

**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:

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

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

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

Over 90 years of PNG's extractive industry - YEAR IN REVIEW

BY MELISHA YAFOI, Business Editor, Post-Courier, December 31, 2021

After more than 90 years of developing oil and gas fields in Papua New Guinea, 2021 is the year Oil Search has bowed out as an iconic business. The year ended with the successful acquisition of Oil Search by Australian energy company Santos Limited. While this is a plus for the shareholders and for the country's capital markets with Santos now trading on the PNG National Stock Exchange, other projects in the pipeline remains a dream yet to be fulfilled. The closure of Porgera gold mine has created a big vacuum to date with no confirmation on when it will be reopened. Government was unable to have the mine reopened this year despite a number of promised dates tossed about, as legal proceedings and other key items were still not settled, leaving behind legacy issues of landowner benefits and State's shares. This includes the opening of the much talked about Wafi-Golpu and Pasca A. Pasca A is now looking at a 2026 opening. While these three projects are on hold for now, the government in 2021 was successful in securing a good deal for the Papua LNG and P'nyang gas projects that will be operated as a joint venture with ExxonMobil PNG, Total and Santos.

Mining and oil and gas companies since 2020 have had to readjust working schedules and work plans for workers to ensure they are quarantined (fly-in fly-out workers) as well as investing in community health facilities. The expenses by these companies totaled close to a billion kina in COVID-19 expenses. This came at the back of mine shutdowns and increasing positive cases of COVID-19 on site. Explorations have also been on a steep decline since last three years, something which the Chamber of Mines and Petroleum have been vocal about. The chamber is working closely with Mineral Resources Authority to assess the cause of this downturn, and find ways to make PNG attractive again for investments. Chamber president Anthony Smare at a recent conference, highlighted that the changing PNG policy climate has resulted in the shutdown of Porgera since April last year, the nation's second largest gold producer.

Subsequently, other major resource projects have been stalled over various policy considerations. Changing government policies were discussed at webinars hosted by the Chamber over the past year. These webinars have complemented ongoing resource sector activities that focus on areas such as community affairs and safety, where PNG projects have comparable performance to corporations in the developed world. According to Smare, export revenues from the sector fell by K6 billion last year, following sustained growth since exports from the PNG LNG Project commenced in 2014, while statistics released by the Bank of Papua New Guinea showed petroleum and mining exports last year fell from K32.5 billion in 2019 to K25.8 billion because of a fall in LNG prices and shutdown of the Porgera mine. He said the confidence has been acknowledged in the 2022 National Budget.

Mineral and petroleum taxes are forecast to increase by 41.8 per cent to be a significant contributor to the 5.4 per cent GDP growth that is anticipated. Clearly higher commodity prices are a key contributor to revenue growth of 11.4 per cent annually in the medium term, and the PNG Treasurer is counting on a surge in revenue from the PNG LNG Project to provide the first budget surplus in more than a decade in 2027. Meanwhile, according to ANZ's head of Resources, Energy and Infrastructure Business in Corporate Finance Paul Richard on the sector's global outlook, the outlook remains constrained and affected by the impact of the COVID-19 pandemic, exacerbating weather conditions in the Northern hemisphere and changes in the way populations approach work and travel. Richard said since the start of the pandemic in early 2020, gold prices have been influenced not only by physical supply and demand fundamentals, but also by inflation, rallied value of the US dollar, equities markets, interest rates, Central Bank activities and geo-political environments.

Diamond drilling returns positive result: Miner

December 31, 2021, The National Business

K92 MINING Inc has announced positive results from its ongoing underground diamond drilling of the Kora deposit at its gold mine in Kainantu, Eastern Highlands. According to the company, results for the latest 50 diamond drill holes completed from underground into the Kora deposit continue to demonstrate high-grade and continuity of Kora. K92 chief executive officer and director, John Lewins said: "The latest drilling results at Kora continue to deliver very high grades, solid thickness while also expanding known and delineating new high-grade areas." He said in addition to high-grade step-outs to the south, the results were also highlighted by high-grade step-outs to the north. "I would also like to note that this set of results at Kora will be our final set ahead of our upcoming Kora resource update," Lewins said. "Over the past 18 months, drilling at Kora has largely been in-fill and we are pleased to highlight that we have recently commenced a major pivot to resource growth focused drilling.

"At Judd, there now four drill rigs operating from underground; the majority of our underground drill rigs," Lewins said. "At Kora South, drilling has recently commenced for the first time from

surface and plans are in place to add a second drill rig.” Meanwhile, K92 Mining is focused on operating and expanding the Kainantu gold mine, Lewins said. Since acquiring the project from Barrick Gold in 2014 and restarting in late-2016, K92 has transformed Kainantu into a rapidly expanding producer. Production has also been low cost, which is a testament to the high grade, continuity, solid thickness, geotechnical and metallurgical characteristics of the deposit. The transformation was driven by a series of near-mine infrastructure exploration discoveries.

