

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

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

PNG records growth; downturn in revenue

Post-Courier, December 31, 2015

PAPUA New Guinea achieved a mixed bag of results in its economic growth for 2015 financial year. While it was among only a few countries in the world, including the United States to record growth, it also recorded a dramatic downturn in revenue. This was a result of a sharp decline in international commodity prices including PNG's most prized oil and LNG exports. All agriculture exports including palm oil, cocoa, copra and others experienced and still are big drops in prices. Mineral export revenues also suffered global price reductions. Economists both local and from abroad had stated global growth had dropped to 3.1 per cent down from 3.7 per cent but that it would strengthen to 3.6 per cent in 2016. Growth prospects were reduced for many larger economies including China, Japan, Russia, the Euro Zone and major oil exporting economies. 2015 had seen average crude oil prices drop to a low US\$45.7 (K133) per barrel in August and according to ANZ Bank economist had been the lowest since February 2009-before rising to US\$46.3 (K135) in September. ANZ as well as others including the Asian Development Bank had stated that the prices would remain low for the next few years thus affecting demand.

The US had tightened its monetary policy and had increased its interest rates resulting in a strong currency for itself. ADB said its effects will be felt in other global economies including PNG. In the Pacific, the *El-Nino* had added to the 2015 disappointment, particularly in Melanesia. So what was it like for PNG? With the country still very heavily reliant on commodities particularly from its resource sector as well as it being a price taker-it was not immune the external shocks including the slump in the oil prices. The International Monetary Fund had likened the pressures to crosswinds while the ADB headwinds. Its gross domestic product growth projections had to be consistently revised and as at December was at nine percent. The slump in commodity prices, *El-Nino* which had also affected earnings from the minerals sector had resulted in lower than expected Government revenue.

This in turn had necessitated some fiscal adjustments on the part of Government. Commentators had raised concerns on a likely blow-out on the budget deficit including international rating agency- Standards and Poors resulting in revising down ward its rating of the PNG economy. In November, the Government handed down a supplementary budget with cuts of about K1.4 billion and additional revenue measures to a tune of K1.1 billion. The Government had also handed down its 2016 Budget which commentators, including its key partners from the international and business communities hailing it as responsible. All were especially pleased that in light of the economic slow-down and weak external outlook it had taken into account these factors and in doing so had decided to delay going into a balanced budget from 2017 to 2020. Commentators including Bank South Pacific chief and Price Waterhouse Coopers had commended this as it would have put a squeeze on businesses and would have increased pressure on fiscal discipline.

The ADB had however warned on the importance of timely and efficient spending in 2016. They had noted that the trend had been that spending always had occurred in quarters three and four adding this should be changed and that it hit the ground running to cushion the effects of the global slow-down. Treasurer Patrick Pruaitch in delivering the Government's 2016 Budget had stated that despite the challenges experienced in 2015 that the Government remained committed to ongoing priority expenditure programs that are important for future growth. These include health, education, infrastructure, agriculture and law and order and small to medium enterprises. The budget he stated to be set at K14.2 billion against a revenue envelope of K12.2 million translating to a deficit of K2 billion or 3.7 per cent of GDP and would bring total debt in 2016 to 35.8 per cent. He had stated that its debt profile would be managed by expanding sources of finance including issuance of a sovereign bond to ease pressure on the domestic debt market.

Other complementary policies government had announced to be Sovereign Wealth Fund with first revenue flows in 2016. Revenues inflows to the Stabilisation Fund would be drawn into the budget to fund key priority areas. The Public Sector Reform, Extractive Industries Transparency Initiative and State owned Enterprises reforms were also announced. The Foreign Exchange Directives which had been introduced in March had proven a challenge for business but the Bank of PNG had stated this to be necessary to restore order to the market. While the situation may seemingly look bleak in the medium term there is promise in the long term as highlighted by executives from BSP Capital and the Oxford Business Group in that PNG has emerged as a LNG exporter and will with the projections of a global shortage in supply that it stands to be a major exporter. Diversification has long been on the lips of many and increased allocations by Government to tourism and agriculture sector may seemingly be a small but are sure step towards diversification. Inclusive and sustained growth is what PNG needs going forward and more will need to be done especially in the non-extractors.

PM: Cook Islands Can Be Richest Country In The World

Puna touts benefits of fisheries, seabed mineral exploitation

By Florence Syme-Buchanan

RAROTONGA, Cook Islands (Cook Islands News, Dec. 30, 2015) – Prime Minister Henry Puna ended his working year with assurances that Cook Islanders can become amongst the richest people in the world per capita from harvesting of the country's fisheries and seabed minerals resources. In a ministerial statement delivered on the last day of Parliament this year, Puna focused on the country's fisheries resource, touting the financial benefits and advocating adherence to sustainability guided by 'best possible science'. "Every step we take should be guided by precaution and science. This is our shared destiny and the future of our children. "We should not squander this opportunity for political gain, or be blinded by the lack of vision from emotional stories," said Puna. However, political commentators point to Puna and Finance Minister Mark Brown constantly making reference to revenue from selling more fishing licenses which would make possible increases in the old age pension, child benefit.

In an effort to convince the public that this approach is the right one, they have also said increased revenue would pay for improved education and health services. Puna said he wanted it recorded that contrary to news items, "and all the emotional outbursts that followed," his government hasn't entered into a fisheries agreement with the European Union that would initially licence four of the biggest purse seiners to fish here. "Government is, however, adhering to a robust process of policy considerations that will support our fisheries interests into the future. There is no agreement because this process is allowing us to look closely at a number of points that would inform and support any negotiations." While the formal EU agreement may not be signed yet says Te Ipukarea Society technical director Kelvin Passfield, the fact that every page has been initialled, and based on the PM's words in this ministerial statement, it is very clear that the intention is to sign a deal. Passfield's comments are supported by formal statements issued by the Spanish government that the "permanence" of its purse seiners in eastern Pacific waters is assured with the initialisation of the agreement with the Cook Islands in October.

If the government does press on with signing the agreement it would go against the wishes of over 4000 Cook Islanders who signed a petition to ban purse seining here. Passfield says it's hard to swallow Puna's comments that "public consultation will be important" and "discussions should not be emotionally driven but informed by the best available science." "Given the previous three deals with two Korean companies and New Zealand were concluded in privacy with no public consultation at all." Says Passfield: "The only reason the EU deal is so public is because it is a requirement of the European Union process (for which one must give them credit). Otherwise it would already be signed, as were the previous agreements". The Cook Islands has the 20th largest EEZ in the world and vast quantities of fisheries and seabed minerals, and Puna says if these are "wisely and sustainably harvested," our people stand to become amongst the wealthiest of the world's citizens per capita.

In an apparent reference to the EU purse seining agreements, Puna added the country had a window of opportunity in front of it right now to achieve this. However, Passfield says this opportunity should not on any terms be seized for short term financial gain. The environmentalist goes on to discredit other statements by Puna including the claim that the Western and Central Pacific Fisheries Commission was formed by the United Nations to decide how much tuna overall can be sustainably caught in the region and how much each Pacific nation is entitled to catch in their EEZ. "It wasn't formed to decide how much each nation is allowed to catch in its EEZ. It was formed for conservation and management of highly migratory fish stocks. Note the first word is 'conservation'. But it is not working, especially for bigeye tuna."

Passfield says Puna's claim that less than one per cent of the Pacific's tuna is caught by purse seiners in the northern Cook Islands doesn't wash, because since then deals have been signed with Korea and the US fleet has increased its fishing effort. To Puna's statement that skipjack tuna targeted by purse seiners "...has proven to be almost impossible to overfish," Passfield says the same has been said in the past about other fisheries in the world which have long since collapsed. Meanwhile questions sent to Marine Resources' public relations unit three weeks ago regarding the number of purse seining and long lining licences that are currently being operated, the capacity of the licensed vessels and the countries involved, have not received a response.

Miner: Hidden Valley operations normal

Post-Courier, December 30, 2015

By ROSALYN ALBANIEL

AUSTRALIAN Miner Newcrest has confirmed operations at Hidden Valley in Morobe Province, are returning to normal. This was from the PNG country manager Peter Aitsi, who was responding to reports that had surfaced of a shutdown on site. While this report was neither confirmed nor denied Mr Aitsi did however confirm that as of December 10 the company had begun using the long haul road, which had been closed. "I can confirm that as of December 10, we were able to start using the long haul road for Hidden Valley – so essentially the mine is returning to normal operations," he had stated. Mr Aitsi had explained that the stoppage in the use of the road had come about as a result of a fatal accident which had occurred along this access road. "A sub-contractor tow truck involved in recovering a broken down prime mover had lost control and crashed," he said.

Reports are that the worker had died. He said the Hidden Valley Joint Venture and Mineral Resources Authority inspectors had conducted an investigation in November into the accident and the road access had been closed off to heavy vehicles. This was under the directive of the MRA inspectorate branch. "We have worked closely with the various sections of MRA to resolve the identified safety improvements and as of December 10, heavy vehicles were once again able to use the road," Mr Aitsi said. Meanwhile, Newcrest chief executive officer Sandeep Biswas said in the sustainability report released recently, had reiterated the company's vision to be the "miner of choice" in leading the way in safe, responsible, efficient and profitable mining. Mr Biswas had reported fatalities both at its Hidden Valley and Cardia operations adding that this had been a source of profound sadness to the mining firm.

O'Neill upbeat of next LNG project

Post-Courier, December 30, 2015

PRIME Minister Peter O'Neill says one of the best vote-of-confidence the country has had this year is the commitment from international company, TOTAL SA, to move forward with the next LNG project. He believes that over the next five years this will see 10,000 Papua New Guineans employed in the construction phase, new education and training programs and downstream benefits for thousands of small businesses. "The people of our nation need to only look around their communities and towns to see the change that is happening in only a few short years as we have implemented the core policies we took to the 2012 election. "We now have more children in school than at any other time in our history. "This also means there are more girls in school than ever before – and this will empower an entire generation of women.

"We are expanding access to healthcare and more people are surviving from injuries and disease than ever before. We thank our churches for their support in delivering healthcare support," he said in his Christmas message. Mr O'Neill believes that streets and communities are becoming safer as

we have more police, better judiciary and true rehabilitation in the prisons. "Certainly we have more work to do on enhancing safety, particularly when it comes to modernising our police, but this is a challenge we are meeting head-on," Mr O'Neill said. "These new roads, new ports, new bridges, new schools, teachers colleges and government buildings are creating an even stronger economy. The billions of Kina we have spent on infrastructure is now generating trade and this is delivering jobs for our people," he outlined.

Petromin unaware of ‘talks’

The National, December 30th, 2015

BY GEDION TIMOTHY LAPAN

PETROMIN says it has no knowledge of any “discussion” between the Government and Rio Tinto over the Bougainville Copper Ltd. But managing director Thomas Abe said the State had the prerogative to enter into such discussion. He was asked whether the State-owned mineral company Petromin was aware of a reported discussion between Rio Tinto and the Government for the latter to buy the State’s 53.83 per cent share in the Bougainville Copper Ltd for \$100 million. “I am not aware of any discussions between Rio Tinto and the PNG Government,” Abe told The National. “That is the prerogative of the National Government. “We are currently operating as Petromin. “The successor company, Kumul Minerals, formally commences operations by the end of June 2016.” PNG Today Online recently quoted ABG President Dr John Momis regarding the discussion between the Government and Rio Tinto.

Momis was reported as saying when addressing the ABG House of Representatives that he had been approached by several senior government officials including Prime Minister Peter O'Neill to discuss the matter. Petromin chairman Sir Brown Bai said the company was usually invited by the Government to become party to such discussions. But he said he had no knowledge of the discussion. Attempts to get comments from the Department of Mineral Policy and Geo Hazards Managements were unsuccessful. Bougainville Copper Limited is an Australian copper, gold, and silver mining company that operated the Panguna open cut mine on the island of Bougainville.

Déjà Vu All Over Again: Tailings Dam Failures at Metal Mines Around the World

It has been another catastrophic year for mining disasters around the world – demonstrating once again that mining industry promises are not to be trusted...

SKYTRUTH via PNG Mine Watch, December 29, 2015

Catastrophic mine spills have been in the news frequently enough that we are devoting a few articles to cover some of the problems plaguing existing mines and posing serious concerns for new and proposed mines like Pebble in Alaska, Red Chris in British Columbia, and NorthMet in Minnesota. In this post we’re only covering impoundment failures from metal mines and ore processing facilities (we’ll get to coal slurry and coal ash later, and we’ve already written about abandoned and inactive mines). The litany of mine impoundment disasters around the world is a grim one. This year saw the Fundão tailings dam failure that killed at least 13 downstream of the Samarco iron mine in Minas Gerais, Brazil.

In August 2014 it was a 24,400,000 cubic meter spill from the Mt. Polley gold mine in British Columbia, Canada into the headwaters of the Fraser River (*below*) only a few weeks before a run of salmon would make their way upstream. However, on Dec.17, 2015, the provincial government announced there would be no criminal charges or fines assessed against Imperial Metals for the disaster. Al Hoffman, British Columbia’s chief inspector of mines stated, “Although there were poor practices, there were no non-compliances we could find.”



Above: The village of Bento Rodrigues after the Fundão dam burst at the Samarco Mine. Image Credit: Douglas Magno/AFP/Getty Images



Above: Mine waste and debris enter Quesnel Lake five miles downstream of the failed impoundment at Imperial Metal's Mt. Polley gold/copper mine. Image Credit: Jonathan Hayward, The Canadian Press

If a mine can discharge 10 million cubic meters of polluted water and toxic mine waste into the environment, turning a quiet stream into a moonscape, and yet not have broken any rules, one must wonder if the rules and/or regulators are up to the task. Looking further back to 2010, a tailings dam failed at an alumina plant in Hungary, killing 10, injuring 150, and turning the “blue” Danube River a sickly, toxic red. A slight silver-lining, however, is that the downstream town of Devecser has risen from the sludge to become a model of green living and sustainable energy.



An aerial photo taken Tuesday, Oct. 5, 2010 shows the ruptured wall of a red sludge reservoir of the Ajkai Timfoldgyar plant in Kolontar, 160 km (100 mi) southwest of Budapest, Hungary. Note the excavators at bottom to give a sense of scale. Image Credit: AP Photos/MTI, Gyoergy Varga

Unfortunately, this list only recounts some of the more notorious disasters that reached the international press. For a more complete record of significant mine tailings dam failures, the World Information Service on Energy has compiled a list of over 80 major non-coal spills since the 1960's. Yet every time a new mine is proposed, even when the dam would be taller than the Washington Monument, we are reassured that *this time* we have the technology right, *this time* the dam won't fail, and *this time* the environment will be left just as it was before we mined it. There are techniques, such "dry-stacking", which are safer than conventional wet-tailings impoundments, but they are also more expensive. So unless the public and regulators demand that mines employ better practices, it seems we will have to keep reliving this story, year after year.

Two PNG Soldiers Killed Near Hides LNG Project Site

Tribal fighting becoming 'issue of national security'

By Andrew Alphonse in Tari

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Dec. 29, 2015) – The US\$20 billion kina PNG LNG project operations in Hides, Hela province is under serious threat. This follows the brutal murder of two PND Defense Force soldiers last Tuesday evening by heavily armed Komo tribal warlords. The killings has sparked anger amongst many peace loving Hela citizens and leaders who now call on the National Security Council (NSC) to immediately intervene and vigorously address the escalating lawlessness situation not only in the LNG project areas but throughout Hela. New Hela provincial police commander acting Supt. Michael Welly confirmed the soldiers' deaths. Supt Welly said the two soldiers were amongst a group of other soldiers who fronted up at a funeral gathering of two locals killed earlier in an on-going tribal fight between the Tobe and Tomburuma-Hura-Maya clans of Ende village, situated at the south-east end of the world class aerodrome in Komo.

The first soldier believed to be off mixed Milne Bay and New Ireland parentage died instantly while the other passed away at Tari hospital on Saturday evening. Hospital CEO Dr Hamiya Hewali confirmed the second soldier's death who is believed to be from the Eastern Highlands. Two PNGDF issued rifles were also seized by the warriors until Supt Welly went into Komo on Saturday and ne-

gotiated for their return. The soldiers' bodies have been flown to Port Moresby. Apart from the Komo fight, Supt Welly also reported another fiery clash few kilometers from Komo and up at Hides PDL 4 area with the use of highly sophisticated weapons. He said the fight at Hides erupted following the killing of a former policeman there. The Hides fight has seriously affected the movement of workforce, vehicles and supplies to the Hides LNG conditioning plant site where both warring factions are using the access road as battle fields. Supt Welly has led his policemen to the two battle fields to appeal to all warring factions to cease fire and broker for peace.

"It tough policing here in Hela but I am determined more than ever to quell with the situation," Supt Welly said. Meanwhile, a senior officer at Murray Barracks PNGDF headquarters said a PNGDF investigation team is now at Komo to investigate the incident. The source who requested anonymity said it is now a matter of national security concern after two soldiers attached with the LNG security operations at Komo were murdered in cold blood by armed tribal warlords. LNG project developer ExxonMobil led consortium on the weekend called for more security personnel to quell the fighting both at Komo and Para as it poses serious security concern to their project operations. The killings and the warfare comes at the time where the Hela provincial assembly is divided with incumbent Governor Anderson Agiru still maintaining he can only be removed by God while two-thirds of Hela assembly members unanimously passed a motion in Tari last Tuesday to oust him from office.

Petromin unaware of PNG Government's talks with Rio Tinto over Bougainville Copper Ltd Staff Reporter Tuesday, ONE PNG, December 29, 2015

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Momis was reported as saying when addressing the ABG House of Representatives that he had been approached by several senior government officials including Prime Minister Peter O'Neill to discuss the matter. Petromin chairman Sir Brown Bai said the company was usually invited by the Government to become party to such discussions. But he said he had no knowledge of the discussion. Attempts to get comments from the Department of Mineral Policy and Geo Hazards Managements were unsuccessful. Bougainville Copper Limited is an Australian copper, gold, and silver mining company that operated the Panguna open cut mine on the island of Bougainville.

Frieda River Mine set for challenge The National, December 28th, 2015

By Gedion Timothy Lapan

THE lead explorer of the Frieda River copper-gold project in Sandaun Province, PanAust, says it is well positioned to face the pressure exerted by the current depressed metal prices. The company stated in an email to The National it had achieved a competitive all-in sustaining cost of US\$1.79 (K5.20)per pound of copper and US\$667 (K1941) per ounce of gold at its Laos-based operations.

“This followed a business efficiency review in early 2015 which streamlined the business and positioned the company to meet the challenges associated with a weaker commodity price environment,” it said. “The Frieda River copper-gold project, which is made up of several deposits, is a world-class asset. Once in production, the operation has the potential to be the largest copper producer in PNG. The project concept to date has been based on an average processing rate of 30Mtpa over a 20-year mine life to produce average annual copper and gold in concentrate of 125,000t and 200,000oz respectively.” It however said the ultimate size of the project and the production profile was subject to finalisation through the feasibility study process. PanAust said since acquiring its interest in the project in August 2014, it had invested around K149 million and was undertaking a significant amount of work to advance the study. “Our current focus is on completing the feasibility study and establishing a robust investment case to take the project through to construction and production,” the company said.

Antelope 6 drilling underway

Post-Courier, December 28, 2015

TOTAL E&P PNG Limited-Operator of the Petroleum Retention License 15 (PRL15) has begun drilling the Antelope 6 appraisal well. This was announced by its joint venture partner InterOil Corporation, in its market report last week. InterOil said the well is designed to provide structural control and reservoir definition on the field’s eastern flank. It said the well has a proposed total depth of around 2464 metres (8084 feet) true vertical depth sub-sea and is located about two kilometres east-south-east of Antelope-3. InterOil holds a 36.5 per cent interest in the well. Total E&P PNG Limited holds a 40.1 per cent stake while, Oil Search has 22.8 per cent. The remaining 0.5 per cent is held by minority parties. InterOil Corporation is an independent oil and gas business with a sole focus on Papua New Guinea.

Momis on PNG government takeover of BCL

Aloysius Laukai, New Dawn via PNG Mine Watch, December 27, 2015

ABG President, John Momis says that he is very concerned at the discussions been held between Rio Tinto and the Papua New Guinea Government to purchase RIO’s 53.83 percent shares in BCL for ONE HUNDRED MILLION US DOLLARS. In his address to the ABG House this week [[see http://bougainville.typepad.com/newdawn/page/3/](http://bougainville.typepad.com/newdawn/page/3/)], President Momis said that he has been approached by several senior National Government officials including the Prime Minister, Peter O’Niel [sic] the last time during the December’s JSB meeting in Kokopo. President Momis said that the people of Bougainville must be assured that the ABG has made no deal with PNG. Instead we are putting a very strong Bougainville position to both PNG and RIO that environmental clean-up is now the key issue and that if there is any transfer of RIO’s shares, it must be to Bougainville. President Momis said that the minerals in Bougainville belong to Bougainvilleans as our blood has been shed over those Panguna Minerals, yet PNG wants to buy RIO’s shares so that it can own Panguna and its minerals.

Minister: BCL to open office in Arawa after Bel Kol ceremony

DISTRIBUTE BEL KOL MONI PLIS, Aloysius Laukai, New Dawn, via PNG Mine Watch, December 24, 2015

The Minister for mining and member for TERRA, ROBIN WILSON says that the BEL KOL ceremony that the Panguna Landowners have requested from BCL is not to open the Panguna mine, but to make it possible for BCL to clear its way to coming to Bougainville to discuss issues that are important to the future of Bougainville. MR. WILSON said that BCL has to be invited to establish its

office in Arawa so that issues like the Damages done by the mine, Chemical and outstanding issues can be dealt with. He said the future of Panguna will have to be negotiated under Bougainville's own mining law and until now BCL remains as one of the possible investors like any other investor. The Minister for mining made these remarks when responding to questions from the woman member representing the women of North Bougainville and Deputy Speaker, FRANCESCA SEMOSO who asked who will benefit from the BEL KOL as the conflict and its spillover affected all regions from South, Central and North Bougainville and including our nearby Solomon Islanders. Member SEMOSO said that to make it fair all districts must benefit from the BEL KOL arrangement.

Allegations Of Misconduct For Bougainville Chief Secretary

Inquiry results expected at the end of the month

WELLINGTON, New Zealand (Radio New Zealand International, December 24, 2015) – Bougainville's chief secretary, Monovi Amani, has been ordered to go on leave while an inquiry is made into serious allegations of misconduct in office. The president of the autonomous Papua New Guinea region, John Momis, was responding to questions about Mr Amani during a sitting of the ABG. The allegations against Mr Amani include misappropriation. New Dawn quotes President Momis saying PNG's former chief ombudsman, Ila Geno, has been carrying out the inquiry and a report is expected by the end of this month. He says a decision would then be made by Bougainville's Senior Appointments Committee to either terminate Mr Amani's contract or allow him to resume his role.

PNG climate position inconsistent with recent investment in coal

PNG Mine Watch, December 24, 2015



PAPUA NEW GUINEA

Intended Nationally Determined Contribution (INDC) Under the United Nations Framework Convention on Climate Change

The Papua New Guinea government has recently spent K10 million on developing a coal mining industry in the country while telling the United Nations climate conference in Paris it is committed to a renewable energy. As well as pursuing new coal mines the PNG government is also being heavily lobbied by Australian company Mayor resources to invest in new coal powered electricity generation in the major centres of Port Moresby, Lae and Madang and is working with international companies Waterford and Pacific Mining on coal exploration in Gulf Province.

None of this is mentioned in the PNG governments statement of its intended contribution to global efforts to reduce greenhouse gas emissions. According to PNG's 'Intended Nationally Determined Contribution (INDC)' the country will make "a big effort" to reduce fossil fuel emissions by transitioning as far as possible to renewable energy with a target of 100% renewable energy by 2030.

However, PNG 's current economic development is seeing a growth in fuel use therefore a big effort will be to reduce fossil fuel emissions in the electricity generation sector by transitioning as far as possible to using renewable energy. The target in this respect will be 100% renewable energy by 2030, contingent on funding being made available. In addition PNG will improve energy efficiency

All of which is completely inconsistent with the government spending K10 million in developing a coal mining industry and the efforts of Mayor Resources to get new coal powered electricity generation – facts which the PNG government conveniently fails to mention in the INDC document:

Electricity supply: PNG has a number of opportunities to transfer a proportion of its electricity generation to renewable options. In this regard the relatively high installed capacity of hydro of around 200MW presents itself as a large scale storage facility for intermittent renewable inputs to be fed to the main Port Moresby grid. In addition there are opportunities for additional hydro throughout the country. There is also geothermal potential, with 56 MW installed (2010) and 22 TWh/annum possible, albeit mostly in remote areas. PNG also has considerable biomass resources although there are indications of overexploitation of natural forests and harvesting of these will affect land use emissions in the forestry sector. Any final balance needed to achieve close to 100% renewables could be filled using solar PV.

Low Prices Force New Caledonia Nickel Company To Scale Back

SLN to save about \$90 million yearly; jobs may be lost

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 23, 2015) – New Caledonia's SLN nickel company has announced plans to save about 90 million US dollars a year to cope with a severe nickel crisis. The head of SLN, Jerome Fabre, says the company doesn't expect the nickel price to pick up before the end of 2017 after it slumped by more than 40 percent this year. Mr Fabre says because of the slowdown of the Chinese economy and the large nickel reserves, SLN will this year lose more than 270 million US dollars. He says changes to the production will mean that the SLN plant in Noumea will only make ferronickel, allowing for lower investments than planned. Mr Fabre says while there are no dismissals planned, in some cases jobs might be lost. In October, the SLN parent company put off plans to build a new power plant. The proposed power plant at Doniambo was to cost almost one billion US dollars and replace one deemed to cause too much pollution.

Papuans Left Out Of Negotiations For Freeport Mine

Indonesia, US company don't consult landowners

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 22, 2015) – A West Papuan church leader says US mining company Freeport McMoran and Jakarta continue to do business as they've always done it - without consulting Papuans. West Papuans have long expressed frustration about the environmental destruction caused by the Freeport mine operations in Mimika regency. The comment from the chairman of the Kingmi Church, Benny Giay, comes amid negotiations between Indonesia's government and US miner Freeport McMoran over extension of its lucrative Papua contract. Reverend Giay says that despite this, seven tribes in the Mimika area where the Freeport mining complex is located are trying to have their voices heard in the negotiations. However he says historically, the indigenous people, who are customary landowner of the land Freeport operates on, do not figure in discussions. "I think what we have seen is that Jakarta and freeport are ignoring the Papuans as they have done in the past, in their discussion, their talks over freeport in Papua."

Novanto scandal 'not new'

Reverend Giay says Indonesian lawmakers enriching themselves at the cost of Papua resources is not new. The comment follows the resignation of Indonesia's parliamentary speaker for allegedly seeking to extort a stake in lucrative mining operations in Papua. Setya Novanto quit after exposure of a recording of secret talks related to ongoing negotiations between the government and miner Freeport McMoran over extension of its current contract. Reverend Giay says despite being customary owners of the resource, Papuans are rarely considered in negotiations over the mine contract. He says the Novanto scandal merely echoes what President Suharto used to do. "Jakarta has not changed much: the officials, their mentality, their culture, their orientations. It's very sad that we Papuans will go through our history, in the future, with these kinds of authorities in power."

