to work together to move the project forward. He wants to see stakeholders chart a way forward on tailings disposal and for negotiations to move to the next stage. He urgently wants an agreement reached for construction to begin. He attended a forum in Port Moresby where baseline studies by the developer of the Wafi-Golpu project were presented supporting the Deep Sea Tailings Placement (DSTP) method. Marape said he had heard the voice of landowners in the mine-impacted areas through their leaders. He has also heard the concerns by Morobe Governor Ginson Saonu on the need to have all legal processes followed to the letter. “He is not against the mine going forward. He wants to ensure that the people get a fair share of the benefits, with minimal to no visible impacts on the environment.

“However, in the course of discussions of the best tailings disposal method for the project, time is running out and time lost can never be regained. “Time lost is opportunity wasted, and so it is important that we make a decision as soon as possible. “Conversation on issues surrounding the waste disposal options has been going on in the public space for so long, (more than four years) and the

people and country are missing out on gains that could have been had.” Marape said when a decision was reached on the method of disposal for mine tailings, conditions, either it be in monetary or other means, must be set to cover for any other environmental impact issues that could arise. He warned stakeholders including the Government to be prepared to bear the cost. Marape said he was prepared to make tough decisions at the highest level should the negotiations fail to move forward soon.

Multi-billion kina project awaiting approval

Reports compiled by GYNNIE KERO, October 21, 2020, The National



The proposed Wafi-Golpu mining project comprises the construction and operation of an underground copper-gold mine and associated ore processing, concentrate transport and handling, power generation, water and tailings management, and associated support facilities and services, in Morobe. The proposed project will be using the Block-Cave mining method which is an underground hard rock mining that allows for huge volume of ore body to be extracted efficiently while allowing the rock mass to collapse on its own creating subsidence zones. The mine will be located beneath Mt Golpu, around 300 kilometers north-northwest of Port Moresby and 65km southwest of Lae. Geographically, the project occupies a footprint that extends from the mine area to the coastal area with an infrastructure corridor that links the two areas.

The mine area encompassing the proposed mine and related ancillary facilities is located on the northern side of the Owen Stanley ranges, in the foothill of the Lower Watut River catchment. Much of the mine area is steep, mountainous and heavily forested, transitioning to the broad, flat to gently undulating Lower Watut River Valley to the west. The infrastructure corridor follows the broad flat plains of the Lower Watut River and Markham River valleys and connects the mine area to the coastal area. The coastal area encompasses both the proposed port facilities area at the Port of Lae where copper-gold and other ore concentrations will be exported. The outfall area is where the mine tailings management will take place via the Deep Sea Tailings Placement (DSTP).

The project is predicted to discharge 360 million tonnes of tailings over a period of 28 years. The Wafi-Golpu Joint Venture has extensively investigated options for the tailings management for the life of the both on land and DSTP. These investigations have confirmed DSTP as the preferred method of tailings management based on considerations of long-term safety, engineering,

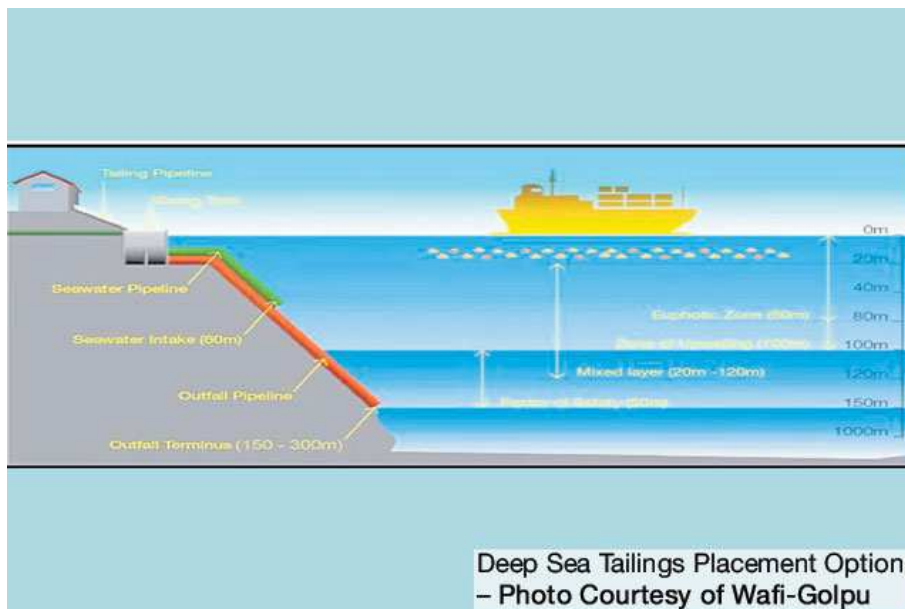
environmental, social, cultural heritage and economic factors. The total onshore area of land expected to be directly disturbed by the project is approximately 1,405 hectares.

Regulatory Process

Any large scale mining is a prescribed activity under the Environment Act, 2000 as Level 3 (Category 17-sub category 17.1) activity under the Environment (Prescribed Activities) Regulation 2002. Level three activities are those that may cause serious environmental harm and therefore are subjected to the environmental impact assessment process. The assessment process ensures that potential environmental issues are identified in the Environment Inception Report stage before they are further investigated in detail and appropriate management measures are formulated by the proponent during the preparation of the EIS. The WGJV has met the requirements by submitting its EIR and EIS to CEPA for assessment and approvals. The EIR and EIS have undergone the assessment process and submissions were made to the Environment Council on Aug 31.

Mineral productions to take five years, says Mori

October 21, 2020, The National



THE Wafi-Golpu mining project will start producing minerals five years after the construction phase, says Minister for Environment, Conservation and Climate Change Wera Mori. He told the Wafi-Golpu deep sea tailings placement forum in Port Moresby recently, that the method to be used for the copper-gold project would be block caving, or the underground hard rock mining method. “Upon granting of the special mining lease, it will take at least five years to construct all necessary infrastructure at a cost of around US\$5 billion (K17.48bil) before the first ounce of gold and pound of copper are produced,” he said. Mori said he would grant the Wafi-Golpu joint venture (WGJV) approval for an environment permit following the recommendation of the environment council. The developer needs to meet requirements first.

“The granting of the approval in principle will now pave the way for the State negotiating team and representatives of the Morobe government to start discussions with the developer on a mine development contract,” Mori said. He has 28 days from Sept 10, the date of the environment council decision, to grant the approval in principle. “The 28 days lapsed on Wednesday Oct 7.” Mori said because no formal appeals had been lodged against the council decision during the 28-day period, he was required by law to grant the approval. Meanwhile, Prime Minister James Marape urged stake-

holders to decide the waste disposal method for the Wafi-Golpu project. He said the project was important to the economy.

Landowners advised to register groups

October 21, 2020, The National

THE Wampar Pipeline Landowners Association has urged people in Morobe to register their clans in preparation for the start of the Wafi-Golpu project. Association president Joseph Tetang said the Government should make funds available for landowners to register their integrated landowner groups. Directing his question to Prime Minister James Marape at a recent meeting in Port Moresby, Tetang said: "Have you given money to the Morobe government to prepare us (landowners) to participate? As I'm speaking, there is nothing. Thirteen of my clans have not received ILG certificates. "In my village Zifasing under Huon Gulf MP Ross Seymour's initiative, four clans have received their ILG certificates while two are pending." Tetang said he supported the idea of having the deep sea tailings placement (DSTP) for the Wafi-Golpu project. "I said no to tailings on top (land). I support DSTP. There is a reason for no tailings on land. Eight communities live around Markham River.

"They will be the first to be killed if the dam breaks. That's why I'm here to say no to tailings at Markham valley." David Masani from the Morobe Patrol Post also supported the DSTP. He has been working for 23 years in the mining industry and says the DSTP is the best option. He urged Marape and stakeholders to be involved in the project talks. "The biggest let-down for the landowners is process," Masani said. "That's why we are here again. We all have not followed process. "PM, can you let landowners talk? That's part of the process. Engage with our people. "Landowners can speak for themselves. Don't represent them. You don't need consultants and advisers to speak for landowners. They are not monkeys in the zoo."

Landowners demand miner pays US\$13.28 billion for past damages

Post-Courier, October 20, 2020

A landowner faction from the Special Mining Lease (SML) area of Porgera Mine is demanding Barrick Niugini Limited (BNL) pay an outstanding claim of US\$13.28 billion in damages if the company wants to return. At a media conference yesterday, the Justice Foundation for Porgera Limited said a demand was presented to Barrick Gold Corporation president and chief executive officer Mark Bristow and Prime Minister James Marape on October 15 and both are aware of the pending landowner issues. Chairman Jonathan Paraia said BNL cannot return to Porgera until the company resolves its outstanding liabilities owed to the landowners for past damages. He said Porgera SML landowners have taken this stance after learning from the media that Barrick president Mr Bristow and Mr Marape had met last week to discuss plans to re-open the mine. However, BNL in a statement last week, said there were no historical legacy issues under the terms of the Mining Development Contract that would allow the state or any other parties to seek damages or compensation from the mine operator.

"Regarding environmental issues, claims and other matters, which are without any detailed or evidence, BNL notes that the Porgera Mine has always operated in compliance with PNG laws and the conditions of its environment permit issued by the government," the company said. It further stated that the mine has never received any notice of serious non-compliance from PNG government regulators (CEPA) and the environment management practices at the mine were studied and approved by the government. BNL said CEPA has always carried out regular audits at the mine and have found it to be in compliance with its environment permits. However, the landowners have reiterated

that the US\$13.28 billion should be paid to landowners and final settlement of the current United National Commission of International Trade Law (UNCITRAL) Arbitration on foot determined. Mr Paraia said the landowners have resolved that BNL conditions to return must include settlement to those issues or provide 60 per cent share as 'Equity of Liability' to the landowners. He said BNL has lost the 'social licence' from the landowners and in order to reclaim the license was to have appropriate dialogue with landowners concerned.

PNG leaders called on to foster economy driven by the locals

A new report says Papua New Guinea's leaders should urgently change course and end the reliance on mining and logging. Radio New Zealand on 20 October 2020



Harvested logs in PNG Photo: RNZI/Johnny Blades

The PNG civil society group, Act Now! with Jubilee Australia and the California based Oakland Institute has this month released "From Extraction to Inclusion." They had shown that big extraction projects, oil and gas, copper and gold, and harvesting vast amounts of forest and planting oil palm, have done little to improve the lives of Papua New Guineans. The Act Now! spokesperson, Eddie Tanago, said the wishes of the people have got to be put at the centre of any development discussion. His organisation wants to see government encourage people to invest in agriculture. "So there are resources to access small holder growers, or small holder farmers, where it could encourage them to go in there, without actually giving their land away, they could use the land to work on, so they could generate their own incomes. "So in a way we have an economy that is driven and owned by the locals." Tanago said Act Now! was also advocating an end to large plantation developments, an end to the export of round logs, and the encouragement of sustainable downstream processing of timber.

Resource sector is critical of PNG's economy

Post-Courier, October 19, 2020

The country's resource sector currently accounts for 23.9 per cent of Government revenue. This revenue was outlined as being contributed through direct sources such as corporate tax, salaries and wages tax and dividend contributions, as well as via a variety of indirect sources including the income tax of the thousands of individuals employed within the sector. The statistics came from a comprehensive economic review conducted by Deloitte. The findings were presented at the PNG Chamber of Mines and Petroleum third webinar in Port Moresby last week. Maygen Turliu,

Director – Tax & Business Services at Deloitte, said this revenue enables the Government to provide extensive support to communities and provinces across the nation, and subsequently called on the PNG Government to ensure it undertakes wide ranging and robust consultation on any reforms to the resources sector.

“Given the significance of this contribution and of the industry to the financial position of the PNG Government and country, it is essential the Government provides the industry with a clear consultation framework as complex employment and industry structure reforms are discussed,” she said. “Tax reforms don’t have to be something very big. You can tweak the current system so it fits both parties. You don’t need to do a totally new thing that could disrupt business, particularly with Covid-19 in place.” Paul Barker, Executive Director Institute of National Affairs, said the impact of the Covid-19 pandemic on the resources sector, and the subsequent detrimental impact on PNG’s entire economy, has also shined a light on the need for certainty and collaboration between Government and the resources sector.

“Now is the time to stimulate greater activity in this essential sector to our economy by creating a secure environment that provides investors with the confidence to act,” he said. Steamships Trading general manager for corporate affairs David Toua said Government revenue will be impacted by reduced business tax contributions due to Covid-19. Mr Toua warned the Government not to risk further revenue loss through misinformed reform to the resources sector. “Businesses around the country rely on the resources sector to help create demand for their services,” he said. “Putting the resources sector at risk jeopardises the livelihoods of a huge number of PNG business owners, as well as their employees – a move that would simply exacerbate the uncertainty of a looming recession in our nation.”

Woodlark mine’s stakeholders meet to review agreement

October 19, 2020, The National Business

STAKEHOLDERS in the K420 million Woodlark mining project were in Alotau last week to review the project’s memorandum of agreement last negotiated in 2015. The stakeholders included the State, project developer Geopacific Resources Ltd, Dal Wanuwan Woodlark Lease Association Inc (landowners), Murua LLG and the Milne Bay government. They discussed land issues, royalties, tax credit scheme, special support grants, infrastructure, business development plan, employment and training and mine closure. Mineral Resources Authority (MRA) managing director Jerry Garry said the State team focused on reaching a win-win situation for all stakeholders, especially the landowners. He said this was consistent with the Government’s agenda to empower resource owners and others by ensuring they got maximum benefits from their resources.

Garry said the Government led by the Commerce and Industry Department had come up with a national content plan to ensure landowners and businesses were engaged by the developer in business spin offs, beginning from the construction phase of projects. The plan will be implemented once it is approved by the National Executive Council. He said business opportunities would be made available by the developer when the project goes into production. This resulted in five to six years of missed business opportunities and millions of Kina for landowners. Geopacific Resources Ltd was represented at the meeting by chief executive Tim Richards who said the company was looking forward to productive negotiations. However, he said the real challenge for stakeholders was the implementation of the agreement. The project has a 13-year mine-life and has three defined gold deposits with one million ounces in gold reserves, and 1.6 million ounces in gold resources.

‘Block caving’ chosen

October 19, 2020, The National Business

THE Wafi-Golpu mining project will start production of minerals five years after the construction phase, Minister for Environment, Conservation and Climate Change Wera Mori says. Speaking during the presentation on Wafi-Golpu deep sea tailings placement last week, Mori said the method that would be used for the copper/gold project would be block caving (underground hard rock mining method). “Upon granting of the special mining lease, it will take at least five years to construct all necessary infrastructures at a cost of approximately US\$5 billion (K17.48bil) before the first ounce of gold and pound of copper are produced,” he said. Mori said he would grant Wafi-Golpu joint venture (WGJV) approval for an environmental permit following the recommendation of the environment council (EC) after the developer had met necessary environmental processes and requirements.

“The granting of the approval in principle will now pave way for the State negotiating team including representatives of the Morobe government to start discussions with the developer, WGJV, on a mine development contract,” Mori said. “The minister for Environment, Conservation and Climate Change has 28 days from Sept 10, the date of the environment council decision to grant the approval in principle. “The 28 days lapsed on Wednesday, Oct 7.” Mori said because no formal appeals had been lodged against the EC decision during the 28-day period, he was required by law to grant the approval. Meanwhile, Prime Minister James Marape urged concerned stakeholders to come up with a decision regarding the waste disposal method for the Wafi-Golpu project. He said development of the project was important for the economy.

Landowners welcome talks on reopening mine

October 19, 2020, The National

MEMBERS of a landowners’ body in Porgera have welcomed the start of talks between the State and the Barrick Gold Corporation “on a way forward to reopen the mine”. Porgera Landowners Association negotiating team deputy chairman Dickson Pundi said “stakeholders we represent are happy to hear that a framework of principles has been reached between the State and Barrick”. “Barrick Niugini Ltd (BNL) are our partner of choice and (it) gives us confidence in the continued successful operation of the mine, reopening in the shortest possible timeframe, with increased benefits for the Porgera Special Mining Lease landowners,” he said.

“We began negotiating with BNL earlier this year after we were unable to meet and consult directly with Governor (Sir Peter) Ipatas and Prime Minister Marape, prior to the purported grant of the Special Mining Lease (SML) to Kumul Minerals Holding Ltd. “We have begun legal proceedings to address this lack of consultation in relation to the SML. Our main goal is to ensure that SML landowners receive a better deal after extensive consultation between all parties. “Moving forward, we must ensure benefits are managed in a transparent way with international standards for benefits distribution instead of the current regime which uses elite capture mechanisms.”

Economic levers open for consideration: Barrick

October 19, 2020, The National

BARRICK Niugini Ltd (BNL) says all economic levers including taxes have to be open for consideration to achieve fair sharing of economic benefits. The Canadian miner said in a statement that this was one of the areas it would consider under a new partnership with PNG following a meeting between Prime Minister James Marape and Barrick Gold Corporation chief executive Mark Bristow

in Port Moresby last week. Marape said in a statement after the meeting: “We have agreed in principle that Papua New Guinea will take a major share of equity under the new arrangements and BNL will retain operatorship and there will be a fair sharing of the economic benefits. “This is a very significant step forward and I look forward to hearing of the outcomes of further discussions on the economic principles to guide future mining operations.” A team of Barrick senior executives is staying back in Port Moresby to work with the State Negotiation Team “in finalising full commercial details”.

BNL said it considered to be of critical importance in the partnership “the precise definition of the fair sharing of economic benefits to offset PNG taking a major share of equity under the new arrangements”. “BNL’s position is that all economic levers, including taxes, must be open to consideration to achieve a fair and equitable split of economic benefits,” it said. “BNL maintains that the BNL Special Mining Lease 1 (SML1) is the appropriate tenement because SML1 already possesses the 14 associated tenements required for the mine to operate, a mining development contract and all other permits, licences and agreements that are legally required to operate the mine. “For instance, SML1 has an approved environmental permit, one of the most important documents for safe and responsible mining that is valid until 2038. “By contrast, SML11, purportedly granted to Kumul Mineral Holdings Ltd (KMHL), possesses none of these associated tenements, permits, licences or agreements, which can take years to obtain, and, in addition, is having its legitimacy challenged in the PNG courts by both BNL and landowners.”

Head of PNG state mining body to resign

Radio New Zealand on 17 October 2020

The head of the state-owned enterprise which manages Papua New Guinea's mining interests has announced his resignation. Peter Graham wrote a letter to the Prime Minister James Marape, saying he was disappointed in the way the latter's office was appointing new directors to Kumul Minerals Holding Limited. Graham told Marape that the process being used did not comply with the Kumul Minerals Authorisation Act including in terms of required qualifications of directors. His resignation as chairman and acting managing director comes after the government reached an agreement with Canadian company Barrick on reopening the Porgera gold mine. According to Graham, who plans to retire by late November, he will stay on in the meantime as a member of the state team negotiating for Porgera's future operating and equity arrangements. Meanwhile, Marape described the timing of Graham's resignation announcement as "unfortunate", but said he was already expecting his retirement by next month.

PNG govt reaches agreement with miner over Porgera impasse

Papua New Guinea's government has agreed that Canadian miner Barrick Gold will retain operatorship of the Porgera mine. Radio New Zealand on 16 October 2020

It's a breakthrough in an impasse over the future of the large Enga province gold mine that began in April. Talks aimed at a reopening of the mine were held in Port Moresby yesterday between PNG Prime Minister James Marape and Barrick's CEO Mark Bristow. Barrick had been embroiled in a bitter legal dispute with PNG's government after it refused the miner a renewal of its mining lease, causing a shutdown of the mine. With thousands of jobs on the line, and millions of dollars in lost revenue accumulating each week for PNG and the joint venture, the talks finally reached a compromise. The prime minister said the two parties had agreed that PNG would take a major share of equity under the new arrangements, while Barrick Niugini Limited will retain operatorship. Marape said he was very pleased to announce that economic benefits from the lucrative mine would be shared fairly.



PNG prime minister James Marape and Barrick Gold CEO Mark Bristow in Port Moresby, 15 October 2020. Photo: PNG PM Media Unit

"This is a very significant step forward and I look forward to hearing of the outcomes of further discussions on the economic principles to guide future mining operations." Bristow, who departed PNG last night, said that he was leaving behind a high-level team to progress negotiations. "I am certain that my team will be able to work with the PNG State Negotiation Team, led by SNT Chairman Ambassador Isaac Lupari, in finalising full commercial details," he said. Marape and Bristow agreed to meet again in the coming weeks once negotiations concluded. "I have full confidence that we will be able to broker an historic agreement that will provide a lasting legacy and enduring partnership that will benefit our nation for many years to come," Marape said. Also party to the talks was Enga Province's governor, Sir Peter Ipatas, whose provincial government has been missing out of millions of kina in revenue.

Breakthrough

By GYNNIE KERO, October 16, 2020, The National

PRIME Minister James Marape is "pleased" with the discussions he held yesterday with the Barrick Gold Corporation chief executive officer Mark Bristow in Port Moresby, to reopen the Porgera mine. "I was very pleased to meet with Barrick CEO Mr Bristow and his team to discuss a way forward in reopening the Porgera gold mine," he said. He said the discussions focused on "mutually acceptable arrangements for a new Porgera partnership to reopen and operate the mine". "We have agreed in principle that Papua New Guinea will take a major share of equity under the new arrangements and BNL (Barrick Niugini Limited) will retain operatorship and there will be a fair sharing of the economic benefits," Marape said. "This is a very significant step forward and I look forward to hearing of the outcome of further discussions on the economic principles to guide future mining operations."

He was joined in the discussions by Enga Governor Sir Peter Ipatas. Bristow, who left the country for Africa late yesterday, said he was leaving behind "a high-level team to progress negotiations". "I am certain that my team will be able to work with the PNG State negotiation team (to finalise) full commercial details," Bristow said. Marape and Bristow will meet again in the coming weeks. "I have full confidence that we will be able to broker an historic agreement that will provide a lasting legacy and enduring partnership that will benefit our nation for many years to come," Marape said. Meanwhile, Environment and Conservation Minister Wera Mori said the Government was

concerned about the socio-economic impact the Porgera gold mine had on the people of Enga in the past 30 years.

“We have got to conduct a socio-economic impact study the mine has had on the livelihood of the people including relocation of landowners,” he said. “The tailings that have been discharged under a permit now have changed the course of the economic and social life of the people. “Periodically, we as regulator monitor the conditions of the permit granted are complied with. “The fact is that the (special mining lease) has expired and granted to Kumul Minerals Holdings Ltd (KMHL). Now KMHL will apply to Cepa (Conservation and Environment Protection Authority) for a new permit. “We have been monitoring for 30 years to ensure the mine operated within what has been allowed. “We need to conduct the investigations as soon as possible.”

Landowners deserve full benefits from project: Lupari

October 16, 2020, The National

LANDOWNERS must get maximum benefit from the US\$5 billion (K17.47bil) Wafi-Golpu copper-gold project in Morobe, says Isaac Lupari, the chairman of the State Negotiating Team. The team is preparing to hold final talks next week with the developers Harmony Gold Mining Company Ltd and Newcrest Mining Ltd. Prime Minister James Marape said he wanted the K18 billion project off the ground urgently as too much time had been wasted on it. Lupari said they would avoid the mistakes they made during negotiations for other projects where landowners were “by-standers”. “We must get 60 to 65 per cent, we must have equity ownership and be in the engine room making decisions and ensuring that they pay tax, royalty and development levy,” he said. “Locals must have real spin-off businesses from these projects and not only become truck drivers and security officers. “These are not businesses. “We want to make sure that we realise the policy direction set by the Government. “PNG must be active participants in any resource development.” Deputy Prime Minister Sam Basil said the lengthy on-going discussions had delayed the start of the project and held back potential business opportunities in Lae. “We want Wafi-Golpu to commence as soon as possible.”

Industry contributes K9.8bil to economy

October 16, 2020, The National Business

THE mining and petroleum industry contributed K9.8 billion to the country’s economy through various revenue streams, according to Deloitte. Company representative Maygen Turliu, when presenting the 2018 PNG Extractive Industries Transparency Initiative (EITI) report, said the extractive sector contributed 23.9 per cent of Government revenue. Turliu said when such things as royalty was included to social expenditure, it increased to about 27 per cent. He said that was only for 2018. According to the main PNG EITI 2018 report, the extractive sector contributed 29 per cent towards the Gross Domestic Product, 89 per cent to export and 10.1 per cent to revenue. “This comparison doesn’t include the multiplier effect of the projects such as jobs created and the income taxes,” Turliu said. “If we include the multiplier effect and other indirect benefits the projects trigger, it is likely that it will increase the industry’s contribution. “In a holistic view, it is not only taxes that come from the industry but there are other revenue streams such as dividends, social expenditure, etc.” According to Deloitte, the way forward for the extractive sector is for more consultation with Government.

East Sepik rejects dam plan

By SHIRLEY MAULUDU, October 16, 2020, The National Business

THE East Sepik government is against the idea proposed by Frieda River copper/gold project developer, PanAust Ltd, to build a dam to cater for the mine waste. A team from the provincial administration led by deputy administrator Godfried Raushem met with representatives from the Conservation and Environment Protection Authority (Cepa) yesterday in Port Moresby and expressed their view which was part of the points raised in the environmental impact statement (EIS) review. It took the provincial team approximately three years to conduct a review on the EIS done by PanAust on the project. Provincial administration mines coordinator Martin Torovi made a presentation on the review to Cepa noting the location of the planned dam as a major concern. "Right now, we know that the country is really short on revenue generation," Torovi said.