Judge certifies association’s executives

December 31, 2021, The National

THE new executives of the Porgera Landowners Association Inc (PLOA) have been endorsed by the National Court in Waigani. Acting judge Emma Wurr made it official yesterday, endorsing them – Mark Tony Ekepa (chairman), Sole Taro (deputy chairman), Nixon Mangape (treasurer) and Warakas Ondalane (secretary). The executives were agreed to by all parties involved in the case through a consent order. The plaintiffs in the case were the Mineral Resources Authority, who was represented by lawyer Livingstone Baida, and Solicitor-General Tauvasa Tanuvasa for the State. PLOA executives were represented by lawyer Paul Mawa. The executives were elected to office following an election done by the Electoral Commission on Dec 7. This election was done pursuant to an order issued by Deputy Chief Justice Ambeng Kandakasi in the National Court on Sept 23. On the date, parties and the National Court had endorsed the agents of the 25 clans in the new Porgera special mining lease (SML) area.

Undialu happy with the 4.27pc dividend for Kroton Equity

December 29, 2021, The National Business



HELA Governor Philip Undialu has welcomed the announcement of a dividend for the 4.27 per cent Kroton Equity, under the PNG LNG project. He described it as fitting Christmas and New Year gift to the landowners and the five provincial governments affected by the project – Hela, South Highlands, Western, Gulf and Central. He said the 4.27 per cent Kroton equity was granted during six weeks of negotiations at the Kokopo Umbrella Benefit Sharing Forum in 2009. “It was gifted by then Prime Minister, the late Sir Michael Somare,” Undialu said. “However ministers and those leading the negotiation decided to charge us US\$240 million (about K822 million) per percent point

or roughly US\$1.024 billion or more than K3 billion. “Landowners were inadequately informed about the deal and made them to sign the UBSA,” he said.

“Many landowner signatories to this very day regret signing the deal and question themselves how they agreed to pay the Government K3 billion for the resources they owned and for the very project that they made a lot of sacrifices for. “To ensure the province received all its dues especially from 2020 when Cabinet directed KPHL to establish a special purpose vehicle company to receive direct payment from ExxonMobil, hold and manage or simply transfer to the beneficiary groups rather than getting absorbed to complicate KPHL structure. “The SVP should be a standalone company free of Government influence and control.” Undialu wants the Kroton equity to become a dominant player and lender in private equity and financial sector in the region in the next 10 years, as it was estimated to generate over K400 million annually.

Final K300mil dividend

December 28, 2021, The National Business



THE OK Tedi Mining Ltd (OTML) has declared a final dividend of K300 million – paid last Friday to its shareholders, bringing total dividends this year to K450 million. OTML chairman Dr Roger Higgins said despite a fire at the mine’s processing facility late last year that impacted its January production, a two-week suspension of operations in March this year and ongoing labour shortages due to the Coronavirus (Covid-19), the company benefitted from a strong final quarter production and favourable metal prices. “This enabled the board to declare a dividend to Kumul Minerals (Ok Tedi) Ltd, which now owns 67 per cent of Ok Tedi following the recent transfer of shares from the PNG Government, and the three landowner entities representing our communities and collectively owning 33 per cent of the company,” Higgins said. He said OTML continued to maintain a strong balance sheet with no debt and liquidity remaining within the established guidelines.

He added that next year would be a modest year as the business transitions from low grade to high grade ore which would present in 2023. With the recent appointment of three new directors to the OTML board, including the first female director, Higgins is confident that OTML would continue to deliver value to its shareholders. He also announced that the board had approved an investment of nearly K750 million over the next two years to refurbish and upgrade the aging processing facility to ensure its effective and efficient operation beyond the current mine life of 2032. Meanwhile,

the OTML special mining lease is due to expire in May 2022. An application for the renewal of the SML and associated leases had been lodged with Mineral Resources Authority last Monday.

Pay us our money

BY JANET KARI and JERRY SEFE, Post-Courier, December 28, 2021

Groups representing the landowners of the Wafi Golpu mine project are anticipating the balance of the Wafi Golpu Infrastructure Development Grant to finance projects included in their submission. The anticipation by the landowner groups; Yanta Development Landowners Association, Hengambu Landowners Association, Babuaf Development Landowners Association, Wampar Pipeline Association, Butibum Landowners Association and Wagang Landowners Association comes after an assurance was given by Prime Minister James Marape for the landowners to get funding support from the IDG. In a recent press conference with the representatives of the groups, Hengambu president John Nema said the assurance was given by Mr Marape to them after they presented a petition stating their grievances on the distribution of K34 million of the Wafi Golpu IDG to Morobe Provincial Government and eight districts, except Kabum District. They petitioned the government on why the landowners did not receive any of the funding from the K34 million. Mr Nema said with the assurance given by Mr Marape to have what is left of the IDG allocated to them they will now be preparing a submission of projects needed in their respective areas and present it to ensure they get the funding support.