Seabed-Mining Robots Will Dig for Gold in Hydrothermal Vents Nautilus Minerals will test its gear on the ocean floor in 2016

By Peter Fairley, Spectrum, 22 Dec 2015

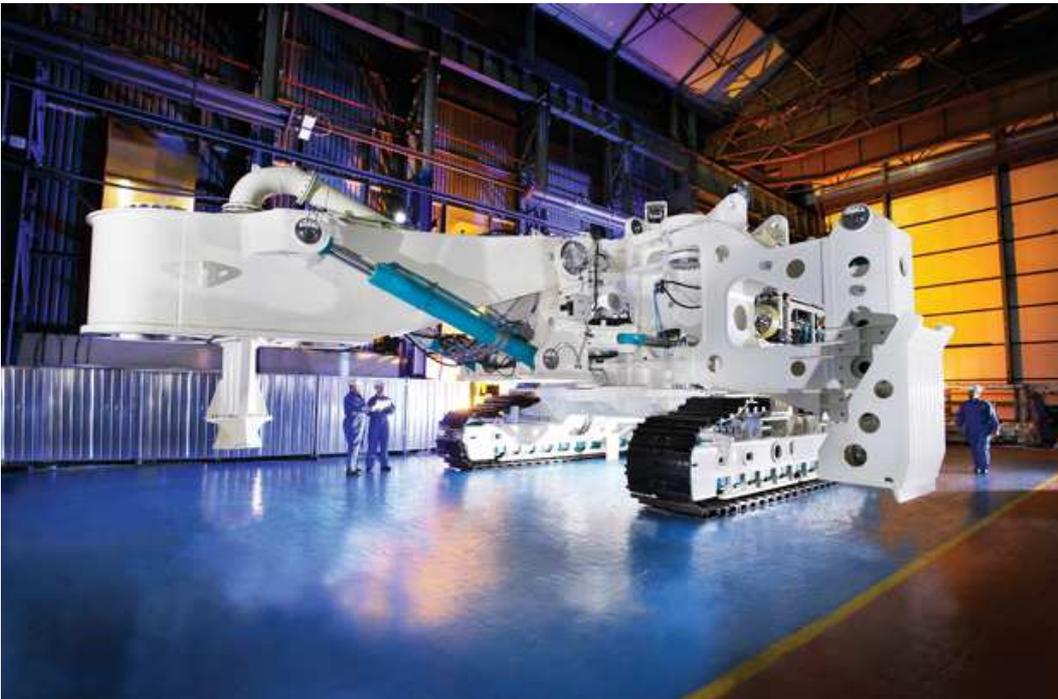


Photo: Nautilus Minerals **Like a Tank:** The heavy-duty equipment for mining the ocean floor, like the partially assembled machine shown here, is built to withstand punishing conditions 1,600 meters below the waves.

For decades, futurists have predicted that commercial miners would one day tap the unimaginable mineral wealth of the world's ocean floor. Soon, that subsea gold rush could finally begin: The world's first deep-sea mining robots are poised to rip into rich deposits of copper, gold, and silver 1,600 meters down at the bottom of the Bismarck Sea, near Papua New Guinea. The massive machines, which are to be tested sometime in 2016, are part of a high-stakes gamble for the Toronto-based mining company Nautilus Minerals.

Nautilus's machines have been ready to go since 2012, when a dispute between the firm and the Papua New Guinean government stalled the project. What broke the impasse was the company's offer, in 2014, to provide Papua New Guinea with certain intellectual property from the mining project. The deal enabled Nautilus to get financing to build a €127 million ship, the first of its kind, which will deploy the subsea mining robots and process the ore they recover. This 227-meter-long production vessel is now being built in a Chinese shipyard and is scheduled to depart for Papua New Guinea in early 2018. The mining robots were built for Nautilus by Soil Machine Dynamics, based in the United Kingdom, which supplies construction equipment for laying undersea cables, servicing

offshore oil platforms, and other heavy-duty deep-sea jobs. The main robots are a pair of tractor-trailer-size excavators.



Photos: Nautilus Minerals I, Robot Miner: Three different types of remotely operated machines will be used: a “bulk cutter” [top], a “collecting machine” [center], and an “auxiliary cutter” [see photo “Like A Tank,” above]. Clenched in a manipulator arm is a sample of the kind of metal-rich rock these robots will retrieve from the ocean floor [bottom].

One uses 4-meter-wide counterrotating heads studded with tungsten carbide picks to chew through the metal-rich chimneys that form around superhot water spewing from sulfurous vents in the seafloor. Its partner adds brute strength, using a studded drum that is 2.5 meters in diameter and 4 meters wide to pulverize rock walls. Dredge pumps built into these machines will push the smashed ore back to a central pile on the seafloor, where a third Nautilus robot will feed a slurry of crushed rock and water up a pipe dangling from the production vessel. There the water will be wrung out from the ore, which will be loaded on another ship and carried to China for processing.

Matter of Fact: A ship called the *Hughes Glomar Explorer* was constructed in the 1970s, ostensibly for deep-sea mining, although it was in fact used to recover a sunken Soviet submarine.

As 2015 drew to a close, Nautilus was still negotiating for access to a shallow-water site for an initial subsea test of these machines, which it hoped to begin in mid-2016. The plan is to do some rock cutting, though in an interview Nautilus’s CEO, Michael Johnston, says it is “difficult getting materials that are a good proxy for the materials we’ll be mining.” If time allows, the machines will also get a deep-sea trial before they are integrated with the production vessel, Johnston adds. Barring that, they will have to prove their stuff at Nautilus’s first mining site, called Solwara 1, which is located some 30 kilometers from shore in Papua New Guinea’s New Ireland province. Assuming all goes well, the robotic diggers will spend 30 months scouring the Solwara 1 site, bringing up 2.5 million metric tons of ore containing metals worth more than US \$1.5 billion at today’s prices. Next, the robots will likely set to work on one of Nautilus’s 18 other prospects in the Bismarck Sea or one of its 19 discoveries off the shores of the Polynesian archipelago of Tonga.

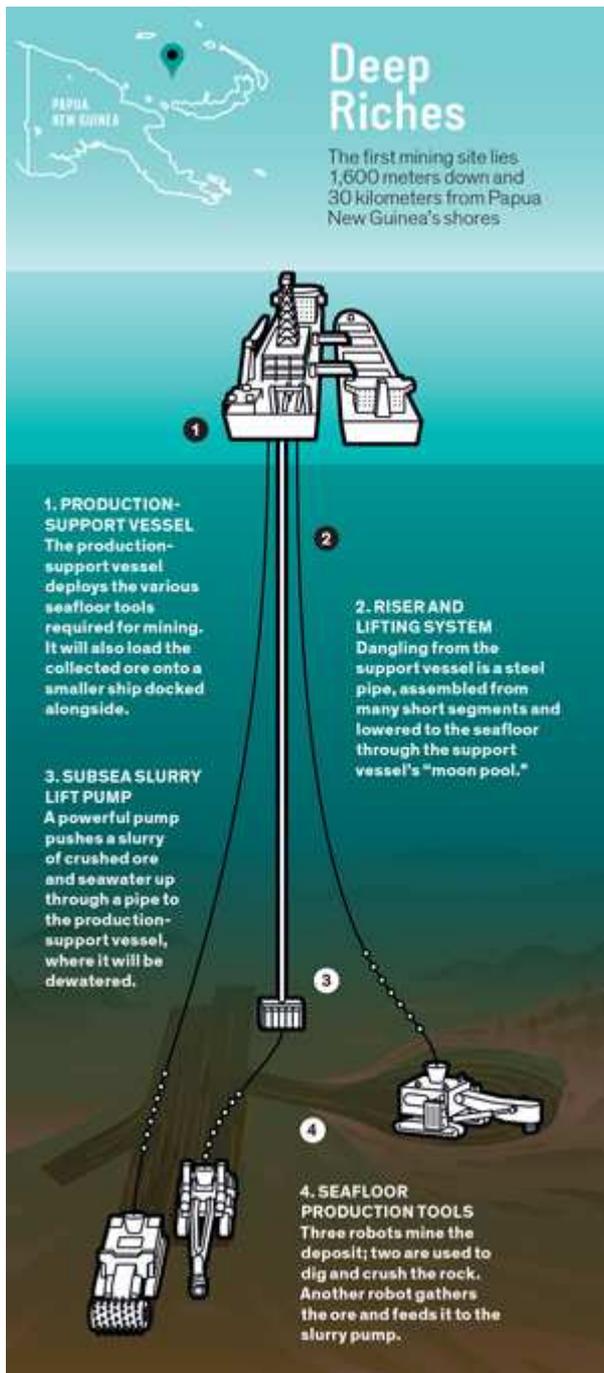


Illustration: James Provost

Competitors are staking out deep-sea mining sites of their own, with much of the development activity focused on rich deposits of polymetallic nodules in a vast region southeast of Hawaii known as the Clarion-Clipperton Fracture Zone. The potato-size nodules, found in waters more than 4 km deep, contain manganese along with nickel, cobalt, and other metals. But some marine biologists warn that deep-sea mining interests are outpacing the readiness of scientists and governments to assess and manage the environmental impact. Verena Tunnicliffe, a specialist in deep-sea vent ecosystems at the University of Victoria, in British Columbia, Canada, says robo-miners will strip away deep-sea ecosystems that are as unique as they are poorly understood. Johnston points out that Nautilus is taking pains to study these ecosystems and will protect them to the extent possible. A refuge zone within the leased area, for example, will provide a source of local fauna for recolonization of the company's deep-sea strip mine.

Tunnicliffe worries that this vision for recolonization could prove wildly optimistic: "The habitat is going to be pulverized, and the energy flow of the system will be completely altered. I do not believe recolonization of these types of populations is going to happen." Other marine biologists are more sanguine, however. With luck, the mining will prove no more devastating to these vent communities over the long term than the frequent earthquakes and outpourings of lava that these amazing deep-sea creatures are somehow able to survive. *This article originally appeared in print as "Robot Miners of the Briny Deep."*

Environmental impacts with Tolukuma Gold Mine

By GLORIA BAUAI, Post-Courier, December 22, 2015



The environmental impact issues with Tolukuma Gold Mine will not dissolve easily even after eight years since hitting the spotlight in 2007. Pathologist Dr Sylvester Kotapu is questioning why recommendations from his survey released in March 2007 have not been implemented to date. Dr Kotapu had carried out a survey in 2006 at the request of the Central Provincial Government following reports of unusual illnesses in villages along the Angabanga River. Confirming suspicions, the study found higher levels of very dangerous chemicals significant to mining activities, which according to preceding studies, the mine was continuously discharging into the river since beginning of operations in 1996. According to OXFAM in 2004, who also sponsored some studies including the one by Environmental scientist Dr Alan Tingay: "The Angabanga River water is no longer fit to drink, at least 50 people have died from "mysterious" sicknesses, fish have disappeared from some places, mine workers are intimidated from joining trade unions, and effluent polluted with mercury, arsenic and other toxins is dumped in the river to save on treatment costs."

At that time, the mine was owned by South African RDP and managed by the Australian based Emperor Mines, who preferred Riverine Tailings Disposal (RTD) despite the method being outlawed and considered environmentally unfriendly and socially irresponsible. However, the foreign company blamed the mystery deaths on poor sanitation, respiratory sickness and other common diseases, while the claims of environmental pollution were also largely rejected. A year after this revelation of dangerous levels of multiple chemicals in human blood, TGM was given to state-owned Petromin PNG Holdings without publicly declaring any purchase amount. The then managing director and CEO of Petromin Joshua Kalinoe commissioned an independent scientific study in June 2008. Lead by Professor Tukatau Taufu, this study was aimed at validating Dr Kotapu's findings. Eight years after, Dr Kotapu argues that even though results of the counter study were compiled in August 2008, no appropriate action has taken place since. He says these findings were kept secretive until December 2 this year, on the day of completion of the resale of TGM to the new owner, Asidokona Resources Limited PTE.

He notes while Prof Taufua's study found a Kairuku village of Oreke with the worst Mercury levels in humans, the report also stated when comparing with a 2003 chemical study results, chemicals are now increasing from then normal levels, therefore implying reasons of recent past (few years) taking place upstream that explains the source of the observed different chemical species. "As long as now the counter study report titled An Independent Medical Water Quality and Hydrographic Survey of Mekeo (Angabanga River Area/Goilala Village, Central Province, Papua New Guinea (PNG) June, 2008 fully supports the persistence of high Mercury and Lead in human blood and hair, confirming the 2006 report the recommendations needed to have been implemented from 2008," stressed Dr Kotapu.

He further notes only after Peter Isoaimo, member for Kairuku Hiri, this year persistently on all Parliament Meetings raised the issue of chemical poisoning of his people and the disruption to the rural livelihood arising from the Environment degradation, the mine went up for sale again. "This shifty business and persistent cover up must stop; the Emperor Mines, PNG Government and any other potential owners on the wait list needs to start accepting the facts of the studies. "For now the real question is why did Petromin and even the Emperor Mines neglect the findings and recommendations of their own study since 2008 – a period of 7-8 years and even with that prior knowledge of unattended environmental health liabilities, swiftly concluded with yet again a sales process? "It is my utmost recommendation that quite urgently the constructive recommendations of both studies be considered and implemented before more innocent lives are affected, as now this situation appears to be a well-preserved and protected process of genocide on the Fuyuge, Kuni, Mekeos and the Roro speaking people along the Auga-Angabanga River."

Indonesia's Speaker Resigns Over Papua Mine Extortion Allegations

Novanto reportedly tried to get \$4 billion stake in Freeport McMoran

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 18, 2015) – The speaker of Indonesia's Parliament has resigned after allegedly seeking to extort a US\$4 billion stake in the operations of mining company Freeport McMoran in Papua province. Setya Novanto quit as a parliamentary ethics committee was investigating his case which centred on a recording of secret talks related to ongoing negotiations over the extension of Freeport's current contract. In the audio recording Novanto appears to be attempting to extort a 20 per cent stake from the gold and copper miner's Papua operations.

Novanto has admitted to being the recorded voice which references his closeness to Indonesian President Joko Widodo and another top minister with regards to approving a new mine contract. He resigned his post hours before the committee recommended his removal. However the disgraced lawmaker, who remains an MP for the time being, has claimed that he was just joking about Freeport cutting him in on a share of the deal.

Negotiations intensify

The scandal comes as negotiations over the extension of the lucrative mine contract intensify. Normally under Indonesian law, negotiations over contract renewal don't start until two years before contract expiry. But in a sign of the importance of the revenues from the Papua mine to its state coffers, Indonesia has gone to early negotiations with the American-based miner. Freeport's Grasberg mine complex has the world's largest gold mine and third-largest copper mine - the Indonesian unit of Freeport McMoran is the country's biggest taxpayer. However relations between the company and Jakarta have been rocky are being tested by the contract extension.

A petition has been mounted by Energy think-tank Indonesia Resources Studies, calling on the government to disapprove of the extension and take control of the mine through a consortium of region

and state-owned enterprises. The petition argues that, as the "owner" of the mineral resources, Indonesia should receive a greater portion of the profit and greater benefits than the contractor. The petition also demands that Freeport pay compensation for the environmental damage caused by its mine.

Papuan interests

Amid soaring interest in the corruption scandal engulfing the Freeport negotiations, there's been little media attention in Indonesia to West Papuan customary land ownership of the Freeport mine region. The Governor of Papua province, Lukas Enembe, recently demanded that Freeport release some control of the mine area, grant Papua a share of the operations and commit to meaningful development contributions. He said that despite the valuable Grasberg mine being gifted to the US company by Indonesia without Papuan consent and even before Papua was formally part of Indonesia, the company has done very little for the benefit of Papuans.

"Our point is that if they don't have commitments to develop Papua then there's no point in them being here," said the Governor. "We want the share that's been divested to be shared among these surrounding regencies." The Papua provincial government earlier indicated it would push to get a ten percent stake in the Indonesian component of Freeport. Governor Enembe told RNZI that Mimika regency has sued Freeport over the traditional ownership of the land because the company hasn't paid anything to the local community for use, and destruction, of its environment.

Low-cost LNG drives InterOil

The National, December 18th, 2015

By ERIC BALARIA

PAPUA New Guinea's emergence as a low-cost liquefied natural gas producer is a key growth driver for InterOil, an executive says. Vice-president (Exploration) Saxon Palmer said the company had seen growth over the years which had added to the commercial attractiveness of its businesses. "We sold 40 per cent of PRL15, which contains the Elk-Antelope field, in our deal with Total of France last year. This field is now under appraisal and development for Papua New Guinea's second major LNG project," Palmer said. "While this obviously is a key growth driver for InterOil's business, the emergence of Papua New Guinea as one of the world's low-cost LNG producers is another key growth driver.

"With two LNG facilities – one under way and one under development – PNG may have sufficient infrastructure to monetise other gas found in the country, and this is an important point because some gas fields around the world remain stranded because they do not have infrastructure or market." Palmer, highlighting Inter-Oil's discoveries during the year, said Bobcat, Triceratops and Raptor had potential. "From a technical perspective, this could be enough gas to support two LNG trains," he said.

Bougainville factions meet to reconcile

The National, December 17th, 2015

FOR the first time after 23 years, the ex-combatants of Kieta and Siwai in the Autonomous Region of Bougainville openly shared their grievances and apologised for the atrocities during the Bougainville crisis. More than 2000 people gathered on Dec 4 to hear firsthand information about the disappearance of the 10 persons and prominent leaders of 1992. The meeting lasted three hours. The late Anthony Anugu and seven other Siwai leaders were kidnapped during what would be known as the Siwai crisis. Five of the hostages (Anthony Anugu, former member of the PNG Parliament for

South Bougainville; Benjamin Kirape, former deputy administrator; Joe Rangai, private accountant; Michael Pareu and Joe Mo'otung both youth leaders) were killed at Panguna while the other two were killed somewhere in Siwai.

Since the disappearance of the leaders, ill feelings and hatred continued between the Panguna and Siwai people. The two factions – the ex-combatants, (formerly Bougainville Revolutionary Army), and veterans (former Resistance fighters) from Siwai and Kieta and the families of the Siwai missing persons – gathered at Upakori in Siwai to pour out their anguish, bitterness, demands and seek forgiveness for the pain caused during the Siwai crisis. The singsingketu ceremony brought together Chris Uma and 30 ex-combatants from Wakunai, Kieta and Visai and other accomplices from Siwai and the families of the missing persons.

New Caledonia Authorized More Nickel Exports To Japan, Australia

Industry expected to lose \$1 billion this year

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 17, 2015) – The New Caledonian government has authorised the company MKM to export low-grade nickel ore to Japan and Australia. Noumea's daily newspaper says the decision to supply Japan's Pamco company was approved with a slim majority while a plan to ship ore to Queensland Nickel in Australia had unanimous support. Two months ago, the government authorised MKM to start exporting low-grade nickel ore to China. The deal to sell ore to Queensland Nickel comes amid concern that the Australian company may cease operations. Politicians in Noumea fear that industry-wide losses will this year exceed one billion US dollars, with setbacks affecting not only the territory's three smelters but also subcontractors.

PNG's Western Province Still Suffering From El Niño Drought

Fresh water shortages biggest immediate problem, wells are dry

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Dec. 17, 2015) – Western Province has been hit hard by the effects of the El Niño, with most of the rivers and lakes drying up. While services like education, businesses and the Ok Tedi Mining Limited (OTML) operations have been affected in this major dry spell, quality health services are still being delivered to the areas that have been hit hard. The Community Mine Continuation Agreement (CMCA) Middle and South Fly Health Program (CMSFHP) and the North Fly Health Services Development Program (NFHSDP) are still in full operation, delivering vital health services to the people. The NFHSDP is funded by OTML and the CMSFHP funded through Ok Tedi Development Foundation (OTDF). Both are managed by OTDF and implemented by Abt JTA.

The programs partner with health service providers in the province, such as Evangelical Church of PNG, Catholic Health Services and Government health services. In coordination with partners, the programs are sending health patrol teams to villages in North Fly and to CMCA villages in the Middle and South Fly Districts to carry out clinical attachments, immunization and family planning clinics. Most program staff out in the field say water shortage in communities is the biggest problem as majority of water wells and supplied water have dried up. "The lakes and rivers have dried up and what used to be a two hour boat trip is now a six to eight hours trip. In some areas we have to walk for hours to reach the health facilities," explains CMSFHP Health Promotion Officer, Cyril Yama.

"Safe drinking water is the biggest issue at the moment. The well water is dry or really muddy and we are continuously supplying tablets for purifying water and teaching people how to make water

drinkable," says CMSFHP Primary Health Care team leader, Freda Pake. Timothy Martin, a Community Health Worker with the NFHSDP, has been working at Membok Health Centre on clinical attachment. "People are doing it tough down there, water has run out and it will get tougher as the dry spell continues into the New Year. We are doing all we can as health professionals to deliver essential and much needed health care to these people," Martin expressed. The risks of dehydration and disease outbreaks are high during such environmental disasters.

More Chinese firms want to invest in PNG: Envoy

The National, December 16th, 2015

By ERIC BALARIA

MORE companies in China are interested in investing in the resources and extractive industries in Papua New Guinea, according to Chinese Ambassador Ruiyou Li. He said this was shown in the inclusion of two big Chinese firms during the year. "The Zijin Company has already made investments in the Porgera gold mine. They bought 50 per cent of Barrick's stake in the mine, and they are progressing in its development," he said. "Another example is the Guandong Rising Access Management which took over from PanAust as the operator of the Frieda River project. "And they too are planning to invest heavily here. We also have the China National Offshore Oil Corporation which will begin oil well exploration in Southern Highlands in the first half of next year. "There is more interest coming in and I think these are opportunities for enhanced cooperation between our countries. "Opportunities not only in the extractive industries but in other sectors as well." He said Chinese firms were looking for opportunities to partner with foreign companies to bring in more development as part of the Chinese government's policy. "This tripartite partnership will benefit all parties including the receiving country."

Nautilus Minerals Signs Deal To Sell Ore From Undersea Mining

Operation to mine PNG's Bismarck seafloor

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 16, 2015) – Nautilus Minerals says it has signed a deal to sell ore from the undersea deposits it intends mining in Papua New Guinea's Bismarck Sea. It says China's Tongling Nonferrous Metals group will take some of the output from what would be the world's first ocean floor mine, its Solwara 1 deposit. Under the agreement, Tongling will buy copper, gold and silver, with the first delivery expected in the first half of 2018. Nautilus' chief executive Mike Johnston says Tongling will also build parts of the operation which will employ new technology.

Desperately seeking legitimacy: Reducing the social impacts of extractives in PNG

Charles Roche, Mineral Policy Institute, December 15, 2015, first appeared in the Mining Monitor, Vol.5. 2015

The people of Papua New Guinea have a complex and varied relationship with the predominantly transnational extractive industry in PNG. At a national scale, the industry is as famous for its highs, with the wealth generated by extractives evident in Port Moresby, and for its lows, evidenced by mining related disasters at Panguna and Ok Tedi to name just two. At a more local scale, extractives bring positives in the form of benefits, opportunities and infrastructure balanced against the negatives of environmental harm, social and cultural fragmentation, entrenched gender discrimination and loss of agency. While this tale of impact and benefit at local and national scales raises many questions, this article, responding to a recent book chapter, responds to just one – how well do we monitor, evaluate and ameliorate the impacts from mining?

This is not a new question. Twenty years ago a National Resources Institute (1996) report into the social impacts of mining, based on fieldwork at Misima, Porgera, Ok Tedi and Lihir, found a number of common impacts. These included: (1) resource scarcity and over population; (2) influx of outsiders; (3) breakdown of law and order; (4) unequal distribution of income; (5) subordination of women; (6) power struggles with community; and (7) project dependency syndrome. Though not wholly or solely attributed to the extractive industries, this early identification certainly demonstrates a long-term awareness of and acknowledged responsibility to identify, measure and overcome these impacts.

Nor is it a stale question, with the UNDP (2014) noting the ‘historically under-resourced’ Department of Conservation, which left environmental governance in the hands of mining companies. The assessment of monitoring of social impacts is even worse. For example, the UNDP (2014) reports that: “...SIAs and subsequent social monitoring programmes are typically the poor cousins of the EIA process, and are rarely able to deal with social and political complexity associated with the mines.” (p.66) These failings leaves PNG with only what can only be described as poor governance of environmental and social impacts especially in relation to reporting and data transparency.



This awareness of the importance of responding to social impacts was reinforced by the Asia/Pacific workshop on Managing the Social Impacts of Mining, also in 1996. There, Cook-Clarke (1996) outlined the centrality and importance of community information (data), which would identify and track positive and negative impacts from mining related socio-cultural issues. Cook-Clarke identified three distinct uses of the data; (1) impacts to be identified, defined and assessed, (2) development of mitigation plans, and (3) to inform negotiations between parties. Though in asking who acquires the data – a question which could also be extended to who owns, holds and uses the data – we need to understand that there are different perspectives and reasons for acquiring community data, whether it be for government, community or company purposes. What was already understood in 1996 was that the data collection needed to be transparent and allow for the substantive input of all parties (I would emphasise communities). This would allow the information to be used by communities to make informed decisions and maintain control over development decisions affecting, more than any other group, their own future.

The same seminar also identified a number of additional and specific impacts from the mine on Misima, which shares a matrilineal culture with Bougainville and Lihir. The impacts included: the disruption of the environment, social organisation and cultural values, unresolved issues of land ac-

cess, and a loss of control by local people over major decisions (Clark & Cook-Clark, 1996). The last of these – ‘loss of control over your own land and future’ – is a direct challenge to and erosion of self-determination; a right that should be defended and upheld by governments and respected by transnational mining companies. At best, in 1996, this could be considered paternalistic colonialism. In 2015, however, such impacts could be more accurately seen and experienced as corporate imperialism. In sum, the identified social impacts represent a potential for significant, massive and long-lasting disruption to local communities affected by the extractive industries. This represents a significant and severe, if not catastrophic risk that should inform decisions and be featured in any environmental and social management or monitoring system.

These reflections and reminders of issues raised twenty years ago set the scene for an examination of Pacheco Cueva’s (2016) book chapter entitled *From transnational trends to local practices: Monitoring social impacts in a Papua New Guinea mining community*. While accompanied by a range of very interesting chapters focusing on the impacts of transnational capital, it is the only mining focused article in the aptly titled *Globalisation and Transnational Capitalism in Asia and Oceania* (Sprague, 2016). The article explores the impact of transnationalism on social monitoring through a Lihir Island case study, identifying many related issues to those outlined above. Pacheco Cueva starts by identifying three main functions that socio-economic monitoring fulfils for mining compliance; (1) comply with legislation, (2) to demonstrate the project is globally competitive, and (3) to legitimise the existence of the mining project. Limited by size and concerned about the applicability of competitiveness as a positive driver of better socio-economic monitoring in PNG, the following discussion will focus on two of these, legislative requirements and legitimacy.

In a short history of mining in PNG, Pacheco Cueva reminds us of some of the past crimes, excesses and impacts of the mining industry, and the disjunct between the potential benefits from extractive industries and PNG’s Human Development Index ranking of 156. He then outlines the regulatory requirements under the Mining Act which requires a ‘development forum’ to be convened to address land holder issues, including a system of monitoring and evaluating social impacts, as well as the requirement by DEC for proponents to produce a social impact statement (SIA). Clearly the structure is there, though its implementation is flawed, with Pacheco Cueva describing a situation where “(d)espite the development of a more complex legislative framework for mining and increased knowledge about the social impacts by the industry, many communities continue to be adversely affected by resource extraction in PNG” (p.231). This is followed by a discussion of the effect of global trends, which depicts PNG with a neo-liberalised regulatory regime consisting of uneven development and few local linkages between the extractive industry and local communities, thus rendering PNG politics and economy dominated by transnational companies.

From this base, Pacheco Cueva brings a different perspective to the examination of the social impacts from the extractive industry in PNG, grounded in his work on Lihir Island from 2010-12. During that time Pacheco Cueva was employed by the Centre for Social Responsibility in Mining (CSR) at the University of Queensland (UQ) which had been providing research support for Newcrest’s impact monitoring program since 2007. Pacheco Cueva worked with the company’s Assurance and Impact Monitoring (AIM) section to undertake an economic study which analysed the flow of funds from Newcrest to the local economy. This research also involved conducting interviews to gather data on employment, household consumption, expenditure patterns, entrepreneurial behaviours and informal economic activities. The focus of Pacheco Cueva’s article is not on the data collected, however, but on the collection, use and distribution of the data.