"However, we have legacy issues from other mines in the country. "Past experience is what we should look at in terms of the environmental damages those operations have caused. "It (Frieda) will sit on one of the most complicated places, actually on the Pacific Ring of Fire. "In 1998, there was an earthquake causing the Aitape tsunami. "In 2018, another major earthquake struck the Highlands. "And it also had aftershocks. "Interesting thing here is that Frieda sits on one of those faults. "There is a family of fault structures around the area. "The question is, if the dam is established there, will it last? "On the engineering aspect of it, maybe it can. "However, we are not sure about the extent or magnitude of an earthquake in the future and the sort of destruction it can cause." Meanwhile, some recommendations for the EIS as provided by the provincial administration included:

- No environmental permit should be granted now and project to be postponed;
- The developer be tasked to fund research and development studies to convert the tailings and waste rock into energy and reusable by products;
- Thorough site investigation including detailed mapping and structural analysis to be completed to satisfactory standards; and,
- Government must set up an institution to specifically to regulate dams.

Study: Delays Frieda mine

BY MELISHA YAFOI, Post-Courier, 16, 2020

An independent peer review done by the East Sepik provincial government mining team has concluded that the Frieda River project will be subjected to delay further. East Sepik administration mines coordinator Martin Torovi said this is because the review done by the team has proven that a lot of work and questions need to be done. Mr Torovi said the review was not easy as they had to go through 50,000 pages of report compiled by the developer. He said their review has shown that there are lots of statutory weakness in managing the dams in the country and have asked if there is an authority managing dams in the country. Mr Torovi said Frieda is also a very complicated place to set up a mine especially with its complicated geography. "Frieda is located on one of the faults in the family of fault structures. The question is if the dam is built there will it stand or not? We do not know where the fault is and there will be many catastrophic effects.

There is no proper site investigation done to clearly tell us how short waves will travel apart from the environmental impacts," he said. Mr Torovi said based on their findings in the review they have also recommended that an environmental permit should not be granted now and the project should postpone. He said they have recommended that the developer be tasked to fund research and development studies to convert tailings and waste rock into energy and reusable by products utilising the plasma waste converter technology to apply mine waste rock and tailings and this should be a part

of the resubmitted development proposal. Other recommendations include thorough site investigation including detailed mapping and structural analysis to be completed to satisfactory standards, and government to set up a body to regulate dams. Mr Torovi said there should also be an establishment of long term funds in environmental bonds and mine closure bonds and must be openly published by the developer and the state.

Top Barrick official in country to discuss Porgera gold mine

October 15, 2020, The National



Barrick Gold Corporation president Mark Bristow (left) in Port Moresby with Porgera landowners Ray Pundi, Mark Tony Ekapa, Londe Ekole, Dickson Pundi and Pala Teya. - Picture supplied

THE president of Barrick Gold Corporation Mark Bristow is in the country to discuss with the Government how they can work together on the Porgera gold mine. He met members of the Porgera Landowner Association special mining lease negotiating team in Port Moresby. Chairman of the negotiation committee Maso Mangape and deputy chairman Dickson Pundi said Bristow arrived on Tuesday with a team “to restart talks on the Porgera mine at the invitation of Prime Minister James Marape”. “The team maintained a partnership with Barrick Niugini Ltd (BNL) because the continuation of the special mining lease provides a clear commitment and certainty for the people we represent as BNL brings world-class expertise and capital resources to enable the mine to run for its 20-year extension and generate returns for the landowners,” Mangape and Pundi said in a statement. “The negotiating team and BNL held talks earlier and reached an agreement on ground-breaking terms for landowners to benefit from the continuation of the BNL special mining lease.” It is Bristow’s sixth visit in 18 months to PNG.

Permit ready for approval

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

ENVIRONMENT Conversation and Climate Change Minister Wera Mori says he is now required by law to grant the “approval in principle” for the environmental permit to Wafi-Golpu Joint Venture (WGJV). Mori said the Environment Council accepted on Sept 10 2020, the environment impact statement (EIS) for Wafi-Golpu project and recommended to him as Minister to grant an approval in principle to developer WGJV. He said this was a result of several requirements and processes that were fulfilled by the joint venture for the Wafi-Golpu copper/gold project in Morobe. Speaking during the presentation of the Wafi-Golpu deep sea tailings placement (DSTP) on Tuesday in Port Moresby, Mori said the project’s EIS was submitted on June 25, 2018, which went

through an assessment process. “Referrals of the EIS for review and comments were made on Aug 13, 2018,” he said. Three independent peer review teams were appointed and engaged on Sept 9, 2018 which were:

- A TEAM from British Geological Survey reviewed the marine component of the proposed deep sea tailings placement covered by the EIS;
- ERIAS team from Australia separately reviewed the terrestrial environment component of the EIS; and,
- A COMBINED PNG University of Technology and University of PNG independently reviewed the EIS.

Mori said public hearings, consultations and a roadshow on the EIS had been conducted since Nov 19, 2018. “This process carried on from Nov 20-18 to 2020, of which the last consultation was held in Port Moresby on Tuesday Sept 8, 2020. “The WGJV met all requirements by submitting EIR (environmental impact report) and EIS to Cepa (Conservation and Environment Protection Authority) for assessment and approvals. “Both the EIR and EIS have undergone the assessment process and submissions were made to the Environment Council (EC) of PNG on Aug 31, 2020, for considerations. “The submissions made recommendations for approval in principle to be considered by the designated Minister for Environment and Conservation and Climate Change. “The EC met on Aug 31 to Sept 10 to deliberate EIS for WGJV.” Mori said the Environment Council was satisfied that the proposed DSTP system had met all the criteria of the draft PNG DSTP guidelines and the proponent has submitted credible information and data.

Involve landowners: Basil

By GYNNIE KERO, October 15, 2020, The National

LANDOWNERS must be involved in every process in the negotiations for the US\$5 billion (K17.47bil) Wafi-Golpu project, Deputy Prime Minister Sam Basil says. He attended the presentation of baseline studies by the developer of the Wafi-Golpu project supporting Deep Sea Tailings Placement on Tuesday in Port Moresby. Basil urged Morobe Governor Ginson Saonu to take ownership of the project saying all political leaders in the province would support the Government. He also reminded consultants involved in the talks to understand the views of landowners. Basil said the business community in Morobe had multi-million kina investments in the pipeline awaiting the Wafi-Golpu project to get off the ground.

“Our landowners know what they want. We have to involve them in every process,” Basil, also the Minister for National Planning and Monitoring said. “For us MPs, we will support our landowners. “If we know that they are wrong in some way, we will tell them. “But so far their call is right. “The business houses are spending a lot of money in Morobe. “Coral Sea Hotels are building a K500 million hotel. “They are waiting for Wafi-Golpu to start. There’s a chocolate factory, same amount, they are ready to build. “There’s another K500 million flour mill that is underway in the miles area of Morobe.” Basil’s Bulolo district will be building a K1.6 million office at the Mumeng local level government. Prime Minister James Marape urged stakeholders in the Wafi-Golpu project to work together to move the project forward.

PM says project urgent

By GYNNIE KERO, October 15, 2020, The National

PRIME Minister James Marape has given an ultimatum to stakeholders negotiating the US\$5 billion project: “Wrap it up next week or I will step in and make the call.” He said during a meeting on

Tuesday in Port Moresby between the project developers, landowners and state agencies on the deep sea tailings placement issue in the Huon Gulf that too much time was being “wasted”. “Time is of the essence. “Time is going on and time lost will never be claimed again,” he said. “Time lost is opportunity wasted. “Conversation (on the deep sea tailing placement) has been in the public space for too long. “Make a decision next week or else I will make the call.” A final meeting between the developers, landowners and State agencies is expected to be held next week in Lae at the request of Morobe Governor Ginson Saonu. The developers are Harmony Gold Mining Company Ltd and Newcrest Mining Ltd. Marape said next week’s meeting “must be the last”. He said work on the mine must begin.

“Everyone wants the Wafi-Golpu project to go ahead,” he said. “Next week, put all your issues and data on the table. “Let’s reach a conclusion. “Let’s find a way for mutual understanding.” He said the Conservation and Environment Protection Authority would make an independent assessment on the projects “not influenced by the minister or myself in Cabinet”. “Next week, if everyone is on the same page, we can agree so that a full environment permit can be issued,” he said. “This will require all of us to make an honest assessment in proposals put forward – deep sea or land. “I am a fair man. I am unbiased in my assessments. “If you all want this project to go ahead, I will make some conclusions, based on fair judgment.” Marape said the Wafi-Golpu project was an urgent situation “as far as time is concerned”. “Next week, when informed conversations have been made, and if you can’t agree, I will step in and make the call. “But when I make the call, there will be a caveat. “Those caveats will be that in case something goes wrong, there must be an insurance plan put in place for our people.”

Decision on Wafi-Golpu expected by December: PM

October 14, 2020, The National

PRIME MINISTER James Marape expects a decision to be made on the Wafi-Golpu project talks by December. He told a forum in Port Moresby yesterday on the Wafi-Golpu Deep Sea Tailings Placement (DSTP) that the Government did not want to “bulldoze” talks on the K18.2 billion project. But, he wants the talks to continue. He warned that “the more time we take to bring the project over the line is more time wasted and more money wasted”. “But then again, if it’s a three-month delay, it’s ok if our people (cannot) get maximum benefit from the project,” he said. “The Government also cannot be on the same phase of the project for 16 months. “We need to make money from such projects.” He stressed that the environment surrounding the project impact area should be a priority for now. The 30-year copper-gold project will cost about US\$5billion (K18.2bil). Meanwhile, Morobe Governor Ginson Saonu accused the Mineral Resources Authority and Conservation and Environment Protection Authority of delaying the development of the project.

Deep sea tailings must go down into sea bed, Bomareo says

October 13, 2020, The National

TEWAE-Siassi MP Dr Kobby Bomareo has suggested that if deep sea tailings are released in Morobe waters, it must go right down into the sea bed. But he said they needed experts to tell them if this was safe. “There’s so many miners in the world who dump their wastes into the sea so let’s go out, get advice from them on their experience and come back and do a decision here,” he told the Morobe provincial (Tutumang) assembly members during their second sitting last week. “Our stand now is premature. We cannot go back when we do a decision regarding the mine and wastes. “We have to sit down and do a proper decision now. “The land is not safe to dump wastes.

“It will still overflow and go out. “The sea is also not safe. “Let us be mindful of that.” Bomareo said there were instances of waste overflow from mines around the country because of a lack of proper waste management plans and for the Wafi-Golpu project, a proper study was needed so they could decide on disposing tailings. “We have to get experts and have them to give us a separate study apart from the one done by Wafi-Golpu and the Conservation and Environment Protection Authority (Cepa).” Salamaua local level government president Mathias Kolo also raised concern, saying another study on deep sea tailings was needed as his people could potentially be affected if things were not done carefully.

Cook Islands makes appointments to Seabed Minerals Advisory Committee

The Cook Islands government has created an advisory committee to provide community perspectives on the controversial issue of seabed mining.

New Zealand on 13 October 2020



(L-R) George George Williamson, Bishop Tutai Pere, Maru Mariri, Hon. Mark Brown, Makiroa Mitchell, Makiuti Tongia and Sam Napa. Photo: Cook Islands Seabed Minerals Authority



Cook Islands Prime Minister Mark Brown Photo: Phillipa Webb / Cook Islands News

The government said it had brought together six people representing religious, cultural, environmental, sporting, youth and academic viewpoints. The full committee is Bishop Tutai Pere, Makiuti Tongia, Sam Napa, Makiroa Mitchell, George George Williamson and Maru Mariri. Seabed

Minerals Commissioner, Alex Herman, is also in the group. The Committee would make recommendations to the Seabed Minerals Authority. Committee member, Bishop Pere, said seabed mining represented an opportunity for the Cook Islands to become masters of its own destiny, [if handled correctly](#). The government was expected to make announcements on the opening of applications for exploration licenses soon. Prime Minister Mark Brown said exploration research would be fundamental to understanding the nodule resources and any potential impacts on the environment.

The Cook Islands is reputed to have billions of dollars worth of mineral-laden nodules on its ocean floor. It had opposed calls for a 10 year moratorium on deep-sea mining with Brown previously saying such a moratorium would stifle research. However environmentalists have [warned the government](#) to listen to the experts on the merits of seabed mining and think about the impact on the water and marine life.

New Caledonia launches consultation on nickel sector

Radio New Zealand on 12 October 2020



Nickel mine in New Caledonia Photo: AFP PHOTO MARC LECHELARD

A broad consultation has been launched by the government of New Caledonia about the territory's nickel resource to develop strategies for the future. The nickel sector with its 35 mines and three processing plants accounts for about 20 percent of the jobs in New Caledonia. The government's ambition is to position New Caledonia as an ethical and responsible producer. It plans to canvas views from those involved in the industry but also from civil society in order to present conclusions from working groups by mid-December. New Caledonia is the fourth biggest nickel ore producer in the world and the seventh largest nickel producer. However, SLN, which operates the oldest smelter in Noumea, is feared to approach insolvency while Vale of Brazil said it was about to shut its plant at Goro.

Economy awaits K133bil projects

October 12, 2020, The National

THE country has six multi-billion kina projects with a total value of K133 billion in the pipeline awaiting approval to get them off the ground. They are the Papua LNG valued at K45 billion, P'nyang K39.2 billion, Frieda River K24.5 billion, Wafi-Golpu K18.2 billion, Pasca K5.6 billion,

and Woodlark K420 million. Prime Minister James Marape said the State was carefully discussing the projects with the developers to secure a fair share for the landowners and the Government. Secretary for the Department of Petroleum and Energy David Manau confirmed that the Government is looking forward to completing negotiations on the Pasca A project within this month (Oct). “The Papua LNG project and the P’nyang gas projects have been delayed. The delays in the P’nyang gas agreement negotiations slows down both projects. There is no definite timeframe as yet,” Manau said.

Petroleum industry vital to economic growth

October 12, 2020, The National

THE petroleum industry continues to play a vital role towards an economically and environmentally sustainable future in PNG, says Petroleum and Energy Department Secretary David Manau. Manau said PNG had enjoyed uninterrupted incomes in earnings from the oil and gas industry for the past 25 years since the first oil production in Kutubu in 1991. He said the liquefied natural gas (LNG) has contributed to 20 per cent of the country’s income annually since 2015, after initial production started in 2014. Providing an update on the sector, Manau said: “Global LNG market has enjoyed sixth year of consecutive growth in trading by 2019 and PNG contributes 2 per cent of the Global LNG Exports at 8.2 MTA (million tons per annum) from the PNG LNG. “Countries like Bangladesh, Brazil, China, India and Philippines are building new LNG import terminals after reaching Final Investments Decisions (FDI). “Indonesia has been struggling to find natural gas to feed its LNG trains at the Bontang LNG Complex, with almost 50 per cent of its capacity sitting idle. “PNG is on the spotlight as an LNG producing country with a lot of potential and huge frontier areas for exploration and production. “The country has an oil and gas drilling success rate of one discovery out every five wells, unlike other countries. This all shows that the LNG market will continue to improve and grow post coronavirus pandemic.”

He said PNG had a number of oil and gas projects in the pipeline currently under negotiations after the signing of the Papua LNG Project in 2019. P’nyang LNG Project (Gulf), Pasca A Gas Condensate Project (Gulf), Stanley Gas Condensate Project and Ketu/Elevala Gas Condensate Project (Western). Pandora Gas Field (Gulf) may possibly be considered for aggregation with Pasca A, increasing accumulative resource to a sizable volume by 1.2 trillion cubic feet of raw gas. “Papua LNG Project is operated by Total E&P and proposed to develop the Elk/Antelope Gas Discovery with best estimate resource size of 6.7 trillion cubic feet with additional prospects within the blocks to increase the overall resource size. “The overall capital expenditure estimated for Papua LNG is at US\$12.331 billion (K42.45bil), with operational expenditure of US\$10.324 billion (K35.54bil) for the life of the project. “P’nyang is operated by ExxonMobil and the total Capital Investment in the project is estimated at US\$11.319 billion (K38.97bil) with Operational Expenditure of US\$11.120 billion (K38.28bil) for the life of the project.

“The P’nyang LNG Project is pending ongoing negotiation between the State and Operator to reach an agreement before end of 2020 so that the project can reach Final Investment Decision. “Papua LNG and P’nyang LNG Projects are both standalone projects with different operatorship, marketing arrangements and will have separate gas agreements. “However, both are being considered for synergy at the downstream LNG Production Plant were they will be integrated into the existing PNG LNG project for cost sharing and savings. “Which is also beneficial to the State, given that current regime allows the State to buy in equity at current market equitable rates. Cost Synergy and project integration preserves the State from additional borrowing to cover for the project investment cost differences in both Papua LNG and P’nyang LNG. The Expansion of the PNG LNG will double the LNG Production by 8.2 MTA bringing the total to 16.4 MTA.

“Pasca A is niche project with more focus on Condensate and LPG production in the initial two years.” He said gas would be produced thereafter. “This project is located offshore and roughly estimated to cost US\$1.6 billion (K5.51bil) in both capital expenditure and operations for the well, production, processing, storage and offloading platforms in the Gulf of Papua for the life of the project. “However, the project life can be extended by aggregation and integration of surrounding offshore gas fields including Pandora, Hagana, Flinders and Uramu, all tie-in to the Central Processing Facility. “One of the key discovery in unlocking the stranded gas fields in the Western are the petroleum development license (PDL) 10 Stanley Gas Project which the new operator, Arran Energy is reviewing its Field Development Plan and shall be submitted to the Department of Petroleum and Energy for Review in October 2020. “The review of the Stanley Gas Project field development plan, has excited interest in the Ketu Elevala fields petroleum retention license (PRL) 21.”

Govt plans to take legal action against Barrick

October 12, 2020, The National

THE Government plans to initiate legal proceedings against Barrick Niugini Limited (BNL) for “years of environmental neglect and sustained human rights abuses”, an official says. But BNL said yesterday it had always “operated in compliance with PNG laws and the conditions of its environmental permits issued by the Government”. Acting Chief Secretary and chairman of the State Negotiating Team Isaac Lupari in a statement said BNL, as the former holder of the Special Mining Lease (SML) for the Porgera gold mine had consistently failed in its obligations under the mining development contract. Lupari said there had been ongoing and severe environment damage caused as a result of the operation of the mine, along with a failure to uphold the fundamental human rights of local landowners and workers.

Lupari said the Kumul Mineral Holdings Limited (KMHL) must now exercise its rights to re-open the mine without delay. “I appeal to all our leaders to engage in this matter sensitively and constructively, and to be mindful of the situation that the Government faces on account of the conduct of Barrick,” he said. BNL said the Porgera mine had always operated in compliance with PNG laws and the conditions of its environmental permits. “The Conservation and Environmental Protection Authority carried out regular audits of the mine and has always found it to be in compliance with its environmental permits,” Barrick said.

Mining centre trains over 5,000 gold miners, says official

October 12, 2020, The National

THE Small Scale Mining Training Centre (SSMTC) in Wau, Bulolo, Morobe, has, for the last decade, trained more than 5,000 alluvial gold miners in the country, says an official. Mineral Resource Authority managing director Jerry Garry, speaking during a celebration commemorating the centre’s 10th anniversary on Friday, said despite that number trained, the number of alluvial miners in the country was much greater. “If in the record of SSMTC, we have trained 5,300 alluvial miners in the country for the last decade, then it is only 10 per cent of the estimated total number of alluvial miners in PNG,” he said. Garry estimated that between 50,000 and 80,000 people all over the country were engaged in alluvial mining but many of them were uncertified.

“That is why this training centre has a huge task ahead in terms of building capacity for all that want to venture into alluvial mining in the country.” SSMTC is one of the unique facilities not only in the country, but also in the Pacific. In the early 1930s and 1940s, many foreigners went to Wau during a gold mining boom, making Wau airstrip one of the busiest airstrips during that time. Garry challenged alluvial miners that they could be successful in their businesses if they used their

earnings to start other businesses. He told them that the MRA was now looking at encouraging miners to engage in a new way of mining called “mechanised mining”. He said the MRA encouraged sustainability and miners had invested in other areas that would help them in the long run.

Vale confirms closure of New Caledonia nickel plant

The Brazilian miner Vale has reconfirmed that it will shut its nickel plant in New Caledonia, which is likely to trigger massive job losses. Radio New Zealand on 9 October 2020



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

Its CFO Luciano Siani Pires has told Bloomberg TV the plant's competitiveness hasn't been what it should be and will be closed next year. He said no buyer has been found for the asset. Last month, New Century Resources of Australia pulled out of a preliminary deal to acquire the plant, saying it could not generate a structure suitable for all shareholders. Mr Pires said negotiations with Tesla to provide cobalt and nickel for car batteries are based on supplies from Canada and not New Caledonia. The government of the Southern province said all efforts would be made to save the 3000 jobs at risk in order to prevent a meltdown of New Caledonia's economy. Pro-independence parties and customary leaders opposed to the sale said the plant should go into majority ownership of New Caledonian interests. Vale put its 95 percent stake in the plant up for sale in December after running up losses in the hundreds of millions of dollars.

K133bil projects in pipeline

October 9, 2020, The National

THE country has six multi-million kina projects with a total value of K133 billion in the pipeline awaiting government approval to get them off the ground. They are the Papua LNG valued at US\$13 billion (K45 billion), P'nyang at US\$11.2 billion (K39.2 billion), Frieda River US\$7 billion (K24.5 billion) Wafi Golpu- US\$5.2 billion (K18.2 billion), Pasca US\$1.6 billion (K5.6 billion) and Woodlark US\$120 million (K420 million). Prime Minister James Marape told Parliament recently that the Government was carefully considering all the projects in talks with project developers so that the landowners and the State get their “fair share”. “For far too long, we have been denied a fair and equitable share of the benefits from the development of our natural resources,” he said. “We continue to get such a raw deal because of the manner in which project agreements are negotiated

and entered into. “We welcome all investors to our country. “They are entitled to a good return on their investment.

“But likewise, we too deserve our fair share.” Three of the projects in the minerals sector are still being considered, according to Mineral Resources Authority managing director Jerry Garry. They are Wafi Golpu in Morobe, Frieda in Sepik and Woodlark in Milne Bay. He said talks on the Woodlark project to be operated by GeoPacific was still in the preliminary stages. It will begin with the resettlement of locals and is expected to provide up to 1,000 jobs. For Wafi Golpu, Garry said the state negotiating team was waiting for Cabinet to indicate how much equity the government would take in the project, plus royalties and tax concessions. He said the project would provide not as many jobs as the mines in Ok Tedi, Lihir or Porgera. “It will be a low-cost operation, less people, no blasts and no trucks. The blockcave method meant everything will be processed underground,” he said. Garry said the Government was also waiting for PanAust for its proposal on the Frieda river project.

Barrick says it does not recognise appointment of Laulau as mine manager

October 9, 2020, The National Business

BARRICK Niugini Ltd (BNL) says the company does not recognise the validity of Kumul Minerals Holdings Ltd’s (KMHL) appointment of a registered mine manager over the Porgera mine. KMHL yesterday announced the appointment of David Laulau as registered mine manager for (SML 1) Porgera mine. BNL, in a statement yesterday, said: “BNL disputes that any valid lease has been granted to KMHL under which KMHL would have any rights or interests in areas the subject of BNL’s tenements, including the Porgera mine, and the company has commenced proceedings in the National Court challenging the purported grant of a special mining lease covering the Porgera Mine to KMHL. “On that basis, BNL does not recognise the validity of KMHL purporting to appoint a registered mine manager over the Porgera mine.” The company noted the decision delivered by Justice Collin Makail in the Supreme Court on Sept 27 that it was in the interests of justice that the present status quo be maintained in relation to SML 1 while legal proceedings remained ongoing.

“This effectively means BNL remaining in possession of the Porgera mine site and maintaining it in a state of care and maintenance, without the interference of the state or other parties,” it said. “Mine management functions in regards to the Porgera Mine during the current state of care and maintenance will continue to be managed by BNL. “BNL notes that it reserves all of its legal rights in respect of this matter, and cautions all parties to have due regard for current legal processes regarding the Porgera mine issue.” Meanwhile, KMHL chairman and acting managing director Peter Graham said Laulau was expected to be on site shortly. “Barrick Niugini Ltd will continue to have responsibility for the care and maintenance of equipment and infrastructure at the mine under the terms of the mine development contract until such time as a way forward is determined,” Graham said. He added that efforts to negotiate a commercial agreement with Barrick on a without-prejudice basis had recently commenced while Barrick continued to pursue various matters related to licensing in the PNG courts.

Small scale miners 10th anniversary

Post-Courier, October 9, 2020

Preparations are under way for the 10th anniversary of the Small Scale Mining Training Centre in Wau, Morobe Province. The institution, which was funded by European Union in 2009, to train the small scale alluvial miners, had achieved its milestone achievement in sustainable development and management. Small scale mining branch manager, Sydor Utaeo said all the preparation work

have been completed and everyone is looking forward to the celebrations today. “We have singing groups from Kabwum and the tapioka dancers from Trobriand Island who will escort the invited guests and the VIPs to the official arena for the start of the program.” Mr Utaeo said the guests include Morobe Governor Ginson Saonu, Deputy Prime Minister and Bulolo MP Sam Basil, Mining Minister Johnson Tuke, Mineral Resources Authority managing director Garry Jerry, including other important guests from Morobe provincial administration and government institutions and the business houses. The keynote address will be delivered by Mr Saonu and deputy Prime local MP Mr Basil.