He said with a positive response from they are happy with the decision by Mr Marape. “We welcome the decision and we will be working to ensure the submission is prepared and presented,” Mr Nema said. “We are the ones mainly to be affected including the communities in the footprint of the mine and it is disappointing and frustrating to see that after assuring us of the IDG during the preliminary development forum at Mumeng we did not get anything from what is dispersed, but we welcome the positive response from Mr Marape and we will present our submission of the projects that are needed.” Yanta president Victor Geactulu said with the submission, a pilot track for the people of Yanta is what the association is focusing to encompass in the submission. Mr Geactulu said they are many needed projects in the area but a pilot track is one of the most needed in the community.

Both men said despite the dispersion of the K34 million to the provincial government and the districts none of the leaders have also consulted them on whether or not part of the money can finance some of their projects in their areas. The assurance given by Mr Marape for Wafi Golpu landowners to get funding support from the Wafi-Golpu IDG is very much anticipated by the landowner groups and the people. Mr Marape said the government will respond accordingly to the land owners following reports of the recent release of the K34 million IDG funding for Wafi-Golpu and will allow services and infrastructures developments established in their respective areas. Meanwhile, Mining Minister John Tuke upon directive from Mr Marape held meetings with respective landowners in Lae recently.

He said submissions from the landowners were received which the landowners were asked to identify crucial services and infrastructure development lacking in their respective areas for government to fund. “I am here to get the project submission papers and not to dilute the prime ministers decision with you,” said Mr Tuke. He added it is his responsibility to ensure their project submissions are reviewed by his department before he hands it to the cabinet for endorsement. He said the reason why many project submissions from resource owners were still pending was because they never met the full requirements and were incomplete hence were never approved for by the cabinet. “As the minister responsible I will also do my part to help review the project submissions to make sure

the submissions are not regarded as half-baked when submitted to the cabinet for endorsement,” he said.

Four Gobe clan groups voice their grievances

BY PATRICK TOM AND PRUDENCE AUVITA IPAPE, Post-Courier, December 23, 2021

The four main clan groups in the Gobe project development area have come together to echo their long due grievances in a manner in which they blocked the main entry into the main Gobe Oil heads project site as of December 13, till today. Chairman of Moloko Tipurupeke Mano Pelipe told the media in a press conference that they have legacy issues which the State and developer Oil Search Limited has not met since 2009 after the UBSA agreement signing in Kokopo, East New Britain. On November 15, 2021, a petition was submitted to the State demanding the Government through the department of Petroleum and Energy to release their K4 million ministerial commitment, committed by former minister William Duma. Then on the date of November 23, 2021, a directive letter was received from the office of the Prime Minister but no favourable response had been received ever since and the petition lapsed on December 2, of this year.

Mr Pelipe says they many other outstanding payments which are overdue but their main focus now is for the State and the developer to settle only two outstanding payments which includes the K4 million ministerial commitment and Oil Search and Exxon Mobil to pay outstanding rental payments for the Mt Kiki repeater station to PDL 4 landowners. as per our agreement dated October, 09, 2021. “We want all other discussions of the other issues highlighted in the petition to be discussed at the project site and not in Port Moresby.” “The project will shut down for an indefinite period while awaiting the outcome of the last meeting on December 15, 2021. Importantly while waiting for the arrangements for the meeting at the site to address the issues stated in the petition paper.”

Deputy Chairman of Isaweri Bupuku Gohu, Stanley Kamoga said, PDL4 Oil- heads based landowners issues are legacy issues that needs to be immediately addressed by the concerned government department and stakeholders which has not happened since the day of petition, thus; the petition which was submitted to the government has lapsed. Meanwhile; chairman for Solowolo Haporo-pake, Henry Mano said the Gobe Main PDL4 Oil-Head owning ILGs are fighting for our rights and for the people of Gobe main PDL4 which has nothing to do with the stopping of IMO A funds. “the four ILGs are only fighting for our rights and beneficiaries that have been restricted and deprived by the government. Rest of the other landowner groups is the governments business and that our fellow landowners should know, added, Mano.