Having already told us that Newcrest “...despite the fact that it possesses, arguably, the largest repository of local socio-economic information about the community in which it operates, makes very selective choices about the type of information it releases to the public” (p.234), Pacheco Cueva then sets out the numerous issues that undermine the purpose and intent of social impact moni-

ring and management. Though too many to discuss here, some of the key issues identified include: (1) Newcrest's focus on reducing risk and tensions while securing legitimacy for the project – an approach echoed by Australia's Export Finance Insurance Corporation (EFIC) (2) the defacto status of Newcrest's AIM section as a statistical agency; (3) the lack of access to and transparency of the data; (4) comparative resources asymmetry, with the community not having the resources to analyse or maintain data leading to further information asymmetries; and (5) the weak government presence on Lihir.



Pacheco Cueva is not alone in these observations. Asymmetries in power, information and resources underlie almost every mining venture. This leaves experienced capital-intensive and politically influential enterprises interacting and negotiating with inexperienced, predominantly subsistence based communities often alienated from the regional or national polity. In short, transnational extractives operate in a state of inequity that produces ongoing tensions and sub-standard outcomes that cannot be defended from either an ethical or efficiency perspective. Nevertheless, this is the basis for most, if not all multinational operations in PNG, including Lihir, despite the communities' ability to challenge and even temporarily shutdown mining operations.

Of most relevance to the discussion above and Newcrest's ongoing operations at Lihir and in Morobe, however, are those relating to control over data collection, storage, analysis, use and distribution. This is a situation where "...as a result of different roles between the company as data manager and other stakeholders as data users, the data generated by the company is much more in line with the company's conception of development in Lihir than that of landowners' and/or the government, even if the data fulfils the IBP agreement" [Integrated Benefits Package – the mandated company-community agreement]. Pacheco Cueva describes the Lihir data as biased, which he regards as common practice in the PNG mining industry and beyond. Returning to Cook-Clarke's three uses of social data, helps perpetuate asymmetries of power and knowledge and undermines community control and self-determination.

Perhaps of equal interest to Pacheco Cueva, is the impact this corporate dominated culture has on the future of Lihir. Certainly the mining operations have contributed to a limited and declining state presence on Lihir, leaving communities more distant from the State than ever. This encourages the increasingly capitalist based Lihir communities to look to the company for solutions, effectively

making Newcrest a surrogate State. A situation which rather than delivering power to the company generates further and ongoing social claims against them, creating the tension and risks they sought to avoid by tight control of social monitoring and management.

Finally, Pacheco Cueva describes a shift in corporate social monitoring objectives overtime, from regulatory compliance to risk reduction and the seeking of legitimacy. This evolution, however, doesn't change the constant difference in motivation and development aims between communities, State and company. These differences become critical to the outcomes on Lihir and elsewhere in the extractive industry, where the obsession with corporate control over data undermines the very benefits sought through legislative requirements and even the corporate quest for legitimacy. This presents a depressing picture of the approach to monitoring of impacts on Lihir; made all the worse when compared with Cook-Clarke's observations in 1996. If this is indicative of a transnational trend as Pacheco Cueva suggests, then it seems the industry needs a new approach, with motives that align with community rather than corporate interests. Only by prioritising local community interests in the social monitoring process will Newcrest and other companies secure the legitimacy they require to operate.

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Fiji villages oppose mining

Serafina Silaitoga, The Fiji Times, December 12, 2015

THE proposed bauxite mining in the district of Wainunu has not been accepted by majority of the villagers because its monetary value of four cents per kilogram was much less than dalo and yaqona. This was revealed yesterday by the Bua Urban Youth Network after a team conducted a survey in six villages interviewing traditional leaders, children, youths, women and men. The group's spokeswoman, Vani Catanasiga, said out of the seven villages in the district, the group didn't cover Saolo but they had been assured by traditional leaders and villagers that they didn't want bauxite mining. "We based the cost of bauxite per kg from the price published in The Fiji Times earlier with \$US20 (\$F42) a tonne so landowners would be paid four cents a kilogram of bauxite," she said. "Compared to dalo which sells for about \$3 a kg and yaqona between \$25 and \$40 per kg, landowners should not be misled. "And with Wainunu and Nadi districts already booming with its dalo exports, landowners feel this is the way to go and not bauxite."

Another major reason cited by the villagers was the fact that bauxite has been identified in their farms and villages. "For Nadua Village, they have told us that bauxite sits in their village but they are not interested at all in relocating," Ms Catanasiga said. "Bauxite has also been found in their

farms and most of these villagers depend on the food to feed their families and earn an income. "They have also learnt from the Nawailevu saga and these villagers in Wainunu don't want the same to happen to them." Tui Wainunu Ratu Orisi Baleitavea has called on the youths to work with his Wainunu Development Board. "Instead of these youths shooting bullets at us, let them come out to talk to us and we work together on other options for the people of Bua and Wainunu to improve their living standards and alleviate poverty," he said. "In 2012, we approved a mandate at the chiefs meeting in the district to have bauxite mining in Wainunu but like I said before, we will include wider consultation for all villagers."

Environmentalists warn against seabed mining in South Africa

Say marine phosphate mining off SA's shores poses threat to marine ecosystems and commercial fishing. Prinesha Naidoo, Mineweb, 10 December 2015

JOHANNESBURG – South African environmentalists have added to the growing global dissent against seabed mining, calling for a moratorium on exploration related to bulk marine sediment mining in local waters. According to Saul Roux, a legal campaigner at the Centre for Environmental Rights, bulk sediment marine mining is "equivalent to strip mining in the ocean". This, as the process involves using a trailing suction hopper dredger (a ship with powerful suction pumps that run to the seabed) to dredge the seabed up to a depth of about three metres in order to remove marine sediment. This sediment is then transferred to the shore where minerals are extracted before excess sediment and water is released back into the ocean.

Since 2012, the Department of Mineral Resources (DMR) has granted three prospecting rights to Diamond Fields International and Green Flash Trading to use trailing suction hopper dredgers to mine approximately 150 000km² of the Western Cape seabed for phosphates, macro-nutrients used to fertilise agricultural crops. While companies used concerns about food security to motivate for these rights, given South Africa's vast terrestrial reserves Roux believes any phosphates mined in local waters would be for export. "It seems completely irrational, they would essentially be destroying one form of food security on arguments around another," he said, citing threats to the country's commercial fishing industry as well as to communities which rely on fishing for their livelihoods.

According to research by The Safeguard our Seabed Coalition, the country's commercial fisheries directly employs 27 000 people with an additional 100 000 people working in fishery-related enterprises. Bulk marine sediment mining does not fall under Operation Phakisa, through which government aims to "unlock the economic potential of South Africa's ocean" by creating multi-billion rand industries and around 1 million jobs in industries such as marine transport and manufacture, offshore oil and gas, aquaculture and marine protection services. Neither Diamond Fields International nor Green Flash Trading's applications for exploration rights quantified the potential socio-economic impacts of the marine phosphate mining. But the feasibility study of a similar project, proposed in Namibian Waters, stated that 400 to 500 people would be employed, most during the development phase.

As a result of opposition by environmental groups and the country's fishing industry, in September 2013 the Namibian government placed an 18-month moratorium on marine phosphate mining. It also commissioned independent scoping studies and environmental impact assessment research on its maritime zone. While the country has long benefitted from marine diamond mining, in which either hoses or diameter drills are used to bring diamond bearing gravel from the ocean-floor to the surface, opponents argued that bulk marine sediment mining is more disruptive. Writing for the South African Institute of International Affairs, Alex Benkenstein said among the concerns raised was "the release of concentrations of hydrogen sulphide and reduced phosphorous compounds in

sediment, which are toxic and could lead to low oxygen levels in the water. The release of heavy metals from seabed sediments could also lead to these elements being absorbed in the food chain and ultimately impacting fisheries products”.

The Centre for Environmental Rights is hopeful that the Namibian Moratorium could put the DMR under pressure as the Benguela Current Convention, of which South Africa is a signatory, requires the responsible management of shared resources. “As with the moratorium on fracking, government should not proceed with seabed mining, until at the very least, a strategic environmental assessment has been undertaken,” Roux said. The DMR and the Department of International Relations and Cooperation have recently announced plans to develop a seabed mining roadmap. According to Roux, there is no mention of seabed mining in the draft Mineral and Petroleum Resources Development Act, “The DMR has no capacity for monitoring seabed mining. The cumulative impact of an unregulated industry would be disastrous”.

Thus far only one country, Papua New Guinea, appears to have signed-off on commercial seafloor mining in its waters. It has leased an off-shore site called Solwara 1 to Toronto-listed firm Nautilus Minerals, in which Anglo American has a 5.99% stake. According to CNBC, Nautilus plans to begin copper production at the site in the first quarter of 2018. Rights for mining in the high seas are dependent upon the International Seabed Authority, created by the United Nations Convention on the Law of the Sea, which provides the legal framework for the world’s oceans and seas.

Ok Tedi Development Foundation: Officers receive new houses

Post-Courier, December 11, 2015

VITAL health services and infrastructure development are being implemented in Western Province in compliance with Ok Tedi’s Community Mine Continuation Agreement. Provisions of the agreement require funding of major health infrastructure and services by the Ok Tedi Development Foundation in all Western province electorates including Middle and South Fly. Two new staff houses at Bosset and Aiambak were given to the program’s partners by the building contractor, Avenell Engineering Services. Bosset is managed by Catholic health security and its health secretary, Sister Anna Sanginawa, was present to do the inspection and receive the keys to the new staff house. During the handover, the program infrastructure team also installed a solar powered ice pack freezer at the Bosset which is vital for drug storage to improving efficiency in immunisation clinics. The crucial programs are carried out in partnership with existing health service providers like the Catholic and District and Provincial health services in the two districts.

Petromin completes divestment process on Tolukuma

Post-Courier, December 11, 2015

STATE owned Petromin has successfully sold its ownership of Tolukuma Gold Mine to Singaporean Asidokona Mining Resources PTE for K81 million. The transfer of ownership was formalised on December 2 at the mine site, witnessed by company officials from Petromin and Asidokona, Mineral Resources Authority, the Central Provincial Government, chiefs and landowners. A relieved managing director Thomas Abe on Wednesday announced the sale. The cash though is concessionary because Asidokona will also pick up Petromin’s K170 million liabilities comprising accumulated losses made over the last eight years. The downturn in commodity prices had added pressure to this financial burden, forcing Petromin to make the commercial decision to sell Tolukuma. "I am pleased to announce that Petromin has successfully completed the sale of TGM to Asidokona, who will now be the new owner of Tolukuma Gold Mine," Mr Abe announced. He commended Asidokona

for entering the PNG mining sector at this time and thanked them for their commitment and co-operation in completing the transaction successfully.

He said since acquiring the mine in 2008, TGM had accumulated around K170 million losses over the eight years. But he said the sale now releases Petromin of this financial burden. He said despite the challenges Asidokona would be facing due to the nature of the mine operations, there was comfort in that the company already employed a core group of national staff. Mr Abe said they were capable in meeting the challenges in order to turn TGM around for the collective benefit of all stakeholders. The purchase price for TGM includes a non-cash component, which comprises giving 10 per cent of the issued share capital of Asidokona to be given free to the Central Provincial Government and the Tolukuma landowners. Mr Abe said this is the first of its kind offered by a mining company. "The agreement also provides K6 million contributory funding for the construction of a road to provide vehicle access to the village of Tolukuma," he said. Petromin will soon change its name to Kumul Minerals Holdings Ltd on January 1, 2016. Kumul Minerals is the State nominee for all upcoming mining development projects. Despite the sale of Tolukuma, Kumul Minerals plans to become a major player in PNG's mineral sector through partnerships in mineral resource projects.

Australian firm to begin first sand mine

Post-Courier, December 11, 2015

By Gloria Bauai

PAPUA New Guinea's first sand mine is near reality as Australian explorer Foyson Resources Limited moves in to complete its final assessment of the resource. The company will also build a K6.6 million biomass energy power station using bana grass which will be introduced and grown locally over a 70h estate. Bana grass is a high breed species which contains high level texture and material to produce enough heat required for turbine driven generators to produce up to 250kw of electricity. Plans for the mine include the power station to be located next to it. Located about 270km southeast of Port Moresby in the Abau district, Foyson said the resource itself has the potential to be a large iron, titanium and vanadium sand mine. It says the resource boasts a 1.2 per cent concentration vanadium input which is two to three times higher than in comparable projects. The company holds a 100 per cent stake in the sand project which the Government has judged to be a key project in the next stage of PNG's resource development.

Also given the final nod on its commercial value, Foyson stands to be the first as an explorer and a developer of any given mineable resource. The company has a junior Philippines based shareholder. Locally the company has already made inroads within the surrounding communities led by chairman and former Abau MP Kilroy Genia. A company representative Garry Ohlson, recently met with the Margarida community to highlight plans for the mine and the first energy plant for the region. With Mr Genia, the party spent the weekend speaking to over 400 people in which Mr Ohlson described as most rewarding. "We presented to the community and landowners from the zones in Amazon Bay the plans and how we are moving forward. The first steps are to establish a biomass energy power station with locally grown bana grass as the feed stock. "From our weekend meeting, we have secured an ex rubber plantation of 70h which we will evaluate," he said. Mr Ohlson said 25h of cultivated land is needed to grow the bana feed stock and will accommodate the required capacity once final evaluation is completed.

Fiji chief warns about mining damage

Radio New Zealand, 10 December 2015

A Fiji chief says everything must be done to ensure that the Nawailevu Mining Project is never repeated in any part of Fiji. Bua chief Adi Filomena Ralogaivau-Tagivetaua made the comments while launching Oxfam's guide to Free, Prior and Informed Consent in Suva this week. Adi Filomena was part of a team that undertook a scoping survey in Nawailevu village in 2012 and says the findings were heartbreaking. She says the mining was in its second year and the villagers knew nothing of the consequences. She says their resources, soil, and land were being taken away from them and there was nothing they could do about it. The Chinese company Aurum Exploration Limited recently completed mining at a site in Nawailevu, which produced almost 1 million tonnes of bauxite.

PNG Government Includes Landowners In Major Developments

Provincial government, landowners to get 30% of dividends

By Helen Tarawa

PORT MORESBY, Papua New Guinea (The National, Dec. 10, 2015) – The Government plans to involve landowners and provincial governments in major projects so that they benefit from them, a Cabinet minister says. Public Enterprises and State Investments Minister Ben Micah revealed that while launching the K2 billion [US\$658 million] Ramu Two hydro-power project in Kainantu, Eastern Highlands. "At the moment we've already set a benchmark in Ok Tedi by giving the provincial government and landowners 30 per cent dividend of the project," he said. "The same will now apply to all other resource projects and I believe Cabinet will see no difference (with Ramu Two)." Micah said a policy on the participation of landowners and provincial governments in projects had been approved by Cabinet. He will table it in Parliament in March.

The 30 per cent landowner share is "free carrier" – meaning it will be transferred to them free so that they can start making dividends. "We will work out the split between the provincial government and the landowners. "That 30 per cent is for Morobe and Eastern Highlands – all the landowners of the impacted areas," he said. "For a project of this scale (300 megawatts), you are talking about a big dividend, big revenue flow." Micah said the announcement for the tender process for the project would be made soon by Kumul Consolidated Holdings. "Those who tender must be able to prove their capability to construct, finance and operate it and transfer it after a certain period of time," he said. "It may take four to five years to commission it or it could be earlier depends on the construction. It's not building another dam. It's a spillway from the existing flow of the dam and constructing the generating facilities."

Deal sees Chinese firms merging

The National, December 10th, 2015

MINMETALS Corp, the Chinese state-owned miner, will take over Metallurgical Corp of China, the struggling infrastructure and mining construction group in a deal orchestrated by the state. The agency which oversees big state companies said on Tuesday Beijing had been attempting to increase its companies' international competitiveness by forcing mergers, including the high-profile \$26bn (K77bn) union of its two railway construction groups a year ago. No value was given for the Minmetals-MCC tie-up in the terse statement by Assets Supervision and Administration Commission. Minmetals, originally a metals trading company which helped China survive a US trade embargo in the 1950s, has become one of the country's strongest mining groups with extensive holdings

overseas, including the Las Bambas copper mine in Peru.

MCC by contrast has encountered a series of misadventures in its overseas projects, ranging from the Ramu nickel mine in Papua New Guinea to its role in the A\$8bn (K23.8bn) cost overrun at Citic's Sino-Iron mine in Australia's Pilbara region. The merger takes place against a backdrop of falling commodity prices that have hit many Chinese metal groups hard. Sinosteel, Minmetals' main steel trading rival, technically defaulted on a bond in October. Chinalco, another top Chinese metals producer struggling with poor margins, may have to absorb loss making aluminium smelters shed by China Power International in another Sasac-orchestrated merger. – Financial Times

Compensation process for rape victims at Porgera mine in Papua New Guinea 'deeply flawed', researchers say

ABC Radio Australia, 9 December 2015

A US study finds the process for compensating women who have been raped by security guards at Papua New Guinea's Porgera gold mine is "deeply flawed and insulting".



The report's authors have investigated abuse allegations at the Porgera mine since 2006. (Credit: ABC licensed)

US researchers say the process for compensating women who have been raped by security guards at Papua New Guinea's Porgera gold mine is "deeply flawed and insulting". Experts from the Columbia and Harvard Law Schools in the United States conducted a three-year investigation into the system established by Barrick Gold, the owners of the Porgera mine, to directly remedy sexual assaults by its staff. Sarah Knuckey, a co-author of the report, said most of the victims are unhappy with the reparation process put in place by the Canadian mining firm. "Despite the efforts of the company, the ultimate result was deeply flawed," Ms Knuckey told Pacific Beat. "The process didn't centre the victims sufficiently throughout the process. "There were at least 120 women who have submitted claims to this remedy mechanism ... most of them find that the process is deeply insulting to them." Allegations of brutality have long swirled around the Porgera mine in Enga Province, even before Barrick acquired it in 2006. The allegations came to a head in 2011 when [a Human Rights Watch report documented six alleged cases of gang rape by the mine's security guards](#).

In response, Barrick set up what it called a "remedial framework" to handle claims made by the victims. Most women were offered less than \$8,300 each in compensation, the report said, as well as counselling and healthcare. Ms Knuckey said 11 women who obtained US-based lawyers reportedly received packages that were 10 times higher than those who used Barrick's process. "The women who received the much smaller remedy feel that the reason they got such a lower remedy is because

they didn't have adequate legal representation through the process," she said. "The process just didn't do enough to address the gross power imbalances between, on the one hand, a group of women who have not had the advantages of education, of lawyers. And on the other, one of the largest gold mining companies in the world." Ms Knuckey called on the Papua New Guinean government to review Barrick's process and set in place guidelines for other similar remedy mechanisms. "Barrick did an internal investigation, and in some cases evidence was referred to police," she said. "However, we haven't been able to find evidence that through this investigation process the perpetrators were put through a court process and convicted. "At the same time there also hasn't been, so far as we can determine, any real investigation from the high levels of the government of PNG into whether the company itself bears any responsibility for the abuses in this case, which are very widespread."



[Photo: Women pan for gold at the Porgera gold mine in Enga Province, Papua New Guinea. \(Emily Allen\)](#)

Simberi gold mine undertakes cost-efficient programmes

The National, December 9th, 2015

ST Barbara, the operator of the Simberi gold mine in New Ireland, has undertaken successful cost reduction programmes – in light of the slumping metal prices – to remain cost-efficient. Company secretary Rowan Cole said in an email from Melbourne to The National that for the 2015 financial year, “St Barbara undertook a successful cost-reduction programme across all aspects of the company, achieving annualised savings of around A\$18 million (K38 million) per annum”. “This, combined with increased production at Simberi, resulted in one of the lowest cost profiles of any Papua New Guinea gold mine,” Cole said. “Simberi generated A\$12 million (K25.5 million) cash contribution in Q1 Sep 2015 in sustaining cost of A\$1252 (K2663) per ounce. “In addition, Simberi production is matched with gold forward contracts at A\$1600 (K3404) per ounce to June 2016.”

He said the guidance for the 2016 financial year was to produce 90,000 to 110,000 ounces at between A\$1275 (K2712) and A\$1400 (K2978) per ounce, relative to Q1 September 2015, when Simberi produced 29,539 ounces at A\$1252 per ounce. He said there was confidence that Simberi gold mine would improve further. “A number of initiatives are underway to increase the overall percentage of ore being delivered through the lower cost ore delivery system with the potential to reduce unit costs,” Cole said. “A major shutdown of the plant was undertaken during the September 2015 quarter with significant changes made to the mill and trommel, which are expected to further increase throughput and reduce operating costs. “A pre-feasibility study on methods to process sulphide ore (which is present under the oxide ore currently being mined, and is currently esti-

mated to contain 1.3 million ounces of gold in ore reserves) is underway with developments to be announced during the year.”

Country needs petro-chemical industry

The National, December 9th, 2015

A PETRO-chemical plant should be quickly built in the country so that there can be other spin-off benefits from the LNG project, Hela Governor Anderson Agiru says. He said LNG should not just be exported to other countries and there should be a homegrown petro-chemical industry. “I see no more challenges in LNG,” Agiru said yesterday. “LNG is delivered overseas, so the only challenge left is to do petro-chemicals. “The biggest petro-chemical industry nation is Kuwait. “Kuwait has always wanted to do a petro-chemical industry development here. “We should tap into it. “The Qataris have been here, the Kuwaitis have been here, the United Arab Emirates have been here. We’ve been doing tonnes and tonnes of talk. We now have to talk less and see more action.” Agiru said a petro-chemical plant should be set up anywhere in the country where it was feasible and not necessarily Hela. “It could be in Manus, or Rabaul, in Lae, in Wewak, in Port Moresby - where there is deep sea and roads, as well as reliable electricity,” he said. “It must be done. “I’m not saying let’s build it in Tari. ’

Workers’ lay-off concerns governor

The National, December 9th, 2015

ANDERSON Agiru has expressed concern at landowners’ company Hides Gas Development Company laying off 400 employees. The company laid off 400 employees from its drilling, construction, maintenance and operations divisions. Agiriru, the Hela governor, said he had supported the company in its infancy stages so that it could develop into a business not only focused on the LNG project but diversified into other areas as well. “It is up to the board and management of Hides Gas Development Company to ensure that they go out and compete for work outside and not just only in the LNG area,” he said. “During the operations stage (of LNG project), there was plenty of work, but work at the LNG plant has now been scaled down. “That’s really the way things are. “I think Hides Gas Development Company should look at diversifying their investments if they’ve made any investments.” He said former ExxonMobil managing-director Peter Graham had said three landowner companies – Hides Gas Development Company, TransWonderland and LABA Holdings – had been paid about K2.7 billion. “If they’d invested this money well, those problems would not have arisen,” Agiru said. “The Hela provincial government will support Hides Gas Development Company if money becomes available to continue working. “Other than that, we can’t give them money that we don’t have.”

Norway moves to destroy another fjord

Friends of the Earth Europe, 8 December 2015

The government of Norway has doomed another of their world famous fjords to destruction by allowing the dumping of toxic waste from a copper mine into the Repparfjord Arctic fjord, reports Naturvernforbundet/Friends of the Earth Norway. Two million tons of the mining waste, containing large amounts of heavy metals, will annually be deposited in spawning waters of cod and other fish stocks important to coastal fisheries in the far north of Norway. Small particles spreading in the water column could also harm the threatened Atlantic salmon in what has been classified as a 'National Salmon Fjord'. Lars Haltbrekken, leader of Friends of the Earth Norway, said: "It is totally unacceptable to use Norwegian fjords as a dump site for the mining industry. Emissions from the copper

mine will breach the limits for heavy metals, and in this cocktail of contaminants, the nickel content is alone enough to give poor chemical status in the fjord." The discharge permit is contrary to national and international environmental legislation regarding water management, and Friends of the Earth Norway will appeal to the Surveillance Authority of the European Free Trade Association (the intergovernmental organisation of Iceland, Liechtenstein, Norway and Switzerland), claiming that Norway is violating the European Water Framework Directive.

Friends of the Earth Norway believes the Norwegian Environment Agency has abandoned the role of professional environmental administrative body in mining matters. Lars Haltbrekken said: "For the Norwegian Environment Agency to give the green light for one of the most environmentally harmful industrial projects in Norwegian history, despite professional advice and warnings, is not environmental management. It is promoting a dirty industrial policy based only on uncertain assumptions about future revenues". Most countries have stopped the practice of dumping of mine waste into the sea, and today, Norway is the only country left that still practices sea dumping in Europe. Marine scientists, environmental organizations, fishermen and reindeer herders of the Sami people have also raised concerns about the plans.

Infographic from Naturvernforbundet/Friends of the Earth Norway (for sharing on social media):



French Mining Firm Eramet Not Quitting New Caledonia

Company disputes claims subsidiary SLN will shutter nickel plant

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 8, 2015) – The French mining concern Eramet has rejected reports that its subsidiary SLN is about to quit New Caledonia. SLN's nickel plant has been the territory's most significant industry and its biggest private sector employer. American banks suggested that SLN was to stop nickel production in Noumea, triggering a sharp Eramet share price drop in Paris and a rise in the price of nickel. But in a formal statement, Eramet says its strategy has been misunderstood and that changes to planned nickel production at SLN are meant to improve the plant's finances. The territory's broadcaster quotes an unnamed expert as saying that the proposed change will increase the plant's output.

Bougainville and BCL talking about Panguna re-opening

Radio New Zealand, 7 December 2015

The Bougainville government has been in discussions with Bougainville Copper Limited about a possible re-opening of the Panguna mine.



Panguna mine. Photo: Wellington Chocolate Factory

The autonomous Papua New Guinea region is set to hold a referendum on independence by 2020 but it has to have a viable economy before Port Moresby will agree to this. The Bougainville president John Momis says returning to mining is the fastest way to achieve this viability and that is why they are talking with BCL, which operated Panguna before it was shut down by the civil war. He says they are more than willing to talk with other parties but will give BCL first right of refusal. "We are ready to engage with Bougainville Copper if they so wish, if they want to come back, and we are also ready for other arrangements if other partners are interested." Mr Momis says a key thought in having BCL back in Panguna is the company would be required to clean up the environmental mess left by its earlier operation at the mine.

OTML resets trading

Post-Courier, December 07, 2015

Ok Tedi Mining Limited (OTML) has announced it is finalising some changes to its operations to ensure it is well-placed to return from the suspension of operations due to the dry weather. This was announced by the company yesterday. The company had stated that a target date for a progressive restart has been set at February/March and subject to weather conditions. It had stated that its workforce would be reduced by 10 per cent and those who remain would be on a fly-in-fly-out basis. It stated that local workers would be offered the option of renting company houses and moving their families into Tabubil and Kiunga to make use of available housing stock. "OTML, like other copper and gold producers worldwide, is experiencing extremely challenging times as metal prices slump to a six year low. Under these circumstances, all options are being reviewed to improve productivity and reduce costs.

It stated that the company's operations remain suspended with several hundred employees performing care, maintenance and security roles and preparing the operations for restart. It said several key projects including replacement of the Main Inlet Valves at the Ok Menga Hydropower Station and processing plant priority maintenance works are nearing completion. Further that work is also underway to assess whether the replacement of a Sag mill shell can be completed in early 2016 avoiding a scheduled partial shutdown for two months in 2017. "The Company continues to monitor the weather forecasts to determine when operations may confidently restart. While some rain has been received recently it is insufficient to allow sustained operations.