PRK investments stand at K2.3bn

BY MELISHA YAFOI, Post-Courier, October 9, 2020

Petroleum Resources Kutubu’s assets have grown to K2.3 billion in a span of 12 years from K400 million in 2008. PRK Limited is a subsidiary of Mineral Resources Development Company and was incorporated in 1989 under the Companies Act to hold the landowners and provincial government equity interest in the Kutubu Petroleum Project. It currently manages 6.75 per cent equity in the project on behalf of the beneficiaries in Petroleum Development License 2 (PDL2). MRDC is mandated to manage resource project landowners’ interests in both mining and petroleum projects. This includes PRK, whose corporate, financial investment and other affairs are managed by MRDC under a management agreement. MRDC managing director Augustine Mano revealed this on Wednesday at Aiyo Primary School, Kutubu, Southern Highlands Province.

Mr Mano said this asset value of K2.3 billion came at the back of a commitment he made to the Fasu landowner leaders in 2008 that he will build this investment of K400 million to something bigger. “Today, PRK assets after 12 years are K2.3 billion and PRK also the largest shareholder in many investments in the country,” he said. Mr Mano said PRK owns shares in the Kutubu pipeline, being a first national company, has shares in buildings including the MRDC Haus, Pacific MMI, Star Mountain Plaza and is also the third largest shareholder of Bank South Pacific and owns 50 per cent in the Pearl Resort in Fiji. He said PRK has also paid its 50 per cent share in tax to the government as its contribution to the country and the province.

He added that the same commitment in deed with investments he now will use his remaining term as the managing director to see that services are delivered to the people of Kutubu. “In the next four years, with the little time government has given me, the same commitment MRDC has made in investments we will do that to change Kutubu. PRK chairman John Kapi Natto reaffirmed that they will now look into delivering the necessary services to the people of Kutubu as they have done with investments. Mr Kapi Natto said PRK’s priority together with MRDC is to start assisting the people as they have already made a shift in their direction to start giving back to the people. “We must come back to the village. Education infrastructure is very important and we need to leave a legacy behind for the future generation,” he said.

Politicians tangled in special audit report

BY FRANK RAI, Post-Courier, October 8, 2020

A special audit report undertaken by the Department of Prime Minister and National Executive Council (NEC) has implicated high profile politicians, bureaucrats and corporate entities allegedly paid millions of kina belonging to the people of Western Province. The audit has uncovered alleged fraud, misuse, misapplication and official corruption for the use and management of more than K500 million by bureaucrats and politicians. Recommendations for referral of those implicated to the National Fraud and Anti Corruption Directorate is pending despite being approved by a Special

National Executive Council (NEC) Decision No 57/2020 on February 19 this year. The audit was conducted by the Internal Audit Branch of the Department of PM and NEC on the use and management of Community Mine Continuation Agreement (CMCA) and Non-CMCA Trust Funds known as Western Province People's Dividend Trust Accounts.

The NEC decision has approved all recommendations as presented in Part A and Part B of the Special Audit Report. It further approved the chairman and the Board of Trustee to settle contractors valid and legitimate of more than K200,000 as cleared by the audit process. The audit report was compiled and presented to former prime minister Peter O'Neill by Chief Secretary Isaac Lupari on September 12, 2018, to execute recommendations from the audit. The report identified various misapplication, fraud and official corruption in the disbursement of more than K516 million in 12 years from December 31, 2007 to June 30, 2018.

Copies of the special audit and related documents sighted by the Post-Courier showed that since the establishment of CMCA and Non-CMCA Trust Funds in 2007, a total of 277 development projects and programs were funded and implemented at a value of K516,463,322.69. The report stated that 265 projects were fully funded at a value of K373,402,322.69 from Non-CMCA Trust Account while 12 projects were funded at K143,061,000 from the CMCA Trust Account. In the report, all development projects and programs were funded and implemented across South Fly, Middle Fly and North Fly districts of Western province. Chief Secretary Isaac Lupari provided a summary of the special audit to Mr O'Neill on September 12, 2018 and it was sighted by the (former) PM on January 31, 2019.

Court orders state to provide confidential documents on Barrick

BY TREVOR WAHUNE, Post-Courier, October 7, 2020

An appeal filed by former Pogera mine's major operator Barrick Niugini Limited, seeking the discovery of confidential National Executive Council documents concerning the non renewal of their special mining lease was yesterday granted by a three-man Supreme Court bench. Justice Nicholas Kirriwom, in handing down the decision on behalf of himself and judges Ellenas Batari, and David Cannings ordered the state to provide within seven days certain documents, including a report by the Mining Advisory Council, a report by the mining warden, submissions to the National Executive Council (NEC) regarding the special mining lease (SML) extension application, and any advise to the Governor-General Sir Bob Dadae in respect to the SML extension application.

The matter appeared yesterday as a Supreme Court appeal, filed by Barrick Niugini Limited (BNL) through lawyer Derek Woods, that was upheld by the court. The matter stems from a National Court proceeding styled OS (JR) No. 5 of 2020, where BNL sought the disclosure of certain documents by the Mineral Resources Authority (MRA) and the State regarding the decision by the NEC that refused the application by BNL to extend Special Mining Lease 1(P), which SML was held by the Porgera Joint Venture to allow the operation of the Porgera Mine by BNL and Mineral Resources Enga Limited. In a decision by the National Court made on July 10, it refused BNL's disclosure application, where it forced BNL to appeal matter to the Supreme Court. Meanwhile submissions by the registrar of tenements Stanley Nekitel, the state, and six other parties that were respondents to the appeal, stating that the trial judge had not erred in law, by refusing Barricks application were dismissed by the three-man bench.

Clans refuse to sign agreement

October 7, 2020, The National Business



SOME clans of the Wafi-Golpu project impact area and those in Ahi and Salamaua local level governments (LLGs) refused to sign a memorandum of understanding (MoU) with Morobe Governor Ginson Saonu on Monday. The clans said they would not sign any agreement until they knew its details. The registered incorporated land groups (ILGs) who refused to sign the MoU said they received information about the signing late and needed time to consult their members and to understand the contents before signing. “Butibam is not far and you should let us know,” Butibam council of chiefs spokesman Geob Morris told Saonu. “Our LLG president was also not consulted and we are not happy about this. “Otherwise, we agree and support you (Saonu) with the steps you are taking.” Asini leaders of Salamaua, who also attended the signing, said they wanted an open forum in the villages to know the terms and conditions of the MoU first.

“We salute the governor for coming up with the idea but we have village elders who must see and decide before we can sign,” they said. Chairman of Veyangabu ILG in Gurako village said they received late notice on the MoU signing and were not aware of its contents. Saonu also said he would not sign the MoU as some ILGs had not signed yet. “I will wait until everyone signs and then I will sign off on it,” he said. “You mandated me to lead you and make decisions for the best of everyone and I’m doing it. “Those who have not signed, you have the right to do that. “Let’s cooperate, work together for a brighter future for all. “Take it easy, do it right, right from the beginning. “We must fix what God gave them in accordance with what he wants for them. “A good economy will flourish when people are happy and we are slowly taking back what’s ours.”

A number of resource projects under negotiation, says official

By GYNNIE KERO, October 7, 2020, The National

THE country has number of oil and gas projects currently under negotiations, after the signing of the Papua LNG Project last year, according to the Petroleum and Energy department. The projects include the P’nyang LNG in Western, Pasca A Gas Condensate in Gulf, Stanley Gas Condensate in Western and the Ketu/Elevala Gas Condensate in Western. Petroleum and Energy secretary David Manau said the Pandora Gas Field could be considered for aggregation with Pasca A, increasing accumulative resource to a sizable volume by 1.2 trillion cubic feet of raw gas. Manau said the Papua LNG and P’nyang projects were both standalone projects with different operatorship and marketing

arrangements. They will have separate gas agreements. “However, both are being considered for synergy at the downstream LNG production plant where they will be integrated into the existing PNG LNG project for cost sharing and savings,” he said. “Pasca A is niche (offshore) project with more focus on condensate and LPG production in the initial two years. Gas will be produced thereafter. By the year 2022, PNG will have four oil and gas projects in the Front End Engineering and Design (Feed) Stage,” he said.

K150,000 fine for oil spill

October 6, 2020, The National

A SHIP owner has paid a fine of K150,000 to the National Maritime Safety Authority (NMSA) for spilling oil into Simpson Harbour in Rabaul, East New Britain. According to the NMSA, the spillage was in breach of Section 6 of the Marine Pollution (ships and installations) Act of 2013 of which the maximum penalty is K1 million. After a considerable deliberation, the NMSA imposed K150,000 penalty against TSP Marine Industries of Cabu Bawing, Philippines. In deciding the penalty, the authority took into account that the shipping company was a first-time offender, had cooperated with the investigators, admitted to the offence committed and there was no damage caused by the oil spill. According to an incident report submitted by the captain of the FV Queen Jina 101, during internal transfer of the fuel, the crew accidentally overflowed one of the tanks and then spilled heavy fuel overboard into the marine environment at the Simpson Harbour.

NMSA manager for investigations and enforcement Joseph Pyawan, who led a team to investigate the incident, said this was the first incident to be investigated and charged under the new marine pollution Act, which came into force in 2015. General manager Paul Unas said it was a warning to other ship owners and operators who could be negligent or ignorant in carrying out their duties on ships that their actions could damage marine environments and if this was the case the NMSA would deal with them under the marine pollution Act. The PNG National Maritime Safety Authority Act of 2003 specifies that NMSA’s role includes setting standards and strengthening control over marine oil pollution from ships and clean-up operations and other environment damage caused by shipping in PNG coastal waters and water ways.

Decision serves interest: Mori

October 5, 2020, The National Business

ENVIRONMENT and Conservation Minister Wera Mori says a final decision on the Frieda River project will be done in the interest of all parties involved. “This includes the landowners from the project area, people living around the surrounding communities and of course down the Sepik River system, both the East and West Sepik governments, the developers, investors and the state,” he said. Mori said copper/gold project would not be easy to deal with in relation to what would be done with the mine waste as well as the tailings that would arise from it because of the large river catchment basins. “We have a very pristine Sepik River basin and it is all our interest that we do not want to see the Sepik River getting polluted,” he said. “In the case of the Frieda project, we have to be satisfied that the form of waste disposal must not impact the Sepik River.

“There are options to consider. “One because we have the Ok Tedi mine, which lies opposite the Frieda River, there could be an option where we can mine the ore in Frieda, bring it down to Ok Tedi and use the same processing facilities at Ok Tedi and bring the concentrates out. “They might put a pipe all the way like a submarine tailings placement along the coast of the East and West Sepik. “It’s also a question of economics, what is the national appetite and how the East and West Sepik governments who have obligations to their people will make their position as to how they

would want to see the mine developed and move forward. “These are serious considerations that my department and the national government will take into consideration. “It’s not an easy feat and we have a very difficult situation when it comes to the development of the project.”

Rio Tinto’s willingness for dialogue welcomed

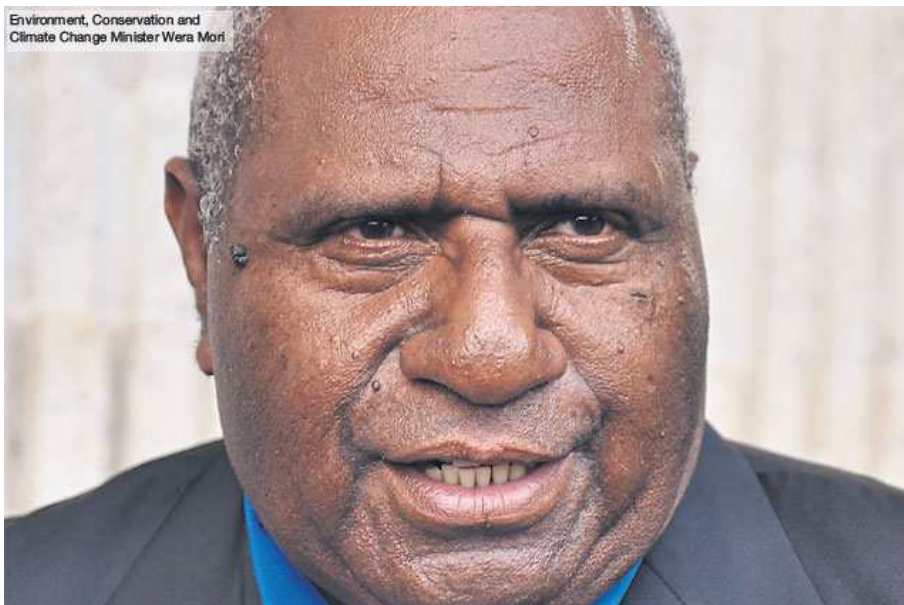
October 2, 2020, The National Business

THE Bougainville Copper Ltd has welcomed Rio Tinto’s willingness to discuss with stakeholders social and environment issues arising from its operation of the Panguna mine. A statement from the company (BCL) said Rio Tinto was responding to a complaint lodged by the Human Rights Law Centre on behalf of residents and communities in Bougainville. It went through the Australian national contact point for the organisation for economic co-operation and development (OPED) guidelines for multinational enterprises. Rio Tinto said it was ready to discuss with those who had filed the complaint, the BCL, the Government and the Autonomous Bougainville Government (ABG). BCL chairman Sir Mel Togolo said social and environmental issues associated with the Panguna mine which ceased operations in 1989, had been a concern for the people of Bougainville, in particular those living in the project area.

“These complex issues will require comprehensive assessments to identify possible solutions,” Sir Mel said. “Rio Tinto’s readiness to enter into discussions on these issues is certainly a positive development. BCL intends to play a constructive part.” “The Bougainville Copper Ltd of today is very different from the company of the past, as it is now predominantly locally-owned after Rio Tinto’s entire shareholding was transferred to the ABG and the Government in 2016.” Prime Minister James Marape said in Buka during the inauguration of President Ishmael Toroama that the Government’s 36.4 per cent share would be transferred to the people of Bougainville – 17.4 per cent to the landowners and 19 per cent to the ABG.

Probe into mines’ operations

By DALE LUMA, October 2, 2020, The National Business



STUDIES will be done to assess the environmental and socio economic impacts caused by four mines in the country, according to Environment and Conservation Minister Wera Mori. This includes the second phase of studies into the impact on the environment and communities caused by

the Ramu Nico mine in Madang, Ok Tedi in Western, Porgera in Enga and Sinivit in East New Britain. Mori said officers from the Conservation and Environment Protection Authority (Cepa) would visit the mine sites and surrounding communities to conduct assessments. “There have been pressing issues that have been raised regarding the Ramu Nico project in Madang, the Porgera gold mine in the Enga and the contamination of the Fly River system from tailings and other mine wastes in Ok Tedi,” Mori said. “We will undertake the second phase of investigations into the spillage of Basamuk (Madang).

“Work will soon go into the second phase that will also extend to the Ramu river catchment basin.” Mori said a team was already in place and an independent team would also be put in place to do testing along the Ramu River to ensure that the operations and the impacts from tailings into the river system was under the required threshold. Initial investigation into a recent slurry spill in Madang showed that the spill had not gone over the required threshold, according to Mori. He said the Porgera and Ok Tedi mines shared the same characteristics in terms of its impacts on river systems due to tailing and wastes from the mines. “We are going to secure money and conduct studies on the environmental and socio economic impacts that the Porgera mine has had on the people of Porgera which is important for Porgera to move forward,” he said.

“Cepa has also already written to Ok Tedi so that we could investigate the possibility of dredging the Fly River below the confluence of the Strickland as it comes out of Lake Murray and Ok Tedi River. “We will engage people who would go and start undertaking dredging. “We have today serious exposures of cyanide tailings in the East New Britain in Sinivit of the Wild Dog mine. “Unfortunately when the developer of the mine left the country, they did not address the tailings issue. “We have got to bring in people who are capable of cleaning industrial waste that are highly toxic,” Mori said. “Therefore the staff from Cepa together with MRA (Mineral Resources Authority) will make a trip to Wild Dog and make an assessment.”

Barrick: Production sharing contracts never work

BY MATTHEW VARI, Post-Courier, October 2, 2020

Global miner Barrick Gold has stated that production benefit sharing never works in the mining sector. Global CEO of Barrick Mark Bristow said this when asked by the Post-Courier on his view on the country aiming for such regime changes to resources laws for future projects. “It has never worked because it has always been specific to oil and gas. The highest risk in oil or to gas is exploration. Once you put in an infrastructure you just pump it forever. “This is where production sharing is a classic example, whereas mining, mines don’t have the lives of oil fields or gas fields and the real risk is the construction risk that is where all the money goes. “You know you will spend a couple of 100 million dollars developing a feasibility in a mine and you will spend billions of dollars in building it,” the more than 30 year veteran in global mining said. He said the viability in the sectors of oil and gas where it can work also has seen it relative stability in prices also have taken a hit in recent times from Covid-19. Mr Bristow added that while there have been countries that have tried to introduce production sharing benefits, that then comes liability.

The rhetoric was also conveyed last month by John Chambers general manager of Santos PNG, at the last PNG Chamber of Mines and Petroleum webinar, when weighing in on the proposed regime to the extractive sector. “Not that it (Production Sharing Contracts) can’t work, but it is a very complicated route to go, it sometimes, it does work in big oil and gas projects because they have got a big upfront capital on a big revenue stream, very difficult to make it work in a mining project that have ongoing rolling capital. “It is basically to do with the fact that in a mining project you are constantly having to put capital in... so the lion’s share of the revenue is always going to the investor or the contractors,” he said. Government has maintained it understands the need for all to benefit, but

has also reiterated the need to move away from the long operated system of concessional licensing where 100 per cent of ownership of the country's natural resources are transferred to developers, and after handing over the resource the developer grants government a 30 per cent option in mining and 22.5 per cent for the petroleum space.

Barrick allowed change

October 2, 2020, The National

BARRICK Niugini Ltd has been granted leave by the Waigani Supreme Court for a pre-trial amendment of a statement which seeks to add a new ground in a judicial review proceeding. A three-man bench comprising Justices Nicholas Kirriwom, Elenas Batari and David Cannings quashed a National Court order made on July 13 which refused Barrick an amendment to the order 16 statement to include the addition of proposed paragraph 6.13. The judges ruled that the primary judge did not appreciate the significance of the proposed new ground 6.13, and that his failure to apply the conventional criteria had prevented the appellant (Barrick Niugini Ltd) from raising "a very significant issue" that should be ventilated at the trial of the judicial review if and when it proceeded.

The judges ruled that the primary judge had erred in law in refusing the application to amend the order 16, rule 3 (2) (a) statement. They then allowed Barrick's appeal and quashed the National Court order made on July 13 which refused to allow Barrick an amendment to the order 16 statement. Barrick Niugini Ltd (appellant), was the plaintiff in proceedings against the Registrar of Tenements and seven other defendants in the National Court. It was applying for judicial review of decisions of the National Executive Council and the governor-general, acting on advice, to not renew the special mining lease under the Mining Act 1992 that had for 30 years been in operation regarding the Porgera Gold Mine in Enga.

It applied for leave to amend its statement under order 16, rule 3 (2) (a) of the National Court Rules, after grant of leave on June 1 and before trial. The proposed amendment was to add another ground of review, in paragraph 6.13, to the order 16, rule 3(2) (a) statement. The respondents argued as a preliminary issue that the appeal was an abuse of process as the National Court proceedings have, after the granting of leave for appeal, been dismissed. The proceedings were dismissed on Sep 1 as an abuse of process. However, the judges ruled that the decision of the National Court to dismiss the judicial review was the subject of separate appeal proceeding, which has not yet been heard.

PNG Prime Minister to be petitioned over coal developments

Radio New Zealand on 1 October 2020

A Papua New Guinea environmental advocacy group is planning to petition the Prime Minister, James Marape, to try and stop coal mining in the country. An Australian miner, Mayur Resources, was planning to mine coal in Gulf Province and use it for a coal-fired power station to be built in Lae, and said it hoped to get the green light to begin construction by early next year. Peter Bosip, of the Centre for Environmental Law and Community Rights, said while Mayur already had a mining licence they hoped to convince Marape to stop both developments. He said while it could be difficult for leaders to turn away investment they had to think of the people's welfare. "That's what we think - that our Prime Minister will think along that line. So we wanted to bring the issue to his attention by way of getting a number of Papua New Guineans, say at least more than a thousand people to sign petitions that will be forwarded to the Prime Minister."

Impact of proposed sand mine concerns association

By GYNNIE KERO, September 30, 2020, The National Business

THE Madang Tourism Industry Association (MTIA) has raised concern over the potential environmental impact of a sand mining company set to operate in the province. According to the association, Niugini Sands Ltd proposed to mine sand in Sumgilbar in Sumkar. Association chairman Sir Peter Barter said the mining would affect the environment. “These types of projects, especially to do with our marine ecosystems, will affect the leatherback turtle sanctuary in the Sumgilbar LLG,” he said. Mas Kagin Tapani Association (Makata) chairman Wenceslaus Magun said he was saddened by the proposed mining project. “The leatherbacks’ conservation sites from Murunas plantations all the way to Murukanam would be affected by a sand company with foreign investor interest,” he said. Magun said he and the Makata team were frustrated that selfish leaders were behind the proposed project.

“The challenge we faced in securing long-term grants to achieve our objectives is now seeing the ugly face of negative development at the whim of corporate greed and selfish community leaders and their cohorts driving their agenda using gaps in our efforts,” he said. MTIA and the team from Makata urged locals in Madang and around the country to not take bribes or assist any company in sand mining. A search on the Investment Promotion Authority (IPA) website showed that the Singapore company was incorporated by IPA on Jan 11. Mineral Resources Authority (MRA) managing director Jerry Garry confirmed that a firm had taken interest in mining sand off the coast of Madang. But, he said, a decision had not yet been made to grant it an exploration licence.

Dispute affects investors: Bank

September 30, 2020, The National Business

THE World Bank says ongoing dispute on the Porgera gold mine in Enga may affect investor confidence. In its East Asia and Pacific Economic Update released yesterday, the bank said the Covid-19 was one of the issues which could have lasting impacts on the country’s economy. “The main risks include the possibility that the Covid-19 pandemic lingers and has a lasting economic impact on the economy,” it said. “In addition, ongoing disputes around the Porgera mine may affect investor confidence and, therefore, should be treated carefully.” It said updated projections for 2020 suggested that the economy would contract 3.3 per cent in 2020. “International and domestic movement restrictions have weakened external and domestic demand and suppressed commodity prices, except for gold,” it said. “Disputes with international investors over the ongoing and new resource projects are also contributing to lower growth in 2020.” It said the Covid-19 had also affected the country’s “already complicated fiscal picture and would lead to a higher debt-to-GDP ratio”.

“Before the Covid-19, the Government was planning the fiscal deficit at 5 per cent of GDP in 2020, which was higher than in the previous years due to substantial budget arrears accumulated by the Government,” it said. “The Covid-19 impacts will lead to a higher fiscal deficit, estimated at 8.1 percent of revised GDP, and a higher debt-to-GDP ratio, estimated to exceed 48 per cent of revised GDP in 2020. “To contain public debt from growing further, the Government will need to resume its fiscal consolidation efforts in the post-Covid-19 period, by focusing more on mobilising domestic revenue and improving efficiency of public spending.” It said the Central Bank was expected to continue its accommodative monetary policy over the near term with potential normalisation to follow subject to inflationary pressure and economic growth. “However, the Central Bank should address structural deficiencies within the financial sector to ensure these policies have the desired impacts,” it said. “Policies such as reducing excess liquidity, enabling healthy competition, enhancing the effectiveness of money markets and improving the investment climate in the financial sector should complement the monetary stimulus package.”

Barrick urges PM to refrain from making statement on mine

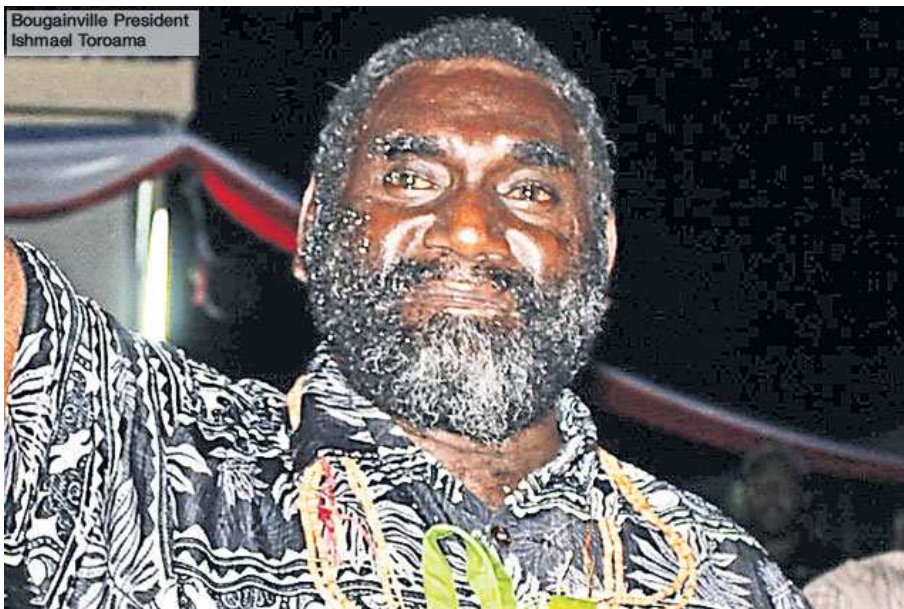
September 30, 2020, The National

BARRICK Niugini Limited (BNL) has urged Prime Minister James Marape to refrain from making further public comments pending the determination of legal proceedings concerning the Porgera mine. BNL was responding to Marape’s comments yesterday that the Government expected the Kumul Minerals Holdings Limited (KMHL) to reopen the Porgera mine immediately, exercising its rights in a contract signed in 1989. The Supreme Court last Friday had rejected an application by BNL to stay a National Court decision relating to the issuance of a special mining licence on the mine. The mining company referred Marape to his previous public comment regarding respecting the prerogative of BNL to exercise its legal rights through the courts. “While the Prime Minister was correct in stating that on Sept 25 the Supreme Court dismissed BNL’s application for the court to stay the decision of the National Court pending determination of the appeal, this does not represent the end of the legal proceedings currently before the Supreme Court as the appeal is still proceeding,” it said.

“In the decision regarding BNL’s stay application delivered by Justice Collin Makail in the Supreme Court, the court affirmed that BNL has an arguable case to be heard on appeal, and that the decision of the National Court to dismiss the matter on procedural grounds meant that questions surrounding its application for extension of the SML remained unanswered.” It said Justice Makail noted as “valid points” BNL’s objections to the State and its agencies using subsequent NEC decisions to attempt to circumvent and frustrate the due process of the court, and to subvert BNL’s legitimate attempts to seek legal redress from the courts. BNL said it meant that the status quo of BNL being in possession of the Porgera mine site and maintaining it in a state of care and maintenance remains, without the interference of the State or other parties.

Bougainville: Trust, confidence to prevail

By MIRIAM ZARRIGA in Buka, September 30, 2020 The National



BUILDING trust and confidence in the people is one of the strategies President Ishmael Toroama is willing to use in leading Bougainville. He told the people that political control was through independence but it was to be pursued through peaceful means. Toroama also laid out his plans to grow the economy. “Panguna mine will be a key target but we will not put all our eggs in one basket,” he said. “My government will have a number of specific large to medium project ideas in mining,

agriculture, fisheries and tourism that will create employment and generate revenue for Bougainville.

“While we welcome foreign investment, we expect a fair share of return and participation in the form of shareholding or equity in large-scale projects, the medium to small enterprise sector should be controlled by our people. “The government intended to review, restructure and make changes as appropriate and with a view to redirecting resources to the district level. My government will endeavour to establish and maintain an environment of trust within Bougainville, with PNG and the international community so that we can confidently go about our joint agendas.” Diplomacy, respect and our Melanesian values should underpin our joint journey but above all, trust and honesty should prevail as we consult and dialogue towards better outcome that reflects the votes for independence.”

KMHL wants parties to agree

By SHIRLEY MAULUDU, September 30, 2020, The National

THE Kumul Mineral Holdings Ltd (KMHL) wants to see the Porgera gold mine reopened soon but only after parties involved agree on how to go about it, an official says. Chairman and acting managing director Peter Graham said the parties included the Government, KMHL, Barrick Niugini Limited (BNL) and the owners of the land where the mine was located. He made the statement after Prime Minister James Marape said the Government expected KMHL to reopen the mine “immediately”. The mine was closed in April after the Government did not renew the special mining lease held by BNL since 1989 and instead awarded a new one to KMHL. BNL is challenging that decision in court. Graham yesterday said KMHL wanted to see the Porgera mine reopened as soon as possible but “achieving this outcome requires agreement” between the parties.

“Kumul Minerals has been granted SML 11 which BNL is contesting in the PNG courts,” he said. “The joint venture (BNL and others) owns the mine infrastructure and other mining assets which are currently under care and maintenance, and most of the workforce is expected to be available since they have been retrenched.” He said while the BNL case was pending in court, Marape “has engaged with all parties in an effort to chart a way forward”. During presentation of the licence to KMHL early this month, Marape indicated that Barrick would be the first company, the State through KMHL, would approach to partner, for the development of the mine. Graham said KMHL had proposed to engage Barrick on interim arrangements to restart the Porgera mine, plus negotiating for a longer term, and BNL as an equity participant and operator.

Rio offer appreciated by Bougainville Panguna damage campaigner

Radio New Zealand on 30 September 2020

Landowners around the Panguna mine in Papua New Guinea's autonomous region of Bougainville are pleased with a change of heart by mining giant Rio Tinto. New MP Theonila Roka Matbob says the destructive effects of the Panguna mine in central Bougainville are still being felt, more than 30 years after it shut down. Theonila Roka Matbob and 155 others, with the help of the Australian Human Rights Law Centre, have placed a human rights complaint with the Australian Government. Rio Tinto was the Panguna mine's majority owner for years leading up to the civil war, which it had sparked by the damage it caused. The company has previously rejected any responsibility, but now says it is willing to meet with stakeholders and discuss the issues. Mrs Matbob said she appreciates the offer. "Which Rio has given by acknowledging the complaint that there is a possibility, and I am very much looking forward to that. So that at least we would hear what Rio would say about the

complaint. We could also have the opportunity to present the grievances of the people to the rightful person," she said.

Bougainville communities file human rights complaint over Panguna

Communities in Papua New Guinea's Autonomous Bougainville communities have today filed a human rights complaint against Rio Tinto over the destruction caused by its Panguna mine.

Radio New Zealand on 30 September 2020



Inside the pit of abandoned Panguna mine in Bougainville Photo: supplied

The Panguna mine in central Bougainville was forced to shut down after it touched off the civil war in 1989. It was owned by Rio Tinto which has stated on a number of occasions that it acted within the laws of the time, and that it was not at fault. In 2016 gave away its shares in what had been its company, Bougainville Copper Ltd.



An abandoned building at Panguna mine site in Bougainville Photo: supplied

The complaint is to the Australian Government and placed on behalf of 156 Bougainville community members by the Human Rights Law Centre in Australia. A landowner in the district where the

mine is sited, Theonila Roka Matbob, who has just been elected to the Bougainville parliament, is one of the community members.



Theonila Roka Matbob Photo: Human Rights Law Centre

She said Rio Tinto cannot walk away without sorting out the legacy issues, the social and environmental damage caused by the mine's operation. "We live with the impacts of Panguna every day. Our rivers are poisoned with copper, our homes get filled with dust from the tailings mounds, our kids get sick from the pollution. Every time it rains more waste washes into the rivers, causing flooding for villages further downstream. Some communities now have to spend two hours a day walking just to get clean drinking water because their nearby creeks are clogged up with mine waste," she said.



Bougainville's Panguna Copper mine Photo: Supplied

Rio Tinto has now said it is willing to talk about the allegations with the complainants. This is an about turn from multi-national mining conglomerate, which in April refused a similar request for a review of health and safety concerns at the mine as a starting point for discussion around compensation and remediation. In recent weeks Rio has faced widespread opprobrium over its destruction of sites that were historically significant and sacred to indigenous communities in Australia.

Organisations call on govt to stop Frieda River mine

September 29, 2020, The National Business

TEN United Nations rapporteurs, with the UN Working Group on Human Rights and Transformational Corporations, have written to the PNG Government concerning the Frieda River copper and gold mine and the risks involved, according to two non-governmental organisations. Project Sepik and Centre for Environmental Law and Community Rights (Celcor) Inc yesterday reiterated their stance against the project. Project Sepik advocator Zephaniah Winduo Aaron said with such strong international attention on the issue, he called on the Conservation and Environmental Protection Authority (Cepa) to reject the operator's environmental impact statement and the project outright. He was flanked by volunteer Vernon Gawi, Celcor executive director Peter Bosip, environmental activist Mathilda Koma and Project Sepik coordinator Emmanuel Pedi.

The letter raised serious concerns about the potential human rights impact of the project, including rights to life, health, bodily integrity, water and food and the right to free, prior and informed consent. Bosip said the address by the special rapporteurs was important and had to be seriously considered. "This statement is not made by one, but 10 different special rapporteurs, who have untied to highlight these issues with our national government," he said. Pedi said it was heartening for all Sepik people to know that their voices had been heard. The letter followed an appeal to the UN special rapporteur on toxic wastes by Project Sepik and Celcor. "The Mineral Resources Authority (MRA) must also stop this mine from going ahead, and refuse to approve the project and the proposed tailings dam," Pedi said. Attempts to get comments from Cepa and MRA yesterday were unsuccessful.

State achieved 51pc stake in Papua LNG gas agreement: Abel

By FESTUS MAIGINAP in Alotau, September 29, 2020, The National Business

THE Papua LNG gas agreement saw the State achieve a 51 per cent stake on the net free cash flow from the project, former deputy Prime Minister Charles Abel says. He said this was confirmed in Parliament last October by Petroleum and Energy Minister Kerenga Kua. Abel said better conditions on resource projects could be achieved progressively and had to be within economic reality. He said the improved terms were:

- Carried financing on State equity input;
- Additional royalty for State and landowners;
- An improved royalty formula with no capital allowance deductions;
- A Domestic market obligation for gas and at a fixed price (given normal inflation trends this is a declining price over time);
- Third party access to the pipeline;
- Fixed commitment to local content; and,
- A minimum forex balance to be maintained in country.

"Revenue streams should go directly to Treasury, provincial governments and landowners; and a small proportion into a Sovereign Wealth Fund," Abel said. "The objective should be a more

heavily weighted royalty system based on export value as it is much easier to monitor and is not subject to net profit as is dividends and tax.” Recently, Prime Minister James Marape said the country was unfairly held to ransom by the Papua LNG project developers. He said the Government would not tolerate such behaviour and was committed to ensuring the project was developed without delay. The project agreement was signed last April with Total, ExxonMobil, Oil Search and Nippon Japan that had a total project out lay estimated at US\$13 billion (K44.65b).

Former PNG PM issues warning over govt's Porgera move

Former Papua New Guinea prime minister, Peter O'Neill says the country could become a tinpot dictatorship if James Marape "nationalises" the Porgera mine.

Radio New Zealand on 29 September 2020



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

This follows a Supreme Court decision last Friday which denied Barrick Nuigini a stay on a decision over the non-renewal of its special mining licence. Late last month the PNG government issued the lease at Porgera to state-owned company, Kumul Minerals Holdings. Marape said he wanted the mine opened, and that under the mining development contract the government had the right to obtain the assets at a fair market value. The *National* newspaper reported the government said that, one year after the licence expiry, it would be entitled to take all the assets without any cost to the state. But O'Neill said the government must observe the rule of law.

He said nationalising Porgera was akin to the actions of the Chavez government in Venezuela which he said left that country a basket case, despite being resource-rich. Marape denied claims his government was nationalising or even expropriating the Porgera mine. He said companies including Barrick had enjoyed an unbroken and profitable run in operating the mine for 30 years before the lease expired. The Mining Advisory Council refused to renew the lease of Barrick and its joint venture partner, Chinese company Zijin. Following this, in compliance with the Mining Act, the state issued notice to procure Barrick's asset with a view to reopening and operating the mine as soon as possible, [Marape explained](#). He said the government had offered Barrick an opportunity for partnership in the future running of the mine, but under new terms. The prime minister welcomed the Supreme Court decision, urging Barrick to "humble itself, observe the rule of law and fulfill its residual obligations" under its Mining Development Contract.



Peter O'Neill Photo: Supplied



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

Despite criticism Aust coal-miner confident of PNG go-ahead

Don Wiseman, RNZ Pacific Deputy News Editor, Radio New Zealand on 28 September 2020

An Australian company aiming to mine coal and build a coal-fired power station in Papua New Guinea is dismissing criticism of the plan. Australian environmental advocacy group, Jubilee Australia, claimed what Mayur Resources was planning was costly, destructive and not needed.

It said PNG was gradually growing its renewable energy base while the chosen power station site, in Lae, posed a real threat to local residents. But Mayur's Managing Director, Paul Mulder, said they were offering PNG a brighter, sustainable future, that would reduce the use of heavy oil and diesel, while the plant would include biofuels in its mix of energy sources. "And it also provides PNG with a fail-safe, because, the question I ask is, what happens if there is another major earthquake? "What happens if there's a three or four years drought like what has happened in recent years? That's why other countries have energy mixes," he said. There is currently no coal mining in the Pacific and as the region battles climate change, coal has become a major focus.

At last year's Pacific Islands Forum summit, Australia faced pressure over the plans by an Indian company to open a new mine in Queensland. Jubilee Australia, is opposed to the plan to mine for coal in Gulf Province, and wants PNG Power to turn down Mayur's plan for the power-station in Lae. Jubilee's Luke Fletcher said it won't be cheaper than renewables, would burden PNG consumers, and could wreck the health of people near the plant. "There's a community of 3,000 people and Lae itself has over 100,000 people within a few kilometres radius of the proposed power plant. "We have seen in Australia and elsewhere a lot of research coming out now about the negative health impacts of burning coal and particularly from there the air pollution," he said.



Photo: Minerals West Coast

The Executive Director of the Centre for Environmental Law and Community Rights in PNG, Peter Bosip, believed PNG did not need coal-fired power, saying it was more expensive and more polluting than the many renewable energy sources - hydro, solar and biomass - that were already available. "This project does not stack up. It isn't in the national interest of Papua New Guinea and could lock the people into more expensive and dirty power for 25 years," he said. But Mayur's Paul Mulder remained unconcerned. He wondered if coal was as destructive of the environment as claimed why would the New South Wales Government allow the bulk of their power to be produced by coal? Mayur hoped to get the green light to begin work on the projects by early next year.

Prime Minister announces outcome of negotiations for the offshore Pasca Petroleum Project Post-Courier, September 25, 2020

Prime Minister James Marape, yesterday, announced the outcome of negotiations for the development of Papua New Guinea's first offshore development project, the PASCA Offshore Petroleum Project. "Following intensive negotiations between the State Negotiation Team (SNT) and Twinza Oil Limited, in principle agreement has been reached to move forward with developing a new offshore processing site in the Gulf of Papua," he said. The agreed terms are consistent with the Government's negotiation parameters and will lead to significant long-term economic benefits for the nation. "The terms agreed reflect the substantial technical work carried out by the Department of Petroleum and Energy, Twinza Oil Limited and the State Negotiating Team, leading to the best possible deal for the people of our nation," Mr Marape said.

Under the terms agreed, the State will achieve between 61 and 65 per cent of economic benefits, early revenue, provincial and direct economic benefits through a two per cent Development Levy and royalties of 2 per cent of gross revenue, access to LPG discounted by 30 per cent for national

consumption at five per cent, guaranteed, and a commitment to develop a detailed National Content Plan within six to 12 months of the signing of the gas agreement. “This is a significant outcome for Papua New Guinea. It reflects the Marape-Steven Government’s commitment to deliver a better and fairer share for the people of our country.

“The project will deliver immediate economic benefits on production, downstream processing capability and domestic market access, and real local content to benefit and empower local Papua New Guinean workers,” he said. Key features of the negotiated terms also include fixed revenue to the State through agreed taxation arrangements, back-in-rights at 25 per cent at the time the fixed investment decision (FID) is made, or earlier if agreed, third party access as required by law to facilitate future discoveries, aggregation by the operator if new fields are discovered, which will enjoy the same fiscal terms under the terms of the Gas Agreement, and incentives for the operator to conduct more drilling within the licenced Pasca A area. “This outcome demonstrates the value of firm negotiations and partnership in seeking to deliver the best deal for both the State and the operator,” Mr Marape said.

Firm willing to engage in ‘good faith’ with State

September 25, 2020, The National

BARRICK (Niugini) Limited says it is willing to engage in “good-faith” negotiations with the Government which can lead to the re-opening of the Porgera gold-copper mine. “BNL remains willing to engage in good faith negotiations to chart a way forward that can result in a win-win for all stakeholders and lead to the re-opening of the Porgera mine,” a statement from the company said. But it warned that any such talks “cannot be based on an abrogation of BNL’s legal rights and interests”. It said that it was challenging in court the decision by the Government to grant Kumul Minerals Holdings Limited (KMHL) a lease which covers the Porgera mine. It said it had lodged an application for a judicial review at the National Court. The company is arguing that the special mining lease “purportedly granted to KMHL is asserted to cover areas of land which are already the subject of valid BNL tenements”. “As such, the area was not available for grant at the time the Government purported to award KMHL an SML covering that land,” the statement said. It also claimed that the SML application by KMHL was reportedly lodged on July 27 July and “purportedly granted on Aug 25”. “These short timeframes raise serious questions as to how regulatory authorities, notably the Mineral Resources Authority were able to responsibly and properly assess the KMHL application,” the statement said.

Firm keen on talking with State

September 24, 2020, The National Business

HARMONY Mining Ltd is keen to re-engage the state negotiating team at the earliest opportunity to secure a special mining lease (SML) for Wafi-Golpu gold and copper project in Morobe progresses. In an address to the Denver Gold Forum Americas recently, Mining Weekly online reported that Harmony chief executive Peter Steenkamp had reiterated that Wafi-Golpu remained a potential game changer for the gold miner. “We are encouraged by recent statements by the prime minister of Papua New Guinea that the Wafi-Golpu was a project of national priority to be urgently advanced,” he said. Prime Minister James Marape during a recent Parliament sitting said the project would be a large-scale underground mining project and was ranked as a world-class copper-gold resource. “This project is situated in Morobe, between Huon Gulf and Wau-Bulolo districts,” Marape said. “The project is owned by Harmony Gold Mining Ltd and Newcrest Mining Ltd on a 50-50 shareholding basis. “If the State decides to exercise its right to take 30 per cent equity, both

companies will proportionately dilute their shareholding.”

Marape said the project would be developed in three stages over a total lifespan of 28 years at a cost of US\$5.4 billion (K18.48b). However, Marape also noted that a critical issue that the Government was concerned about was the project’s mine waste management plan, where deep sea tailing placement had been recommended. “The State is having discussions with WGJV on why this has been proposed and the level of impact on the environment,” he said. “Additionally, the Government is now finalising the fiscal and non-fiscal terms for negotiation consistent with the policy directive or mandates, with a view to signing the project agreement by the end of this month.” Landowners from Wafi-Golpu project impact area of Babuaf and the Morobe government this week said they had agreed for a tailings dam to be built on land rather than to have waste from the mine dumped into the sea. This was highlighted during signing of a memorandum of understand between the parties in Port Moresby.

K8mil for landowners

By PETER ESILA in Misima, September 23, 2020 The National



Villagers celebrating during the ceremony in Narian village, Misima Island, Milne Bay, on Monday. Landowners are set to share K8 million, with 80 per cent to be invested.
— Nationalpic by PETER ESILA

THE Treasury Department will transfer K8 million from the trust fund to the landowners of the old Misima Mines. Treasury first assistant secretary, sectorial policy division, who is also chairman of the Misima future generations trust fund (MFGTF) board of trustees, Donald Hehona said, during a ceremony in Narian village on Misima on Monday that it was the first of its kind. The MFGTF was established in 1995 through the Misima deed of settlement. “The aim of the trust was to ensure long-term benefits were granted to the beneficiaries affected by the mining and associated activities,” Hehona said. “An initial establishment fee of K1.5million was paid into the trust in 1995. “Up to today this amount has grown to K8 million.

“Even though this is small, if you put it in investment, it will grow,” he said. “This is a successful story for the Misima future generation because it signifies the last bit of transition of the Misima trust fund and marks the way where the first trust managed through the national government mining trusts is transferred back to the landowners. “This is the first one in the history of the country.” Yesterday marked the end of the MFGTF. The new trust deed is the Misima mine beneficiaries investment trust fund. “On this vesting day, the trustees have declared that 20 per cent of the trust property will be given as direct benefit to the beneficiaries and 80 per cent will be put into an investment vehicle,” Hehona said.

“The new trust is an investment-oriented trust fund.” Misima trust fund is the first mine project landowner trust funds managed by the national government to be transferred back to the landowners. Chairman of Misima towoho siung association Elizah Gwama, representing the landowners, said investing the money into business ventures would be the discussions in the near future. “I am happy because it is happening after almost 15 years and I am sad because many have passed away waiting,” Gwana said. “This event is significant for us and especially the beneficiaries.”

“I give assurance that the Misima Future Generations Funds will be given to the correct beneficiaries and that we will invest well for the future.” He urged the Government to continue to support the landowners in investment decisions. “We want to also continue to have the government to guide us as we invest and we thank Treasury and Mineral Resources Authority for agreeing to remain to guide us in our investments and potential business ventures. “We have learnt a lot of lessons from the past and let me assure all that we will look after the funds well.”

Land preferred for tailings dam

By SHIRLEY MAULUDU, September 22, 2020, The National

LANDOWNERS from the Wafi-Golpu project impact area of Babuaf and the Morobe government have agreed for a tailings dam to be built on land rather than have waste from the mine dumped into the sea. That was highlighted during the signing of a memorandum of understanding (MOU) between the parties in Port Moresby yesterday. Governor Ginson Saonu said he would always support what he deemed to be beneficial to the people. “My position as governor is that the people in the province should benefit from the project as according to what they are entitled for,” he said. “I do not want the country to repeat any mistakes from the previous mining projects with Wafi-Golpu project. Among core matters agreed on in the MoU were:

- THEY will not agree for the developer of Wafi-Golpu project to construct and build necessary infrastructure for a deep-sea tailing placement as currently proposed and will insist on finding a safer alternative, including a terrestrial tailings dam and any other effective terrestrial system to be explored by the developer; and,
- The Babuaf shall make available land for a tailings dam to be constructed by the developer provided such a site is considered as meeting the minimum technical specifications for terrestrial tailing dam construction.

Babuaf chief Esra Kwako said he was aware the project had huge resource potential. And that the people’s plea for more benefit should be taken into consideration by the Government and developer. Prime Minister James Marape, during a recent Parliament sitting, said the project would be a large-scale underground mining project and was ranked as a world-class copper-gold resource. “This project is situated in Morobe, between Huon Gulf and Wau-Bulolo,” he said. “The project is owned by Harmony Gold Mining Ltd and Newcrest Mining Ltd on a 50-50 shareholding basis. “If the State decides to exercise its right to take 30 per cent equity, both companies will proportionately dilute their shareholding.”

Marape said the project would be developed in three stages over a total life-span of 28 years at a cost of US\$5.4 billion (K18.48bil). However, Marape also said a critical issue the Government was concerned about was the project’s mine waste management plan, where deep sea tailing placement had been recommended. “The State is having discussions with WGJV (Wafi-Golpu Joint Venture) on why this has been proposed and the level of impact on the environment,” he said. “Additionally, the Government is now finalising the fiscal and non-fiscal terms for negotiation consistent with the policy directive or mandates, with a view to signing the project agreement by the end of September.”

Marape certain P'nyang gas project will get off the ground

Post-Courier, September 21, 2020

The national government will continue to make additional concessions for an acceptable pathway to all parties to get the US\$9.2 billion P'nyang gas project off the ground. Prime Minister James Marape, when giving an update on the status of the project, said he has written to the ExxonMobil chairman and chief executive officer Darren Wood, making a case and at the same time, making additional concessions. "The chairman has responded positively, indicating that they understand the position of the government and that they will respond after their consultations with other joint venture partners have concluded," Mr Marape said. "I am hopeful that both parties can find a mutually acceptable pathway when we re-engage, as a no-deal will have far-reaching consequences for both parties." The P'nyang gas project is located in Western and currently owned by ExxonMobil and Oil Search Limited.

The project retention licence (PRL) expired in August 2016, and is preserved by the lodgment of an application for a petroleum development licence (APDL) with the Department of Petroleum and Energy. The total cost of the project is estimated at US\$9.2 billion and is expected to generate a (pre-tax) cashflow of US\$23.3 billion over a period of 20 years. Mr Marape said government agencies, under the guidance of the State negotiating team, completed the technical, environment and financial assessments in late 2019. Their findings and State term sheets were endorsed by Cabinet, which directed the team to commence formal negotiations. Mr Marape said the State term sheet included corporate tax at 30 per cent; production levy at 10 per cent; royalty and development levy at 2 per cent FOB, no dilution; 5 per cent import duty; social levy at 2 per cent; 10 per cent gas for DMO (domestic market obligation) at a discounted price, not market price; 2 per cent fiscal stability; additional equity for Western; funding for early community obligations; 15 per cent withholding taxes and no foreign exchange exemptions;.

"National content packages, including shipping and ownership of the pipeline are also part of the State term sheet. "The terms were developed on the basis of the government's policy mandate, which I outlined earlier – and it is fundamental to achieving a fair and equitable share," Mr Marape said. "I regret to report that negotiations broke down in late January 2020, due to dissatisfaction over ExxonMobil's insistence for similar fiscal terms under the PNG LNG Project. "This was despite the State negotiating team making 13 concessions from the 27 items in the State term sheet." But Mr Marape said the government was confident that the project would go ahead.

K6 billion investment portfolio

By CLARISSA MOI, September 21, 2020 The National Business

THE Mineral Resources Development Company (MRDC) investment portfolio currently sits at around K6 billion, says chief operating officer John Tuaim. Tuaim provided an update of the company's investments in the country and abroad affected by the Covid-19. He said most those affected were in the tourism and hospitality sector, with the biggest one being the Pearl Resort in Fiji. "Fiji has been on lockdown for a couple of months and there are hardly any tourists in Fiji," he said. "We're currently making progress with domestic markets, government entities and conferences but it's very small. "That has been our very biggest affected investment. "Similarly, with the investment in Samoa, which is also a hotel. "With our Cairns property, we have given rental discounts to tenants which is part of the requirement by the Australian government that tenants and landlords would negotiate and agree on some discounts.

"We haven't lost tenants but we have given discounts as a good corporate citizens. "Our portfolio internationally has been affected by the Covid-19 but we expect that to improve very soon." Tuaim

said they were taking advantage of the low occupancy to renovate the hotels and putting in new facilities. Most of the company's investments in Papua New Guinea have not been badly affected by the Covid-19. "The Hilton Hotel has been selected by the Government as a quarantine facility," Tuaim said. "Most people arriving in Papua New Guinea for business are staying at the Hilton. "Occupancy is above the rates we had during normal periods." He said the oil price fell in April affecting revenue in the oil and gas business. "We have about 33 per cent shareholding in the Ok Tedi gold and copper mine," he said. "Ok Tedi going into temporary shutdown due to the Covid-19 has actually affected dividend for our shareholders."