Bougainville And Mining Company Discussing Mine Reopening

Viable economy key to independence referendum

WELLINGTON, New Zealand (Radio New Zealand International, December 7, 2015) – The Bougainville government has been in discussions with Bougainville Copper Limited about a possible re-opening of the Panguna mine. The autonomous Papua New Guinea region is set to hold a referendum on independence by 2020 but it has to have a viable economy before Port Moresby will agree to this. The Bougainville president John Momis says returning to mining is the fastest way to achieve this viability and that is why they are talking with BCL, which operated Panguna before it was shut down by the civil war. He says they are more than willing to talk with other parties but will give BCL first right of refusal. "We are ready to engage with Bougainville Copper if they so wish, if they want to come back, and we are also ready for other arrangements if other partners are interested." John Momis says a key thought in having BCL back in Panguna is the company would be required to clean up the environmental mess left by its earlier operation at the mine.

New Rape Allegations Emerge From Canadian Gold Mine in Papua New Guinea

By Hilary Beaumont, Vice News, December 3, 2015

The very same day Harvard and Columbia released a report critical of how the largest gold mining company in the world dealt with rampant rape allegations at its Papua New Guinea mine, three men say the mine's guards forced them at gunpoint to perform sex acts on one another. One of the men alleges he told the officers he was HIV-positive, but they still forced him to have sex with the other two, who now worry they have contracted the disease. Barrick Gold, headquartered in Toronto, disputes that any rapes by its security guards have happened since 2010, saying they have a mechanism of reporting human rights abuses and this is the first report they have received since that year. "With respect to the allegations you have raised, the mine takes any allegations of human rights abuses extremely seriously and has reported the matter to the Independent Observer for further investigation," Barrick Gold spokesperson Andy Lloyd told VICE News in an email.

According to a 2014 Barrick document, the independent observer is charged with oversight and follow up of human rights abuse investigations involving public security at the mine site. Following the alleged events of November 19, the three men reported their stories to Karath Mal Waka, chairman of the Human Rights Inter-Pacific Association, who recorded audio and video of their accounts, and combined them into a joint statement. He then sent the statement to Barrick Gold, prompting the company to investigate. VICE News spoke with Mal Waka and the three complainants over the phone, with Mal Waka translating. In the joint statement, the three complainants, Tandale Wayamu, Paso Was and Wanpis Muli, say they were illegally trespassing in the open pit mine at 6 am on November 19 in search of gold. Barrick guards patrol the mine and its nearby dumps to catch locals who trespass to gather gold. That's where more than 130 locals — mostly women and children — say guards caught and raped them.

Related: [Raped by Canadian Gold Mine Guards, These Women Are Looking for Justice](#)

While the three men were trespassing, they allege nine armed men, including two police officers and three Papua New Guinea Defense Force (PNGDF) members, chased and arrested them. They told VICE News the guards were carrying AR-15s and M-16s. "The combined force came and attacked us," the statement reads. "They used their gun barrels and iron rods and hit all of us as hard as they could." The guards then led them to a 10-seat car, they allege. "The PNGDF were singing and were making fun at us and they also hit us inside the car," the statement reads. "They were forking our bodies with a sharp iron rod." One of the complainants, Muli, said, "they used the iron rod and pushed it into my anus, twice." Instead of taking the complainants to the detention center, the gua-

rds took them toward one of the mine's dumping sites "near a dirty pool with muddy waters." The statement alleges the guards forced the complainants to undress, and perform oral sex on each other. While they were doing this, they allege, "[the guards] brought their mobile cameras very close to us and took pictures." They told VICE News they remembered seeing the guards holding five phones to take photos.

After that, the men allege, they were forced to have anal sex. "Paso Was is a well-known victim of HIV [and] AIDS [and he] was forced to have sex with both of us at heavy gun point." Paso told the officers about his illness, "but they insisted and forced Paso to have sex with the two of us," the statement says. According to a medical report from Tandale Wayamu (spelled Weamu on the document), a physician examined the complainant 12 days later on December 2 and "oral and anal examinations revealed nothing significant related to the incident." The physician found "several bruises and tenderness" in his left knee, which Wayamu said was due to the PNGDF beating. The physician tested him for HIV but found him "not reactive (negative)," which means no HIV antibodies were detected in his blood at the time. The report said he will be tested again in three months. VICE News is awaiting medical reports from the other two men. The three men have testified in a Papua New Guinea court twice — on November 23 and 24, however their allegations remain unproven in any court of law.

It isn't the first time reports like this one have emerged about Barrick's guards. According to the Harvard-Columbia report, for years women living near the mine accused the company's guards of sexually assaulting them, in the words of Columbia human rights lawyer Sarah Knuckey, "in some of the most vicious assaults I've investigated anywhere in the world." At first the company ignored their concerns, but in 2010 the company started an internal investigation, and in 2012, Barrick created a compensation mechanism for sexual abuses by its employees. Through this process Barrick compensated 120 women who said they were raped by the mine's security. The company also fired approximately a dozen guards, Barrick spokesperson Lloyd said.

Eleven other women rejected the mechanism, instead opting for legal representation. According to the Harvard-Columbia report, they received compensation up to 10 times higher than the payments offered to the other 120 women. Earlier this year, the report states, "Barrick offered each of the 120 women an additional payment, but taken together, the initial packages and additional payment remains significantly less than the international settlement." The 120 women are now fighting for further compensation. The three men who reported they were forced to have sex with each other told VICE News they also want compensation from the company. In November, VICE News interviewed a group of 20 women over the phone from Porgera, Papua New Guinea who had been compensated for sexual assaults. One of the women said: "Rapes, killing, illegal mining activities are still going on. They haven't done anything to stop it."

Kondra: Make use of resource boom in Western province

The National, December 2nd, 2015

NORTH Fly MP Boka Kondra has challenged his people in Kiunga to be business-oriented and tap into opportunities created by the resource boom in the district. Kondra, currently being suspended because of fraud-related allegations, was in Kiunga during the swearing in of the North Fly District Development Authority board members. "More development will come," Kondra told the board. "We have the second LNG (liquefied natural gas) and OK Tedi, so there is all the development happening in our district." He urged people to start up businesses and stop relying on foreigners. "Please think about what and how you can tap into business opportunities.

“Every time I go to all these place, I see Chinese. So let us start doing business. “This is the kind of spirit that I want all of you to have. “Let us not sit and watch these opportunities pass.” He said education was the key to achieving wealth. Kondra said since some people were not educated, resource developers were reaping the benefits from the resources. He said it was time for locals to step up and start doing something on their own land. He urged the people to form business societies for their businesses. Kondra said locals in the district should collectively tap into business opportunities provided by Stanely Gas, P’nyang, Elevala, Umbuntu and Ketu oil fields in North Fly.

Firm finds gold, copper site

The National, December 2nd, 2015

HARMONY Gold Mining Company Limited has identified a copper and gold prospect in Hela. The company said the Kili Teke prospective site had a resource of 1.2 million ounces of gold, 506,000 tonnes of copper and 22,000 tonnes of molybdenum. Chief executive officer Graham Briggs said the inferred mineral resource estimate for Kili Teke of four million ounces of gold equivalent was a positive development. “Additional significant drill intercepts have already been obtained at depth below and along strike,” he said. “The declaration of a maiden resource is step one in growing a magnificent resource base – which is wholly owned by Harmony.

“Our exploration discovery cost is less than US\$10 (K28) per gold ounce equivalent – one of the lowest world-wide. “We are thrilled at the prospect of turning Kili Teke into a major new deposit, further enhancing the value of our world class copper-gold portfolio in PNG.” The inferred mineral resource has been defined over a zone 600m long, 300m wide and 400m deep. An inferred mineral resource is a deposit which had been sampled usually by drilling to a point at which an estimate of its grade and tonnage is made with low confidence. The company said at this stage, the resource was constrained by the drill density and limits of the drill pattern. Harmony Gold owns 100 per cent of the exploration license.

Uncertainty Surrounds Future Of New Caledonia Nickel Plant

Vale considers whether to pull out of Goro

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 2, 2015) – There are conflicting reports about the immediate future of the seven-billion US dollar Vale nickel plant at Goro in New Caledonia. The plant's owner, Vale of Brazil, has told Reuters that it expects its plant in Goro to increase nickel production by 50 percent next year. However, a study by the bank Credit Suisse has identified the Goro plant as one of five sites worldwide which are at risk of being mothballed or closed because of the prolonged slump in commodity prices. The study says up to 65,000 tonnes of nickel need to be taken off the market for prices to pick up and because of the high production costs, Vale may opt to shut the New Caledonian plant while keeping the ones it owns in Canada and Brazil.

Call for immediate change to Bougainville mining law

Radio New Zealand, 2 December 2015

An Australian non government organisation and the government in the Papua New Guinea region of Bougainville are still at loggerheads over the merits of the region's new mining laws. The Autonomous Bougainville Government passed the Bougainville Mining Act just before this year's election and says it is ground breaking legislation, giving landowners control of their resources for the first time. Jubilee Australia has been highly critical of the law and in a new report called 'The Devil

in the Detail' has put forward recommendations for changes that it says should be made. Jubilee Australia's chief executive Brynnie Goodwill told Don Wiseman the landowners are left with little bargaining power.

BRYNNIE GOODWILL: Deep analysis of the act is that maybe apparently given with one hand is actually undermined with the other. So for example a lot has been said that if landowners don't want mining it won't happen on their land. Well landowners actually don't have a veto on an exploration license they have very little bargaining power because the institutions that are to be set up are all designed essentially to achieve landowner consent. In the end if the land is desired for mining and the government or the company that wants to mine, wants to mine on that land, mining is considered as being a public purpose which allows the government to take the land anyway.

DON WISEMAN: What you would like to see is an independent capable organisation that can stand up for the landowners.

BG: Yes first and foremost these kinds of agreements or major legislation's should be obtained with free prior informed consent of communities. Especially a legislation of this scope. And communities that would be one way to support communities in their reviewing of legislation like this. To ensure that there is an independent group that can be turned to first in the analysis of this law and making of amendments to ensure that the safeguards are in place and secondly to be available to landowners through the process of its implementation in carrying out.

DW: Right through it you think this ability to veto that supposedly exists for the landowners is extremely weak.

BG: It is not only extremely weak there are very significant penalties were you to oppose mining. For example if anyone if a landowner wants to protest a mining license that has been on their land if they want to have to have it amended and they are not heard interfering with organisations appearing under the act and you know that is essentially protesting draws a penalty of 250 thousand Kina and five years imprisonment.

DW: You have laid out a whole lot of recommendations about the changes necessary. But the ABG, the Autonomous Bougainville Government has said on several occasions that it can be changed there is no problem. Do you see problems in it being changed?

BG: It can be changed if it is changed now, mining is a long haul operation. And actually from the interest with mining companies ironically to get this right. Because I don't think mining companies want to be looking over their back all the time. Yes the changes can be made harder once leases are accepted that their is reliance by companies on particular provisions of the act. That then the government want to say oh but actually we didn't mean that, oh but actually we have to change that. This is the time to make those changes before lease applications are granted.

The president of Bougainville, John Momis, says Jubilee Australia's criticism is untrue and based on faulty research.

JOHN MOMIS: The land owners of Bougainville under the new ABG mining law are the most protected land owners anywhere in the world. No where else you have a legislation that gives them optimum protection. So I don't know where they have culled this opinion from. They conducted a very superficial so called research with selected groups of people who were quite ignorant and who are not interested in opening the mine. If they follow their recommendation there would be no foreign investor allowed in Bougainville. That is not what we want, we want mining but under very stringent conditions that would secure the best interests of the people of Bougainville and make the mining company to pay up for the damage it has caused but at the same time give them a guarantee that their investment would not be at the risk of being taken away by unjust laws. And jubilee Australia has never had the courtesy to talk to us in ABG the initiators of the mining law.

DON WISEMAN: They say that this veto is very weak and effectively will not work as a veto.

JM: That is also nonsensical no where else in the world do you have the land owners having two veto powers, one at the exploration and the other one at the development stage. The landowners would never allow any mining to proceed without their consent. And the land owners associations were individually set up by the landowners themselves.

DW: Jubilee Australia has suggested that to overcome a series of matters that are not to the benefit of the landowners they think there should be an independent agency with some clout. That can vouch for them that can argue the case against the mining companies and against governments and so on, on behalf of the land owners. What is your response to that?

JM: The landowners associations are quite independent. Landowners associations perhaps right now may not have the capacity but legally they are quite independent. You know this government has nothing but the real interest of the people of Bougainville at heart and at the same time we must recognise that investors who come to invest have capital, expertise and managerial capabilities that the landowners needs must also be protected. If we follow the Jubilee Australia then no investor in the world would ever come to Bougainville.

Report „The Devil in the Detail“: <http://theaus.in/1MJNucV>

Mining Act restructured

Post-Courier, December 02, 2015

The recent review on the Mining Act of PNG has been restructured in a manner that is believed to be a sustainable one for the country. Meaning that, the changes made to the Acts are generally for the people's benefit because the review has enabled the issues of the transfer of mineral ownership to be addressed. The six new policies that were developed to address the predominant issues in the mining sector are; the underlying mining policy, off shore mining policy, mining policy, mining involuntary resettlement policy, geothermal resource policy, mining project rehabilitation and closure policy and the over-arching sustainable mining development policy. According to the Minister for Mining Byron Chan, who was outlining these review policies at the PNG Chamber of Mine and Petroleum conference last week, the state has also rearranged its administration structure of mining development projects by establishing a 'state negotiating team.' The state negotiating team will comprise of core state departments including treasury, justice and attorney general, environment, land, provincial affairs.

Solomons goldmine receives water treatment plant

Radio New Zealand, 1 December 2015

The local owners of Solomon Islands Gold Ridge gold mine have been given a brand new water treatment facility by the mine's former Australian owners St Barbara Ltd. The treatment plant which cost more than US \$70,000 will be used to try and safely dewater the mine's over full tailings dam in the coming months. Walton Naezon, the chairperson of the landowning company, Gold Ridge Community Investments Ltd, spoke with Koroï Hawkins just before the handing over of the new facility.

WALTON NAEZON: Under the deeds of sale for the landowners company Gold Ridge Community Investments Ltd negotiate that St Barbara and one of their obligations is to build and operate and transfer the ownership of the treatment plan to Gold Ridge Investments Ltd. So that is what is happening today all these containers have the treatment plant, chemicals and everything arrived two months ago and the installation construction and everything is complete and we just about to witness the official handing over.

KOROÏ HAWKINS: Now this is an important step in your plan on the road to recovery or the reopening of the mine, how significant is it that you actually have the treatment plant in place now?

WN: When we took over the mine from St Barbara on the first of May I said to the media and the government and the people of Solomon Islands is that one of the important tasks to be able to complete quickly is the tailings dam. We need to dewater the water from the tailings and that will reduce the risk in investing in the Gold Ridge project. It is a relief for me with this handover and I

will start the dewatering of the TSF water. Yes and how much water are you planning to treat and dewater weeks and months. We wanted to dewater about a metre over three months and then we can be able to assess again and continue to dewater. Hoping that the mining will be up and running next year.

KH: The last time we spoke you said you were talking to multiple stakeholders, companies in China and Australia for various parts of the operation is that still the process that you are going through?

WN: Yes we have actually shortlisted one now apart from the rest and we are negotiating with the heads of agreement that are supposed to be completed this week.

KH: And you mentioned a possible start date for the reopening of the mine next year. Is that early next year, mid or towards the end?

WN: Ah yea once we got the heads of agreement signed the partner will actually control the mine along with us and the work should start right straightaway next month. And the actual exploration and other activities will take off quickly in the first quarter of next year.

Trans-Tasman Resources apply for new permit to mine iron ore from seabed

David Burroughs, Stuff NZ, November 30, 2015



Andy Jackson/Fairfax NZ

Trans-Tasman Resources are reapplying to mine iron ore from the seabed off the Taranaki coast. The company which last year lost an application to mine iron ore from the South Taranaki seabed is applying for a new permit. Trans-Tasman Resources (TTR) confirmed it is preparing a new consent application for the Environmental Protection Authority (EPA) and had spent millions in scientific and environmental studies to understand the effects of the project on the South Taranaki Bight since its failed attempt. The company said it had also "taken onboard the criticisms levelled at it in the previous application and addressed the areas of uncertainty". In mid-2013, TTR applied for a permit to mine 50 million tonnes of sand each year - taking 5 million tonnes of iron out and returning the rest of the sand to the sea floor - across 65.76 square kilometres. The application received 4702 submissions, with only eight fully supporting the proposal and in June last year, following a hearing by the Environmental Protection Authority (EPA), it was denied. In its report the EPA said there was "uncertainties in the scope and significance of the adverse environmental effects and those on existing interests, such as the fishing interests and the iwi".

"Overall the DMC (decision making committee) found that the application did not meet the sustainable management purpose of EEZ (economic exclusion zone) Act, including that it was not satisfied that the life-supporting capacity of the environment would be safeguarded or that the adverse effects of the proposal could be avoided, remedied or mitigated, given the uncertainty and inadequacy of the information presented," the report said. The application then moved on to the High

Court, where TTR filed an appeal in early July, but dropped it in December. However, on Monday TTR said it had commenced a programme of stakeholder engagement, undertaken further scientific studies on operations and had the models updated for those results, for the new consent. "TTR also engaged economists to assess the economic benefit at a regional level, rather than just the legislatively required New Zealand benefit. This information addresses the areas identified as gaps in our previous application."

Bougainville says NGO against any foreign involvement in mining

Radio New Zealand, 30 November 2015

The president of Bougainville, John Momis, says if the NGO, Jubilee Australia, had its way there would be no more foreign investment in mining there. Since early this year the autonomous Papua New Guinea region has its own mining legislation with plans for a possible resumption at the Panguna mine.



President of the autonomous Bougainville government, John Momis. Photo: RNZI

But Jubilee Australia has been a strong critic of the legislation despite Bougainville claims it is the first law in the world to give landowners control over their resources. Jubilee says, as it stands, the legislation is too weak to ensure landowners could so no to mining plans. John Momis says this is not the case and he claims Jubilee's assertions are based on faulty research. "If you follow their recommendation there would be no foreign investor allowed in mining in Bougainville, and that is not what we want. We want mining but under very stringent conditions that would secure the best interests of the people of Bougainville."

NGO calls for rethink on Bougainville mining law

Radio New Zealand, 30 November 2015



Arawa, Bougainville

An Australian non-government organisation and the government in the Papua New Guinea region of Bougainville are still at loggerheads over the merits of the region's new mining laws. Jubilee Australia was highly critical of the Bougainville Mining Act earlier this year and it has now put forward a series of recommendations for changes that it says need to be made. Jubilee Australia's chief executive Brynnie Goodwill says landowners have very uneven bargaining power, despite reports they have the power to block the moves. "In the end if the land is desired for mining and the company or the government wants to mine on that land, mining is considered a public purpose, which allows the government to take the land any way." The president of Bougainville, John Momis, says Jubilee Australia's criticism is untrue and based on faulty research. He says he believes Bougainville's legislation ensures the landowners are the most protected in the world.

Government asked to explain

The National, November 30th, 2015

P'NYANG gas field area landowners in Western have petitioned the Government to explain on issues concerning the development of the gas project. Western provincial administrator Dr Modowa Gumoi received the petition on behalf of Governor Ati Wobiro and Fly River Provincial Government in Kiunga over the weekend. Landowner chairman Michael Betkimsok said these critical issues and unresolved questions about the development of the gas project required immediate clarification and action by relevant project stakeholders, particularly the Department of Petroleum and Energy prior to the planned development forum.

He claimed that these issues would have adverse impact on them both directly and indirectly concerning maximum benefits if left unresolved. The number one issue among five stated in the petition is gas agreement. "We strongly opposed being tied up in the first gas (PNG LNG) agreement and the umbrella benefit sharing agreement (UBSA) that was signed in Kokopo in 2009," the petition stated. He said they were neither covered in that agreement nor the UBSA signing. "We urge the Minister for Petroleum and Energy Nixon Duban to immediately draw a new gas agreement for P'nyang. "...and to defer the planned forum until such time when the project area landowners are fully satisfied and convinced that all issues raised in their petition are fully resolved."

Breakthrough for Mount Kare people

Post-Courier, November 30, 2015



By ALFRED KANINIBA

Mt Kare, the mountain that brought the biggest gold rush in modern PNG history and with it a curse to the landowners bringing infighting, disharmony and ill-feelings for more than 30 years, is now in the past. The disputing parties from the Enga and Hela Provinces have been assisted to formally engage and dialogue with each other through a mediated agreement under the National Court's alternate dispute resolution program. The dispute resolution program will target the land on which the

exploration licence 1093 was granted and previously saw five developers come and go with legitimate and paper landowners ending up embroiled in bitter legal battles over ownership of the land. The ADR was implemented under the leadership of National Court Judge Ambeng Kandakasi who brought all the Mt Kare clans together from Enga and Hela.

On July 18 and 19, 2015, all landowners with interests within EL 1093 agreed to go to mediation as per the Mediation Order of March 2015, and after freely and willingly participating in the process agreed to 10 terms of agreement. The first terms states: "The Parties will avoid the long process of litigation in court and solve any future dispute or conflict or differences between them over landownership in mutually acceptable ways as a first option. The terms also include: "The parties recognised 19 clans as the exclusive landowning clans within the boundaries of EL 1093. Twelve from the Paiela-Based landowning clans of Enga Province and seven from the Tagali-based landowning clans of Hela Province. It also calls for: "The landowner parties in this agreement identified agree to organise themselves into properly incorporated land groups in accordance with the Incorporated Land Groups Act and the National Government, Enga Provincial Government, Hela Provincial Government and Summit Development Limited (or its successor or successors) may use their best endeavours to assist the landowner parties."

During the weekend the Paiela-based clans said they were happy with the mediated agreement and are now looking forward to fast track the project. Team leader of the 12 Enga clans Ben Hewape said it was now time for Mt Kare to move forward and called on the Government and the Enga Provincial Government help them progress. Mr Hewape from the Leyapi clan and John Tarale from the Komai clan who spoke on-behalf of the Pakeya, Terewane, (Heli Paiela), Yangeyame, and Yamondaka clan leaders present in Port Moresby as well as the Yolo, Kewai, Tini-Pulumani, Angalani, and Pujero clans called on the Enga Governor Sir Peter Ipatas to seriously look at helping them, now that a way forward has been agreed to. "We are calling on the national government and especially our action governor Sir Peter through the provincial government to help is with a mobilisation fund to help our ILGs verification of our clan lists with our lawyers to fast track development.

Ministry drafts new mining policies

The National, November 27th, 2015

THE Mining ministry is working on six new mining policies, according to Minister Byron Chan. He told the Mining and Petroleum conference yesterday that the six new policies were developed to address issues in the mining sector. They include the underlying mining policy, offshore mining policy, mining involuntary resettlement policy, geothermal resource policy, mining project rehabilitation and closure policy, and the sustainable mining development policy. "This review has effectively addressed the issue of transfer of mineral ownership," Chan said. "With these changes and the restructure, we can enable Papua New Guineans to maximise benefits derived from the exploitation of our mineral wealth and ensure that the livelihood of our people is given prominence right throughout the life of the mine and thereafter." He said at the closure phase, it was mandatory that the implementation of a closure plan must start five years or less prior to the date of closure and decommissioning. "Closure obligation must fully comply with the developer and in line with the mine rehabilitation and closure policy," he said.

Chan: Act captures mineral ownership

The National, November 27th, 2015

By Shirley Mauludu

MINING Minister Byron Chan says the mineral policy legislative review by his ministry addresses mineral ownership and the national content which has been missing in the past. He told the PNG Mining and Petroleum conference in Port Moresby yesterday that the changes introduced into the policies and the law had been endorsed by Cabinet in 2013. "The changes were introduced after consultation with the provincial governments, landowners, civil society, non-government organisations and State agencies over a four-year period and specific consultation with the industry through the PNG Chamber of Mines and Petroleum." He said it had been recognised at the outset that the mining law no longer applied on Bougainville. Chan said the changes had been introduced into the revised Mining Act 2015. "Up to 50 per cent of all mine products must be processed in the country, provided there is a processing plant producing internationally-acceptable and marketable products, and adequate security is provided," Chan said. "This is nothing new. It's consistent with mining standard."

Solwara One project to begin in 2018

The National, November 27th, 2015

By GEDION TIMOTHY LAPAN

THE developer of the Solwara 1 project, Nautilus Minerals, says the project is to begin operation in early 2018. Nautilus Minerals country manager for Papua New Guinea, Mel Togolo, told the Mining and Petroleum conference in Port Moresby that the project had the support of Government agencies and landowners to commercialise the first deep-sea mining operation in the country. "Contrary to what many people are saying, we have strong Government and local support," Togolo said. He said when the mining started extraction, there would not be any tailing as the ore would be exported to China to be processed. Solwara 1 project is located between the provinces of New Ireland and East New Britain," he said. "It is 30 kilometres away from the nearest land point on the west coast of Namantani in New Ireland. "And it is about 50 or 60 kilometres from the port of Rabaul. "We are being watched by big countries (such as) the United Kingdom, United States of America, Germany, China, Japan. "Once we can get it going, I think it would be a wonderful contribution to the rest of the world." Nautilus Mineral had been granted the Environment Permit and Mining Lease required for resource development for the project.

Industry has strong link to economy, official says

The National, November 27th, 2015

THE Mining and the Petroleum industry has a strong link to the economic development and well-being of the people, a mining executive says. Mel Togolo, the Papua New Guinea country manager for the Nautilus Mineral Niugini, made the statement during the PNG Mining and Petroleum conference in Port Moresby this week. He said conflicts and disagreement in the mining and petroleum sectors were inevitable but "they must be managed and controlled". Togolo said like most other developments, mining brought about changes, which always created conflict. He said Papua New Guinea had to move away from the idea "that argument is bad and peace is good". He said the mining and the petroleum industry in Papua New Guinea contributed to the socio-economic wellbeing of its people. "The concept of consultation facilitated through the development forum is aimed at solving conflicts. "More importantly, it needs to be pointed out that the development forum process puts into practice the intentions and the spirits of the fifth goal of the preamble of the (PNG) constitution," he said. Nautilus Minerals is the developer for copper-gold project Solwara 1. The company

had been granted the Environment Permit and Mining Lease required for resource development for the project.

Minister focuses on better policies

Post-Courier, November 27, 2015

BY MELISHA YAFOI

THE resource industry has experienced an unprecedented period of activity and growth and PNG has gained the confidence and respect of the international markets based on a good mineral policy. This is the reason why the main focus of the review of the mining laws and the development of new mining policies is; to adopt international best practice principles and requirements; and to improve the regulatory framework of the PNG mining sector. Mining Minister Byron Chan said these changes were there to maximise benefits for development sustainability purposes of the projects. He was speaking to investors and delegates on the proposed changes to the Mining Act at the PNG Chamber of Mines and Petroleum conference yesterday. "The Mineral Policy and legislative review exercise undertaken by my ministry also addresses the sensitive issue of mineral ownership by our people and the national content which has been missing in the past. "But we can do better by maximising the benefits derived from these resources for development priorities and sustainability in the non-renewable sector," Mr Chan said. He said the changes were introduced after wider consultation with the provincial governments, landowners, civil society, NGOs and the state agencies over a four-year period and specific consultation of over one and half year with the industry through the PNG Chamber of Mines and Petroleum.

Solomons Gold Mine To Reopen Next Year

St Barbara provides water treatment facility for tailings dam

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 27, 2015) – Landowning tribes in Solomon Islands say they will reopen the Gold Ridge gold mine in 2016, two years after flash flooding forced its closure. This comes as the mine's former Australian owner, St Barbara recently handed over a new water treatment facility to allow the release of treated water from the mine's overfull tailings dam. The chairperson of Gold Ridge Community Investments Limited, Walton Naezon, says water treatment will begin immediately with the aim of reducing levels in the dam by a metre over the next three months. Mr Naezon says the company is in talks with Australian based Chinese company AXF Group to take on the mine's operation in 2016. "Once we have got the heads of agreement signed the partner will actually control the mine with us. And the works should start straightaway next month and the actual exploration and other activities will take quickly in the first quarter of next year."

Sinivit Miners seeks settlement

The National, November 26th, 2015

THE operator of the abandoned Sinivit mine in East New Britain is pursuing a commercial settlement with the State following months of uncertainty over the mine's future. New Guinea Gold Corporation chairman Ces Iewago said in a statement the company was pursuing the settlement, in which the Sinivit mine would be included in the new Kumul Mining structure. "While the company continues to assess all legal avenues available, it very much hopes that a commercial settlement can be reached with the State under which the mine will be included under the new Kumul Mining structure and third-party financing for phase two mining secured with the assistance of New Guinea Gold." Iewago's statement came from the Niugini Gold Corporation head office in Vancouver, Ca-

nada, last Friday. “To date, the (mining) minister has not formally made a decision to refuse the extension of the ML122 to NGG as indicated in his letter to the company dated July 3, 2015,” he said. “NGG has been stripped of its legal title to ML122 and therefore has no legal basis to conduct any activity whatsoever on the mine until such time as the decision to grant the extension to NGG or otherwise is made by the PNG Government.”

NGG developed the gold mine in 2006 and production commenced in 2007 under a five-year mining lease. In December 2011, landowners seized the mine resulting in disruptions to operations and loss of production over three months. The initial ML122 expired in February 2012. On May 17, 2012 the Government granted the extension of the mining lease for 10 years. In late 2012, the East New Britain provincial government and the Uramot Company Limited, a landowner entity, commenced legal proceedings against the Government and its agencies in the National Court. The proceedings sought a judicial review of the decision to grant NGG a ML122 renewal. On November 27, 2013 a judgment was entered in favour of the plaintiffs. The court orders were entered on February 11, 2014 and served on NGG. The orders were effective immediately and NGG lost legal title to its ML 122. The restraining order prohibited the respondents from acting further on the ML 122 until a new application by NGG was determined.

Frieda mine has huge copper prospects, official says

The National, November 26th, 2015

THE Frieda project in Sandaun is a huge copper deposit which will take more than 30 years of operation, a mine executive says. Dr Fred Hess, the managing director of PanAust, the lead developer of the Frieda project, made this known during the PNG Mining and Petroleum conference in Port Moresby. “What is important for Papua New Guinea is that this is a project of national significance and it brings with it the opportunity to opening up economic development that no other business wants to bring to that part of the country,” he said. He said the Frieda project was shared by two provinces – “the deposit actually sits in Sandaun but all logistics will largely occur in East Sepik”. “So we have got a situation there that we got to rely on the two provinces to support the project,” he said.

“Frieda River has been around for quite a while. “I had a meeting with Grand Chief Michael Somare and he told me that he knew about the project before he was elected to the House of Assembly. “And it has been one of his passions to move the project forward ever since. “So it is a project that has got a long history. “While it is challenging, it is not unfamiliar to get a project up and running successfully in PNG. “You must have a focus on community’s government.” He said at Frieda, “we got a number of people who live at the head waters of the Sepik and 300,000 people who live along Sepik River who have got an interest in the project’s development. And they are not always looking at the socio-economics”.

Mining project identifies four major copper deposits

The National, November 26th, 2015

DESPITE the possibility of more mineral explorations along the Freda River in Sandaun, developer PanAust says the Frieda project is ready for development with four major deposits. PanAust managing director Dr Fred Hess revealed this during the PNG Mining and Petroleum conference in Port Moresby. “If you look at the Frieda River project, it is quite a large resources, by no means closed off,” Hess said. “There is plenty of potential there, but essentially there is 17 million tonnes of copper crude metal in the ground. “He said there were four deposits although geologists believed

that there were more opportunities. “But with that much of mineral resources, they are looking forward to operating. “So the focus really is about using that resource base to develop the project.

“For us to develop the project with resources of that scale, it is important that we get the project up and running. “The project at present is a joint venture between PanAust and Highlands Pacific.

“When the project moves forward, the Government of Papua New Guinea has got an opportunity to take up 30 per cent. “If they do that, PanAust would dilute to 55 per cent and Highlands Pacific to 15 percent. We are now on the final stage of doing the cost estimates.” He said project when developed would be big that will benefit the people along the Sepik and Frieda rivers. “As we are working towards developing the mine, we hope the project will greatly benefit the locals as well as the State,” Hess said. “And it will also create employment opportunity for locals.”

Illegal mining an obstacle to operations

The National, November 26th, 2015

ILLEGAL mining in Porgera mine in Enga continues to be one of the major challenges facing the operator, a mine executive says. Dr Illa Temu, the Porgera mine’s executive director, gave an update on the operation of the mine during the PNG Mining and Petroleum conference in Port Moresby. “Incursions into the mine site create a situation of concern across the mine site including safety issues, social and tribal conflict, and increase in crime,” Temu said. “The situation is being carefully considered with security management programmes and the call-out intervention.” He said a gradual restoration of law and order was being realised in Porgera due to an effective control of illegal mining. He blamed people from outside Porgera looking for quick cash of being behind illegal mining.

“We don’t purely blame the genuine landowners for illegal mining but outsiders who were looking for quick money were behind this illegal activity,” he said. Temu said a state of emergency had assisted in maintaining law and order in Porgera. He said the decline in gold price meant that the operation had to be focused on what it could control to ensure it remained profitable and cash-positive. “The decline in gold prices means that the operation has to focus on what it can control to ensure it remains profitable and cash positive,” he said. “Operating cost reductions and savings have been identified. “Between 10 per cent and 15 per cent reduction in operating costs is targeted in 2016 and it could be realised if there is no illegal mining.”

Ok Tedi to resume operation

The National, November 26th, 2015

By Gedion Timothy Lapan

THE Ok Tedi Mine is looking forward to resuming operations early next year, according to managing director Peter Graham. Graham told the PNG Mining and Petroleum conference in Port Moresby that the resumption however would depend on the weather. The mine suspended operations on August 22 this year after drought conditions caused by the El Nino resulted in low water levels at the Fly River. This forced the suspension of the transport of copper concentrate from Kiunga to Port Moresby along the river. It also affected the supply of diesel for power generation and mining operations. Food supplies were also affected. Graham said the majority of the employees had to be stood down but they received an allowance to help them meet basic needs. He said the reopening of the mine was wholly dependent on the weather conditions in Western and areas along the Fly river catchment. “We are looking forward to restarting operations in OK Tedi if weather permits,” he said. “Our target is February, March - based on the weather. “We will come back and we will come back as a stronger company from the experiences of the long dry weather.”

Landowners support Awesa on sale of gold mine

Post-Courier, November 26, 2015

Goilala, Kuni and Mekeo LLG area people have expressed their support of the Works Minister Francis Awesa regarding the sale of Tolukuma Gold Mine to smaller companies. Chairman of Auga Dilava Resources Association Inc Billy Aia the Land Group association represents the affected community, who for many years, have had no opinion or say about everyday affairs of the nation. "We support the Works minister on his stand that 'K2 companies from yesterday' would not be contracted to construct roads. No experience, no contract." "If you do not have the experience you cannot be contracted. The government and Petromin should reconsider their decision to sell the Tolukuma Mine," Mr Dilava said.

He said the deal was done right under their nose but they were manipulated and completely left out. A "stranger" company who appears to perfectly fit the description of "K2 companies from yesterday" is now being brought in to bed with us and our environment. "How stupid can a government ever get? The press statement by the chairman of Petromin Holdings, Brown Bai when highlighting the sale of the mine in Wednesday's *Post-Courier* forgot to at least give the nation a brief profile of the "stranger" company Asidokona, that they are trying to bring to bed with our communities. Who are they? When were they registered? The Member for Kairuku-Hiri during the last parliament sitting also brought the issue up, sharing similar sentiments about the company. He said that it is an insult to the people of Kairuku-Hiri for a foreign company to have a local name *Asidokona*. It is a Motuan word that means 'never ending'.

Extractive industry needs to query Govt

Post-Courier, November 26, 2015

By BENJAMIN KUMAN

OPPOSITION Leader Don Polye has urged companies in the extractive industry to question the Government on issues of importance regarding the industry, and promote corporate responsibility at public forums. Mr Polye said this after learning that participants at the PNG Mining and Petroleum Conference, which is currently underway in Port Moresby, have not openly discussed the real issues affecting the mining and petroleum industry. "The real issues are the establishment of the Sovereign Wealth Fund and Extractive Industry Transparency Initiative which are the ones I was at the forefront of when I was the treasurer," he said. Mr Polye said most extractive companies are capitalising on the Government's mishandling of the SWF and EITI.

He said the SWF, although established, did not comply with the international best practice Santiago Principle, adding that it only suited the aspirations of the Government's so-called Kumul Holdings. He said they should not have only discussed about the absence of Ok Tedi Mining Limited's K200 million in tax revenue in the 2016 budget but they should have also queried the absence of K12 billion LNG proceeds from the sale of 336,000 cubic tons of gas at the price of US\$12.40 (K37.57) per cubic ton and the sale of Tolokuma Mine. He said after the payment of dividends to the shareholders in the LNG project, such quantity should have earned about K3 to K4 billion for the state.

Aopi: Mine firms face worst price declines

The National, November 25th, 2015

MINING and oil companies are facing one of their worst price declines with companies worldwide taking unprecedented measures to survive the current environment, an official says. Papua New Guinea Chamber of Mines and Petroleum president Gereia Aopi said during the Mining and Petrole-

um conference in Port Moresby the rise in interest rates and the strengthening of the US dollar were impacting the industry. “The price of gold and our main export commodity decline from US\$1800 (K5180) an ounce to around US\$1200 (K3453) an ounce until late last year,” he said. “The recent 2016 national budget noted that. “And from early this year until October, the gold price fell by a further eight per cent to around US\$1176 (K3384) dollars an ounce.

“You are aware of the sudden depression in oil prices that took place last year because of the impact of the 2015 budget, and more recently the 2016 national budget with the decline in revenue from the PNG LNG project.” Aopi said for Papua New Guinea, the effects on the industry had been compounded by the drought affecting the country. “For many companies, the costs associated with drought activities are further strained but we have a personal obligation to help people in our community,” he said. “The drought forced the closure of OK Tedi almost three months ago and milling and operations at Porgera have been on and off. “As with resource companies around the world, mining and petroleum companies in PNG have been forced to rationalise their operations and retrench or stand down thousands of workers.”

Fiji: Five mining leases approved by government

By Watisoni Butabua, fiji.village.com, Monday 23/11/2015

Five mining leases have been approved by government. Director of Mineral Resources Malakai Finau says out of the five, only two are currently operating at the moment and that is the Bua bauxite mine and the Vatukoula Gold mine. Finau says more than 1 million tonnes of bauxite have been exported so far for Nawailevu. He says in terms of royalty the department has collected approximately \$1.2 million. He says more than 100 workers have been employed by Aurum Exploration Limited. The Director for Mineral Resources for the Vatukoula Gold Mine, they have exported about 39 thousand ounce of gold last year. Finau says they expect similar amounts this year. He says about 1000 people are currently employed by Vatukoula Gold Mine. He also says that government has granted mining lease to Canadian Lion One Metals Limited for the Tuvatu Gold mine in Nadi. Finau says they are in the construction period at the moment. He says two other mining leases have also been granted to Asia Pacific Resources Limited for the Wainivesi Gold mine in Korovou, Tailevu and Amex Resources Limited for Iron sand mine at the Ba River.

Potape urges Hides landowners to go back home

Post-Courier, November 23, 2015

By ANDREW ALPHONSE-Post Courier Live

HIDES PDL 1 landowners living in Port Moresby have been urged to return back home to Hela province and await their controversial K19.28 million business development grant (BDG) payments. Komo Margarima MP Francis Potape made this call at Nogoli village near the Hides gas conditioning plant site in Tari last Wednesday. Mr Potape said bulk of the genuine landowners from the six blocks in both Hiwa and Tugupa tribes are waiting for the payments at home and it was not good when certain Port Moresby based landowners take unnecessary court orders to derail the payment. Mr Potape’s electorate hosts bulk of the country’s hydrocarbon projects including the US\$20 billion PNG LNG project operations and facilities like Hides PDL 1, Hides 4 PDL 7, Komo international airport, Angore PDL 9, Moran PDL 2 and others. Mr Potape was also instrumental in securing this outstanding K19.28million BDG for the Hides PDL 1 landowners and another additional K53 million infrastructure development grants (IDG) paid out last September before Prime Minister Peter O’Neill made his maiden visit to the resource-rich province.

The money is currently kept in the Hela provincial government trust account awaiting payments but recently some Port Moresby based landowners have conspired with certain law firms to seek court order retraining the provincial government to drawn down the payments. This has resulted in frustration building- up amongst landowners back home. Mr Potape thanked Prime Minister O’Neill for allowing the release of the outstanding K19.28 million and said the onus was now on the landowners to show leadership and allow the money to be paid instead of holding everyone in ransom by unwarranted court proceedings. Mr Potape said all payments would be facilitated and made at the project site at Nogoli once the court proceedings are cleared, adding that no one public servant, MPs or people in authority would benefit from the K19.28 million payment. “Let me assure you that the days when politicians and landowner leaders conspire to defraud you little landowners of what is rightfully yours is over. “No one minister, member or public servant would have any share in your money. “This K19.28 million is yours and I will make sure you get your share of the money, not in Port Moresby or Tari but right here in Nogoli near the project plant site,” Mr Potape said.

PNG’s Porgera Mine Resumes Operation After Dry Weather Shutdown

Milling, processing at gold mine stopped for 16 days

By Merolyn Ten

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Nov. 23, 2015) – Porgera Gold Mine in Enga Province has resumed operations at its milling and processing plants following 16 days of partial shutdown due to the recent dry weather condition. In the latest months of severe dry weather periods, water have run very low causing the mine to shutdown its milling and processing plants just to conserve supply. The milling and processing plants that depend intensively on water to perform production activities at the mine were only affected, said operator Barrick (Niugini) Limited. However, after 16 days of partial closure, the water levels at the dam at Waile Creek reached sufficient levels to start operating the plants. As the latest mine in the Asia-Pacific to be disrupted by the El Nino-driven drought, it is confirmed now that the mine is on full operations. The mine workforce arrangements were not affected as a result of the partial shutdown.

According to Barrick, the temporary shutdown only affected the milling and processing plants while all other operations at the mine were continuing as usual. During the shutdown period, the company used the opportunity to bring forward maintenance work that would have occurred at a later date. This work was completed without any complications. With the resumption of the milling and processing, operations at the mine remain on track to meet this year’s operational targets. Barrick (Niugini) Limited is a company incorporated in Papua New Guinea, and operates the Porgera Gold Mine in Enga Province on behalf of the Porgera Joint Venture partners. BNL is an independently managed company and is jointly owned through an equal partnership between Barrick Gold and Zijin Mining Group. The Porgera Gold Mine employs more than 2500 Papua New Guineans, and over the life of the mine it has contributed about 10 per cent of PNG’s total annual exports.

Human Rights Clinic (Columbia Law School) & International Human Rights Clinic (Harvard Law School): **Righting Wrongs? Barrick Gold’s Remedy Mechanism for Sexual Violence in Papua New Guinea: Key Concerns and Lessons Learned** (November 2015)

Source: <https://ramumine.files.wordpress.com/2015/11/rightingwrongs2015.pdf>

Hundreds Of Workers Strike New Caledonia Nickel Plant

Fears of job losses spark employees to block access to SLN

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 19, 2015) – Reports from New Caledonia say hundreds of workers of the SLN nickel company have gone on strike and blocked access to the plant. Public radio reports that there are burning tyres at the site as part of a union-backed protest against the possible closure of some furnaces. The strikers fear that about 60 jobs could be lost. The stoppage is also directed at the parent company's decision to delay building a new coal-fired power plant for the smelter. SLN has been running at a loss because of the sharp decline of the nickel price.

New Caledonia nickel ore export policy decried

Meanwhile, New Caledonia's anti-independence party, The Republicans, has accused the government in Noumea of committing economic sabotage by blocking nickel ore exports to Japan. The party, which is one of the territory's branches of the French opposition, responded to the government's refusal to allow the SLN nickel company to export one million tonnes of low-grade ore to Japan. It says stopping such low grade exports prevents SLN from recovering some of the huge losses suffered because of the low nickel price. The party says invariably decisions of this kind put directly or indirectly 10,000 jobs at risk. It also points out that last month, Congress determined that exports to established customers should be continued. The export restrictions are contentious and led to industrial unrest in August as truck drivers fear for their jobs in a depressed nickel market. The government position has been that supplying the market with more ore is bound to contribute to keeping prices low. Last month however, the government approved a bid by one company, MKM, to sell 300,000 tonnes of ore to China over the next 18 months.

New Caledonia Party Accuses Government Of 'Economic Sabotage'

Republicans decry blocking of nickel exports to Japan

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 19, 2015) – New Caledonia's anti-independence party, The Republicans, has accused the government in Noumea of committing economic sabotage by blocking nickel ore exports to Japan. The party, which is one of the territory's branches of the French opposition, responded to the government's refusal to allow the SLN nickel company to export one million tonnes of low-grade ore to Japan. It says stopping such low grade exports prevents SLN from recovering some of the huge losses suffered because of the low nickel price. The party says invariably decisions of this kind put directly or indirectly 10,000 jobs at risk. It also points out that last month, Congress determined that exports to established customers should be continued. The export restrictions are contentious and led to industrial unrest in August as truck drivers fear for their jobs in a depressed nickel market. The government position has been that supplying the market with more ore is bound to contribute to keeping prices low. Last month however, the government a bid by one company, MKM, to sell 300,000 tonnes of ore to China over the next 18 months.

Ramu NiCo off-loads K60m spin-off benefit to landowner companies

The National, November 19th, 2015

RAMU NiCo Management Ltd says it has off-loaded spin-off benefits to landowner companies with revenue from contracts worth more than K60 million from 2006 to September this year. Ramu NiCo is the developer of the US\$2.1 billion (K6 billion) nickel and cobalt project in Madang. The project achieved more than 90 per cent designed capacity despite challenges such as the low nickel metal price, social uncertainty including the recent El Nino. The company management said in a

statement: “Despite the ongoing challenges, Ramu NiCo continues to fulfill all its requirements under the project memorandum of understanding, and outside the memorandum commitments. We have also paid land compensation to our landowners, delivered business spin-offs and recently delivered a K500,000 cheque to the Ramu Development Foundation.

“Despite market challenges, Ramu NiCo always try to create huge opportunities to benefit the landowners by off-loading spin-off business opportunities to landowner companies. “The contracted revenue from the project has reached more than K60 million from 2006 to September this year. We are committed and ask the responsible statutory organisations and stakeholders including the project landowners and employees to support the project. The project is also retaining all its employees during this world commodity price crisis. “It continues to strive in its daily operations with consistency and stability by fostering a safe and healthy working environment.” The company urged landowners and state to support the mine.

Porgera gets K1.4million worth of projects

Post-Courier, November 19, 2015

More than K1.4 million worth of Tax Credit Scheme projects have been fully handed over to the Porgera district administration by Barrick Niugini Ltd. Barrick Niugini is the operator of the Porgera gold mine in Enga Province. Barrick managed projects under the National Government-owned Tax Credit Scheme included the redevelopment of the Paiam police station and an upgrade of the Paiam sewerage treatment plant. According to BNL community projects, TCS superintendent Kila Kilaverave, an exercise yard and a cook house for the preparation of meals for detainees at the police station was the outstanding project which was included in the re-development of the police station. The construction of stairways at the sewerage treatment plant was the other, and have now been completed and handed over.

The partial handover of the Paiam police station project was on February 5 by BNL corporate social responsibility operations manager Timothy Andambo. These included the completed cell block extension and the work on the sewerage treatment plant. Mr Kilaverave said the partial handover was granted as the delayed tasks would not affect the operations of the police station and the sewerage treatment plant. Local contractors were engaged for the projects under the BNL local procurement policy. The Porgera mine employs over 2500 Papua New Guineans and contributes approximately 10 per cent of PNG’s total annual exports.

The Next Gold Rush Is Unfolding 5,000 Feet Under the Sea

By Brian Merchant, Motherboard, Vice, November 17, 2015



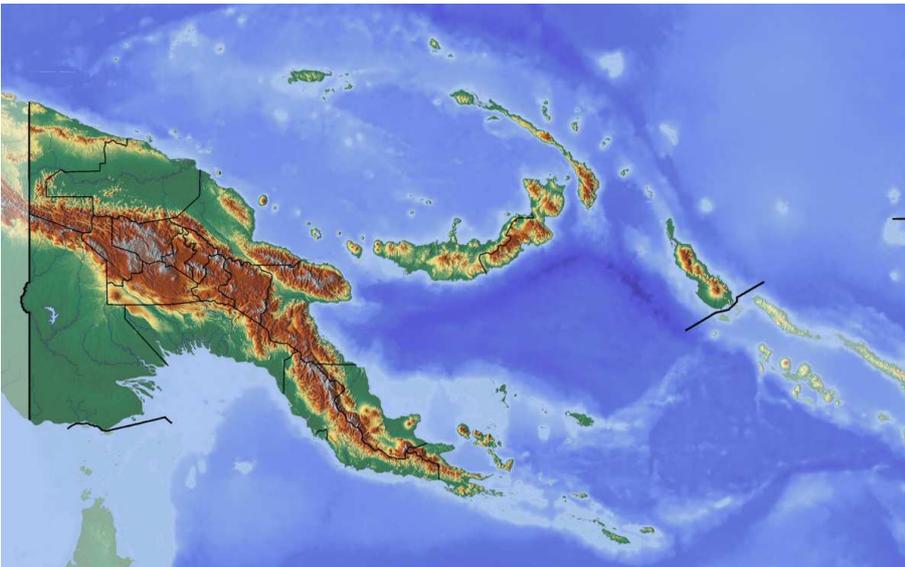
Rabaul, a township on the northern tip of Papua New Guinea's New Britain island, is still covered in the ash of a volcano that exploded decades ago. Eruptions have twice decimated the city, once in 1937, and once in 1994. Both times, locals rebuilt and soldiered on. Today, if you're driving across Rabaul, you'll pass long stretches where ash is still piled on the shoulder and even on the middle of the road; it's so thick you'll want to close the windows to keep the dust from filling the car. That volcano violently decimated the island's then-major industry—tourism has yet to fully recover, over 20 years later—but it may yet become the bedrock of another one. The only issue is, that industry doesn't actually exist yet. And some environmentalists, scientists and activists hope it never does. That's because here in Papua New Guinea, one well-financed, first-mover company is about to pioneer deep sea mining. And that will mean dispatching a fleet of giant remote-operated robotic miners 5,000 feet below the surface to harvest the riches scattered across ocean floor.

These mammoth underwater vehicles look like they've been hauled off the set of a sci-fi film—think *Avatar* meets *The Abyss*. And they'll be dredging up copper, gold, and other valuable minerals, far beneath the gaze of human eyes. It's a little-watched but fast-approaching milestone that raises serious questions about the future of consumption in our rapidly modernizing, mineral-hungry world: How deep are we willing to dive to get the materials that make our electronics run? The idea of razing the barely-studied deep sea floor has many anxious—from locals who worry about an accident, to scientists who fear we may be destroying an ecosystem we don't yet understand. But as crucial materials like copper grow scarcer, might mining the deep, far away from human populations, be a reasonable endeavor? Or should the mere fact that we're poised to roll over the ocean floor with robotic harvesters be cause enough to take pause and reassess the sustainability of our thirst for the metals that shape modern life? Regardless, the first deep sea mine is slated to begin operations in just over two years, at a site called Solwara-1, leased from the Papua New Guinean government. It's just off the coast of Rabaul, at the watery foot of that active volcano.



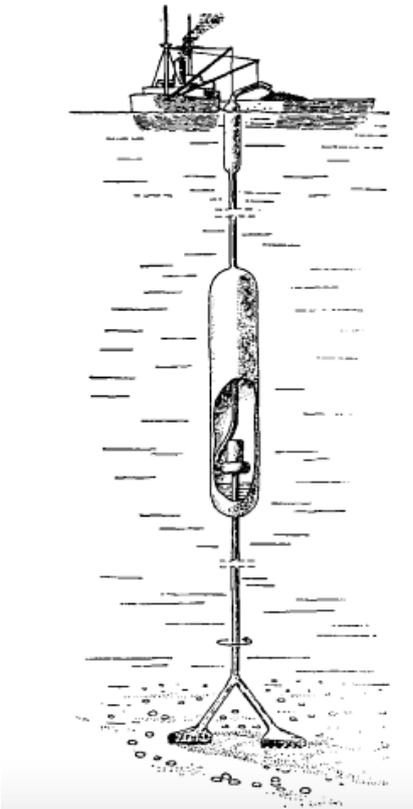
Eruption on the Rabaul caldera. Image: Wikimedia / Richard Bartz

Like, say, nuclear fusion, seafloor mining is a high-tech promise that has been attracting serious investment, winning sporadic headlines, and lingering on the cusp of becoming a reality for about half a century. But in 2018, a Canadian company called Nautilus claims it will begin to do what no one else has been able to: Actually mine the deep. “Seafloor mining is a major game changer in the global mining industry,” Nautilus CEO Mike Johnston told me. “There are an enormous number of high grade deposits on the seafloor. Seafloor massive sulphide systems, such as at Solwara-1, exist all over the world along hydrothermal vents which are extremely rich in minerals such as copper, gold, silver and zinc.”



The Rabaul caldera. Image: Wikimedia

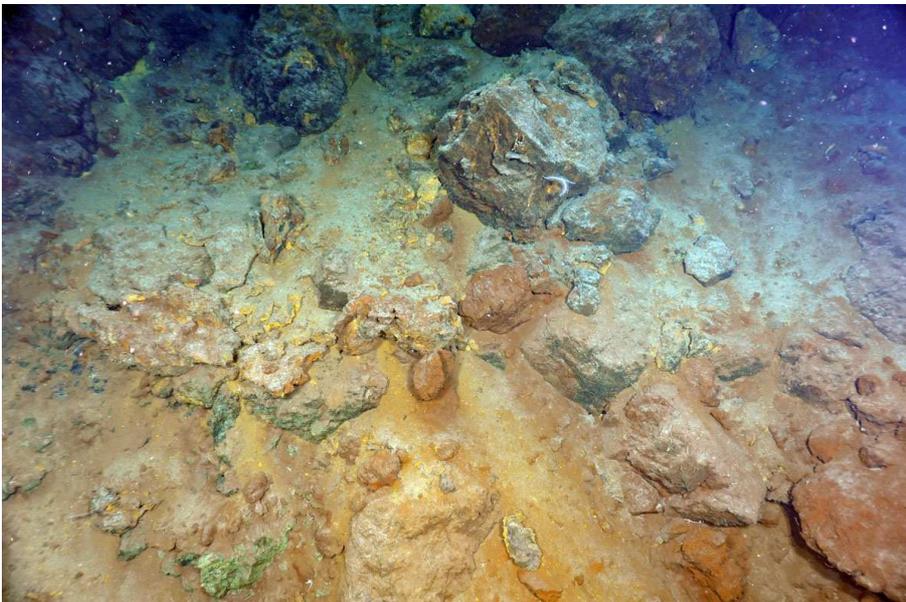
Johnston is hinting at nothing short of a deep sea gold rush, and he's far from the first. In fact, the original spree commenced almost exactly half a century ago. The quest to mine the ocean floor began in earnest in 1965, when John L. Mero, a shipyard consultant formerly with UC Berkeley's Institute of Marine Resources, published *Mineral Resources of the Sea*. In that volume, Mero wrote that "the sea is a major storehouse for the minerals that serve as the foundations of an industrial society" and claimed riches like nickel, cobalt, and copper lay on the bottom of the ocean in manganese nodules—metal-rich clumps—awaiting extraction in near-limitless supply. Mero proposed dropping a "deep-sea hydraulic dredge" down to depths of 10,000 feet, which would essentially act as "a giant vacuum cleaner designed to gather a thin surficial layer of material."



A deep-sea hydraulic dredge. Mineral Resources of the Sea.