Porgera needs attention, says chamber

September 21, 2020, The National Business

PORGERA Chamber of Commerce and Industry president Nickson Pakea says infrastructure and social services must reach Porgera as these are major concerns. He said this after the highway from Wabag to Porgera was blocked at Maip due to poor road condition. Pakea said electricity supply to Porgera had been reduced to six hours nightly because of low fuel supplies at the mine's fuel storage. He said some areas were cut off completely because of lack of maintenance. Pakea said this was affecting health and education services. "They are operational when power is supplied, the vocational school, Porgera Technical Vocational School, has been closed because there is no operational support especially with fuel for generators for practical appliances," he said.

"Paiam Town was on the eve of closing so Barrick rescued the hospital with K800,000 for the remaining months of the year. He said law and order issues were on the rise. "The fight at lower Porgera eventually set foot at Mungelep SML and LMP area of different clans, the SDA Church pastor's house was burnt down," Pakea said. "As a government of the people, the state cannot reject minor players too. "They are people who have equal rights that need to be protected, participated and attended to. "We cannot run a collision marathon on our way to take back PNG, it needs inclusion to make this vision work."

Mine's closure costing businesses about K24mil

September 21, 2020, The National Business

MORE than 500 businesses in Porgera, Enga, have lost about K24 million over the last four months due to the suspension of the Porgera gold mine and want the Government's decision to control the mine to be fast tracked for business resumption. Porgera Chamber of Commerce and Industry president Nickson Pakea told The National that most local contractors and SME (small and medium enterprise) bank loans had built up. "Most of the MSMEs (micro, small and medium enterprises) in the district especially in retail markets, livestock and vegetable farmers were abandoned while restaurants have closed for none payments of rental bills and other services associated with the business," Pakea said.

"Business houses, women's groups and third parties who have been benefiting from Porgera are indebted with loans and commitments." He said local SMEs and MSMEs of 500-plus needed K30 million in relief funding. "If the Government can afford Covid-19 funding of K200 million, our businesses are affected by Government's decision and we are qualified for the relief package of K30 million." He said Prime Minister James Marape's slogan of "short term pain for long term gain" was having an impact on the people of Porgera and something needed to be done about the situation.

State achieves 51pc stake in Papua LNG

September 21, 2020, The National

FORMER deputy prime minister and treasurer Charles Abel says the Papua LNG gas agreement saw the State achieve a 51 per cent stake on net free cash flow from the gas project as independently verified and later confirmed in Parliament last October by Petroleum and Energy Minister Kerenga Kua. Abel said better conditions on resource projects could be achieved progressively and had to be within economic reality. He said the improved terms compared to the PNG LNG project were:

- Carried financing on State equity input;
- Additional royalty for the State and landowners;
- Improved royalty formula with no capital allowance deductions;
- Domestic market obligation for gas at a fixed price;
- Third party access to the pipeline;
- Fixed commitment to local content; and,
- Minimum Forex balance to be maintained in country.

“Revenue streams should go directly to Treasury, provincial governments and landowners; and a small proportion into a proper Sovereign Wealth Fund,” Abel said. “The aim should be a heavily weighted royalty system based on export value.”

Strike threat in New Caledonia over Vale nickel plant plans

New Caledonia's leading union umbrella group has threatened with a general strike over the feared closure of the Vale nickel plant. Radio New Zealand on 18 September 2020



Usuenc rallies amid concern over planned closure of Vale nickel plant Photo: FB Usuenc

Several hundred members of Usuenc joined a rally in Noumea to back calls for the sale period for the plant to be extended to six months. Last week, the planned sale to an Australian company fell over, with Vale saying it planned to close its plant at the end of October if no buyer was found. A closure would eliminate thousands of jobs. Two local bidders have come forward to take over the asset but there has been no word if Vale will accept any of the offers. The president of the Southern Province Sonia Backes told the protestors that although Vale would ultimately decide, everything would be tried to avert a shutdown.

Projects to boost economy

By GYNNIE KERO, September 18, 2020, The National



PRIME Minister James Marape is confident the country can grow into a K200 billion economy in the next 10 years when the five multi-billion kina resource projects in the pipeline get off the ground. Marape said negotiations were ongoing on the P'nyang, Papua LNG, Porgera, Wafi-Golpu and Pasca projects. He was addressing the business community and development partners at an Independence Day dinner at Parliament House on Wednesday. "These five projects have the potential to push our economy of K80 billion to possibly over K200 billion in the next 10 years," he said. "I have encourage ExxonMobil, Oil Search, Newcrest, Harmony and Total to speak their minds (on) their rate of return on investment. "We will respect that. "We will work with you.

"And if you feel that we are encroaching into your profit margin, you have the right to speak your mind. "Those of us in the public service and Government will not be offended. "We are all equal partners as far as business is concerned in our country. "They (resource developers) bring the exploration and construction dollars and PNG provides the natural resources. "They will speak their mind and we will tell them what we need so that we find resolve in our resource projects." He urged businesses to bear with the Government during "tough discussions because once agreements are signed, its long-term and the Government cannot go back and change them". "Therefore the Government must get it right the first time for the people of Papua New Guinea," he said.

State: Bid abusing process

By KARO JESSE, September 18, 2020, The National

THE State has opposed an application filed by Barrick Niugini Ltd (BNL) seeking to stay a decision of the National Court which had dismissed a review of the Government's decision not to extend BNL's special mining lease to operate the Porgera mine. The application was heard yesterday before Justice Collin Makail in the Waigani Supreme Court. Solicitor-General Tauvasa Tanuvasa objected to the application by BNL on the grounds that it was an abuse of process and that the State was entitled to the benefit of the judgment and events had overtaken the need for a stay. He contended that for the State's purposes the benefits of the judgement were twofold. Firstly, the state can operate without harassment from BNL and its privies though a multiplicity of proceedings and it sees fit to deal with its mineral resources in Porgera. Tanuvasa submitted that the motives of BNL

seeking a stay was so that it could continue to pursue multiple proceedings against the State in separate appeals as well as proceedings instituted overseas.

“In its evidence, BNL appears to criticise the State’s decision to grant a new SML over the same area to Kumul Minerals Holding Ltd (KMHL) as somehow being in breach of a stay order previously granted by the National Court,” he said. “However, BNL was an active and willing participant in the statutory process that culminated in that decision being made. “The fact remains that a separate decision has now been made in favour of KMHL. “KMHL is not a party to the present proceedings and if BNL is aggrieved by the decision by the Government that granted an SML to KMHL then it ought to challenge that grant on its merits in separate proceedings.”

Ok Tedi: Relocation project continues

By SHIRLEY MAULUDU, September 18, 2020, The National Business

OK Tedi Mining Ltd (OTML) says its K800 million crusher relocation project has not been affected during its six-week suspension of operations. Chief executive and managing director Musje Werror said the project was critical to the mine in terms of accessing high grade material from the mine. “One of the major projects that has not been impacted by the suspension is the K800 million crusher relocation project which is expected to be delivered by the end of the year,” he said. “This project is critical to the mine accessing high grade material, increasing metal production and cash generation from 2022.” In a previous interview with The National early this year, the company’s former boss, Peter Graham, said OTML was investing K800 million in replacing and relocating the mine’s in-pit crusher. “This is a strategically important project in that it allows access to high grade ore underneath the existing in-pit crusher,” he said. “While the in-pit crusher replacement project will be completed by mid-2020, there is a considerable amount of waste stripping necessary in 2020-2021 to provide access to the higher grade ore from 2022.

“With access to the higher grade ore, copper concentrate production will increase significantly.” It is understood that the project was approved by the OTML board in 2017. “The relocation would release value in the company’s productivity and is expected to double returns on investment cost,” Werror said. “This was a high value opportunity that was identified in our 2016 strategic planning cycle and was expected to generate a return of double our investment. “There is significant value opportunity associated with the crusher relocation.” Meanwhile, Werror said operations at Ok Tedi resumed safely on Monday with the key focus for the day to get the workforce settled back into work after the six-week suspension. “It has been a tough period managing the Covid-19 situation at our mine after the first positive case was detected on Aug 5 in Tabubil but thankfully the intervention measures put in place helped to stop the spread of the virus,” he said.

Union rally to be held in New Caledonia over sale of Vale nickel plant

New Caledonia's leading union umbrella group has called for a rally today over the sale of the Vale nickel plant. Radio New Zealand on 17 September 2020

Usuenc wants the sale process to be extended to six months after Vale said it planned to close its plant at the end of October if no buyer was found. It said the time frame to find a solution was too tight. The planned sale to an Australian company fell over last week, but two new local bidders have since come forward. A closure risks eliminating thousands of jobs, which is feared to crash the economy, Usuenc wants to meet the president of the Southern Province and then march to the Congress and the French High Commission.

PNG mining authority fails in bid to stop document release

A Papua New Guinea court has rejected a bid by Mineral Resources Authority to prevent the release of deepsea mining documents. Radio New Zealand on 17 September 2020



Sampling copper under the sea Photo: Nautilus Minerals

The Authority had applied for the dismissal of a case to obtain key documents relating to approval of the stalled Solwara1 deepsea mining project. Landowners from coastal communities around the Bismarck Sea repeatedly requested information about the Solwara project from the government over several years before resorting to legal proceedings. A lawyer from the Centre for Environmental Law and Community Rights, Peter Bosip said it was disappointing that the Authority used taxpayer funds in seeking to have the case dismissed. In rejecting the Authority's application, the National Court cited citizens' constitutional right to access public information. Plaintiffs have urged the Authority to now provide them with full access to project documents.

Earlier this year, the Managing Director of PNG's Mineral Resource Authority, Jerry Garry, said that having invested US\$120 million in the project, PNG would probably have to write it off as state debt. He also ruled out any chance of revisiting the Solwara 1 project. But according to one of the plaintiffs, Jonathan Mesulam from the NGO Alliance of Solwara Warriors, elements in the Authority are still looking to renew the exploration license for Nautilus, the Canada-based company at the head of the project. "Not only did the MRA spend 2 years trying to block our access to information, but it is also currently undertaking a process to renew the Nautilus Nuigini deep sea exploration licences," he said. PNG's Prime Minister James Marape has declared the Solwara 1 project in PNG waters to have been a total failure. He has also supported Fiji's call for a Pacific regional moratorium on deep sea mining.

Second bid for New Caledonia's Vale nickel plant

A further bidder has come forward to try to acquire New Caledonia's Brazilian-owned Vale nickel plant. Walter Zweifel, RNZ Pacific Reporter, Radio New Zealand on 15 September 2020

According to Les Nouvelles Caledoniennes a local company Bym's plans to submit a purchase proposal, backed by as yet unidentified finance interests in mainly Canada. Vale put its 95 percent stake in the plant up for sale in December after running up losses in the hundreds of millions of dollars. Last week, New Century Resources of Australia withdrew from its plan to buy the plant from its Brazilian owner, triggering fears of the site's closure. The Australian offer was opposed by the independence parties and Kanak chiefs who were against a sale because it included plans to export

nickel ore. The Northern Province's Sofinor company has since restated its interest to acquire the asset with support of its partner Korea Zinc. The management of New Caledonia's Vale nickel plant said it could stop its operation by the end of October if no new owner was found. The government of the Southern province, where the plant is located, said all efforts would be made to save the 3000 jobs at risk in order to prevent a meltdown of New Caledonia's economy. Its president Sonia Backes said the plant's closure would collapse the economy as well as New Caledonia's social security systems.



Port of New Caledonia's Vale nickel plant Photo: supplied

The employers federation warned that a closure would be a catastrophe with a domino effect which would be hard to comprehend. The president Thierry Santa said despite the problems he wanted to be optimistic as Vale was working on a solution. According to the news agency *AFP*, the French overseas ministry is closely following developments as three weeks remain until the referendum on independence from France. Meanwhile, a committee has been formed after a meeting of New Caledonia's Congress to discuss the Vale nickel plant sale. The committee comprises members of the key institutions and aims to preserve the plant threatened by a shutdown within the next few weeks.

Decision on mine serves country's interest: PM

September 14, 2020, The National

PRIME Minister James Marape says the Government is doing everything within its mandate to reopen the Porgera gold mine, contrary to what his predecessor Peter O'Neill is saying. He was responding to outbursts by O'Neill on the Porgera mine. Marape said whatever decision the Government made on Porgera was in the best interest of the country. "Unlike the former PM O'Neill who does not respect legitimate Government processes and concedes to foreign interests, like his giveaway of 10 per cent of State equity for the Wafi-Golpu project, I chose to differ," he said. "We must gain every opportunity for our country, our provinces and landowners. Our Government is not uncertain about what to do in Porgera. "We knew what we want to do with our national resources right from day one."

Marape said the case of the Barrick Niugini Ltd (BNL) in Porgera "is not nationalisation or expropriation as some may think or promote". "Companies and mining lease holders in Porgera had unbroken and profitable years since 1989 when the lease was issued," he said. "The lease expired on Aug 16, 2019. "The Government is duty-bound to honour our National Constitution by harvesting resources at better terms for our country, including our landowners." He said the Mining Advisory

Council had refused to renew the lease application by Barrick. “The State, in compliance with the Mining Act, gave notice to procure Barrick’s asset with a view to reopen and operate the mine at the earliest.” Marape said the Government had indicated to BNL that it would be given first consideration for partnership, but under new terms.

OK Tedi reopens

By Shirley Mauludu, September 14, 2020, The National

OK Tedi Mining Limited resumes its gold-copper mining operations today after a six-week closure due to the Covid-19 transmission in its area of operation in Western, a spokesperson says. The company estimates a loss in revenue of K411 million (US\$120) over the six weeks. It also incurred US\$10 million (K34.29 million) per week in operating cost. The closure on Aug 6 was to be for only 14 days. But it was extended because of a spike in coronavirus cases in Tabubil, Western. There are now 185 confirmed cases in the area – the second highest in the country after Port Moresby (300). Chief executive officer and managing director Musje Werror said in August the company was “well positioned to withstand the financial impact of the 14-day suspension” it estimated to be around K100 million.

“Beyond this financial impact on OTML, the 14-day shutdown will have broader economic impacts,” he said. “OTML generates a significant amount of foreign currency inflows into PNG and the suspension is likely to reduce US dollar receipts by approximately \$40 million (K137.16mil). “It will also reduce copper and gold production by approximately 4Kt (karat) and 12Koz (million ounces) respectively.” On Aug 25, OTML released another statement saying that since the operation was suspended, the company had lost revenue of around US\$20 million (K68.58mil) per week which had directly impacted foreign currency inflows into PNG.

“While operations are suspended, OTML continues to incur a significant amount of its normal operating costs, and as a result losses approximating US\$10 million (K34.29mil) per week which are being incurred during this time.” Meanwhile, the company last week paid an interim dividend of K150mil to the State which owns 67 per cent of the project. Three landowner entities own the other 33 per cent. The board thanked the employees, contractors and other stakeholders for the strong performance prior to the suspension enabling the dividend to be paid. The company also announced that the mine life had been extended from 2026 to 2029 following work from the strategic business planning team headed by David Thurston.

Heilige Stätten in Australien gesprengt - CEO von Rio Tinto tritt zurück

Der Vorfall hatte im Mai für Empörung gesorgt: Um an Erz zu gelangen, jagte der Rio-Tinto-Konzern zwei heilige Stätten der australischen Ureinwohner in die Luft. Nun muss der Chef gehen.
Spiegel Online, 11.09.2020

Nach der Sprengung von heiligen Stätten [australischer](#) Ureinwohner treten der Chef des Bergbau-Großkonzerns [Rio Tinto](#) und weitere Spitzenmanager zurück. CEO Jean-Sébastien Jacques werde gehen, sobald ein Nachfolger gefunden sei, spätestens aber Ende März 2021. Die beiden anderen Manager scheiden spätestens mit dem Jahreswechsel aus. Rio Tinto ist eines der größten Bergbau-Unternehmen der Welt mit einem Jahresumsatz von mehr als 40 Milliarden US-Dollar. Jacques hatte zuvor bereits auf Bonuszahlungen verzichtet und sich im australischen Senat dafür entschuldigt, dass sein Unternehmen im Mai zwei heilige Stätten im Bundesstaat Western Australia zerstört hatte, um Erzvorkommen besser ausbeuten zu können. Doch das war vielen Investoren zu wenig, sie hatten seit mehr als einer Woche personelle Konsequenzen verlangt.



Demonstranten in Perth (im Juni 2020) Foto: Richard Wainwright / AP

In der Juukan-Schlucht in der Pilbara-Region waren Hinweise auf 46.000 Jahre kontinuierliche Besiedlung gefunden worden. Die Gegend ist extrem abgelegen, allerdings für Bergbaufirmen wegen der enormen Bodenschatz-Vorkommen sehr attraktiv. Immer wieder kommt es dabei zu Verstößen gegen Umweltschutzaufgaben und die Rechte der Ureinwohner. Der Vorfall aus dem Mai hatte in Australien für Proteste gesorgt.



Jean-Sébastien Jacques: Demnächst nicht mehr Chef von Rio Tinto Foto: Will Russell / AP

Manager behalten Ansprüche auf bestimmte Boni

"Was in Juukan passiert ist, war falsch. Wir werden sicherstellen, dass die Zerstörung einer solchen Stätte nie wieder im Rahmen einer Rio-Tinto-Operation geschieht", hieß es aus dem Unternehmen. Ein Versehen war die Zerstörung indes nicht. Interne Unterlagen hatten in der vergangenen Woche ergeben, dass Rio Tinto eine Anwaltskanzlei engagiert hatte, um möglichen rechtlichen Schritten der indigenen Gruppen der Puutu Kunti Kurrama und Pinikura zur Rettung der heiligen Stätten entgegenzutreten. Obwohl sie ihre Jobs nach dem Skandal verlieren, behalten die drei Manager [nach Angaben des britischen "Guardian"](#) ihre Ansprüche auf langfristig angelegte Bonuszahlungen. (jok/Reuters)

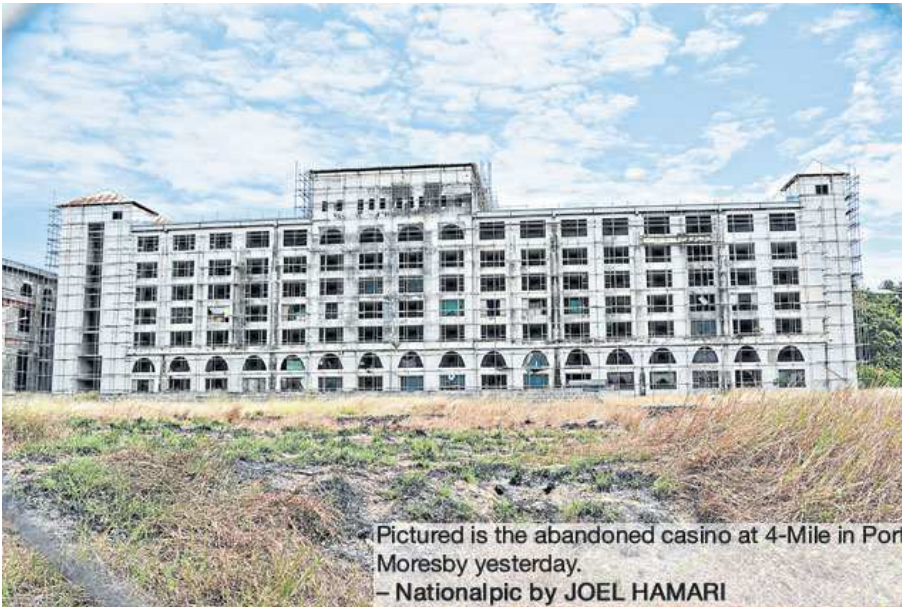
Local bid for New Caledonia's Vale plant still stands

There is renewed interest by a company in New Caledonia's Northern province to take over the Vale nickel plant. Radio New Zealand on 11 September 2020

Sofinor said its bid still stood to acquire the Brazilian-owned plant after Vale this week failed to sell its stake to New Century Resources of Australia. According to a statement quoted in the media in Noumea, Sofinor has the support of its partner Korea Zinc, which has a capitalisation of \$US7 billion. Pro-independence parties and customary leaders opposed to the sale to New Century Resources said the plant should go into majority ownership of New Caledonian interests. An earlier bid by Sofinor was reportedly rejected. The management of New Caledonia's Vale nickel plant said this week it could close by the end of the year if no new owner is found. The government of the Southern province, where the plant is located, said all efforts would be made to save the 3000 jobs at risk in order to prevent a meltdown of New Caledonia's economy. Vale put its 95 percent stake in the plant up for sale in December after running up losses in the hundreds of millions of dollars.

Investment to be probed

September 11, 2020, The National



◀ Pictured is the abandoned casino at 4-Mile in Port Moresby yesterday.
– Nationalpic by JOEL HAMARI

PRIME Minister James Marape says he will call for investigations into a K22 million investment made towards the development of the 4-Mile Casino in Port Moresby. Marape said this in response to questions raised by Hela Governor Philip Undialu on the state's position on how that investment would be reimbursed to the landowners of Moran and Gobe who had invested in the development of the abandoned casino that Cabinet had approved in 2007. The casino is only partly built. Undialu said it had been 13 years and the landowners' money was lost. "Back in 2007, Cabinet had given the approval and the Department of Commerce and Industry vetted the investment purportedly from an investor from South Korea," he said. "Our people were convinced to invest in it and it's almost 13 years on and the money is lost. The latest I heard was that the NCD (National Capital District) and the building board had condemned the building and asked for removal.

"The land title now sits with the investor and the people of Moran have lost their investment. "Who will be responsible to reimburse the K22 million? "The demolition order has been given, the money is lost and land title is taken by someone else. "This investment was guaranteed by the state so what is the state's position on the investment. "K22 million is a lot of money." Marape said he would call for an investigation to find out and sanction an inquiry into the Gobe and Mora landowners' funds.

“If the funds have been abused through a scheme, we will establish that and get back to Parliament at a later stage,” he said.

Probe US\$35m casino – Prime Minister

BY GORETHY KENNETH, Post-Courier, September 11, 2020

Prime Minister James Marape told Parliament yesterday that he will call an investigation into the US\$35 million PNG Casino site which lies idle in the nation’s capital. This is on the Gobe and Moran Funds which Hela Governor Philip Undialu claimed was a K22 million belonging to the landowners who invested in the CMSS 4-Mile Casino. He told Parliament as a director of the group funds, the K22 million belonging to Petroleum Resource Moran (PRM) and Petroleum Resource Gobe (PRG) paid in as their shares to the tune of K11 million each was still at large. “I will refrain from talking about what is in court. “What I am asking is that a demolition order has been given, money is lost and a land title has been taken by someone else. This investment was guaranteed by State so what is the State’s position on this investment done by the landowners, as K22 million is a lot of money,” Mr Undialu said.

Mr Marape on the other hand said that he would call an investigation into this and a report to be tabled with police with referrals to be made. “I will sanction an inquiry into the Gobe and Moran landowners fund to ascertain if the funds have been abused through this scheme and will establish through the investigations and to Parliament and refer that matter to police,” he said. “I don’t have any idea that this matter is before the courts but this is an investment, if true the land title has been taken back or investment has been lost, if I am not wrong, the subsidiaries are held by the two landowning groups so I will call for an investigation on this matter in totality and we will find out.”

Ok Tedi declares K150 million interim dividend

Post-Courier, September 10, 2020

OK Tedi Mining Limited yesterday declared an interim dividend of K150 million. Chairman Sir Moi Avei, in making the announcement, said the dividend was a direct result of the strong performance of the company during the first seven months of the year where an after tax (and unaudited) profit of US\$140 million was generated. Sir Moi said this has enabled the board to declare a dividend to the State who owns 67 per cent of Ok Tedi and three landowner entities which represent communities collectively own 33 per cent of the company. “We understand during these difficult times that our shareholders are reliant upon returns from Ok Tedi and are pleased that we can continue to provide our support. “It is fortunate we are in a position where we can responsibly balance the payment of a dividend with retaining enough reserves to ensure Ok Tedi navigates its way through the current suspension of operations,” Sir Moi said.

He said that the board is appreciative of the efforts of management and the workforce to place the company in this position. However, he said the second half of the year will be particularly challenging noting that while operations, which were temporarily suspended on August 5, 2020, and planned to resume on 14 September, will not be at full production levels for several months. OTML managing director and chief executive officer Musje Werror indicated that this initial shortfall in production was due to the quarantine protocols put in place as part of the resumption plan. “The required quarantine periods have the effect of reducing the available work time. While this will cause short to medium term labour shortages, this will be addressed through recruitment of additional personnel,” Mr Werror said.

“The resumption controls being put in place were consistent with our commitment to the safety and wellbeing of our workforce and our communities and that the company is well prepared to resume safe operations next week.” Sir Moi also announced that the OTML board had approved an updated strategic business plan that includes an extension of mine life from 2026 to 2029. “This extension of mine life is the culmination of a number of years of detailed strategic planning work and will see the company generate an additional K10 billion of revenue. “This is to the benefit of all stakeholders,” he said. He said the company will continue to invest in near mine exploration to further extend mine life beyond 2029.

PNG's Ok Tedi mine given extended life-line

The Ok Tedi copper, gold and silver mine in Papua New Guinea has received a three-year life extension to 2029. Radio New Zealand on 10 September 2020



OK Tedi mine Photo: Ok Tedi Mine CMCA Review

The website *Australian Mining* reported Ok Tedi Limited's chairman Sir Moi Avei saying the extension would see the company generate an additional \$US2.8 billion of revenue to stakeholders. The large mine had been the centre of a significant Covid-19 outbreak in the past two months. Staff at the mine or employees of Ok Tedi contractors accounted for the vast majority of the almost 200 confirmed Covid cases in Western province. Despite a recent shortfall in production due to Covid-related shutdowns, Sir Moi said Ok Tedi was well-positioned to continue mining for an extended term. Ok Tedi planned to resume operations at the site next week but was not expected to be at full production levels for months. The PNG state owns 67 percent of the mine, with the remaining 33 percent owned by three landowner groups. Sir Moi attributed the extended mine life to strategic planning at the mine during the past few years. He said Ok Tedi would continue to create local employment opportunities.