Following the publication of *Mineral Resources*, nations including the United States, France, and Germany set out to explore the deep in search of these clusters of oceanic riches. Over the subsequent decades, these countries sunk hundreds of millions of dollars into deep ocean mining, to little avail. A 2000 study published in *Science* found that a total of \$650 million had been invested in the enterprise, much of it before metal prices collapsed during the recession caused by the 1973 oil crisis, and before deep sea scientists realized that Mero's projections of abundant riches were hopelessly optimistic. For decades, deep sea mining was mostly abandoned, and the dream of scooping riches out of the ocean depths lay idle. In recent years, however, two trends have converged to help renew interest in the concept: Growing global demand for the recoverable metals, especially copper, has upped the profit potential for deep sea mining. Copper is crucial to modern life; it's both malleable and a great conductor, so it's found in consumer electronics, cables, cars, refrigerators and beyond—and its value is exploding as major economies like China and India industrialize.

The undersea regions that would play host to the mines bear loads of other minerals essential to modernity, too, including nickel, silver, gold and cobalt. Meanwhile, new technologies—like remote-operated underwater mining robots—have placed seafloor mining within reach. “Once I got the chance to start looking at the technology back in 2004,” Johnston told me, “it became clear to me that there had been rapid changes, so big that what seemed almost impossible back in the 1970s was now actually pretty simple from an engineering point of view.” Finally, a better understanding of deep sea geology has spurred new-wave prospectors to shift their focus from the manganese nodules of yore to another target: Sulfide deposits that form near hydrothermal vents. *Nautilus* is just one of the outfits hoping to take advantage of the trends pushing deep sea mining closer to reality—both Japan and Korea are actively exploring the idea, and developing tech to mine in their waters. Another private company, [Neptune](#), has staked out some major leases to do the same in the Western Pacific.



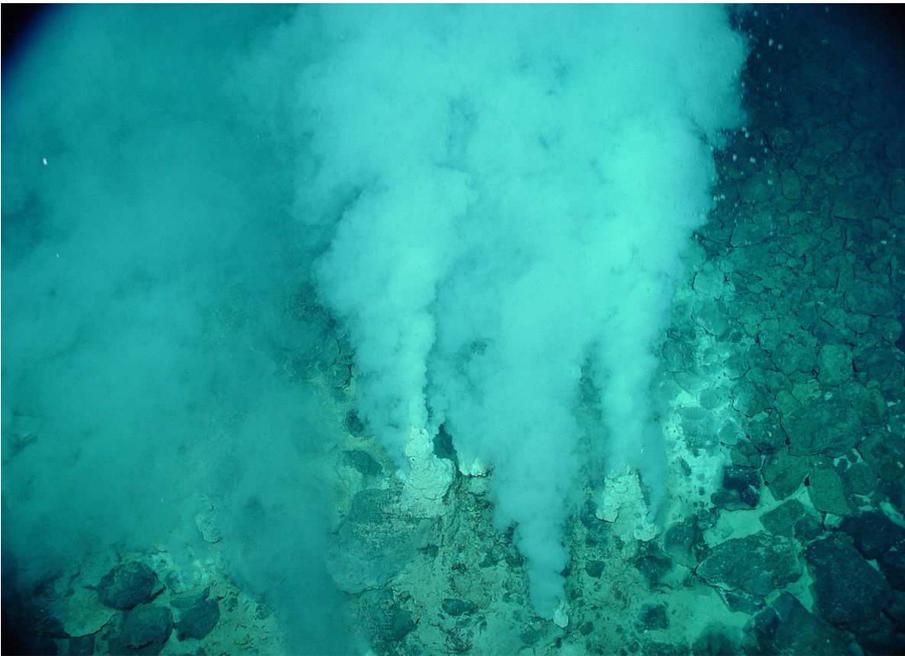
Seafloor massive sulfides. Image: University of Washington

However, as the idea has grown closer to fruition, it's also attracted its fair share of worry. In 2007, the major journal *Science* published an article called the "Danger of Deep Sea Mining," which voiced concerns that the huge, swirling sediment plumes stirred up by underwater mining could disturb habitats, and that the process could have a toxic effect on the water column. It concluded that "Plans for deep-sea mining could pose a serious threat to marine ecosystems." Meanwhile, those hydrothermal vents are one of the most alien and intriguing ecosystems on earth. Hydrothermal vents are found in on seabeds near active volcanoes, like the one that forms the atoll around Solwara-1, and the one that Rabaul sits atop. Some scientists have posited that life itself may have origi-

nated near their exhaust, where heated, mineral-rich seawater blasts out of the oceans crust into the stark, cold waters of the deep. But here's why miners are so interested in them: They are constantly, if very slowly, creating what geologists call seafloor massive sulfides.

“These deposits form at or near the seafloor where circulating hydrothermal fluids driven by magmatic heat are quenched through mixing with bottom waters or pore-waters in near-seafloor lithologies,” the US Geological Survey explains. The deposits occur in broad, flat, lens-like bodies that lay parallel to the volcanic bedding. “Massive sulfide lenses vary widely in shape and size and may be podlike or sheetlike,” the USGS notes. These deposits are often rich in valuable minerals like copper and gold, and happen to be easier to find than Mero's nodules, too. Nautilus plans to harvest the spots where these materials accumulate—while avoiding the vents themselves—to bring the minerals to the surface en masse, and, of course, sell them for profit.

“The seafloor massive sulfides are copper-rich, and they have higher copper content than what remains on land in known reserves, so they’re attractive in that sense,” Cindy van Dover tells me. Van Dover is a deep sea scientist with Duke University, and has served as a science advisor for Nautilus—she is not a paid consultant. Van Dover was recently invited down to Papua New Guinea by TED, the “ideas worth spreading” nonprofit, which had organized a seafaring expedition to tackle ocean issues. She was asked to give a talk about deep sea mining aboard the *National Geographic Orion*, as it cruised over the tropical waters soon to be worked by Nautilus. The consummate scientist, Van Dover is methodical and cautious in her thinking about the subject. She’s soft-spoken but easy to smile, has graying, close-cropped hair, and, over the course of our talks aboard the boat, she exuded a quiet ambivalence over the mining question. Which makes sense, because she’s spent her entire three-decade career studying the deep sea ecosystems it threatens to transform.



Hydrothermal vents. Image: [NOAA](#)

“I started studying these hydrothermal vents in 1982,” she told me, while the boat’s gently rocking deck churned my stomach. “They were discovered in 1979. So yeah, hearing someone was going to rip them up? Cut them up and destroy them?” she added, shaking her head. Of course she was concerned. “There are animals living at these active hot springs,” she says. “So, we’re really interested in seeing what the impact on those communities will be.” Life that gathers around hydrothermal vents is often surprisingly vibrant; it can include tube worms, sea snails, blind shrimp, and deepwater fish. Out the window of our cabin on the *Orion*, pillars of smoke rise in the distance, a product

of the region's slash-and-burn agriculture practices—a constant reminder that Papua New Guinea is poor, and that mineral royalties could go a long way.

Van Dover takes pains to note that Nautilus isn't about to swiftly and surreptitiously mine an out-of-the-way environment under the cover of darkness. Quite the opposite, she says. The company came to her and asked for her expertise, and has since been unusually transparent and proactive. "They would ask very direct questions: So what are you concerned about?" she said. "If we take this one site away [ie, destroy Solwara-1], won't [life] come back?" And that is exactly what Van Dover is concerned about: The ecosystems poised for destruction. Here's another interesting thing about those habitats, and the animals that live in them—they get destroyed, fairly routinely, already. "The sites are overrun by volcanic eruptions, at intervals," van Dover explains.

"I think about the East Pacific Rise, [another basin] where the eruptions happen every decade or so, and the animals really are adapted, and within months the animals are coming back in. In a couple years, you can't even tell there was an eruption." Unlike East Pacific Rise, however, Solwara-1 is a longer-lived site, meaning volcanic flows come much less often, and don't destroy the habitats on the seafloor as regularly. These are the creatures that risk getting wiped out by Nautilus, too. At Solwara-1, some scientists worry that the animals might not have time to recover. Other scientists point out that this complex ecosystem is simply still poorly understood—we might have little idea what to expect if they're mined.

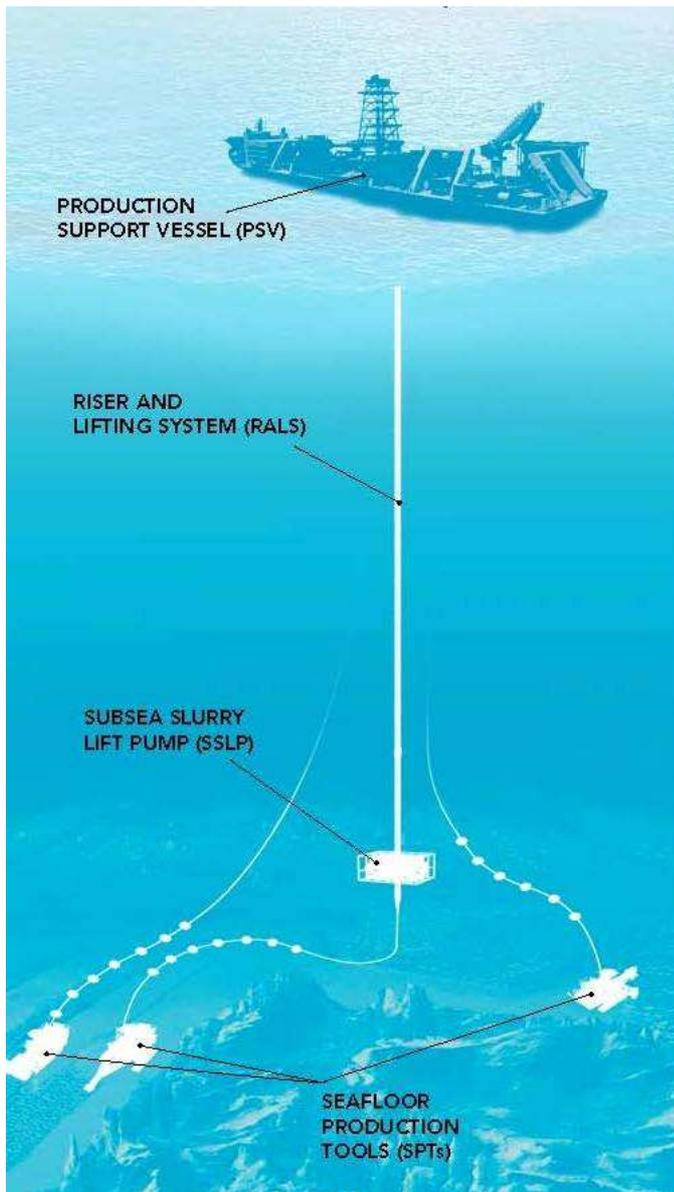
Nautilus, meanwhile, says that it would proceed responsibly, and emphasizes the serious economic case for mining. "Solwara-1, for example, has 7 percent copper and 6 grams to metric tons of gold on average—more than 10 times higher than average grades on land. There is more copper on the seafloor than all known reserves on land," Nautilus CEO Johnston says. (On land, the average grade of copper ore is below 0.6 percent, and gold yields fell to 1.2 grams to tons of gold in 2014.) "One of the primary determinants in a mine's profitability is the grade of the resource, and so when you have seafloor grades that are 10 times higher than what's found terrestrially, that is a major advantage for seafloor mining." Furthermore, aside from the fact that the targeted mining grounds lay 5,000 feet below sea level, there are parts of the deep sea mining process that are actually *easier* than on-land mining. Hold tight: We're going to get wonky with some mining jargon for a second.

"The seafloor massive sulfides that Nautilus is interested in are sit proud on the seafloor so they have no soil or sediment overburden—the overburden is water," van Dover says. Overburden is the layer of rock or soil overlying a mineral deposit, and "sit proud" means, in mining speak, to "sit on top of." That means there's no obtrusive layer of land to peel away before you can start collecting your valuables; they're sitting right there on the surface, ripe for the picking.

Of course, that surface is the ocean floor, thousands of feet below sea level, which means Nautilus will need an elaborate, high-tech system to efficiently extract its prizes. And here's where things start to get sci-fi.

"The mining itself involves using a surface ship from which remotely operated vehicles are lowered down onto the seafloor, and the material is ground up, and the ore is brought up to the surface, dewatered, and the dewatering fluid, the seawater, is put back down on the seafloor," Van Dover says. "When the ship's done mining one place it will move to the next place," she says, "so there's no roads, no infrastructure. So there are some good arguments for why, in a relative sense, that the environmental impact is less than what you'd see on land." (How deep sea mining works, video. [Longer version here](#)) According to its public blueprints, the Nautilus plan involves three separate robotic, remotely-operated vehicles working in tandem to prepare, mine, and collect the minerals from the deep. Each clocks in at about 50 feet long, 15-20 feet wide, and weigh up to 310 tons. Built by the English remote vehicle manufacturer SMD, with US heavy machinery maker Caterpillar, toge-

ther, three of the drilling robots are worth \$100 million. Each of them will be deployed from a giant ship, the Production Support Vessel, that will float above the mining operation like an oil rig.



First, a robot called the Bulk Cutter will be dispatched to prepare the way. It will be dropped to the Solwara-1, 5,000 feet down. It will then use its boom-mounted cutting head to dig “benches” in the sea floor for the next wave of robots to work upon. Second comes the Auxiliary Cutter, which is larger, and capable of higher cutting capacity, but can only work in the trenches carved by the AC. The rock will be disaggregated on the seafloor by the continuous cutting of both massive machines, Nautilus explains on the company website, vehicles it says are “not unlike coal or other bulk continuous mining machines on land.” After the material has been extracted, the Collecting Machine is sent in.

That machine “will collect the cut material by drawing it in as seawater slurry with internal pumps and push it through a flexible pipe to the riser and lifting system,” which will in turn pump that slurry to the surface. Onboard, the slurry is dewatered and the desirable solids are stored in the hull, where they await transport from yet another vessel. Each of these robots can be remotely operated from above the surface, and are built to withstand the immense pressure of the deep. But as Nautilus notes, they’re mostly adapted variations of extraction tech currently used on land to clear land away for coal and ore. Just underwater—deep, deep underwater.

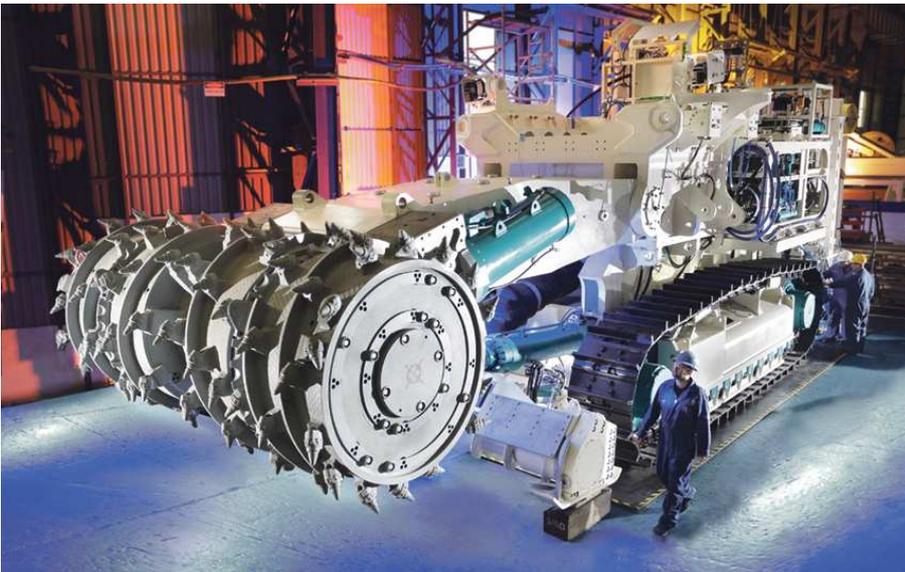


Image: Nautilus

All told, it's a complex, high-tech, and high-risk undertaking. The process is carried out in an extreme environment, and if those robots break down, repairs will be costly, as sending down a submersible to such depths would no doubt pose a challenge. And an accident, in such a high-stakes situation, stands to pollute the local environment and attract a lot of unwelcome attention. As such, Nautilus has made a lot of people nervous.



Image: Papua New Guinea Mine Watch

Local protests against the mine have been rising up in Rabaul, led by concerned New Guineans, van Dover tells me. Concerns range from the noise and light generated by the offshore operation, as well as environmental damage. As we're driving through the city's ash-pocked roads in a bus, she asks a local tour guide if she's seen the protests. "Oh yes," the woman mumbles, and looks out the window. A bit later, she told me that many of the locals "are unhappy" but didn't want to elaborate; she seemed nervous about casting Rabaul in a negative light. Tourism collapsed here following the eruption, and it appeared that foreigners were still a relatively uncommon sight on the island. Wherever we drove, people would smile, wave, even sometimes call out at the sight of us. Though Nautilus has yet to attract the international-scale attention of other trailblazing extraction projects, it's already plenty divisive. Locals may be concerned about foreign operations entering PNG waters and the threat to its environment, but environmentalists worldwide are beginning to organize around the issue, too. Protests against the Solwara-1 have already been amplified by a nascent global movement seeking to halt deepwater mining outright.

One opponent of the project is Richard Steiner, a marine conservation biologist who formerly taught with the University of Alaska. Steiner has studied marine disasters ever since the Exxon Valdez unfolded in his backyard. I first met him years ago: He was one of the first experts to arrive on the scene of the BP spill in 2010, where he helped monitor and analyze the fallout of the disaster. Today he spearheads a nonprofit called Oasis Earth, and lends his expertise to various conservation efforts. The Deep Sea Mining Campaign, which he supports, was organized to slow the drive towards mining the deep, and, in particular, its highest-profile poster project. “The idea of destroying the biological communities at the Solwara-1 hydrothermal vent system is contrary to everything marine conservation stands for,” Steiner tells me in an email. “Mining will destroy a deep sea biological community that isn't even well understood scientifically, and will likely cause extinctions of species that have yet to be identified.”

“That alone is an ethical line we cannot condone,” he adds. “It will cause severe and long lasting impacts to this vent field, and for minerals we simply don't need (particularly gold). This project is a spectacularly bad idea.” The full impact the project will have on the deep sea environment is difficult to discern. Nautilus commissioned a US environmental consulting nonprofit, Earth Economics, to carry out an environmental assessment of Solwara, which cast it in relatively favorable light. But Steiner and other critics have called its subsequent report misleading, and charged that it fails to take into account myriad ecosystem services and marine life vulnerabilities. Nautilus, of course, insists that its plans are not only safe, but even safer than the alternative. On-land mines are major polluters; leaching and runoff can contaminate watersheds and soil, create sinkholes, and encourage logging and development. The pollution can endanger the health of those living nearby, too. With deep water mining, that's less of a problem.



Auxiliary cutter. Image: Nautilus

“There's no society—there's no civilization, no human beings living on the seafloor, obviously,” van Dover says. “So that makes it a little bit simpler in terms of the societal impacts, unlike on land, where people are involved.” Still, conservationists argue there are other ways to obtain copper without succumbing to the deep. “Deep sea mining proponents seldom mention the vast resources still available on land, or the need to dramatically increase the efficiency of metal use in the global economy, cradle-to-cradle design, and landfill mining,” Steiner tells me. “We have to break the ‘economy of waste’—mining raw minerals, using them once or twice, discarding them, thus creating more demand for mining.” The biggest question, of course, isn't just the dangers of Solwara-1. It's whether this project may kickstart a wider industry, in places not as thoroughly vetted. “Korea and Japan are both active, a company called Neptune is also an active player right now,” van Dover says. (source: <http://motherboard.vice.com/read/deep-sea-gold-rush>)

Letter to the editor

Western people suffering from lack of funds

The National, November 17th, 2015

WE are raising our concerns regarding the drought situation in Western Province. It is more than three months and there is still no positive response from the Western Provincial Administration office. In this province, OkTedi Mining Limited was our government. Now that it is on the stand-by, we have no government, our members and governor are nowhere to be seen. All we hear from the provincial administration in Kiunga: We have not money. For years, the money from the Ok Tedi mine in our province was sent to the National Government to develop other provinces and the National Capital District. PNGSDP has contributed enormous sums of money from this province for so many projects here and all over the country. It is unjust to the people that the money of the Western province is frozen in the court.

Can the National Government release the funds allocated to serve the people of the Western province for the sake and benefit of our people? We are tired to hear that the Western province is the richest in mineral and oil, yet nothing is happening here - no development and no funds even to send our athletes to the PNG Games last year and the recent Pacific Games in Port Moresby. Prime Minister, how can you be so generous for some Provinces while ignoring the cry of the people where the money comes from? Our people need assistance immediately. In most parts of the province, the water sources have already dried out and the people are now walking 3-5km to collect water. The so called rich province has become poor in its leadership is not responding to the disastrous situation. going on? Concerned Citizen, Western Province

OK Tedi to remain closed

The National, November 18th, 2015

By GEDION TIMOTHY LAPAN

THE OK Tedi mine will remain closed even though there has been some rain in the area, a company official says. Mining was suspended on August 22 because of the dry conditions which affected the water level in the river used for transporting goods to and from the mine. The fall in the global copper price was also blamed for the suspension of mining. The company told The National via email yesterday that “sporadic rain has been experienced but it (the mine) will remain closed for the remainder of the year”. “The region has received sporadic rain over the past two weeks allowing vessels to bring in much-needed food and fuel supplies to Kiunga and Tabubil,” it said. “The rainfall is not sufficient to sustain river levels to allow a restart of the operations.” It did not say whether the situation was going to continue into the new year. OTML Foundation chief executive officer Ian Middleton said there was sporadic rainfall “but the situation is far from normal”. Following the suspension of mining, transport of copper concentrate from Kiunga to Port Moresby had to be stopped, along with the import of diesel for power generation and food supply. Some employees were sent home due to the mine closure.

New Caledonia Government Rejects Nickel Exports To Japan

Government trying to raise prices by limiting global supply

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 18, 2015) – The New Caledonian government has declined a bid by the SLN nickel company to be allowed to export one million tonnes of low-grade ore to Japan. The export restrictions are contentious and led to industrial unrest in August as truck drivers fear for their jobs in a depressed nickel market. The government

position has been that supplying the market with more ore is bound to contribute to keeping prices low. SLN, which is the oldest of the territory's three big nickel producers, is losing millions of dollars every month. Last month however, the government approved a bid by one company, MKM, to sell 300,000 tonnes of ore to China over the next 18 months.

Duke of York islands ignored in seabed mining debate

Act Now! November 17, 2015



Kabakon Island, Duke of York Islands, Papua New Guinea

The stunningly beautiful Duke of York islands are the closest small islands to the site of the proposed Solwara 1 experimental mine in Papua New Guinea, yet the islanders say they have been completely ignored in the mine development process.



The 13 Duke of York islands sit offshore from Kokopo, in the narrow St George's Channel between New Britain and New Ireland. They lie directly south-east of where the seabed mining is scheduled to begin in 2017. The islanders are already facing the impacts of climate change with the rising sea level affecting food security on the low lying atolls. In 1999 the islanders collected signatures on a petition stating their overwhelming opposition to the proposed mining. The petition was presented to the East New Britain Provincial Government but, fifteen years later, the islanders are still waiting for a response. The islanders, through the Ramuaina Integral Development Forum and their spokes-

person Philip Tokam, say nobody from the government or Nautilus Minerals, the Canadian company who will do the mining, have visited the islands to obtain their views or consent to the proposed mining.

This is despite the fact the entire economy of the islands is dependent on the sea and it provides the people with their only source of protein. Nearly every family on the islands is involved in fishing to provide food on their plates and cash incomes from sales of fresh and dried fish in Kokopo market. The mining operation will involve three giant 250 tone machines strip mining the ocean floor creating large plumes of sand, dust and crushed rock which people fear will disturb fish stocks. Once the crushed rock has been pumped to the surface and the valuable ores separated the unwanted waste will be dumped back into sea.

The giant machines will also create huge amounts of noise which will travel vast distances in the undersea environment, potentially disrupting species like whales, dolphins and sharks that rely on their own undersea sonar. Any leaks from the hydraulic systems on the machines will spill oil directly into the ocean. New Zealand has recently rejected two seabed mining applications because authorities say the potential negative impacts cannot be quantified or controlled. The Duke of York islanders fear they will be the first victims of their government's failure to take a similar precautionary approach.

Mine progressing well, firm says

The National, November 16th, 2015

By GYNNIE KERO

THE US\$2.1 billion (K6 billion) Ramu nickel and cobalt project in Madang has reached more than its 90 per cent designed capacity despite challenges such as the low nickel metal price and the drought. Project developer Metallurgical Corporation of China (MCC) Ramu NiCo Ltd said it took only two years to achieve the nameplate capacity since 2012. The project is a joint venture between Highlands Pacific (8.56 per cent), the Government and landowners (6.44 per cent) and MCC Ramu Nico Ltd (85 per cent). MCC holds a 61 per cent interest in MCC Ramu Nico Ltd. The remaining 39 per cent is held by Chinese entities.

Ramu NiCo Management Ltd said: "The achievement is unmatched, industry-leading and remarkable in similar laterite industry. "This depicts the direct support from the Papua New Guinea Government and succeeding governments since PNG and China agreed to see Ramu NiCo project as a flagship project that will contribute greatly to PNG's GDP." When asked about the revenue earned from its exports of nickel and cobalt from the project, Ramu NiCo Ltd said there had not been any returns as yet. "The company keeps losing money as the nickel price is continuing to slump, thus, facing great loss. It is predicted that the project will suffer a deficit, imposing a huge financial burden on the MCC Group."

Mineral Resource Authority urged to respect landowners

PNG Today, November 13, 2015

Mount Kare Gold Development Corporation (MKGDC) Chairman Pes Watai has blamed the Mineral Resource Authority for causing 'unnecessary inconvenience' for landowners of the resource rich area. Watai was referring to The National story of November 5, 2015 in which a MRA official said that there was no landowner body for Mt Kare and further stated that currently there is no free licence that the landowners can claim ownership and look for investors on their own. "Whoever MRA official that went out to the media to say there is no landowner body for Mt Kare is an

outrageous lie and a direct insult to the landowners,” Watai said. Watai said that in a letter dated 14 March, 2014 by the Minister for Mining Hon. Byron Chan MP to the Managing Director of MRA Philip Samar, Minister Chan officially recognised MKGDC as the landowner umbrella company. “MKGDC is not disputing the current exploration licence (EL 1093) held by tenant holder Summit Indochine Limited that is awaiting renewal by the Mining Minister Hon Byron Chan MP.”

“MKGDC stand united to work for the maximum benefits of the landowners. We have waited and suffered for so long. All we want is for the project to go ahead as soon as possible no later 2016.” Watai said. “Earlier this month in a special meeting, the 7 major clans comprising of 21 clan agents out of the 37 agents appointed at Mt Kare in the presence of representatives from the Department of Lands and Physical Planning, MRA, consultants, Enga provincial Government, Summit Indochine Ltd (developer) and landowners during the Land Identification Report/ Land Identification Survey last year (May- October 2014) unanimously agreed and voted to have MKGDC be the sole legitimate landowner umbrella company to work with the developer, provincial and national government,”

The Special Mining Lease (SML) comprises of 7 major clans area namely Pakeya, Komai, Leyapi, Heli, Yolo and Kewai Terewana in a meeting in which the 21 clan agents agreed to have MKGDC lead their concerns and grievances after the court sanctioned mediation of July 24 and August 2015 respectively confirmed 19 major landowning clans,” Watai said. In the meeting earlier this month, past differences and interclan rivalry and tassel for leadership positions were also amicably resolved in the meeting with another faction of a landowner umbrella company executive pledging his support to work with MKGDC under the leadership of Watai. Chairman of Ipaita Limited Peter Tako fully pledged his support to work under MKGDC and committed to submit under the leadership of Watai. Tako said that he had to put aside the leadership tussle and work together for the betterment of the landowners of the project area to start no later than 2016.

Watai thanked Tako for showing mature leadership by putting aside all differences and to work together for the maximum benefit of the landowners. “The November 05 story even stated that MKGDC was trying to claim ownership and look for an investor on our own which is totally wrong and misleading,” “I respect and applaud the mediation process presided over by Justice Kandakasi and Deputy Chief Magistrate Mark Pupaka.” “The mediation process is seen as a light at the end of the tunnel because this issue has been dragged through the mud for 30 years without development in which genuine landowners were dying instead of benefiting.” Watai said. “I urge the responsible authorities to do whatever it takes to have the project started as the landowners stand united to work with the developer, MRA, provincial and the national government.” “All we want is development, service and change in our area as soon as possible.” Watai said.

Tahiti Opposition Leader Lashes Out At French Seabed Policies

Temaru: Paris ‘raping Maohi people’s right to sovereignty’

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 12, 2015) – French Polynesia's opposition pro-independence leader, Oscar Temaru, has sharply criticised France, saying it was raping the Maohi people's rights to sovereignty. Mr Temaru lashed out at Paris for retaining the rights to the territory's seabed and continental shelves, which are believed to be rich in rare earths. His comment comes as the President of the territorial assembly, who belongs to the anti-independence party, tabled a resolution, which asks France to cede these rights to French Polynesia. Mr Temaru says the rival camp's move and support is belated and hypocritical because its politicians had been collaborators with France and allowed Paris to seize these rights. His party colleague, Antony Geros, says France keeps refusing to recognise the decolonisation process approved by the

United Nations two years ago. He says whenever the Tahiti question is raised at the UN, France walks out to have a smoke.

250-tonne underwater gold mining vehicles unveiled on Tyneside

Vehicles built for Nautilus Minerals have finally been completed by Wallsend's SMD following five years of engineering works

By Tom Keighley, ChronicleLive, 11 Nov 2015

A trio of Tyneside-built undersea mining vehicles have been unveiled after a five-year, multi-million pound development project that has shown off the best of North East engineering. Wallsend engineers SMD and representatives from Canada's Nautilus Minerals were on hand yesterday to give a live demonstration of the three Nautilus vehicles, each weighing around 250 tonnes. Delivery of the vehicles is the culmination of a \$100m phase in Nautilus' project to mine high grade iron ore nodules and gold from the sea floor. The three pieces of kit – a bulk cutter, an auxiliary cutter and a collection machine – are now due to be taken to an unnamed location for testing in shallow waters before they loaded onto a specially built vessel and deployed in the Pacific Ocean. All three will operate at depths of around 1,500m in temperatures of 2.6 degrees celsius, controlled remotely by teams on board the vessel using sonar and mapping technologies. Ultimately a crew of around 130 will help to deploy and operate the machines from Nautilus' vessel.

At SMD's Wallsend yard, international media were treated to a live demonstration of the machines, which feature components made by the likes of Caterpillar and North East neighbours Pearson Engineering. Workers explained that Nautilus machines are designed to break rock with much greater forces than their land-based counterparts and can only be operated on land at low temperatures for fear of overheating. Nautilus Mineral's chief executive Mike Johnston flew to Tyneside for the unveiling. He said: "We're opening up a huge potential for seabed minerals which requires the sort of expertise that SMD has. "Before we started this project we ran a design challenge and SMD were always in the top two companies, and they won it comprehensively. Everybody in the oil and gas space knows about their prowess. "On the vessel side of the operation we've got some of the world's best companies involved, including the likes of Siemens and Rolls Royce, so it only natural that we ended up with SMD."



Nautilus Mineral's Auxiliary Cutter

North East-based engineers will now follow the Nautilus machines to China where they go through testing before mining is expected to begin in 2017. As the first project of its kind, international eyes are now on the Nautilus project to see if seabed mining can be commercially viable. Mike Jones, deputy chief executive officer at SMD, said: “It’s very much been a joint effort combining Nautilus’ expertise in mining and SMD’s expertise in subsea equipment. There’s still quite a lot to do in order to put these machines to work. We’ll work together in the testing phase, which comes next, and the initial working phase. “From there it’s a case of learning. These machines are the first of their type and we’ll work with Nautilus to build future generations of the technology.” Nautilus – a company listed on the Toronto Stock Exchange – have been given the go-ahead to mine at their first site off the coast of Papua New Guinea, and also hold licences for other sites which will require environmental permits before operations can begin.

The firm has faced opposition from environmental groups and non-governmental organisations who fear the mining processes will cause irrevocable damage to the deep sea ecosystem. Mr Johnston added: “There’s a lot of stuff said about seafloor mining which just isn’t true. It’s going to be very hard for some of these people to stand on the sidelines, when we’re operational, and see that these things just aren’t happening. “We’re now talking to other governments where we hold licences in order to progress them. Next year the International Seabed Authority is set to publish the first set of regulations on the exploitation of seabed nodules, and that will set the ball rolling for permits in international waters – which we are keen to do.”

Gulf Province backs firm on oil project development

The National, November 11th, 2015

THE Gulf provincial government has thrown its support behind Twinza Oil Ltd on the development of the Pasca Field. Governor Havila Kavov said the provincial government and administration supported the offshore oil drilling project that Twinza would undertake. “Gulf province welcomes the company and the outcome of their work in the province,” he said. “The results produced are very encouraging for the people of Gulf. “I acknowledge the minister’s (Petroleum and Energy minister Nixon Duban) stand. I believe the best way forward is to see that the provinces are given the maximum attention and benefit in the projects.” Kavov said he was happy with the announcement made by the Duban and the company that there was prospect in the province. He said Pasca has the potential to contribute to the energy needs of the country. “Pasca is discovered and the field has the potential to contribute to the energy needs in the country,” he said. “With them (Twinza) to come up with an idea to develop an LPG (liquefied petroleum gas or liquid petroleum gas) in the country is a way forward for the country. And Gulf will stand right behind the Government and the project developer to make sure the project gets off the ground.”

Offshore work to start

The National, November 11th, 2015

By SHIRLEY MAULUDU

PAPUA New Guinea’s first offshore oil drilling project may begin in 2018, it has been revealed. Senior project engineer with Twinza Oil Limited Eric Kowa said the company would develop the Pasca field, located 95 kilometres off Gulf. The field has been abandoned for almost 45 years. “Twinza has taken an interest in the operations of the asset in 2011,” Kowa said. “And since that time, significant technical work has been done with support of the Department of Petroleum and Energy. “In April this year, Twinza submitted a notice of discovery over Pasca. “It’s a certified resource, just under 100 mmboc (million barrels of oil equivalent).

“Twinza has taken steps following resource certification to put forward a field development plan on the asset through the department of petroleum and energy. “Work is underway in progressing the environmental impact statement for submission to the Conservation and Environment Protection Authority by the end of the year. “With the support of the Minister for Petroleum and Energy, and the Gulf Governor, we are looking forward to move towards development drilling by the fourth quarter of next year. “We are opening the offshore hydrocarbon development of this country. “It’s a pioneering aspect in many areas and we are looking forward to it.” Petroleum and Energy Minister Nixon Duban said Twinza Oil had taken a huge step in considering an offshore prospect which was new in the industry’s dimension in terms of the development of oil and gas.

Solomons Court Says Bauxite Mining In Rennell Can Go Ahead

Operations were suspended by police on orders of Attorney General

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 11, 2015) – A court in Solomon Islands has declared two mining companies can continue their bauxite mining operations on Rennell Island. Police stopped the mining by Asia Pacific Investment Development and its subsidiary Bintan Mining Solomon Islands following legal advice from the country's Attorney General, James Apaniai. The Solomon Islands High Court quashed Mr Apaniai's order in his judgement, declaring no one should interfere with APID's mining operations on the island. On the same day as the ruling the Ministry of Mines and Energy held up the shipment of more than 10,000 metric tonnes of bauxite worth millions of dollars. A ship which carried the bauxite mined by APID and Bintan was held up outside the capital city of Honiara. It is not yet clear whether the High Court ruling will affect the hold-up.

Brazil mine disaster a nightmare for BHP

PNG Mine Watch, November 10, 2015

Another BHP disaster on the scale of Ok Tedi in Papua New Guinea, which poured its tailings into the river rather than holding them in a dam, ruining large parts of PNG’s Western Province and the lives of 50,000 people...



Rescue workers in Bento Rodrigues, the community worst hit when mine tailings dams collapsed. Source: AP

BHP Billiton chief executive Andrew Mackenzie is now facing the sort of management test, both emotional and financial, that would make other chief executives cross themselves and thank heavens it's not them. And the fallout from the Brazilian tailings dam disaster is only likely to get worse. Evidence is now emerging that the joint venture company that operates the mine, Samarco, was warned two years ago that the tailings dam might be unstable. According to a report in the Wall Street Journal over the weekend, the Brazilian authorities published a series of warnings about the site in 2013 at the same time as renewing its licence. "The waste pile requires low humidity and good drainage; the tailings dam has high humidity, as it's a reservoir of water," the Instituto Pristino report said, adding that contact between the two structures could saturate the waste pile and cause it to collapse.

Depending on the radius of the rupture in this process, several collapses at various levels of the slope can occur, causing a great mass of waste to flow downstream in the direction of the Fundão dam." Brazilian public prosecutors have now opened an investigation into whether the company fulfilled the technical requirements contained in the licence. Andrew Mackenzie has flown to Minas Gerais in Brazil to look at the site of the tailings dam disaster that happened last Thursday at about 4pm, and by all accounts what he will find there is truly horrifying: two confirmed dead and up to 28 missing, including 13 mine workers, and an unimaginable catastrophe for the local towns that have been inundated with tailings. The number of reported missing is increasing by the day and includes three small children.



A rescue worker walks between destroyed houses after the dam disaster in Brazil.

The first question to be answered is whether the company properly warned villagers in the path of the sludge. Residents are claiming they only knew about the disaster when they saw clouds of red dust rising from the dam, about seven kilometres away. However, a Samarco spokesman said over the weekend that the local residents were warned by phone. He couldn't say how many were contacted, or how quickly, but insisted that Samarco had followed proper emergency procedures. Samarco is a 50/50 joint venture with Brazil's Vale that has been operating since 1977. It is set up as a separate company with its own balance sheet, and produces iron ore pellets which are shipped out of a company-owned port on the Brazilian coast. Last year it made \$2.8 billion in revenue and a profit of \$1.28bn. According to BHP's annual report, Samarco has \$1.2bn in shareholders' funds and \$6.1bn in debts — in other words, it is heavily geared. The carrying value of the investment in BHP's books is \$1bn. It is too early to tell what the clean up at the mine and the surrounding areas will cost, but it would be very surprising if the bill was less than \$1bn, and that's without dealing with the tragic loss of life.

The port and mine are now closed and will be for some time; they may never reopen. Whatever happens, it's likely that BHP will not only have to write off the value of its investment entirely, but also come up with more than its half share of the rescue and compensation costs. The question of whether the liability for the disaster is contained within Samarco itself or extends to the shareholders is irrelevant. Samarco clearly does not have the money to fund the clean up or compensation and neither BHP nor Vale will be morally able to rest on any legal niceties to avoid paying. But the question is whether Vale is much better shape to fund to its share of the mess than Samarco. Obviously BHP will be looking to its joint venture partner to come up with half the cost, but Vale might struggle. It is also very heavily geared and, with the iron ore price at historically low levels, probably doesn't have the cash. For BHP, it may become another lesson in the dangers of weak joint venture partners in countries with weak environmental laws. The first was the Ok Tedi copper mine in Papua New Guinea, which poured its tailings into the river rather than holding them in a dam, ruining large parts of PNG's Western Province and the lives of 50,000 people. In 2013 the PNG Government seized 100 per cent of the mine and blocked lawsuits over the disaster, but it was a public relations catastrophe for BHP and the asset was lost. Something on a similar scale has now happened in Brazil.

Group to submit report on extractive industries in PNG

The National, November 10th, 2015

By LUKE KAMA

PAPUA New Guinea will for the first time submit a report on the extractive industries in the country to the International Extractive Industries Transparency Initiative Board (IETIB) based in Norway in December. PNG Extractive Industries Transparency Initiative (PNGEITI) country manager Lucas Alkan said PNG has signed up to be a member in IETIB in 2014. "When a country has signed up to be a member, we are given 18 months to do certain things in order to be recognised as a full member and one of the key requirements is to submit a report on the extractive industries in the country," Alkan said. "There are 47 mineral resource rich countries around the globe who are members to the IETIB and PNG is the 48th.

"These countries are mineral resource rich countries that want to promote transparency, accountability, good governance and equity participation between all stakeholders concerned in the extractive industries. "PNG is not yet given full membership because we have to meet certain requirements and standards to be guaranteed a full membership. "One of the key requirement is for us to publish a country report on extractive industries in the country after 18 months of signing up to be a member. "Therefore by 31st December this year a report on the extractive industries in the country will be submitted to the IETIB". "As such, in the last 18 months, the secretariat (PNGEITI) has worked very hard and is now in the process of preparing the reports."

Landowners call for K19.2m grant

Post-Courier, November 09, 2015

BY ANDREW ALPHONSE

HELA Province landowners are calling on the State, the provincial government and developer ExxonMobil (PNG) Ltd to finalise and release their K19.28 million Hides PDL 1 business development grant (BDG) this week. The landowners made this known in Port Moresby yesterday through the Gigira Laitepo Palamanda and Hides Hiwa block landowners associations. The group thanked Prime Minister Peter O'Neill for releasing the K19.28 million BDG and another K53 million for infrastructure development grants (IDG) to the Hela Provincial Government. These payments were made on September 3 before Mr O'Neill made his historic tour of Hela. The landowners have been

in Port Moresby for three months now and have incurred costs to services providers in accommodation, food, transport and others of more than K470,000. They called on the State, the Hela Provincial Government and ExxonMobil as developer of the US\$20 billion PNG LNG project to settle their bills and pay them their BDG before they can go home.

About 35 landowner representatives, including protestors and petitioners from the six major blocks like JP Karai, Hapono, Hiwa, Tuguba, Kami Kera and Tuku Tapira, are currently accommodated at the Coots Lodge in Boroko awaiting their money. Spokesmen Eka Ango (Hapono), Makape Katia (Hiwa), Eric Kembe (Tukuba), Aluya Jakari (Hiwa) and councillor Moses Biyeri (JP Karai) said with the festive period around the corner and the *El Nino*-induced drought affecting their people back home, it was imperative that they return and help with the relief supplies. They therefore called on the concerned authorities to release their money. The group also called on Port Moresby-based "paper landowners and briefcase brigades" not to take legal actions against the Hela Provincial Government to stop the payments. They also called on the banks to honour and process these cheques once the payments are made.

Government yet to pay Landowner groups: Somare

Post-Courier, November 09, 2015

GRAND Chief Sir Michael Somare has told Prime Minister Peter O'Neill to stop misleading beneficiary groups. Sir Michael said it is sad that since assuming office in 2011, the O'Neill Government has to date not progressed payments honouring the 2009 contract between landowners and the State in the PNG LNG project. "It has been six years since the Somare Government and the beneficiary group landowners signed off on the Umbrella Benefits Sharing Agreement (UBSA), yet Mr O'Neill sees fit to treat them, provincial government and local level governments (LLGs), with contempt by using delayed tactics and misinforming them on their benefits." He said Mr O'Neill's recent "assurances" to LNG landowners of a "better deal" are both mischievous and designed to mislead landowners. He said Mr O'Neill should start delivering the benefit packages in the 2009 Kokopo Umbrella Benefits Sharing Agreement before offering more empty promises. "The 2009 Kokopo UBSA's total benefits sharing package represents absolute value that stands at a staggering US\$11 billion (K33b) over 25 years – this could hardly be considered as a raw deal as suggested by Mr O'Neill."

SOS – The world's Oceans facing emergency Singapore Summit set to worsen the crisis

PNG Mine Watch, November 6, 2015



Civil society organisations from across the globe are highly critical of an international oceans conference to be held in Singapore next week. Mis-named the Sustainable Ocean Summit, the con-

ference is touted as providing a platform to advance industry-driven solutions to ocean sustainability challenges. Indeed, the world's oceans are in dire straits largely due to industrial activity. Catastrophic extinctions are forecasted over the next two decades if pollution, resource extraction and climate change are not mitigated[1]. In apparent ignorance of this, the Summit's program maps a way forward based on maintaining existing forms of ocean exploitation and facilitating new ones, such as seabed mining.

“What the world's oceans need are community and government driven solutions to the crisis created by industrial capitalism”, says Riaan Eksteen of the Namibian based Swakopmund Matters. “Our national Government in Namibia respected the concerns of its citizens about the unknown risks of seabed mining and has established a moratorium on this industry. Where are the voices of civil society at this summit on ocean sustainability?” Mr Eksteen continued, “As highlighted in the Pope's recent Encyclical on the Environment[2], we pursue at the planet's peril the relentless exploitation and destruction of the environment in the name of profits, excessive faith in technology, and political short sightedness. This conference looks set to reinforce all of these destructive elements.” Namibia is not the only country to lead the way with a precautionary approach to seabed mining.

A moratorium has also been declared in Northern Australia[3] and in New Zealand the Environmental Protection Authority set a global precedent by declining[4] the country's first two seabed mining applications over the last eighteen months. Phil McCabe of Kiwis Against Seabed Mining notes, “With 99% of public submissions opposed to the first sea bed mining application, it's clear that there is no social licence for an industry that promises little but further degradation of the marine environment. It's ironic that the acronym for the Summit is SOS as this does accurately describe the state that industry has left our oceans in.” Dr. Helen Rosenbaum of the Deep Sea Mining Campaign states, “there is no place for the promotion of deep sea mining at a conference purporting to be about ocean sustainability. The world's oceans are already under intense pressure.

To discuss deep sea mining in the same breath as corporate responsibility is an oxymoron[5]. This conference is not about the sustainability of our oceans but about securing industry access to marine resources. This is incredibly short sighted even from the narrow point of view of industry self interest: once marine ecosystems collapse so will industry profits as will local, national and regional economies.” According to Dr. Catherine Coumans of MiningWatch Canada, “Changing operating environments from terrestrial to marine doesn't change the nature of the mining industry itself. Communities all around the world bear testimony to the devastation caused by mining in the name of profits. Now the same industry and the same investors with the same profit motives are seeking to plunder the oceans. This Summit's attempt to dress this up in the language of sustainability will not enable the leopard to change its spots.”

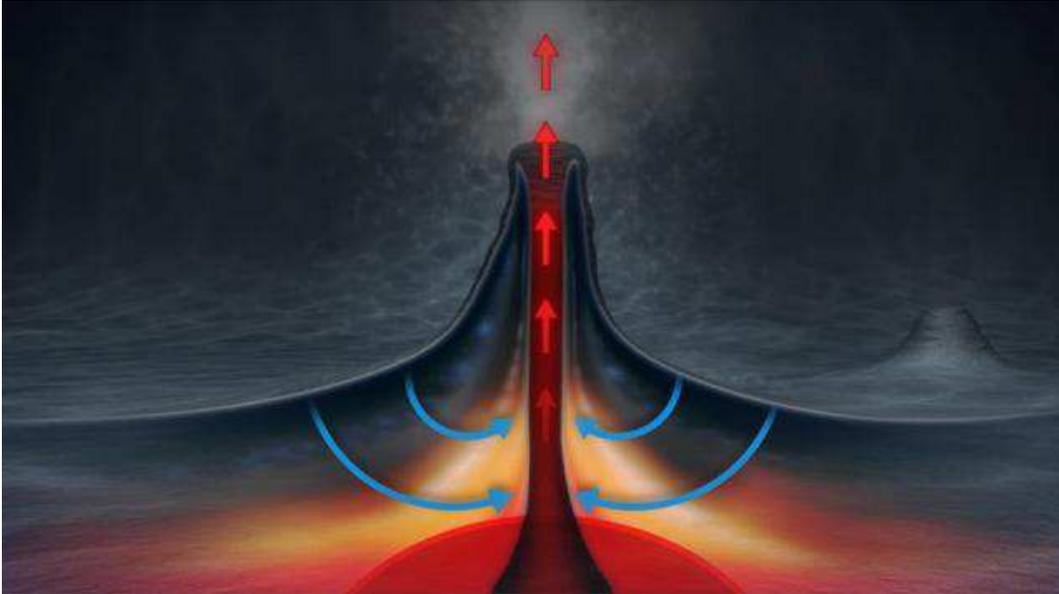
MRA: No landowner body for Mt Kare

The National, November 5th, 2015

THE Mineral Resources Authority says there is no recognised body to represent landowners on the development of the Mt Kare gold in Enga. A MRA official said a court-sanctioned mediation on July 24 and August 17 this year confirmed 19 major landowning clans with Justice Ambeng Kandakasi and Deputy Chief Magistrate Mark Pupaka. “Currently the Exploration License (EL 1093) is with Summit Development Limited and waiting for its renewal which is before the Minister for Mining (Byron Chan),” the official said. “There is no free license that the landowners can claim ownership and look for investors on their own.” But according to landowners who met last week in Wabag, the Mount Kare Gold Development Corporation was declared their sole legitimate landowner umbrella company. Twenty one clans declared that the company would be the only legitimate

landowner company responsible for all business deals and negotiations between the developers, the Government and the provincial government and developers regarding the Mt Kare gold project.

Global Opposition Is Mounting Against the Latest Environmental Abuse – Deep Sea Mining
Occupy.com, 4 November 2015, by Tom Lawson



The world's oceans are in a bad way, to put it mildly. Decades of overfishing, industrial pollution, plastic waste and threats to basic ecological stability posed by climate change all demonstrate how "humanity is collectively mismanaging the ocean to the brink of collapse," according to the World Wildlife Fund's [Living Blue Planet Report](#) released in September. Now another threat is emerging: deep sea mining. Seabed minerals were discovered as far back as 1873. But it's only within the last decade, as demand has grown for items such as smartphones – and as the depletion of inland resources has pushed mining exploration to further extremes – that technology has made the exaction of copper, zinc, manganese, nickel, cobalt and gold from under the sea possible. Now, the world's

first-ever commercial deep sea mining (DSM) project is due to start in under two years time – and environmentalists and scientists are worried. “We currently have very poor understanding of deep sea ecosystems, few protected areas, and management regimes that are rudimentary at best,” said marine conservation biologist Rick Steiner. “Thus, the potential for irreversible ecological damage due to DSM is high. We need a ten-year continuous time series of research before we will have even a vague understanding of the environmental impact.” Some action is being taken in the face of these uncertainties. In February, a team of researchers from 25 European institutions began a three-year study on the potential ecological effects of DSM. But it could be too little too late.

Mining in the Pacific

The Solwara 1 deep sea mine, located 19 miles off Papua New Guinea in the Pacific Ocean, is the first project in the world to be granted a commercial DSM extraction license. The application for the joint venture between Canadian mining company Nautilus Minerals and the Papua New Guinea government was submitted in 2008. But due to an undisclosed equity dispute, the 20-year extraction license didn't get approval until last April. Production is now expected to start in early 2018, and the company plans to mine deposits of copper, zinc and gold worth hundreds of millions of dollars. Responding to concerns about ocean health, Nautilus claims mining the seabed will have less of an impact than terrestrial mining due to the smaller scale of its operation – with DSM, minerals are found in concentrated nodules associated with volcanic activity – and the fact that no roads or infrastructure would be required to gain access. However, independent science-based reports released in 2009, 2011 and 2012 detail deficiencies in the science and modelling used by Nautilus. The reports claim that DSM could cause irreversible ecological damage to sites that could contain hundreds of species previously unknown to science. It also says the mining activity would introduce light and noise pollution in pristine areas, and could produce sediment plumes introducing toxic metals into the food chain – harming tuna, dolphins and potentially humans.

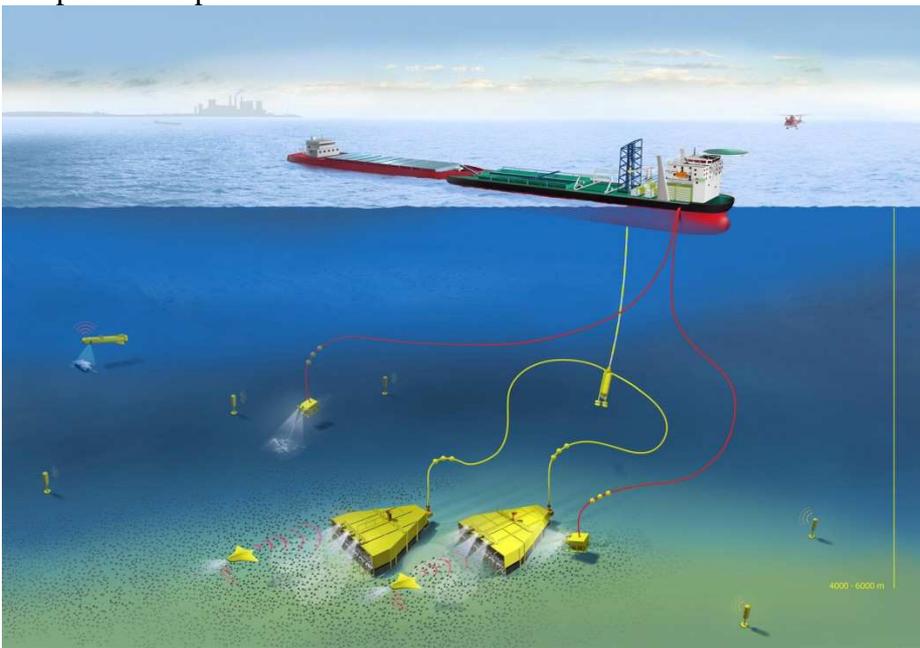


Opposition is Growing

The latest challenge to Solwara 1 has come from the Deep Sea Mining Campaign, which published a report in September entitled *Accountability Zero* that was endorsed by economists, scientists and NGOs including Greenpeace Australia and Earthworks. The group analyzed the results of an environment conducted by the American consultancy firm Earth Economics, and commissioned by Nautilus, which compared the potential impacts of Solwara 1 to existing land-based copper mining.

Accountability Zero claims the report failed to account for the unique social, cultural and economic values of oceans. And it's not just oceanographers and NGOs that are concerned.

Despite Papua New Guinea's government ignoring a 24,000-strong petition that calls for a stop to experimental seabed mining, opposition to DSM from the country's citizens continues to grow. In 2008, the Bismarck Solomon Seas Indigenous Peoples Council was formed with the specific aim of opposing Solwara 1. Papua New Guinea Mine Watch is also calling for Pacific Ocean mining to stop, and there is an ongoing petition urging Pacific leaders to take a cautious approach to DSM. "Never before in Papua New Guinea's history has a development proposal galvanized such wide-ranging opposition," said Dr. Helen Rosenbaum, coordinator of the Deep Sea Mining Campaign, "from students and church leaders – in 2013 the Pacific Conference of Churches passed a resolution to stop all forms of experimental seabed mining in the Pacific – to NGOs, academics, and national and provincial parliamentarians."



Setting a Precedent

Solwara 1 is currently the only DSM project with a commercial operating license, but many others are waiting to follow in its footsteps. The number of companies seeking to mine in international waters has tripled in the last four years, and the U.S., UK, Russia, China, Japan, Brazil, Germany and South Korea all have exploration projects underway. Most of these are in the Pacific, while others are in the Atlantic Ocean, Indian Ocean and the Red Sea. Separate projects have also been proposed in the national waters of Fiji, the Cook Islands, Tonga and New Zealand. The process regulating DSM is distinct. Permits to explore for minerals are issued by governments within their territorial waters – 200 nautical miles from shore – or by the International Seabed Authority (ISA) in international waters. Formed in 1994, the ISA was established by the UN to regulate international waters, described as “common heritage of mankind” and not subject to direct claims by sovereign states. But a major criticism of the ISA has been the issuance of exploration permits without having first approved environmental standards.