Media Release, Thursday 9 September 2020

Alliance of Solwara Warriors PNG's approach to deep sea mining is 'chaotic and uncoordinated', all licences must be cancelled

PAPUA NEW GUINEA | Local communities across the Bismarck and Solomon Seas accuse the PNG Government of sending mixed messages about deep sea mining describing the Government's approach as 'chaotic and uncoordinated'. “The Alliance of Solwara Warriors represents thousands

of people across the Bismarck and Solomon Seas who oppose seabed mining to protect our cultures, lives and livelihoods for current and future generations”, stated Jonathan Mesulam, Alliance of Solwara Warriors. The Alliance of Solwara Warriors, civil society and PNG Churches have been speaking out against Solwara 1 for many years. This included [a joint letter in June 2019](#) calling for the Papua New Guinea Government to cancel all Nautilus Minerals deep sea mining licences and to ban seabed mining in Papua New Guinea.

“Our Prime Minister has supported Fiji’s call for a [Pacific regional moratorium](#) and declared the Solwara 1 project in PNG national waters a [total failure](#),” continued Mr. Mesulam. “The Minister for State Owned Enterprises, Sasindran Muthuvel has recommended the [Solwara 1 project be discontinued](#).” “Earlier this year, Jerry Garry, Managing Director of PNG’s Mineral Resource Authority said that PNG had invested a lot of money in this risky project and would probably have to [write off the US\\$120 million \(K408.8mil\) as State debt](#).” Last month Mr Garry, [ruled out any chance of revisiting the failed Solwara 1 project](#). Despite this, the MRA is conducting stakeholder consultations for the renewal of seabed mineral exploration licences for Nautilus Nuigini. “This is a cowboy company owned by the same investors who ran Nautilus into bankruptcy and left PNG in debt - they have no concern for the wellbeing of our people or our oceans” declared Mr Mesulam.

“We would like to know why the MRA is conducting this process to renew their exploration licences against the views expressed by the MRA’s own Managing Director, the Hon. PNG James Marape and other senior ministers?” In July 2020 [thousands of objections](#) to the renewal of these licences from local communities, schools and churches in, New Ireland Manus, East New Britain, Madang, Morobe and Milne Bay Provinces were lodged to the Mineral Resource Authority (MRA). “PNG’s approach and process to deep sea mining are chaotic and uncoordinated. We call on PM Marape, senior Ministers and the MRA managing director to walk their talk and cancel all licences for deep sea mining exploration and mining.” “It’s time to listen to Papua New Guinean citizens and to economic common sense.”

Jonathan Mesulam, Alliance of Solwara Warriors

Vale plant closure mooted in New Caledonia

Radio New Zealand on 9 September 2020

The management of New Caledonia's Vale nickel plant says it could close by the end of the year if no new owner is found. The assessment was given just hours after the planned sale of the Brazilian-owned plant to New Century Resources of Australia failed. The Melbourne-based company pulled out after months of negotiations, saying it could not generate a structure suitable for all shareholders. The government of the Southern province, where the plant is located, said all efforts would be made to save the 3000 jobs at risk in order to prevent a meltdown of New Caledonia's economy. Pro-independence parties and customary leaders opposed to the sale said the plant should go into majority ownership of New Caledonian interests. Holding a march in Noumea today, they demanded that an ownership bid by the Northern Province in conjunction with a South Korean company be considered. Vale put its 95 percent stake in the plant up for sale in December after running up losses in the hundreds of millions of dollars.

Sir Julius has unfinished business in politics

BY VICKY BAUNKE, Post-Courier, September 9, 2020

People’s Progress Party (PPP) leader and New Ireland Governor Sir Julius Chan during a visit to the University of Goroka last Thursday made a statement that he will still be around in the game of

politics. Sir Julius was accompanied by deputy party leader and Mining Minister Johnson Tuke and a team of PPP members visiting Goroka to throw support behind Goroka by-election candidate Thompson Haroqa'veh. "I ask myself the question why are you still around? he told UOG students. "The only reason why I am still around is I think the job is 'unfinished', for 45 years I've seen this country grow but the wealth of this nation is still in the hands of a few and also in the hands of the government. "What we need to do to translate independence, to transfer that wealth away from the state and into the hands of the people that is why I want to praise Mining Minister for taking back that mine (Porgera) and giving it back to the people.

"Because under the common law of England and in the United states, we just follow the Australian law because Australia was a colony by itself, that's why Papua New Guinea just came in with a legislation to declare that everything under the ground belong to the state. "It does not, God gave it to the people, when you look at it and analyze it properly God is very just, he kept this wealth in the further most part of this country in Porgera, in Ok Tedi, in Lihir. "The wealth of this nation must go back to the people and so my party is fighting to transfer wealth away from the state and get it to the people and see if we can build the capacity of our people to do things by themselves and in the course help this country grow. "It has not been working for 45 years and I ask the question to myself why I am still around. "Too much is at stake for many of us to know that the wrong decision or a clumsy selfish act will have an effect that will last long then tomorrow, all of us hold our future in our hands and our actions today will detain the events of our future."

PNG opposition grows to dumping mine waste at sea

Opposition to the disposal of mining waste in the ocean is growing in Papua New Guinea's Morobe province. Companies behind the proposed Wafi-Golpu gold and copper mine near Lae plan to pump mine tailings into the Huon Gulf, a process they call Deep Sea Tailings Displacement (DSTD). Radio New Zealand on 9 September 2020



Wafi-Golpu Joint Venture in Morobe Province, Papua New Guinea. Photo: Supplied

The former governor of Papua New Guinea's Morobe province, Keely Naru, is the latest to wade into the debate, telling the [Post Courier](#) the mining companies behind the Wafi-Golpu Joint Venture, Harmony of South Africa and Newcrest from Australia, should be required to ship the tailings back to their countries of origin. The current governor, Ginson Saonu, has also voiced his opposition to submarine tailings disposal, asking the mining minister in parliament last week why a traditional tailings dam could not be built on land. [Loop PNG](#) reported the minister, Wera Mori, saying the area was prone to earthquakes and heavy rain that could break a tailings dam, making that

option a "recipe for disaster". Mori cited the collapse of the Ok Tedi tailings dam in Western Province in 1984, warning of similarities between the two areas. In 2018, Newscrest told the [Australian Financial Review](#) it planned to pump the tailings 1km offshore and about 200m deep.

The option was chosen after a study of 45 potential dam sites on land, all of which were deemed too risky and costly. Newcrest described the Western Huon Gulf as a "highly suitable environment" for tailings storage as "it hosts a deep canyon leading to a very deep oceanic basin". Elements of the Morobe community, however, have also demonstrated opposition to submarine tailings disposal. Last month, [Loop PNG](#) reported a church group in Nawaeb district voicing disapproval while siting the 2019 slurry spill from the [Ramu Nicol mining project](#) into Madang's Basamuk bay. In June, a church [youth group](#) also signalled its discontent while cleaning up a section of coast. Similar environmental concerns over submarine tailings disposal have been sounded over plans to mine PNG's [Woodlark island](#). Newcrest already pipes waste into the ocean from its mine on PNG's Lihir island, but Brisbane-based PanAust has [reportedly](#) promised not to use the technique in PNG for its Frieda River copper project.

Landowners owed K1bil: Kua

September 9, 2020, The National Business

ROYALTIES totalling between K900 million and K1 billion are held by the Bank of PNG and the Mineral Resources Development Company (MRDC) to be paid to landowners once pending court cases are cleared, says Petroleum and Energy Minister Kerenga Kua. Kua was replying to Western Governor Toboi Yoto who asked in Parliament whether the landowners of the PDL10 in Juha would receive their share of LNG royalties. Yoto said clan vetting to identify landowners had been completed and the people had been waiting since 2009. Kua said landowner identification was being challenged in court with some of the plaintiffs granted injunctions. "This restrains the Government, the Department of Petroleum, National Planning and line government agencies to pay out the benefits and landowner entitlements.

"Sometimes, funding is a problem that hinders work but other times, landowners themselves contribute to the delay," Kua said. There are some good money available out of royalty benefits that is with the Central Bank and MRDC totalling between K900 million and K1 billion. "These are funds that should be distributed according to established formula. "Up to 40 per cent can go straight to landowners which is big money." Kua said one of the six cases was dismissed. "Of the five left, two face injunctions preventing payments," he said. "I encourage landowners to settle this amicably and so that the injunctions can be removed and the money can be disbursed. "I believe whatever entitlement that the people of PDL10 in Juha have is also tied up in the blanket injunction." Kua said clan vetting was important and must be completed before a licence was granted.

Sale of New Caledonia's Vale nickel plant fails

Radio New Zealand on 8 September 2020

The planned sale of the Brazilian-owned Vale nickel plant in New Caledonia has failed. The Australian company New Century Resources said negotiations with various stakeholders could not generate a structure with a suitable risk and reward scenario for shareholders. Vale in turn said it was considering a shutdown of the plant at Goro if no lasting solution is found in the coming months. Pro-independence parties and customary leaders had been opposed to the sale after Vale restructured its operation and wanted to sell ore abroad instead of processing it onshore. The government of the Southern province, where the plant is located, said it would not allow the plant to shut. It said all efforts would be made to save the 3000 jobs in order to prevent a meltdown of New Caledonia's

economy. In May, New Century Resources struck a preliminary deal with Vale to buy the asset but was unable to secure the funding in July as planned.

The deadline was extended for another 45 days but was not met. Three years ago Vale said it would mothball the plant in the second half of 2018 if there wasn't a partner prepared to buy a 20 to 40 percent stake. However, Vale kept the plant open and first put its 95 percent stake in the plant up for sale in December after running up losses in the hundreds of millions of dollars. Vale, which acquired the project in the south of the main island when it took over the Canadian miner Inco in 2006, is estimated to have spent \$US9 billion on the Goro plant. Accompanying the sale plan was a restructure of the operation. Vale prioritised making NHC, or nickel hydroxide cake, which is in demand for batteries for electric vehicles. The restructure also included plans to export two million tonnes of nickel ore a year from a deposit available to the plant.

Marape sets deadline for talks

September 8, 2020, The National Business

NEGOTIATIONS on multi-million kina oil, gas and gold projects are expected to be completed this year, Prime Minister James Marape says. The projects include Porgera in Enga, Wafi-Golpu in Morobe, Papua LNG and Pasca gas projects in Gulf, and P'nyang gas in Western. Marape in updating Parliament on key projects last week said the Government was committed to completing negotiations on all the projects by the final quarter of this year. "I remain confident with the work done so far by the respective ministers and the state negotiation team," Marape said. "I can assure everyone and the people that we will remain focused on achieving a fair and equitable share of the benefits.

"We have analysed the financial models of all these projects and if we negotiate a better deal, the country will receive significant benefits over the next 20 years. "The impact on our economy will be significant. "Some of these positive impacts include; more money going to provincial governments and landowners; more revenue to the national government to finance our national investment; more investment in infrastructure, health, education and law and order and improvement in the quality of lives of our people; reducing the over-reliance on loans and borrowing to finance our budget which will reduce debt; storing foreign reserves to sustain competitiveness of our kina against major trading currencies; more jobs and income opportunities for our people; and, increased foreign direct investment in the country," he said.

Duma: PNG must determine its own future

Post-Courier, September 7, 2020

A Senior government minister has come out in supporting the stance taken by the Government not to renew the the Barrick Niugini Limited SML on Pogera Mine, now that the matter has been dismissed by the courts. Trade and Industry Minister, William Duma Trade and Industry Minister, William Duma, in a statement, said the historic and correct decision made by the National Executive Council based on the advice of Mining Advisory Council ("MAC") and announced by the Prime Minister, James Marape must be applauded by all Papua New Guineans. Barrick Gold and Zijin Mining have always been aware that the Special Mining Lease ("SML") held by the Porgera Joint Venture ("PJV"), of which they are partners, would expire on August 16, 2019. In fact Barrick Gold in June 2019, sought declarations from the National Court that the SML would continue in force and that PJV could continue mining operations beyond August 16, 2019, and until the determination of its application for an extension of the SML.

The National Court on August 2, 2019, held that the Porgera SML would continue after August 16,

2019, but subject to and pending the determination of the SML extension application by MAC. Barrick Gold and Zijin Mining therefore knew all along that their application for an extension of the SML would be determined by the MAC, and that there was no guarantee that the SML would be extended. The MAC in its wisdom recommended that the SML not be extended, and the NEC made the historic decision in the best interests of the country. Whilst PJV has argued that the mine has contributed about 3.8 per cent of PNG's GDP, 10 per cent of its average export income, K4 billion in direct taxes, K656 million in royalties and K5.1 billion in supplies and contractors, the question is how much have the PJV partners made for their shareholders compared to the benefits received by PNG?.

We know how much has been paid as taxes, etc, by PJV but how much have they made? Is it proportionate to the revenue and other monetary benefits received by PNG? The more than 300 employees and around 1500 contractor employees and suppliers will be given the opportunity to continue to work under the new arrangement. So there will be no significant losses. It is therefore misleading and irresponsible for Barrick Gold to, through the international media, claim that the actions of the PNG Government amount to nationalisation. The SML expired so there is no basis to claim that PNG has nationalised the mine. Mining companies operating in PNG over many years have enjoyed some of the most favorable fiscal terms in the world. Porgera has been one of the most profitable gold mines in the world for Placer and now Barrick Gold and Zijin Mining. We only need to engage a team of reputable and experienced accountants, mining engineers, gold analysts, and tax advisers to audit the books for the last 20 years to work out how much PNG as a country has made from the mine compared to the profits made by Placer and now Barrick Gold and Zijin Mining.

“I am very sure that Placer, Barrick Gold and Zijin Mining have recovered their investments many times over. As far as I am aware, no independent audit of the amount of gold taken out of the mine and of course PNG, has been made. “Moreover, no thorough tax audit appears to have been conducted by the Internal Revenue Commission in the past. “I believe PNG has been underpaid taxes in the vicinity of K2 billion. “Information available suggests that gold concentrate has been exported straight to China without the approval of the Bank of PNG. “If this is true, we need to ascertain how and why this happened.” The entitlements of Barrick Gold and Zijin Mining are only restricted to the value of the physical assets less depreciation, and the net value of contracts they together with emoluments for its employees. Barrick Gold and Zijin Mining are welcome to negotiate with the PNG Government for a new SML, if they wish. This is not a decision that has taken Barrick Gold and Zijin Mining by surprise. The decision has been made and announced by Prime Minister Marape who has demonstrated that he has the best interests of the people of PNG in his heart. “We in PNG now cannot sit back and analyse the advantages and disadvantages of a decision which has already been made. “We in PNG must not procrastinate and merely predict our future – we must now determine our future and destiny.”

Doubters baffle Marape

September 7, 2020, The National

PRIME Minister James Marape says he is baffled by some national leaders' doubts about the country's ability to manage its mines. Marape said it was sad and shameful to doubt the capacity of PNG's engineers, accountants and mining specialists when responding to Angoram MP Salio Waipo and Opposition Leader Belden Namah's queries in relation to Porgera in Parliament on Friday. He said the Covid-19 situation had seen Papua New Guinea nationals taking the lead in running the mines, with 99 per cent of Porgera managed by locals until the lease expired. “I am saddened that some of our smart, educated Papua New Guinean leaders still doubt our ability to use our gold to finance, run and start the mine such as Porgera or Ok Tedi,” Marape said. “When Covid

came in, our foreign workers did not come in to help and run Lihir, Porgera for the last three months since March when the mine was open until August.

“They didn’t help to run Ok Tedi, 99 per cent Papua New Guinean nationals were running Porgera from March until August.” The prime minister also said the Government was trying to ensure that Kumul Mineral Holdings Ltd and its subsidiaries were in a position financially to run the Porgera mine when it begins operation. The Government can look at getting loans from banks such as the Bank South Pacific (BSP) to financially empower the company to operate, he said. He said bad investment decisions by the past government in projects such as Solwara 1, with a K375 million loan which has been now transferred into Treasury books. “I want to make it clear that under Kumul Mineral Holding Limited, there will be subsidiaries. Ok Tedi’s subsidiary will run Ok Tedi and Porgera’s subsidiary will run Porgera,” Marape said.

New Caledonia's SLN nickel company acts as insolvency looms

New Caledonia's loss-making SLN nickel company has approached the commerce court to accompany its affairs as it faces the risk of becoming insolvent.

Radio New Zealand on 4 September 2020



SLN nickel smelter in Noumea New Caledonia Photo: RNZ Walter Zweifel

The move is aimed at finding amicable solutions with creditors and partners of the company as it struggles to survive. SLN is the territory's biggest private sector employer with more than 2000 people on its payroll while thousands more jobs depend on its mines and plant. Just over a month ago, the French parent company Eramet, which has a 56-percent stake in SLN, announced a loss of \$US733 million for the first half of the year and said it was unlikely to assist SLN further. Eramet called on the other stake holders to help SLN, which warned that it was on track to use up the remainder of a \$US600 million loan, given to it in 2016 by Eramet and the French state. To get urgently needed cash, SLN applied for a permit to export two million tonnes of nickel ore, but the pro-independence camp remains opposed to selling raw material.

Porgera landowners present petition to Opposition

BY THIERRY LEPANI, Post-Courier, September 4, 2020

Members of the Opposition yesterday met with the Pogera landowners association (PLOA) at Parliament to receive a petition outlining certain grievances they have surrounding the current

agreements between the Government and the landowners. The PLOA representatives had the audience with the Opposition Leader Belden Namah, PNC Party leader Peter O’Neill, shadow minister for mining Sam Akotai and Shadow Minister for Justice and Attorney General Alfred Manase as well as other Opposition MPs. Former PLOA chairman Tony Ekepa presented the copies of the petitions to Mr Namah, Mr O’Neill and Mr Akotai which Mr Namah says will be given to their lawyers to examine if the petition raises legal issues to be tried in court. However, he also urged them to seek their own legal advice for clarity.

Mr Ekepa said: “We are thankful to present the petition to the Opposition after many attempts to present it to the Prime Minister have been unanswered. We have been trying to get a response from the PM but we have been unsuccessful so far. Government went ahead and didn’t consult the people on the ground and that’s the biggest concern for us” said Ray Pundi who is on the PLOA renegotiation committee. My land rights have been taken away” he said. Mr Pundi said the Government has not had consultative meetings with the people on the ground about Kumul Mineral Holdings Limited (KMHL) taking over the mine.

Mr Namah expressed disappointment with the Prime Minister and said: “Us national leaders must make time to hear our citizens, whether they are legitimate or illegitimate landowners, that judgment can be made afterwards, what’s important is that they are people of PNG and have an opinion to be heard. On the subject of KMHL being awarded the Special Mining Lease (SML), Mr Akotai questioned if an exploration licence was given to KMHL in the first place to prove there is minerals in Pogera, and whether due processes were followed in the lead up to KMHL acquiring the SML. “Quickest granting of a mining lease in PNG history” said Mr Akotai. Former PM Mr O’Neill said: “I am disappointed that Marape hasn’t given attention on this issue”. Kumul Minerals was the company I started; I was the first trustee shareholder. Today I can tell you that it’s got no capacity, it’s almost broke.”

Scientist opposes deep sea tailings proposal

September 4, 2020, The National Business

A LOCAL marine biologist says that Wagang in Morobe is not a good spot for deep sea tailings placement (DSTP) as proposed. Prof Ralph Mana from the biological sciences division at the University of Papua New Guinea (UPNG), said there were two major currents flowing opposite each other at the proposed DSTP site. “This means that tailings will be transported in both directions – Salamaua way as well as Finschhafen way through the Vitiaz Strait,” he said. According to Prof Mana, a model from the Wafi-Golpu Joint Venture (WGJV) DSTP environmental impact study (EIS) showed that about 60 per cent of tailings would not reach the Markham canyon which is 4-6km away from the pipe orifice. But referring to studies by Prof Ora Renagi (University of Technology), Prof Mana said 80 per cent of sediments from the Markham River were not found in Markham canyon “and no one knows where it goes”.

“Therefore, it is not true that tailings will flow into the canyon because when it gets into suspension, it will follow what the river sediments are doing and that is not to flow into the canyon,” he said. “So after going through the EIS, I would confidently say that less than 10 per cent of tailings might find the canyon, if at all, and the rest will spread in all directions to distances as far as 30km.” Prof Mana said he was concerned with the lack of marine research before special mining leases were granted to other mines in the country that used DSTP method for disposal. “Damage done by tailings is so serious that ecosystems of the area are basically destroyed permanently and no recovery to its original state can happen.”

Kumul Mineral Holdings Ltd will finance itself: Marape

BY MELISHA YAFOI, Post-Courier, September 3, 2020

Kumul Mineral Holdings Limited will finance itself says Prime Minister James Marape. Mr Marape, pictured right, said the state has the capacity to run a mine and this should not be questioned. "People do question state that does state have the capacity to reopen the mine. Come on you are questioning the sovereignty of a sovereign state. State resource is endless. State can do anything to get money to reopen Porgera," Prime Minister Marape said. "No one should question state ability whether we have money or not to reopen Porgera, period." Mr Marape said part of the process before granting a Special Mining Lease is that the Mining Advisory Council will check the viability of the SML applicant whether they have the financial liability or not.

"Our restructuring of KMHL can transfer liabilities outside what was previous governments, for instance our Solwara one liability was transferred out. KMHL has a clean book now they have assets of Ok Tedi but the resource for Ok Tedi will not be used to finance Porgera," Marape said. "KMHL will find its own financing of the Porgera mine to strengthen its balance sheet and Porgera will be financially stable. We are not stupid's running this proposal and we know how the end game is for our country's benefit." He said the state want to re-open the mine at the earliest and appealed to Barrick that if they are concern about the landowners as they claim they have then it is in their interest to talk to government about how they should go about this one. "State is ready to reopen the mine. We have complied and to the landowners and to our investors and everyone in country, national government and state has complied to every requirement of law that we have in our country including giving them a 30 days' notice that we will be buying their assets," he said.

"This is in compliance with the requirement of both the current contract they have in as far as Porgera contract is concerned. That notice should signal to them and everyone of state's seriousness of reopening the mine at the earliest and for us to acquire whatever Barrick has," Marape added. "The substance of resource itself belongs to us (state and the people) they have their machineries and the assets which we gave notice and they chose to go to court." Kumul Mineral Holdings Limited Chairman and acting managing director Peter Graham said at this stage it is uncertain who will employ the workforce that is sitting out there. Mr Graham said majority of the workforce are out of jobs already and will be eager to find a new job but with the current situation of existing court cases KMHL is still unsure of the future of the work force.

Barrick told to leave

Post-Courier, September 3, 2020

Barrick Niugini Limited (BNL), the former developer of Porgera mine in Enga province has been ordered to 'pack up' and leave Porgera mine. Chief landowner, Nixon Mangape said in a media conference early this week that BNL should shy away in shame and leave Porgera and PNG. Supported by more than 100 landowners at the Central Government House conference room in Port Moresby, Mr Mangape told a media conference that BNL was not welcome to Porgera anymore. "Barrick (BNL) has suffered local landowners for the past 30-years by way of deliberately ignoring issues affecting the lives of the people. We have outstanding legacy issues, abuse of human rights and environment, displacement, relocation amongst others," Mr Mangape said. He further asked why BNL was going to the Courts again when the government of the Sovereign State of PNG has revoked its application seeking renewal of Porgera mine SML and granted to KMHL.

"BNL is going to the courts again to seek clarification and where will it go? The SML and LMP landowners of Porgera valley do not want Barrick (BNL) again on their land. Therefore, pack up and leave, you have been eating on a golden plate long enough," Mr Mangape added. He said when

he was the chairman of the Porgera Development Authority (PDA) and also chairman of the Porgera Landowners Association in the early days, PDA took lead of social infrastructure development in Porgera. “Paiam township, feeder road networks and bridges, schools and health centres were built by PDA through government funding. What has Barrick done for Porgera, Enga and PNG, little. Therefore, I am challenging BNL to leave Porgera. The land and the gold are not yours so you have to leave immediately and pave away for the State and landowners.” Mr Mangape also thanked BNL for being with the people and wished the company good luck in its endeavours.

Study took years, says minister

September 3, 2020, The National

MINISTER for Environment, Conservation and Climate Change Wera Mori has confirmed that the environment impact study (EIS) into the Wafi-Golpu mining deep-sea tailings plan has taken years to complete. He said while consultations had taken place, the EIS submission had to ensure that the study answered questions relating to the process and the host of the tailings. “I would like to say that I do not advocate for the developer, consultation must take place and it is a requirement,” he said. “The proposal undertaken is a survey on marine and waters. This survey is now before the environment council,” he said. “There are checks on the depth to cover tailings if placed there and the point of discharge is what the survey was undertaken for,” Mori said. The minister was responding to questions raised by Morobe Governor Ginson Saonu to clarify critical issues surrounding the proposed dumping of the mine waste into the Huon Gulf in a plan called the Deep Sea Tailings Plan (DSTP).

PNG to gain better: Marape

September 3, 2020, The National

THE country stands to gain a lot from the skyrocketing global gold price if it reopens the Porgera mine, says Prime Minister James Marape. He said the current gold price was more than US\$2,000 (K7,100) an ounce and Porgera could produce 600,000 ounces in the next 20 years (earning around K4.26 billion). Yangoru-Saussia MP Richard Maru questioned the Government in Parliament on the state of the economy and recent project decisions. He questioned the Government’s decision to review the Papua PNG deal and the closure of the Porgera gold mine due to the non-renewal of Barrick Niugini Ltd’s special mining lease which had resulted in the loss of investment and jobs. Marape said the Government’s policy was to get maximum gains from its resource projects.