Despite issuing mining permits since its inception, it wasn't until July that the ISA finally brought together representatives from its 170 member states to begin drafting a framework on environmental standards and regulations, which is expected to be finalized late this year at the earliest. In the lead-up to July's meeting, a policy paper published in *Science* called for the ISA to cease issuing permits until environmental controls are in place. Written by researchers from the Center for Ocean Solutions and co-authors from leading global institutions, the report proposes a strategy for balancing commercial extraction with protection for seabed habitats. But despite the paper's warnings,

the ISA went ahead and authorized the latest Pacific exploration contract to China Minmetals. Altogether, the ISA has issued 27 permits for mineral exploration covering around 1.2 million square miles of seabed. All but eight have been issued within the last four years.

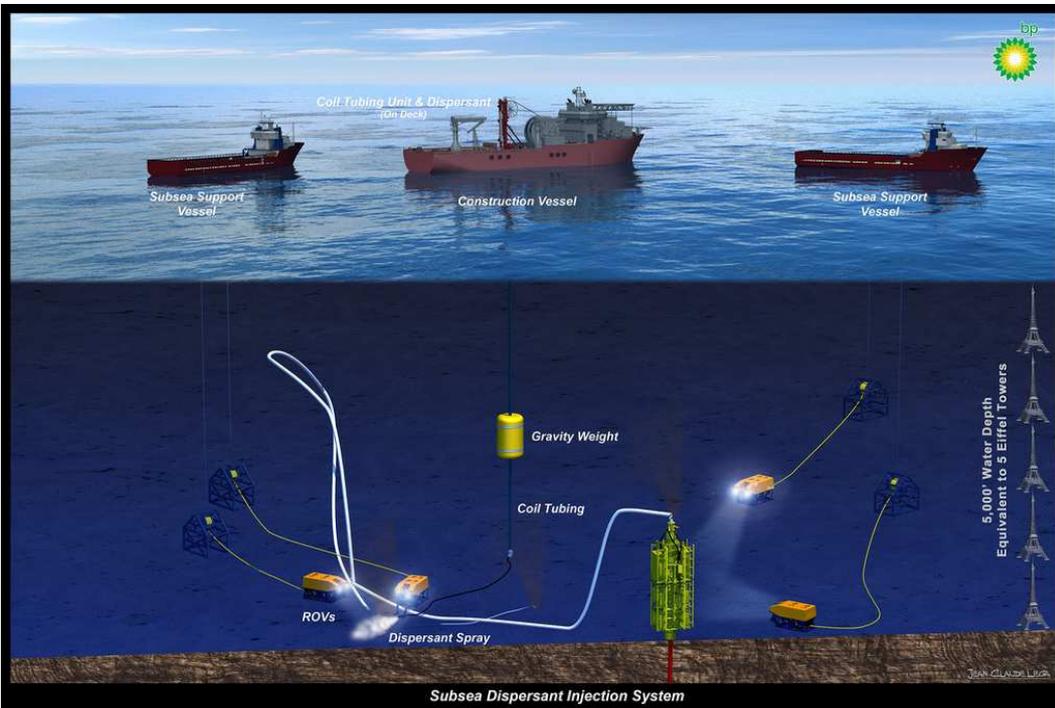


Building International Support

With the surge in exploration permits has come a gradual but growing international movement against DSM. At the 2012 Rio+20 conference in Brazil, a Fiji-based women's NGO marched with an anti-DSM message, and in 2013 the Namibian government issued a moratorium on all deep sea exploration within its waters until a long-term impact assessment is made. International campaign groups including Greenpeace and the Yes to Life, No to Mining movement have issued statements against DSM. In the U.S., the Center for Biological Diversity is going further and taking legal action. In May, the organization launched a lawsuit against the government over its approval of the first-ever large-scale DSM exploration project between Hawaii and Mexico, claiming it lacked the required environmental assessment.

New Zealand is another country where anti-DSM campaigning has been strong due to the government's 2004 Foreshore and Seabed legislation, which created a series of prospecting permits for companies seeking to exploit the iron sand reserves in the west coast seabed. As a result, the community-based action group Kiwis Against Seabed Mining (KASM) was established in 2005 to protest DSM, and its biggest victory to date came against Trans Tasman Resources in December of last year. TTR wanted to mine 50 million tons of iron sand from the seabed, but was rejected by the country's Environment Protection Authority. The company planned to appeal, but withdrew following an overwhelming response from people opposed to the proposal, including 5,000 submissions from local citizens. The victory showed that DSM projects could be overcome. But in New Zealand and elsewhere, many see the public and civil society response still lacking.

“To date seabed mining has been very much under the radar but it absolutely warrants a lot more attention,” said Phil McCabe, chairman of KASM. “Greenpeace has stated that seabed mining has the potential to have the largest areal impact on the planet of any human activity – it’s akin to deforestation on a massive scale, and we need to turn people on to [what it is].” An Avaaz petition calling for a moratorium on seabed mining prior to the ISA’s July meeting failed to reach its target, falling 7,000 signatures short of its 80,000 signature goal. But it demonstrated how close the anti-DSM movement could be to galvanizing widespread awareness and support. The question is: with so many mining proposals already underway and a lack of legislation protecting the deep sea, will the opposition come too late?





Axiom secures A\$15m to advance Isabel mine development

By Esmarie Swanepoel Creamer (miningweekly.com), 4th November 2015

Metals developer Axiom Mining has secured a A\$15-million funding package for the initial mine development of its Isabel nickel project, in the Solomon Islands. The funding would be made available in three tranches, with the first A\$5-million to be drawn down by November 9. The second tranche of A\$5-million would be drawn down after November 20, while the balance would be drawn down at the end of April. The convertible note facility was agreed with InChoR Holdings, which along with its 70%-owned subsidiary InChor Technologies (InTech) also entered into a strategic partnership with Axiom. The third tranche would be subject to the execution of a joint venture agreement with InChoR and InTech. Interest of 6% a year on the convertible note would be payable, with the note maturing within 24 months of drawdown.

The conversion price had been set at 37c a share. Axiom CEO Ryan Mount said on Wednesday that both InChoR and InTech were experienced resource investors with strong technical capabilities, which would provide Axiom with access to leading nickel metallurgy and mining expertise, while providing funding for the initial development of Isabel. “This strategic partnership is a major step forward for Axiom to develop one of the largest nickel laterite deposits in the Pacific and gives us a proprietary position to potentially extract more value from this world-class asset much earlier than we originally thought possible.” As part of the agreement, Axiom would secure exclusive rights in the Solomon Islands to use InTech’s starved acid leach technology (Salt), as well as a ten-year first mover worldwide advantage on nickel product sales using Salt. Axiom was taking a phased approach to develop the Isabel project, with the initial focus being on establishing a two-million-tonne-a-year direct shipping ore (DSO) operation for a relatively low capital expenditure. Resource drilling and camp upgrade activities were under way and the start of a DSO operation was being targeted for late 2015.

Bill Shorten refuses to back Pacific island calls for moratorium on new coal mines

Tom Arup, The Age, November 4, 2015

South Tarawa: Labor leader Bill Shorten has refused to back Pacific island calls for a moratorium on new coal mine development as he wrapped up a four-day tour of the region to highlight the impact of climate change. Speaking in Kiribati, Mr Shorten said Australia would embrace stronger action on climate change under a Labor government but, when asked whether he would support the calls of some low-lying Pacific island nations to stop the expansion of coal, he said fossil fuels were

still part of the world's energy mix. The Kiribati President Anote Tong, whom Mr Shorten met on Tuesday evening, has led Pacific nation calls for a moratorium on new coal mines and the expansion of existing ones to be considered under a new global climate change agreement. "I had long conversations with leaders of the Pacific nations about the future of fossil fuels and I made it very clear Labor is not going to stop coal mining," Mr Shorten said later when he landed in Townsville at the conclusion of the trip.

Mr Shorten went on to say that he thought the Pacific leaders he met had been heartened by the Labor delegation's visit to their nations and its focus on expanding renewable energy. Prime Minister Malcolm Turnbull has also rejected similar calls, saying that if Australia stopped its coal exports it would not change global emissions "one iota." As part of the tour, Mr Shorten, his deputy Tanya Plibersek and Labor's immigration spokesman Richard Marles visited Papua New Guinea, the Marshall Islands and Kiribati. But the tour came with Labor not having yet fleshed out its climate policies. In the lead-up to the next federal election, the Opposition has three pledges which it is still to provide detail on, including:

- Its proposed emissions reduction targets, which Mr Shorten has said would be more ambitious than the Turnbull government's promised 26 to 28 per cent cut to emissions by 2030 from 2005 levels
- The programs Labor would put in place to meet its proposed target of having a 50 per cent share of the energy mix for renewables by 2050
- The design of an emissions trading scheme the party is promising to introduce

On Wednesday Mr Shorten visited several hotspots in Kiribati, a nation of low-lying atolls spread across an area of the Pacific Ocean the size of India. The tour took the Opposition Leader to causeways linking islets on the country's main island South Tarawa which have been battered by storm surges in recent times, causing the protective sea walls to break in places and the road to be washed over. The Labor delegation also visited a stretch of beach where UN Secretary-General Ban Ki-Moon planted mangrove seedlings in 2011, an event which was attended by Mr Marles. The mangroves have since largely died off and a monument to the event has had to be moved further back up the beach. Kiribati is regarded as one of the most vulnerable nations to climate change. In particular the atolls are struggling to keep salt water from inundating freshwater supplies and food growing land.

The problems are being exacerbated in some parts of the country by over-population, which has pushed residents closer to the shoreline and made other types of pollution like raw sewage worse. In some parts of South Tarawa, population density is great than in Hong Kong. Hosting Mr Shorten at a dinner on Tuesday evening, Mr Tong said that he knew there was a view that over-crowding was linked to the problems of erosion and salt water inundation. But he said in some of the outer, less-populated islands of his nation there were communities facing the same challenges, with some people having to leave their homes. "The challenge that we are facing is threatening the very fabric of our lives and community and as a people," he said.

"I have been talking about these challenges for the last 10 years and I am continuing to ask myself why am I not being heard? Am I saying it the wrong way?" Mr Tong welcomed Mr Shorten's trip, saying it had told his nation that there were people in Australia who care about the fate of Kiribati. "So it gives us heart and it gives us greater courage to face what it is we must face in the years ahead," Mr Tong said. As part of the visit Mr Tong said he wanted to share with the international guests his country's culture and way of life. "So that when you go back to Australia you can say that 'this is something worth preserving, that we must try and do everything within our power to ensure it is maintained'."

Pundari warns on Sinivit issue

Post-Courier, November 04, 2015

BY GORETHY KENNETH

ENVIRONMENT and Conservation Minister John Pundari has warned yesterday that he will not hesitate to use the Environment Act 2000 to get the developer of Sinivit Mine to return to Papua New Guinea and sort out its mess. Mr Pundari was asked in Parliament yesterday to explain a series of issues surrounding the Sinivit Mine and the mess the developer left behind, which is now affecting the people of Pomio district in East New Britain Province. Pomio MP Elias Kapavore raised a series of questions on the issue, saying the damage caused by Niugini Gold Limited has been left unattended and his people of Pomio were suffering from chemical destruction of the environment. Mr Pundari said the developer has fled the country without carrying out a proper decommissioning and rehabilitation of the site and has warned that this company may face a blacklist in PNG and may not be allowed entry into mining operations again.

The Minister has also announced that he intends to look at legislating for environmental bonds for security reasons in the next Parliament session. "I am aware of the situation at Sinivit, I ask for your patience," Mr Pundari said. "The developer failed its corporate responsibility and legal obligation to notify the proper authorities, especially Mineral Resources Authority and my department, regarding its intention to close the mine," he added. He said he will use every legal means possible to have the developer answerable to this environmental dilemma it created. "This is basically to bring the developer back to clean up the mess it created," he added.

Oil, mineral taxes to flow into SWF

The National, November 4th, 2015

PETROLEUM and mineral taxes will flow into the Sovereign Wealth Fund from the first quarter of next year, according to Treasurer Patrick Pruaitch. He said funding had been allocated to appoint an experienced and qualified Sovereign Wealth Fund board and secretariat. He said the Government would issue the board with its investment mandate next year and Government expectations on the management of funds. The Fund has been designed to provide the highest standards of accountability and good governance, he said. "Petroleum and mineral taxes and dividends will flow into the SWF from the first quarter of next year to be apportioned into a stabilisation fund and a savings fund," Pruaitch said. "This landmark legislation was passed in July. I thank all members for the bipartisan support of the Sovereign Wealth Fund. "Designed as a long-term investment vehicle, the Sovereign Wealth Fund will serve PNG for decades, reducing PNG's vulnerability to external shocks, such as the current fall in commodity prices."

Mine to improve nickel grade

Post-Courier, November 4, 2015

RAMU NiCo is constructing a new Ore Crushing and Screening System at its Kurumbukari Mine site that will help improve the nickel grade by crushing the rocky saprolites. The rocky saprolite contains high grade of nickel but cannot be extracted now because the ROM (Raw Ore Material) Bins are unable to accommodate huge saprolite rocks. Deputy general manager of the Technology Department at KBK Mine, Meng Jiazi said the nickel grade is much higher in the huge rocky saprolite than the current saprolite limonite. "The crusher will solve the feeding of ore into the streams because at the moment huge rocky saprolites cannot go through in order to extract high grade nickels," he said. The crusher system is designed to crush huge boulders of 1.5 metres in diameter in-

to small rocks of 0.3 to 0.35 cm in diameter. "Our primary purpose is to help improve mined out ore into the ROM Bin and remove the problem of rocky saprolites," Meng said.

The construction started in May 11, 2015 and is expected to be completed by the end of December 2015 or mid January 2016 for commissioning. MCC SJ (MCC 19), a qualified Technology and Engineering Company is engaged to construct the crusher system with the support of KBK Mine Technology Department. Around one hundred support staff and engineers are engaged in this Project of which half of them are nationals. Mr Meng said the new Crushing System will not fully solve the problem to achieve 100% design capacity of the project as there are other factors delaying the achievement, including production and other technical issues. However, the new Ore Crushing and Screening System will contribute towards overcoming some of the technical problems in achieving high grade nickel. "Once the system comes into operation, the current three streams will operate simultaneously while one is on standby," he said.

Queries arise over strategic deal

Post-Courier, November 4, 2015

THE landowners of Porgera Gold Mine special mining lease have questioned the formation of a strategic partnership between Barrick Gold Corporation and the Chinese mining company, Zijin Mining Group Company Limited. The strategic partnership paves the way for Zijin to acquire 50 per cent for a price of \$US298 million (K903m) of the total 95 per cent of the mining operations owned by Barrick Niugini Limited in Porgera. The Justice Foundation for Porgera Limited acts for and in the interest of the landowners of the Special Mining Lease on which the Porgera Gold Mine is located have now questioned Investment Promotion Authority on Zijin's credibility to operate in the country. According to JFPL Chairman Jonathan Paraia there is no record of Zijin as a registered foreign enterprise to operate in the country under the IPA Act.

World Bank: Working together to make mining work in Solomon Islands

Solomon Star, 3 November 2015

The mining sector has the potential to deliver positive development to Solomon Islands' economy and improve the lives of people, says the World Bank. "As one of the Solomon Islands Government's priority sectors, mining, if managed well can improve livelihoods and help share wealth," said the World Bank's mining manager, Christopher Sheldon. Speaking at a National Mining Forum in Honiara last week, Sheldon, said stakeholders need to work together to address concerns over environment damage, lack of shared benefits and policies. "There needs to be dialogue and cooperation between landowners, companies and government. Policies need to be in place and regulated by government, companies need to abide by these policies and landowners need to have information to better negotiate with companies," said Sheldon. He pointed out that other countries have faced similar challenges. Botswana in Africa is now using its diamond resources to fund development, and Chile which is using its copper mining for national benefit.

At the national level, Sheldon said government needs to take the first step towards wider reform in the sector by finalizing the National Minerals Policy. The World Bank, with support from the Australian Department of Foreign Affairs and Trade, will provide some support to the Ministry of Mines Energy and Rural Electrification, through capacity development and advice. "The impact of mining can be transformational for the people of Solomon Islands but we have to ensure that the prosperity from mining is shared. The communities that are most affected by mining activities must also be the ones to benefit from the sector." He said the National Mining Forum, organized by The Nature Conservancy was a good start to finding a way forward by getting landowners, civil society, inves-

tors and the government together.

“I was very impressed by the openness of discussions, the views expressed by landowners on the help they need to deal with mining companies, and the views of women over the distribution of benefits.” He highlighted the mining opportunities in the Solomon Islands including the Gold Ridge Mine and nickel mining in Isabel. “Gold Ridge could potentially be resuscitated if the new owners can find a credible investor with the financial and technical backing; while a court decision next year on mining in Isabel, will clarify the situation and can move mining in Isabel forward.” As for the controversy over bauxite mining in Rennell, Sheldon said Solomon Islands can learn from the experience by ensuring that government policy and procedures are strictly followed. Companies need to abide by the rules but this can only be done if the regulations are actively enforced. He added that work needs to be done at community level, so that civil society organizations and landowners continue to be informed about the sector. “Landowners need technical, financial and legal advice to make good decisions. At the same time investors also need clarity on the legal and regulatory environment to invest in the Solomon Islands.”

Frieda mine new owners charged with corruption in China

G.Ramoi, PNG BLOGS, PNG Mine Watch, 3 November 2015



Members of Guangdong's Commission for Discipline Inspection panel report 'on last year's anti-corruption crackdown of officials in the province.

Officials of GRAM [Guangdong Rising Asset Management], the New Owners of Pan Aust Ltd, Charged Under Official Corruption in CHINA. Over the week end while in Singapore I received new of grave concern regarding the arrest on corruption Charges against the Chairman and a number of leading Directors of Guangdong Asset Management Ltd. It was reported over the week end that on Saturday the 17th of this Month the Guandong Prosecutors office arrested Mr.Xie Liang who is the Party member and Deputy General Manager of GRAM for official corruption. It was also reported that GRAM is one of 13 Companies in Guagnadong under investigation by the Office of Public Prosecutor for stock Market manupulation.

In September last year Mr.Zhong Jin Song the Former General Manager of GRAM was cited by the Party for serious disciplinary violation and in January this year , the ex Chairman of GRAM Mr.Li Jin Ming was expelled from the Party due also to serious violation and Disciplinary issues. Now if this information is correct it should lead immediately to the Register of Mines moving quickly in protecting PNG National Interest in ensuring that any application before it by Pan Aust Ltd to extend its Exploration Licence over Frieda River and in particular any attempt by Pan Aust Ltd to extend EL 58 should be rejected out right and the matter immediately referred to Cabinet through the

Ministerial Economic Ministers Committee for consideration on the way forward with respect to the development of the Frieda River Gold & Copper Mine.



The Current State of Play

In 2013 Xstrata Glencore Ltd entered into a deed of sale with Pan Aust Ltd to buy the Exploration licences over the Frieda River Deposits valued at US\$125 million. PanAust Ltd deposited \$25 million in August 2014 and took control of the Frieda River project. According to the terms of the deed of sale by November 2015 Pan Aust Ltd must pay another US\$50 million to Xstrata Glencore. Readers of this blog will note that Pan Aust earlier this year went ahead and sold the Frieda asset together with the entire company for over US\$380 million to GRAM of China.

GRAM of China is now for all intent and purpose the new owner of the Frieda Deposit. Now with this grave news coming out of China regarding GRAM, it is in the best interest of the State to once and for all reign in control and sovereignty over the Frieda Deposit by putting its foot down by rejecting any attempt to extend the exploration licence over the Frieda Deposit by GRAM or any other player and for the state to take over the licences and to develop this resource itself utilising a number of Models available to it including Contract Mining or production sharing regime as opposed to the rent based regime.

Letter to the editor

Western people suffering from lack of funds

The National, November 3rd, 2015

WE are raising our concerns regarding the drought situation in Western Province. It is more than 3 months and there is still no positive response from the Western Provincial Administration office. In this province, OkTedi Mining Limited was our government. Now that it is on the stand-by, we have no government, our members and governor are nowhere to be seen. All we hear from the provincial administration in Kiunga: We have not money. For years, the money from the Ok Tedi mine in our province was sent to the National Government to develop other provinces and the National Capital District. PNGSDP has contributed enormous sums of money from this province for so many projects here and all over the country. It is unjust to the people that the money of the Western province is frozen in the court.

Can the National Government release the funds allocated to serve the people of the Western province for the sake and benefit of our people? We are tired to hear that the Western province is the

richest in mineral and oil, yet nothing is happening here - no development and no funds even to send our athletes to the PNG Games last year and the recent Pacific Games in Port Moresby. Prime Minister, how can you be so generous for some Provinces while ignoring the cry of the people where the money comes from? Our people need assistance immediately. In most parts of the province, the water sources have already dried out and the people are now walking 3-5km to collect water. The so called rich province has become poor in its leadership is not responding to the disastrous situation. going on? Concerned Citizen, Western Province

PNG Mining policy includes coastal areas

The National, November 3rd, 2015

THE offshore mining policy will include coastal areas as well, according to the Department of Mineral Policy and Geohazards Management secretary Shadrach Himata. He said the policy should be ready by the beginning of next year. "The policy will cover the coastal area of benefits, mining projects found in internal waters, high seas and the EEZ (exclusive economic zone), specific offshore environment monitoring and health and safety issues on marine vessels," Himata said in an email to The National. He said the current Mining Act was sufficient to cover both onshore and offshore mining activities. "The Mining Act 1992 is sufficient to cover the regulation of both onshore and offshore mining activities in Papua New Guinea," he said. "Although the current Act is a bit more comprehensive with respect to the regulation of onshore mining activities, it requires more specific improvements on the regulation of offshore mining activities. "Hence, the Nautilus Solwara 1 project was permitted under the Mining Act 1992. "What my department is doing now is developing a more specific offshore mining policy." He said the policy would entail how benefits derived from an offshore project would be distributed and shared. "This policy will be used when the Nautilus project comes on stream."

Meeting to resolve Fiji row over mineral prospecting licence

Radio New Zealand, 2 November 2015

Fiji's Prime Minister, Frank Bainimarama, has called an urgent meeting to resolve a row over a mineral prospecting licence. Namosi Joint Venture was awarded the license to search for minerals in the Namosi highlands, west of Suva. Mr Bainimarama says he was told by the Minerals Resource Department that everyone had been consulted. But a landowner in Waivaka Village, Pedro Leveni, told Bridget Grace they did not give approval.

PL: The Namosi Joint Venture is the join of three companies, two from Japan, Nittetsu Mining from Japan and Newcrest Mining from Australia joined together and they call themselves Namosi Joint Venture, that's the company that is exploring minerals in our land. They didn't renew the SPL license in the last decade, and the last renewal is on the 15th of March this year and matagali, matagali is one of the land that is being targeted by this company, there is a lot of mineralisation in my land. And seven matagalas discovered that this company has been destroying our environment, damaging our forest, and the flora and fauna, damaging it without good payment. And that's why we didn't want to renew the SPL license. At the end of the day what we have been understanding that, doing exploration for the last four decades, at the end of the day they will mine our land. But we don't want mining, that's why we don't want to renew the exploration license.

BG: Your village was consulted about the license and you said no?

PL: When the license expired in March 15th this year, the Minerals Department came around asking the landowners about their view, and seven matagalas that are involved in this exploration, the company's targeting their land. They don't want, we don't want the license to be renewed because of that reason, damaging the ecosystem, damaging the rivers, damaging the flora and fauna. At the end of the day we are looking, at the end of the day exploration has been done where for the last

four decades, we didn't understand this company would mine our place, but Namosi is very small and we have heard from the geologists about the deposit underneath our land is the biggest in the Southern Hemisphere. Compared to the deposit on the surface, they are totally different. The mine on our land will be going nowhere and our land would be like a desert. I think you've been seeing good vegetation of Fiji especially in Namosi, in the rainforest. If they mine this place there will be a big pool of water with nothing growing. And we are thinking of our future generations, where will they survive. Because mining will just go on for 50, 60 years, after the mining what will our trees and deserts survive. That's why we do not renew this license.

Solomons Government Committed To Reforming Mining Legislation

Address weaknesses in burgeoning industry

WELLINGTON, New Zealand (Radio New Zealand International, November 2, 2015) – The Solomon Islands government says it will review mining legislation to ensure the industry is beneficial to its stakeholders. The Minister for Mines, Energy and Rural Electrification David Day Pacha made the commitment at a national mining forum in Honiara last week. Mr Pacha says the reform programme will cover processing, negotiations, compliances, royalty, management and the protection of the environment from the effects of mining. He says the reform will consider the loop holes and weaknesses within the Mines and Minerals Act and bring in amendments to ensure past mistakes are avoided. Mining interests in the country have moved quickly in recent years from a single development at Gold Ridge, to recent operations in Rennell, and progressing plans for nickel and bauxite mining in Isabel, Choiseul and Wagina.

All mines in PNG are safe says Chan

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All our mines in the country are safe, is the assurance by the Minister for Mines Byron Chan. Mr Chan assures that with his responsible ministry and the current government, the mines are in safe hands and protected by various laws. "I assure the people of PNG that all the mines are safe, operating well, protected by their own laws and our mining laws and also protected by our government who are there to help our people seek the benefits from our resources." This was his response to opposition leader Don Polye, when he was questioned to assure how safe Ok Tedi, Panguna and other resource projects are, given the recent turn of incidents with the Tolukuma Gold Mine. The mine owned by Petromin Holdings Limited had closed earlier this year with continuing subdued commodity prices resulting in high cost of operations for the owner. The mine is set to reopen soon under a new owner, Asidokona Mining Resources, who bought the mine for around K81 million.

The opposition leader, while questioning the true value of this mine, also asked during question time in Parliament on Wednesday, if all other Papua New Guinean mines are safe from being sold cheaply. Minister Chan assured the safety of the mines adding that the mines are owned by the various companies and are protected by the various companies act and allowed to be dealt with independently. "If in case they want to sell out their business, that is their right and the Government has no privy or obligation to interfere with the sale unless it's of national interest, the Government will intervene and acquire, and will obtain the necessary mines. "They conduct deals themselves, that's private company confidentiality, protected by the company's act and I cannot overstep my boundary; I'm only minister responsible for the mining leases, the operations, the safety, issuances of licenses. "So basically, transparency is always accrued. If companies are in the process of selling their mines, I will be advised and I have been advised by other companies like Pogera and Petromin. "Otherwise all mines in the country are safe, dealings are done transparently," he said.

Solomons: Bishop Mason: We are not ready for mining

By CHARLEY PIRINGI, Solomon Star, 31 October 2015

THE country is not ready for mining, says Anglican Church of Melanesia's bishop and Isabel Paramount Chief James Mason. He made the observation during this week's National Conference on Extractive Industry Transparency Initiative. The British-based bishop Mason: "I felt that there's no justification for the poor land owning tribes who were always the losers in their own lands. "The country is not ready for mining!" He added that before going into the mining sector, our existing laws and legislations must be reviewed and land owning tribes empowered. "Our existing laws seemed outdated and must be reviewed to patch up the loopholes. This is to make sure we don't repeat what happened in our forestry sector. "For us Isabel people and the entire nation, we need to understand mining because it would be worse than the logging industry if there's no review of our laws and people were not well aware of its impact.

"Land owning tribes were always blinded and bulldozed by little money that the companies lied to them with." Bishop Maso said there must be some kinds of empowerment to land owning tribes to have a say in the legislation. "People need to know what's happening now, during the operation and what's after the operation so that they felt they have a future. "Also we need to know the genuineness of miners; how genuine were they, some companies are not really genuine miners. They were only here to experiment in our lands." He reiterated that Solomon Islands needs to learn from Nauru. "We must not repeat but to learn from our neighboring nation Nauru, where what can only be seen were pinnacle of rocks standing idle there. Their resources have been taken away."