State firm welcomes adding Porgera mine to portfolio

By SHIRLEY MAULUDU, September 3, 2020, The National

THE Kumul Minerals Holdings Ltd has welcomed the inclusion of the special mining lease on Porgera to its portfolio, saying it will now own quality mining assets. Chairman and acting managing director Peter Graham said quality mining assets would generate good returns for the country. “This is a significant step forward for the company,” he said. “We have one great company, Ok Tedi Mining Ltd. “With the (Porgera) special mining lease granted to Kumul Minerals, we have the opportunity to add another great company and build our portfolio of mining assets that this country can be proud of,” Graham said. “There is also a big pool of talent in the mining industry, where we have thousands of Papua New Guineans with outstanding skills and knowledge about mining.”

KMHL is responsible for holding the State’s interests in the mining sector – whether directly or through other entities or agencies. It also has the right but not the obligation to exercise the State’s

rights of participation in all future mining projects in PNG. Its core asset is the ownership of 67 per cent of Ok Tedi Mining Limited. Its 17.4 per cent ownership interest in the Bougainville Copper Limited has been pledged to the Panguna landowners and the people of Bougainville. Meanwhile, Graham said KMHL had proposed to engage Barrick on an interim arrangements to restart the Porgera gold mine in Enga quickly.

Govt issues mining leases

September 3, 2020, The National

THE Government has granted special mining leases to operators of the Porgera gold mine in Enga, and the cement and lime project in Central, says Prime Minister James Marape. The lease for the Porgera mine which expired last August was granted to Kumul Minerals Holdings Limited (KMHL). He explained that the decision to refuse Barrick Niugini Ltd's application for an extension of its licence was reached after an independent process by the mining advisory committee. Marape said the Government was keen on talking to Barrick Niugini Ltd (BNL) to get the gold and copper mine back in operation. It was closed in April after the Government rejected the extension of the special mining lease. BNL unsuccessfully challenged the matter in court. BNL had been operating the mine since 2016. Marape said plans were in place to acquire BNL assets and retain workers and contractors. He also reassured landowners in the mine-impacted areas of better benefits. He said the option of operatorship and equity was on the table for Porgera joint venture partners Barrick and Zijin.

“Should you wish to remain partners with us, we will remind you of unfulfilled commitments like resettlement, tax liabilities, community obligations,” Marape said. Marape also said the Government had granted a 20-year mining lease to Mayur Resources Ltd's cement and lime project. Mayur Resources said the grant allowed construction to begin on the manufacturing facility located 25km north-west of Port Moresby. Mayur managing director Paul Mulder earlier said with a number of multi-billion-dollar resource and infrastructure projects in the pipeline in PNG, “we expect that the demand for cement, a key ingredient of concrete, will increase dramatically”. Mining Minister Johnson Tuke, agreed the project promised considerable upside for Papua New Guinea. Central Governor Robert Agarobe said the geographic location of the project raised its value well promising an overall better quality of life for the province.

Vale sale in New Caledonia labelled 'dangerous'

Leading New Caledonian politicians have warned against the planned sale of the Brazilian-owned Vale nickel plant to an Australian company.

Radio New Zealand on 2 September 2020

The territory's three members of the French legislature wrote a letter to the head of Vale Eduardo de Salles Bartolomeo, urging him to put off the sale to New Century Resources. They said with a referendum on independence from France due next month, the completion of the sale this month would be unimaginable and even dangerous for New Caledonia and the company. They also said the sale wasn't a private transaction but it also had to associate New Caledonia's institutions. The politicians, who all belong to the anti-independence Caledonia Together party, earlier called on Vale to postpone the announcement of a buyer. Vale extended its negotiations with New Century Resources for six weeks after financing arrangements failed to be completed in July as planned. Pro-independence parties and Kanak chiefs are firmly opposed to the sale, and last month staged the biggest march in months in protest at the deal. Another mass rally against the sale is expected next week. Caledonia Together said it wanted to convene an extraordinary session of Congress to examine the proposed sale process.

It also wanted a committee formed comprising New Caledonia's key institutions, including the indigenous groups. The party also demanded that the Southern Province hold a public information event on environmental demands put to Vale. Caledonia Together wanted a greater role for New Caledonia as a whole in the Vale assets. The Vale plant was put up for sale in December after running up losses in the hundreds of millions of dollars. Vale, which acquired the project when it took over the Canadian miner Inco in 2006, was estimated to have spent \$US9 billion on the Goro plant. Part of Vale's pre-sale restructure included the sale of nickel ore but pro-independence parties firmly opposed changes to the mining code to allow this. Vale's changes involved prioritising the production of NHC, or nickel hydroxide cake, which was in demand for batteries for electric vehicles.

KMHL ready to talk

By SHIRLEY MAULUDU, September 2, 2020, The National

KUMUL Minerals Holdings Ltd (KMHL) wants to engage Barrick Niugini Ltd (BNL) in an interim arrangement to restart the Porgera gold mine, says chairman and acting managing director Peter Graham. Graham told The National that they would also negotiate on a longer term deal, including having BNL as an equity participant and operator. "Kumul Minerals Holdings Limited has been granted a new special mining lease (SML) for Porgera," Graham said. "Kumul Minerals has offered discussions with Barrick to explore options going forward. "(We) will respect the decision of the National Court, and we recognise that agreements must be reached with a number of stakeholders.

"Our proposal is to engage with Barrick on the possibility of interim arrangements to restart the mine quickly while negotiating arrangements for the longer term, including Barrick Niugini Limited as an equity participant and operator." Graham said he was concerned about the negative impacts relating to the suspension of the mine. "I am concerned about the financial and social impacts of the mine closure on ex-employees and their families, SML landowners and the Porgera valley communities, Porgera Joint Venture, local businesses, and the national economy. "My hope is that we can engage quickly and find a way forward." On the court's decision yesterday, Graham said: "While it is Barrick's prerogative to exhaust all legal avenues, my hope is that today's (yesterday's) (court) decision provides some encouragement to engage with Kumul Minerals on a way forward."

Miner plans to appeal court ruling

September 2, 2020, The National

BARRICK Niugini Ltd (BNL) plans to appeal a court decision which dismissed its application for a judicial review of the non-extension by the Government of a special mining lease for Porgera. The company said in a statement yesterday it disagreed with some of the grounds in the ruling by Deputy Chief Justice Ambeng Kandakasi in the National Court. BNL, the operator of the gold mine since 2006, had applied for an extension of the mining lease in 2017. It was rejected by the Government last year. The special mining lease also expired last year. The company claimed that the dismissal was not based on the substantive grounds it had advanced in its application for judicial review. "BNL considers any such grant of SML 11 to Kumul Minerals Holdings Limited to be unlawful and invalid under the laws of PNG, and the company intends to take steps to challenge the purported grant."

Mine to reopen

By STAFF REPORTERS, September 2, 2020, The National



Lawyer representing MRE Enga, Gibson Geroro (left), Solicitor General Tauvasa Tanuvasa and lawyer representing the Mineral Resources Authority Neslon Saroa at the Waigani National Court after yesterday. – Nationalpic by KARO JESSE

THE Government will reopen the Porgera gold mine after a court yesterday dismissed as “incompetent and an abuse of process” a case filed by the operator regarding the special mining lease renewal. Deputy Chief Justice Ambeng Kandakasi said mine operator Barrick Niugini Limited (BNL) had undermined PNG’s judiciary system and initiated multiple proceedings in other countries, hence initiated the review proceedings without the consent of partners in Porgera Joint Venture (PJV). BNL had taken the Government to court in April after its application for the renewal of the special mining lease which expired last year was rejected by the Government. Justice Kandakasi said BNL had filed a reconciliation proceedings in the International Centre for Settlement of Investment Disputes in the United States and another proceeding in Australia on the same matter. He dismissed the stay order restraining the Government from executing decisions it had made on the mine. A lawyer representing Mineral Resources Enga (MRE) argued that BNL had initiated the judicial review proceeding without discussing it with joint venture partners. BNL and MRE are partners in the PJV. BNL owns 95 percent of the shares and MRE five percent.



The MRE is owned by the Enga government, the Government and the Porgera Landowners Association. Justice Kandakasi pointed out that because of BNL's "rushing to court", its partner MRE had to become a defendant in the case. "Coming to court without meeting joint venture partners on what to do regarding the NEC decision is disrespectful to the partners in the joint venture," he said. "He who comes to court must have clean hands. In this regards, it means BNL had to meet with partners and adhere to joint venture agreement to come to a decision on what to do," Justice Kandakasi said. Meanwhile, Prime Minister James Marape welcomed the court decision saying the Government will now start the process of reopening the mine. He requested BNL in its capacity as a global citizen to accept the State's offer as far as the expiring lease was concerned. "If you (BNL) care for the landowners as you say, then accept our offer and let's open the mine," Marape said. He said the Government was prepared to buy BNL assets so that the mine could resume operations.

Miner describes PNG move to take over Porgera as unlawful

A multi-national miner has described the Papua New Guinea government's move to take over the Porgera gold mine as unlawful. Radio New Zealand on 2 September 2020



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

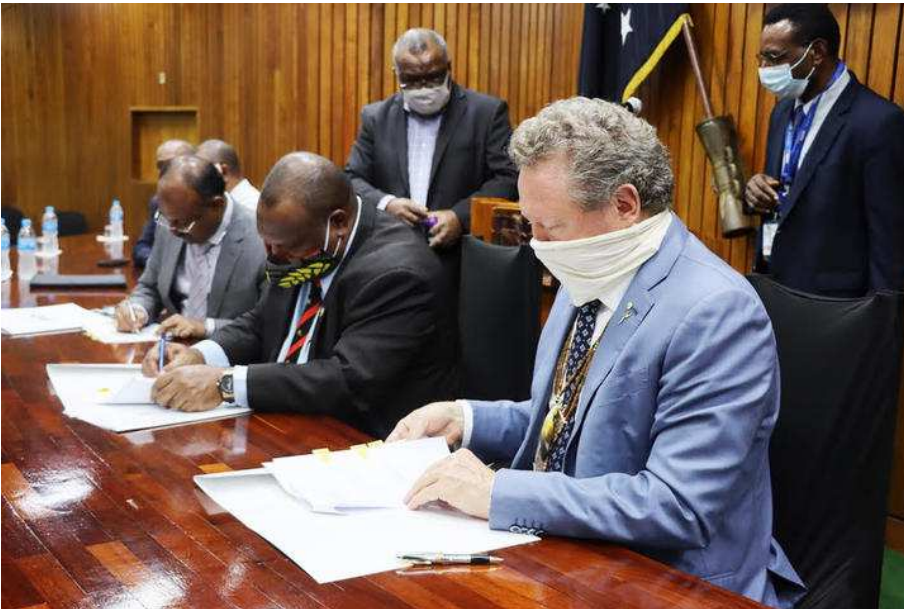
The government last week issued a Special Mining Lease at Porgera to state-owned company, Kumul Minerals Holdings. This followed the government's decision in April not to renew the previous mine lease held by a joint venture of Canadian company Barrick Niugini and Chinese partner Zijin Mining. On Tuesday the National Court dismissed the companies' legal challenge over the non-renewal, but Barrick indicated it would appeal. The Prime Minister, James Marape, said the companies had a right to challenge the new lease in the courts too. "Please conclude the matter fast. Conclude the matter fast and tell us where we've gone wrong in the entire process. "No need to beat around the bush and if the court tells us that we were wrong, we'll eat a humble pie and correct ourselves. So if you feel that you're aggrieved, go to court and tell us where we've erred."

In a statement Barrick Niugini Limited (BNL) said it disagreed with numerous grounds outlined in the National Court ruling dismissing the application for judicial review handed down by Deputy Chief Justice Kandakasi, adding that it intended to urgently appeal the ruling to the Supreme Court. "In this regard, the Company notes that the dismissal of proceedings was not based on the substantive grounds advanced by BNL in its application for judicial review." Earlier, BNL suggested the PNG government had not fully consulted with Porgera landowners about issuing the new lease. It said it would take steps to challenge the purported grant of Special Mining Lease 11. "BNL considers that any such grant of SML 11 to Kumul Minerals Holdings Limited is unlawful and invalid."

Meanwhile the prime minister told parliament his government would be engaging with landowners over its plans for the Enga province mine. He also said the government had given the companies every opportunity to talk to it over the future of the mine. Marape cited the case of the Ok Tedi copper mine in Western province, where the government took control of operations in 2013, as an example of how PNG could run its own mines. "It's about time that Papua New Guineans have confidence that we can run our own mine. If we are running Ok Tedi successfully, we can also run Porgera. "We have not completely shut Barrick out. Options for equity and operatorship is on the table. You can come and talk to us, there's a new arrangement, but under our own Kumul Holding Mining Limited's SML," Marape said. Barrick is also making conciliatory noises. "BNL remains ready to enter into good faith negotiations to chart a way forward that can result in a win-win for all stakeholders and lead to the re-opening of the Porgera mine."

PNG signs hydro agreement with Australian mining company

Papua New Guinea's government has entered a hydro-power agreement with an Australian mining company. Radio New Zealand on 2 September 2020



Seated: Papua New Guinea's State Enterprises Minister, Sasindran Muthuvel (left), Prime Minister James Marape (centre) and the chairman of Fortescue Metals Group of Australia, Andrew Forrest, sign an agreement, Port Moresby, 1st September 2020. Photo: PNG PM Media

Prime minister James Marape signed the agreement with the chair of Fortescue Metals Group of Australia, Andrew Forrest, in Port Moresby yesterday. Marape said it "paves the way for potential international investment in hydro-electric power plants, and sustainable heavy industry across PNG". His statement offered little detail on prospective sites for any hydro plants. However the prime minister said feasibility studies would begin in the impact areas, with eventual power produced bound for both domestic consumption and international markets. "This government has undertaken discussions with credible, serious international investors who want to work with us, to develop our resources in an environmentally sustainable way," Marape said.

The agreement with Fortescue was an opportunity not to be seen simply as a business deal, but as part of a new way to industrialise our country, he said. "We have a chance to lead the world in environmentally sustainable industries that will create mass employment for our people, opportunities for our future generations, value for impact(ed) communities, and diversified revenue stream for local and national government." Fortescue is an ASX-listed iron ore producer and exploration

company in Western Australia. PNG's State Enterprises minister Sasindran Muthuvel has been instrumental in establishing the government's engagement with Fortescue.

Update Freeport: Untertagebau, Umweltverträglichkeitsanalyse, Corona

Westpapua-Netzwerk, 02.09.2020



Steigerung der Produktion durch Untertagebau

Der Präsident von PT Freeport Indonesia, Tony Wenas, erklärte, dass die Produktion bei PT Freeport nur noch 60% der normalen Bedingungen betrage und 800 Millionen Pfund Kupfer und 800.000 Unzen Gold erreiche. Eine Steigerung durch Tagebau ist nicht mehr möglich, da dies erschöpft sei. Die Produktion werde also nur durch Untertagebau gesteigert. Die Produktionsziele für das nächste Jahr werden 1,4 Milliarden Pfund Kupfer und 1,4 Millionen Unzen Gold sein und damit etwa 75% höher als jetzt. Diese Steigerung wird durch eine Steigerung der Arbeitseffizienz erreicht. Es werde auch Kapitalinvestitionen geben.

Nicht erklärt wird, inwieweit der Anstieg auch mit der Erweiterung des Einsatzgebiets von PT Freeport zusammenhängt. Das Problem der Erweiterung des Einsatzgebiets löste in letzter Zeit Diskussionen aus, da die indigene Bevölkerung einer Reihe von Dörfern rund um das Freeport-Einsatzgebiet Mitte März 2020 nach Timika evakuiert wurde und bisher nicht in ihre Heimatstädte zurückkehren durften, obwohl sie sich in Timika sehr unwohl fühlen. Vielmehr festigt sich der Eindruck, als könnten sie niemals an ihren ursprünglichen Wohnort zurückkehren. Als Begründung wird die mangelnde Sicherheit aufgrund der militärischen Operationen gegen die TPNPB angegeben. Einige zweifeln dieses Sicherheitsargument jedoch an und sehen einen Zusammenhang mit dem Streben danach, den Einsatzbereich von PT Freeport zu erweitern.

Umweltverträglichkeitsanalyse muss aktualisiert werden

Letzte Woche berichtete das Westpapua-Netzwerk von der [Umweltverträglichkeitsanalyse](#), die PT Freeport aufgrund der Umstellung zu Untertagebau durchführen muss. In der Zwischenzeit stellte sich heraus, dass PT Freeport verpflichtet ist, die Umweltverträglichkeitsanalyse zu aktualisieren, um die Produktion durch die Entwicklung einer unterirdischen Mine und einer Tagebaumine auf 300.000 Tonnen pro Tag zu steigern. Laut der Leiterin des Community Care Institute der East Timika Region (LEPEMAWI), Adolfin Kuum, unterstützt von der Koordinatorin des Bergbau-Netzwerks (JATAM), Merah Johansyah, gab es Unregelmäßigkeiten bei der Aktualisierung der Analyse. "Sie wurde in einem kurzen, nicht transparenten Prozess durchgeführt, wobei der Entwurf des Dokuments für den neuen Umweltverträglichkeits-Plan ausgeblendet wurde, sodass versucht wurde, die Zustimmung der Menschen zu manipulieren", sagte sie.

Freeport und Corona

Die Beschäftigten der indonesischen Gold- und Kupfermine Grasberg beendeten am Freitag einen Protest, in dem sie eine Lockerung der Coronavirus-Sperre in der Mine forderten, die von einer lokalen Einheit von Freeport-McMoran Inc. betrieben wird. Der Minenbetrieb wurde unterbrochen, nachdem die Demonstranten seit Montag den Zugang zur zweitgrößten Kupfermine der Welt blockiert hatten. Sie forderten das Unternehmen auf, den Busverkehr wieder aufzunehmen, damit sie in eine nahe gelegene Stadt fahren können, und forderten eine Bonuszahlung. Yonpis Tabuni, ein Arbeitnehmervertreter, erklärte per SMS, dass alle ihre Forderungen erfüllt worden seien und der Protest beendet sei. Er zeigte ein Video, das die Arbeiter bei der Öffnung von Straßenblockaden in der Mine eines Bergbaukomplexes in den Bergen im östlichsten Teil Papuas zeigt, die teilweise von dichtem Nebel und Regen verdeckt sind. "Wir haben mit der Unternehmensleitung Frieden geschlossen", sagte ein anderer Arbeiter, der es ablehnte, namentlich genannt zu werden, und fügte hinzu, dass das Unternehmen ihnen ein schriftliches Memo über die Vereinbarung übergeben habe.

Freeport bestätigte am Freitag, dass die Blockaden aufgehoben worden seien, nachdem zuvor die örtliche Regierung die Erlaubnis erteilt habe, die Beschränkungen der Blockaden zu lockern. Riza Pratama, ein Sprecher von Freeport Indonesia, sagte am Donnerstag, das Unternehmen und die lokale Regierung hätten sich darauf geeinigt, die Blockaden zu lockern, damit die Arbeiter das Minengebiet verlassen und die nahe gelegene Stadt besuchen können. Die lokalen Behörden würden es einigen Arbeitern erlauben, Grasberg jeden Tag zu verlassen, nachdem sie ein Schnelltestscreening auf das Coronavirus bestanden haben, sagte Riza Pratama. Außerdem müssten die Arbeiter bei ihrer Ankunft in der nahe gelegenen Stadt eine Temperaturkontrolle bestehen. Pratama sagte, dass 4.600 Arbeiter, die seit April keinen Urlaub genommen hätten, vorrangig behandelt würden. Freeport beschäftigt 13.000 Menschen in Tembagapura, der nächstgelegenen Stadt zum Grasberg-Bergwerk. Von diesen seien 389 positiv auf das Coronavirus getestet worden, und bis auf 28 hätten sich alle erholt, sagte Pratama 26. August.

Polizei stoppt illegale Goldmine in Jayapura, West Papua

Westpapua-Netzwerk, 02.09.2020



Photo: Quelle Jubi

Seit 2001 haben mehrere NGOs und andere Beobachter Besorgnis über illegale Goldförderung im Gebiet Buper Waena in der Gemeinde Jayapura geäußert. Am 26. Juni 2020 nahm ein Team von Polizeiermittlern 17 Personen fest. Es beschlagnahmte schwere Werkzeuge sowie Chemikalien, darunter zwei Goldfördermaschinen, sechs Bagger und Quecksilber. Nach Angaben des Polizeichefs der Gemeinde Jayapura, Gustav Urbinas, verstoßen die Bergbauaktivitäten gegen das Mineralien- und Kohlegesetz, das Gesetz über Umweltmanagement und das Gesetz zur Verhinderung und Beseitigung der Waldvernichtung. Die Goldgräber hatten die Erlaubnis eines lokalen indigenen Anführers erhalten, der die gewohnten Landrechte im Buper-Gebiet besitzt. Sie versäumten es jedoch, die obligatorischen Regierungsgenehmigungen für den Bergbaubetrieb einzuholen.

Die lokale Umweltorganisation "Friends of the Earth Papua" (Walhi Papua) drückte ihr Bedauern darüber aus, dass der illegale Minenbetrieb seit Jahren andauerte, obwohl sich die Abbaustätte in der Gemeinde Jayapura befindet, wo mehrere gemeinnützige Umweltorganisationen ihren Sitz haben. Das späte Eingreifen der Strafverfolgungsbehörden hing Berichten zufolge auch mit polizeiihnen Defiziten zusammen. Nach Angaben des Medienhauses Jubi hatte Polizeichef Urbinas bereits im April 2020 die Anweisung gegeben, den Abbaubetrieb einzustellen. Der Fall wurde später an einen anderen kriminalpolizeilichen Ermittler weitergeleitet, da es unter dem ermittelnden Vorgänger keinen Fortschritt in dem Fall gab. (Quelle: Jubi)

Marape: Yes we can

By STAFF REPORTERS, September 1, 2020, The National

THE Government is confident it has the financial and technical capacity to operate the multi-billion kina gold mine in Porgera, saying its own successful OK Tedi mine is proof enough. Prime Minister James Marape, who this week defended the move to issue a special mining lease on Porgera to its own company Kumul Mineral Holdings Limited (KMHL) instead of the operator Barrick Niugini Limited (BNL), said the Government had the capacity to buy the assets and operate the mine successfully. "Yes, we are a Government. We are (already) running Ok Tedi. We own Ok Tedi," Marape told The National. He however kept the door open for BNL saying it should, if it wants to continue operating the gold mine, discuss the matter with the KMHL. He also said BNL "has all the rights to contest our process in court". Marape stressed that "the equity plus operatorship option is on the table subject to negotiations". BNL in a statement said it was aware of the Government move on the special mining lease. "BNL considers that any such grant of the special mining lease (to KMHL) is unlawful and invalid," the miner said.

Former Prime Minister Peter O'Neill said Marape's decision would further destroy the country. "We have no capacity or funding for this madness," he said. Opposition Leader Belden Namah said Marape had "unnecessarily increased and prolonged economic hardships for PNG" with the decision. "Has the Government considered what happens to Barrick Niugini Ltd's assets worth billions of kina, its legacy issues pertaining to the environment, outstanding taxes, its nearly 3,000 employees and contractors and sub-contractors?" Namah said. He said the Government should have resolved the issue with BNL before granting a new special mining lease. "By this ill-advised and ill-timed decision, the hope of an early reopening of Porgera mine has now clearly faded. How long can the economy sustain Marape's short-term pain and how soon can we expect his long-term gain?" Namah said it was a "fatal blow to investor confidence which had been at an all-time low since Marape came into power". "Companies invest billions of Kina in the country after weighing sovereign risk, political stability and a predictable, open and transparent legal, policy and fiscal environment.," Namah said.

PT Freeport Indonesia führt Umweltverträglichkeitsanalyse durch - Indigene Gemeinden fürchten Ausweitung des Bergbaugebiets

West Papua Netzwerk, zuletzt aktualisiert: 26.08.2020

PT Freeport Indonesia (PT FI), das eine der weltweit größten Gold- und Kupferminen, die Grasberg-Mine, im Hochland von Westpapua betreibt, hat Vertreter indigener Gemeinschaften, Umwelt- und indigene Organisationen zu einer ersten öffentlichen Konsultationssitzung am 13. August 2020 eingeladen. Das Treffen fand im Zusammenhang mit einer neuen Umweltverträglichkeitsprüfung (UVP) statt. Viele Vertreter indigener Gemeinschaften weigerten sich, an dem Treffen teilzunehmen, aus Angst, dass ihre Anwesenheit bei den Treffen nichts weiter als ein symbolischer Akt sein

könnte, ohne ihre Ansprüche und Bestrebungen zu berücksichtigen. Mehrere Gemeindeführer kritisierten das UVP-Verfahren von Freeport wegen seiner mangelnden Transparenz und äußerten Bedenken, dass PT FI die UVP für die Erweiterung ihres derzeitigen Bergbaugebiets (WIUPK) mit einer Gesamtgröße von 9.946 Hektar durchführe.

Der Vizepräsident für Unternehmenskommunikation von PT FI, Riza Pratama, erklärte in Medieninterviews, dass das Unternehmen nicht plane, sein Bergbaugebiet zu erweitern. Laut Pratama ist die UVP Teil der Genehmigungsanforderungen für den betrieblichen Übergang vom Tagebau zu einem Untertagebau. Yohan Zonggonau, der Sekretär des "Birth Right Forum" (FPHS), einer Organisation, die die Interessen der indigenen Gemeinschaft in den Dörfern Tsinga, Waa/ Banti und Arwanop vertritt, erklärte, dass PT FI seit 53 Jahren die Grundrechte seines Volkes nicht gewahrt habe. Die drei Dörfer befinden sich in unmittelbarer Nähe der Grasberg-Mine. Die Dorfbewohner warten immer noch auf das Krankenhaus und die Schule, deren Einrichtung das Unternehmen versprochen hat.



Die Dorfbewohner leiden weiterhin unter dem gewalttätigen Konflikt und der Umwelterstörung, die die Grasberg-Mine über sie gebracht hat. Tsinga und Arwanop wurden in den letzten Jahren wiederholt von Erdbeben und Überschwemmungen heimgesucht und die nahegelegenen Flüsse Aghawagon, Otomona und Ajkwa sind unwiederbringlich mit Abraumhalden aus dem Bergbau verschmutzt. Darüber hinaus wurden seit Ende Februar 2020, als sich der bewaffnete Konflikt zwischen der Nationalen Befreiungsarmee Westpapas (TPN PB) und dem indonesischen Militär verschärfte, viele Dorfbewohner intern vertrieben. Viele fürchten sich vor der Rückkehr in ihre Heimat und sind gezwungen, bei Verwandten und Freunden in der Stadt Timika zu leben.

Ethics and environment are priorities

Cook Islands News on August 05, 2020, written by Jonathan Milne Published in [Environment](#)

Government is set this month to announce the timeline for reopening seabed areas for prospecting licences. Applicants for exploratory licences for seabed mining will be put through a "rigorous" licensing process to ensure they will apply the best environmental practices, says Deputy Prime Minister Mark Brown. "Our ocean is important to us, and we will not do anything to impact its ability to support our way of life." Responding to World Economic Forum analysis on the importance of ethical and environmentally sustainable management of undersea mining, Cook Islands government and environment groups agree on one thing: those mining for the minerals used in renewable energies must demonstrate best environmental and social practice. That is pretty much where the agreement ends.

Cobalt – one of the minerals believed to be abundant in the Cook Islands exclusive economic zone – is used in making rechargeable batteries. But Te Ipukarea Society technical director Kelvin Passfield says new technologies are being developed that may replace the need for these minerals in the not so distant future. "Any economic returns to the Cook Islands are extremely speculative," he

warns. There were more than enough of these minerals on land, to supply the renewables revolution, without also mining the seabed, he argues. Those companies investing in mining should focus on addressing issues like child labour in countries such as the Congo where the minerals are mined, rather than just looking to the ocean instead. “Deep sea mining might prove to be for very short term gains, but at a long term cost to the health of our Marae Moana,” he says.

“Deep sea mining would be adding a new damaging extractive industry to the ocean, already suffering from overfishing, global warming, and acidification. This would threaten the reliance of small island States like the Cook Islands on a clean and well-functioning ocean which brings us life.” Mark Brown disagrees. He says Cook Islands is one of the countries most at risk from climate change – and in order to urgently reduce global carbon dioxide emissions, there is a strong demand for the metals critical for low-carbon technologies. “The Cook Islands has the opportunity to contribute towards the decarbonisation of the global economy, through its abundant nodule deposits which contain the minerals needed for the green transition. “However, the Government will not allow the commercial recovery of our nodules unless we are satisfied that there is sufficient information on how to address and minimise any potential environmental impacts. We will only get that information through further exploration and research.”

They’ll tell you they have [the best slot games with free spins](#) . They’ll advertise that they have the most generous bonus. Their customer support is claimed to be the fastest and most helpful that you will find and they payout withdrawals faster than any other casino in the industry. “We are committed to developing a seabed minerals sector that is responsible, through best practice environmental, social and governance requirements, and in supporting ethical business practices, transparency and accountability.” Brown says deep sea exploration is “fundamental” to understanding Cook Islands’ ocean environment, and any impacts of minerals recovery – a view echoed by Seabed Minerals Commissioner Alex Herman. “The Cook Islands government has been working steadily over the past few years to develop its framework, and to prepare for reopening our waters for exploration activities,” she says. “It is expected we will be in the Exploration phase for several years.” She argues seabed minerals provide an alternative to the land-based sources with concerns like child labour.

Deep-Sea Mining May Have Deep Economic, Environmental Impacts

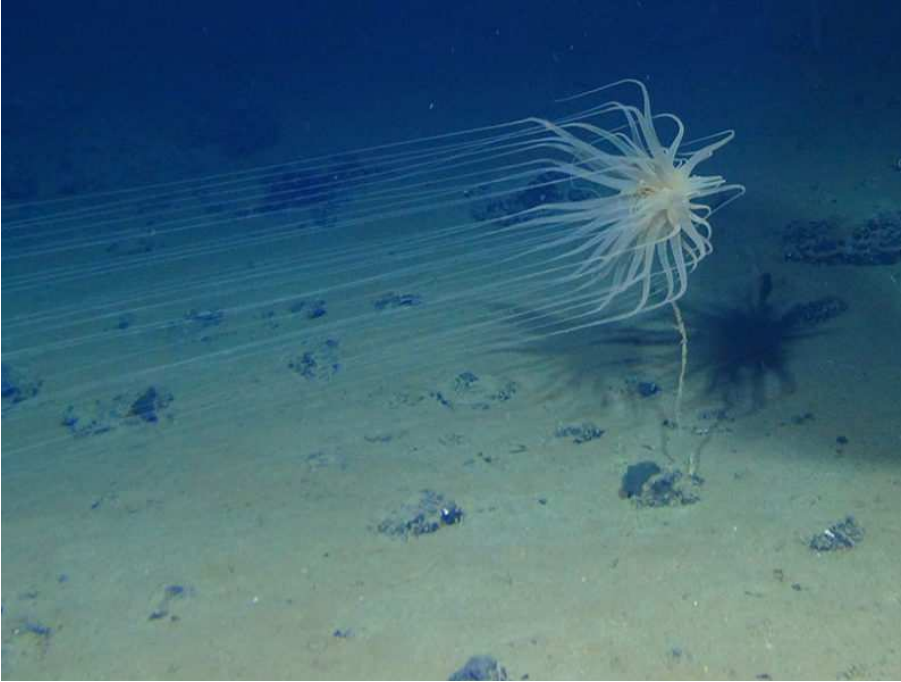
A new report supports the creation of a compensation fund for nations that rely on terrestrial mining, but it fails to dispel environmental concerns over deep-sea mining.

By James Dacey, Eos, 3 August 2020

Advocates of deep-sea mining claim the process is important for providing metals for renewable energy technologies. One of the strongest arguments against offshore mining is that the environmental risks are too high, given that deep-sea ecosystems are among the most undiscovered places on Earth. A less reported issue is the impact that deep-sea mining would have on developing economies that rely on land-based mining of those same metals. That is the subject of a [recent report](#) commissioned by the International Seabed Authority (ISA). The global seabed area is beyond any national jurisdiction, but ISA regulates mining. To carry out exploratory missions, state-backed companies must obtain an ISA license, which grants exclusive access to seabed areas of up to 150,000 square kilometers. To date, 30 licenses have been issued, with China holding the most, with five. The United States is not eligible for licenses, as it is not an ISA member state, but U.S. defense firm Lockheed Martin has a license through its U.K. subsidiary.

The report names 13 nations, the majority in Africa, as being most vulnerable to additional metal supplies entering the market. Each identified country currently generates at least 10% of its export earnings from one or more of the key metals targeted by deep-sea mining: copper, cobalt, nickel, and manganese. The report identifies Zambia, Democratic Republic of Congo, Eritrea, Chile, Lao

People’s Democratic Republic, Mongolia, and Peru as vulnerable to a market influx of offshore copper supplies. Copper plays an important role in renewables due to its ability to conduct electricity and heat. Almost all cobalt (used in batteries) is a by-product of copper production, so it could also affect these countries. The economies of Madagascar and Zimbabwe will be affected by new supplies of nickel, which is expected to play a key role in electric vehicles and high-capacity batteries. Gabon will be affected by new manganese supplies, used in the production of high-grade steel. Mauritania, Namibia, and Papua New Guinea are at risk because of the cumulative effect of all of the specified metals.



Relicanthus, a relative of sea anemones, are reliant on polymetallic nodules in the Clarion-Clipperton Zone, a target of deep-sea mining. Credit: [Craig Smith and Diva Amon, ABYSSLINE Project, CC BY 3.0](#)

Assistance Fund

One of ISA’s key recommendations is that these nations should be compensated if deep-sea mining does commence, which the report predicts will happen in 2027. The requirement for this economic support is linked with the [United Nations Convention on the Law of the Sea](#), which became effective in 1994. “This support will be in the form of an economic assistance fund created from a portion of the proceeds from deep-sea mining.” “This support will be in the form of an economic assistance fund created from a portion of the proceeds from deep-sea mining,” said [Michael Lodge](#), ISA secretary-general. Lodge said that the report is based on long-term economic projections and so should be unaffected by the COVID-19 pandemic. But the proposal already has its critics. Among them is [Bramley Murton](#), who leads the marine mineral research team at the National Oceanography Centre in the United Kingdom. He argues that deep-sea mining will be viable only if the commodity price is high enough as a result of increasing demand. “[Offshore] production costs are always likely to be greater than a well-resourced and efficient on-land mine,” he said.

As the global seabed is not a part of any one nation’s [exclusive economic zone](#), Murton thinks it is unfair that only selected countries should benefit from ocean-mining royalties. Andy Whitmore of the [Deep Sea Mining Campaign](#) is in favor of economic support for developing nations that rely on mining, but he questions the quantity of money that would be available from ISA’s proposed fund. “The amounts that are likely to be paid would likely be very low, unless the scale of deep-sea mining was so widespread, with so many exploitation licenses issued, that there would be significant impact on the seabed in international waters,” he said.

Environmental Threats

Researchers are only beginning to learn how deep-sea mining may affect benthic organisms. For this reason, many organizations are calling for a moratorium on deep-sea mining until environmental impacts are more fully understood. In 2019, the prime minister of Fiji [joined](#) these calls with the backing of several other Pacific island nations. The European Parliament adopted a [resolution in 2018](#) urging its member states to stop sponsoring deep-sea mining and to invest in more sustainable consumption of materials. [Sediment plumes](#) are considered the greatest ecological threat posed by deep-sea mining, appearing to cause lasting damage to [microbial life](#). If mining operations scale up, noise could increasingly affect whales and other animals that rely on echolocation, while light pollution could affect animals that use bioluminescence.

“We’re only beginning to scratch the surface of what’s down there. The loss of biodiversity due to mining activities will be inevitable and permanent on a human scale, as nodules take millions of years to form.” The short- and long-term effects on specific regions are unknown. More than half of the current licenses for deep-sea mining, for instance, relate to the Clarion-Clipperton Zone (CCZ), a fracture region in the Pacific Ocean covering 4.5 million square kilometers, roughly half the size of the continental United States. For the CCZ, the greatest [commercial interest](#) is polymetallic nodules, compacted mineral-rich cements resembling blackened cauliflower florets. Surveys of the CCZ have revealed that it also contains an abundance and diversity of life.

Some species, including sponges and anemones, attach themselves to the nodules for feeding. Other species rely on the nodules indirectly, such as the recently discovered octopus nicknamed “[Casper](#)” that attaches its eggs to the stalks of dead sponges. A 2016 study published in *Scientific Reports* suggested that [roughly half](#) of the megafauna in the CCZ depend on the nodules as a hard substrate habitat. “We’re only beginning to scratch the surface of what’s down there. The loss of biodiversity due to mining activities will be inevitable and permanent on a human scale, as nodules take millions of years to form,” said [Matthew Gianni](#), cofounder of the Deep Sea Conservation Coalition.
—James Dacey ([@JamesDacey](#)), Science Writer

Citation: Dacey, J. (2020), Deep-sea mining may have deep economic, environmental impacts, *Eos*, 101, <https://doi.org/10.1029/2020EO147683>. Published on 03 August 2020.

Sediment plumes from deep-sea mining could pollute vast swaths of the ocean, scientists say
by Elizabeth Claire Alberts, Mongabay on 20 July 2020

- *A new opinion piece suggests that deep-sea mining would generate damaging sediment plumes and noise pollution that would negatively affect the midwater column, a critical ocean ecosystem that begins 200 meters (660 feet) below the surface of the sea.*
- *Mining plumes will likely distribute sediment and dissolved metals across vast parts of the ocean, compromising organisms’ health and introducing heavy metals into the pelagic food chain, according to the paper.*
- *While deep-sea mining has not yet begun, numerous companies have contracts to explore the seabed for minerals, and the International Seabed Authority is set to release regulations governing mining in international waters sometime this year, paving the way for mining to move forward.*
- *The authors say research into the possible impacts of deep-sea mining has tended to focus on seafloor ecosystems but much remains unknown about the effects on midwater ecosystems.*

Beyond the sun’s reach is a nutrient-rich, species-abundant part of the ocean called the midwater ecosystem. This zone, which extends from a depth of 200-5,000 meters (660-16,400 feet) to 5

kilometers (3 kilometers) below the sea's surface, represents 90% of the Earth's biosphere, contains a biomass of fish 100 times the annual global fish catch, regulates carbon, and supports the pelagic food web through nutrient regeneration. But deep-sea mining, a new activity intended to extract minerals from the seafloor, could seriously threaten the midwater ecosystem, a new [paper](#) suggests.

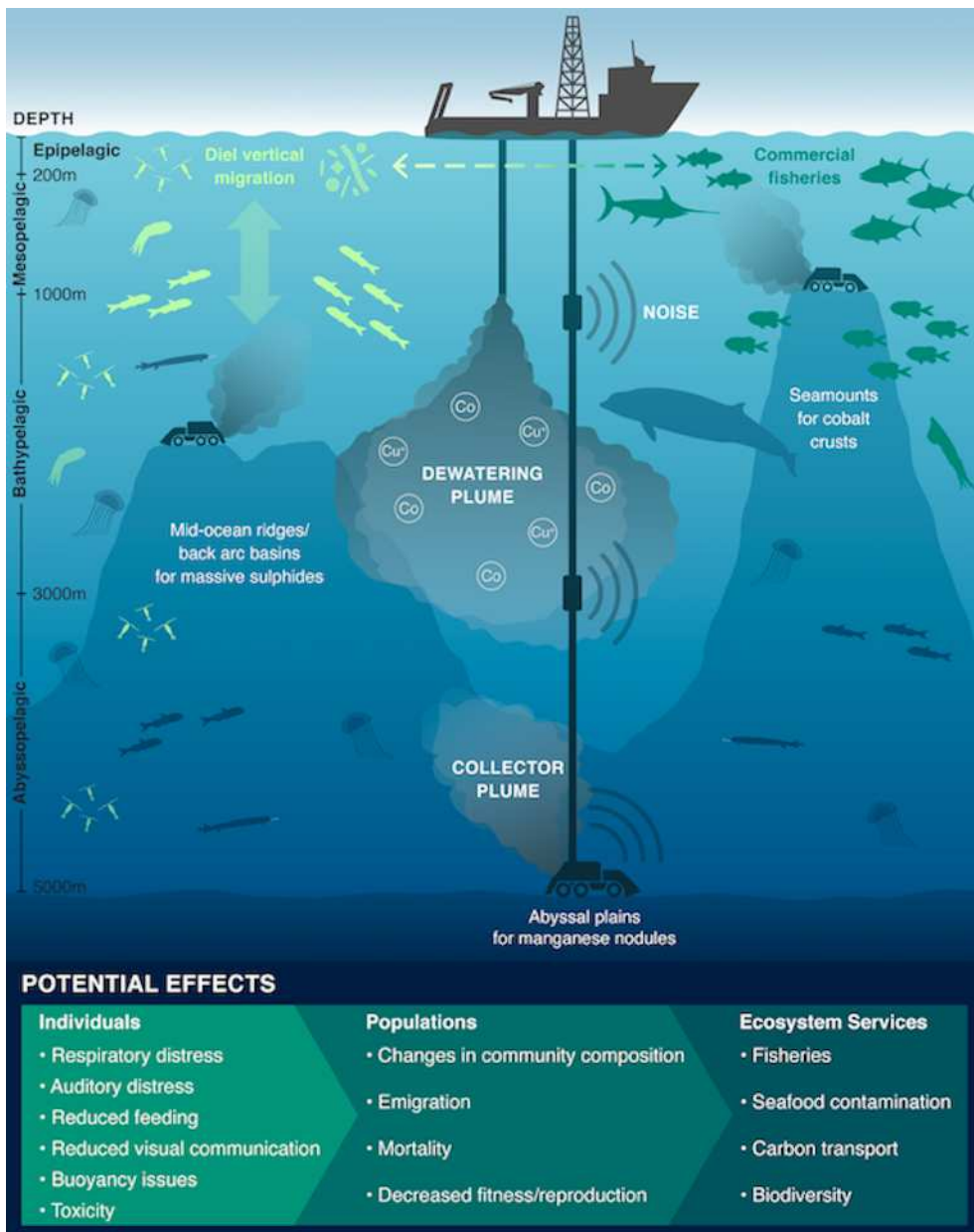


A hydromedusa, seen just above the seafloor along the west wall of Mona Canyon. Image by OAA OKEANOS EXPLORER Program, *Oceano Profundo 2015; Exploring Puerto Rico's Seamounts, Trenches, and Troughs*.

While [deep-sea mining](#) has not yet begun, numerous companies are interested in exploring for minerals near hydrothermal vents, seamounts, and the abyssal plains where polymetallic nodules are found. The International Seabed Authority (ISA), an intergovernmental body set up to oversee and control mining beyond any country's jurisdiction, is set to finalize a set of rules surrounding deep-sea mining, referred to as the "mining code," later this year, which would allow mining to begin. In the meantime, the ISA has issued 30 licenses for mining companies to explore for minerals over approximately 1.5 million square kilometers (580,000 square miles) of the seafloor in international waters. There's also mining interest within several countries' territorial waters.

The new paper, published this month in the *Proceedings of the National Academy of Sciences* (PNAS), says that past research has tended to examine the possible impacts of deep-sea mining on seafloor ecosystems, but has overlooked midwater ecosystems. Authored by 19 scientists, the opinion piece argues that deep-sea mining "poses significant risks to midwater ecosystems," and that these risks must be comprehensively evaluated to determine whether or not deep-sea mining should proceed. Each deep-sea mining company will likely use different practices. Most, however, will use a seafloor vehicle to collect minerals and sediment and some kind of vertical system to transport the materials to the surface. Another machine on board a ship will draw out the ore, and discharge unwanted sediment and water back into the ocean.

The potential effects of mining-generated sediment plumes and noise on pelagic taxa. Organisms and plume impacts are not to scale. See text for explanation of effects. Connections between seafloor vehicles and surface ships are only shown for nodule mining. Image by Drazen, et al. (2020). These activities would generate two types of "environmentally detrimental plumes," according to the paper: one at the seafloor where minerals are collected, and one in the water column where waste is discharged. Both would disperse sediment and dissolved metals in the immediate environment, and eventually over a greater region of the ocean, spanning tens to hundreds of kilometers, the piece suggests. These plumes, according to the authors, will introduce heavy metals into the pelagic food chain, which could even contaminate the human seafood supply; clog organisms' filtration and breathing structures; and introduce visual and mobility barriers that could prevent organisms from properly functioning.



“It’s very clear now that mining is going to discharge huge volumes of muddy seawater into these mid waters, and we need to begin discussing what those effects will look like,” Jeffrey Drazen, the paper’s lead author and a professor in the Department of Oceanography at the University of Hawaii at Manoa, told Mongabay. “And it’s not a pretty picture.” Natural levels of sediment in the midwater column are between 10 and 20 micrograms per liter, Thomas Peacock, a co-author of the paper and professor of mechanical engineering at MIT, told Mongabay. Right now, it’s not clear what increased levels of sediment will do to the midwater ecosystem, but the paper suggests that there would be a “host of negative consequences,” similar to the effects of air pollution on land.

“Since the background levels are so low, the threshold could be 2 times, 5 times, 10 times, 100 times background levels?” Peacock said in an email. “Determining threshold levels is central to determining the extent of potential impact of a midwater plume (and also a collector plume down at the bottom of the ocean).” The mining machinery would also generate a lot of underwater noise, which could stress out marine mammals, fish and other marine organisms, and potentially disrupt key activities like foraging, communication and the ability of larvae, which use sound to navigate through the ocean, to settle onto the seafloor, according to the paper. “If you’re mining sulphide deposits or crusts on sea mounts, you have to actually grind that hard substrate off of the bottom or out of the sea floor,” Drazen said. “That’s going to be incredibly noisy ... [and] because of the

temperature and salinity profiles of the ocean sound is conducted for very long distances. So this is bad news.”



An illustration of a sea mining machine called a bulk cutter, which is intended to pulverize the seafloor for excavation. Image by N.R. Fuller, www.SayoStudio.com.



Midwater animal biodiversity: squid, fish, shrimp, copepods, medusa, filter feeding jellies and marine worms are among the midwater creatures that could be affected by deep sea mining. Images by E. Goetze, K. Peijnenburg, D. Perrine, Hawaii Seafood Council (B. Takenaka, J. Kaneko), S. Haddock, J. Drazen, B. Robison, DEEPEND (Danté Fenolio) and MBARI.

The paper indicates that discharge plumes and sediment disturbance, as well as noise pollution, would impact a range of species in the midwater column, including fish, shrimp, copepods, medusas, filter-feeding jellies, and marine worms. For instance, there’s a creature called a larvacean (*Bathochordaeus* spp.) that uses its gelatinous “house,” which consists of two mucus filters, to help regulate nutrients and carbon in the seawater, but deep-sea mining would immobilize its ability to function, Drazen says. “These animals are really important because they filter all of the little, sinking organic particles that come from surface waters, and they package it into these houses and into their own bodies, and they make all of that food available to other trophic levels,” he says. “Their filter houses are going to get totally clogged with mud [from mining plumes].” Drazen says he is

also concerned about the dissolved metals that will be released into the ocean during the mining process.



A close-up view of a “giant larva-cyan” shows the inner filter of its complex, two-tiered feeding system. New instruments allow researchers to model and study structures and fluid flow inside these filters. Image by MBARI, 2002.

“These metals don’t go away very quickly, they are probably going to build up over time,” Drazen said. “And we don’t know exactly where they’ll be distributed, or how they would move through the oceans ... [It]’s possible that these toxic chemicals could build up over time as operators begin mining, and that has the potential to affect pretty vast areas of the ocean.” The ISA is required to ensure that the marine environment is protected during any mining activities, but the authors of the paper say the impacts on the midwater column need more consideration. “The ISA does include midwater sampling in its baseline study recommendations to contractors,” the paper says, “but the data collected by contractors to date appear to be very limited.” The ISA did not respond to Mongabay’s request for comment. Mongabay also contacted several organizations currently licensed to explore the seabed for minerals, including Lockheed Martin, the parent company of UK Seabed Resources; Dredging, Environmental and Marine Engineering NV (DEME), the parent company of Global Sea Mineral Resources NV; Japan Oil, Gas and Metals National Corporation; and the Federal Institute for Geosciences and Natural Resources of Germany. However, none responded to our request for an interview.



A jellyfish seen during the Deepwater Exploration of the Marianas expedition on April 24, 2016, while exploring Enigma Seamount at a depth of ~3,700 meters. Image by NOAA.

DeepGreen Metals, a private company based in Vancouver, Canada, with a 15-year license to explore minerals in the Clarion Clipperton Zone (CCZ) in the Pacific Ocean, did respond to our request for comment. Gregory Stone, chief scientist and a director of DeepGreen, told Mongabay that the company’s mining activities probably wouldn’t have a big impact on the midwater column or surrounding ocean. “Our major strategy is to isolate our activities from the water column as much as we can,” Stone said. Nevertheless, Stone said that the company will be spending the next three years researching the effects of deep-sea mining on the midwater ecosystem. “The way we approach this is we want to remove every impact we can,” Stone said. “And then we want to minimize every impact we cannot remove.” “If we do discover something, and it’s really bad, we won’t do it,” he added. Stone also said that deep-sea mining could provide the metals and other resources urgently needed for renewable energy sources, and that deep-sea mining was actually far less destructive than terrestrial mining.



A lancetfish observed during midwater transects near Mahler Seamount. Image by NOAA.

However, according to a recent [report](#) by MiningWatch Canada and The Ocean Foundation, resources for renewable energy could be obtained from existing terrestrial mineral stocks, electronic waste and other alternative sources. “The metals can be mined on land ... and we don’t need to extend the harm that we do with mining on land into the deep sea environment,” Catherine Coumans, the Asia-Pacific program coordinator for MiningWatch Canada and editor of the report, [told Mongabay](#) in June. DeepGreen has hired Drazen and three of his coauthors to be part of a team conducting baseline pelagic ecosystem studies for the company scheduled for next February in the CCZ. “It is so very important that scientists, such as Drazen and his co-authors, are stating unequivocally that deep-sea mining poses significant risks to the web of life in our oceans from the deep sea to the surface, that marine biodiversity and livelihoods are on the line, and even that the carbon sequestration function of the oceans — so critical to slow down climate change — is jeopardized,” Coumans told Mongabay in a statement last week. “This article supports a growing number of voices, calling for a moratorium on the development of regulations for deep-sea mining until the likely impacts are better understood.”

Citation:

Drazen, J. C., Smith, C. R., Gjerde, K. M., Haddock, S. H., Carter, G. S., Choy, C. A., ... Yamamoto, H. (2020). Opinion: Midwater ecosystems must be considered when evaluating environmental risks of deep-sea mining. *Proceedings of the National Academy of Sciences*.