Communities file rights complaint

December 22, 2021, The National Business

THE Sepik River communities have filed a human rights complaint against the Australian company PanAust over its proposed gold-copper project in West Sepik. Early this month, 2,638 people from 64 villages along the Sepik River filed a complaint with the Australian government against PanAust Ltd, for failing to obtain their consent on the proposed Frieda River project. The complaint, filed with the Organisation for Economic Cooperation and Development Australian National Contact Point, argued that the proposed mine posed a serious risk to people living along the river. The statement said: “The mine, proposed to be built in the headwaters of the Sepik River, includes a tailings dam with an estimated footprint larger than 17,500 football fields, to be built in one of the most seismically active regions in the world. “A failure of the tailings dam would cause environmental destruction and chemical contamination of the river, food and water sources and sacred sites, and

result in loss of human life.” The communities argued that PanAust failed to properly assess the environmental impacts of the project.

MPs to invest in road works

BY ABBEGAIL WAFI, Post-Courier, December 21, 2021

Morobe MPs from the special mining lease area of Wafi-Golpu project plan to invest in road works for landowners to be in charge before the project commences. Wau-Bulolo MP Sam Basil said in the similar way the money was spent to build the Golpu Haus, the same efforts will be put in to build accommodation and logistics for the landowners of the special mining lease (SML) areas. “But in the long run, MP for Huon Gulf Ross Seymour and myself, we want to invest into road works company by investing into machines and the landowners can take control of it so that it will kick start them (LOs) with basic machines so that they can start construction.” Mr Basil said for the districts in Morobe who are going to be impacted by the Wafi-Golpu project, they will ensure that the landowners own road construction machines. “The machines should be used for any civil works around the Wafi-Golpu site, but at the moment, we stand behind our landowners of Wafi-Golpu to ensure that the project goes up.”

Lihir royalty redirected to health, education and SME

December 20, 2021, The National



Kavieng MP and Treasurer Ian Ling-Stuckey (middle) presenting K250,000 to Lamusmus Primary School in Kavieng, New Ireland, on Friday. – Picture supplied

LHIR royalty money allocated to Kavieng totalling K12,638,604.25 since its first receipt in February this year, has been redirected to health, education and small to medium enterprise sectors, local MP Ian Ling-Stuckey says. He shared the public acquittal at the grade 8 graduation held at Lamusmus Primary school, ward 16 in the Tikana local level government area on Friday. “New Irelanders, since 2007 and for nearly 15 years, have been constantly hearing about Lihir royalties, but in Kavieng, we have not smelt, felt or seen it despite having received over K400 million over the same period,” Ling-Stuckey, who is the Treasurer, said. He assured people that Kavieng development authority would support the Lamusmus Primary School’s infrastructure plan, including construction of teachers’ housing after the presentation of a K250,000 cheque.

Porgera landowners file reference

Post-Courier, December 17, 2021

THE Justice Foundation for Porgera Limited has filed a Supreme Court reference to seek interpretation on s.212B (1) of the Constitution and s.5 of the Mining Act 1992. Chairman Jonathan Paraia

said the application was filed before the Supreme Court last week on the provisions to Amendment No.44 made by the Government. He said the decision by the Government to enact the two statutory provisions had vested exclusive ownership of minerals and hydrocarbons to the State. “The landowners are aggrieved by the decisions,” Mr Paraia said. “We believe that these laws were enacted without reason and the prior consultation and consent of the Porgera landowners, subsequently taking away the ownership of the minerals situated on their land and vested exclusive ownership of those minerals to the State.” He said today, the landowners remained mere recipients of the benefits from Porgera mine. “In the past 30 years during the operation of the mine, the landowners were not accorded any opportunity for equity-sharing or allocation in any development company due to the non-ownership of the minerals as provided by law,” Mr Paraia said. He said for that reason, the foundation had instructed its lawyers to file Supreme Court proceedings challenging the constitutional validity of the laws that vested exclusive ownership by the State.

O’Neill to PM: Tell the truth about LNG shares

Post-Courier, December 17, 2021

Ialibu-Pangia MP Peter O’Neill says it was always the intention of his and Somare Governments to hand the 4.27 per cent Kroton Equity to the PNG LNG Project landowners. Mr O’Neill said this was the commitment of the past two governments to the landowners. He said: “They were going to get the 4.27 per cent equity. I made that commitment and there are many NEC decisions on this commitment. James Marape knows this, yet he is twisting facts to suit his false political promises on the eve of an election.” He said the suggestion by Mr Marape that almost K1 billion in Kroton Equity funds were lost through the Oil Search shares purchase was totally untrue and utter nonsense. “Marape must start telling the truths, his lies are catching up with him.

“The facts about the Oil Search shares transactions that started 20 years ago are now are before a Commission of Inquiry, which is ongoing. He should not constantly lie to the public.” Mr O’Neill said while his government was preparing to transfer the 4.27 per cent to landowners, Southern Highlands Governor William Powi, Hela Governor Philip Undialu and Mr Marape were secretly going around his back trying to arrange middlemen to finance the Kroton equity purchase. “I had no idea what they were doing. They were going behind my back trying to arrange vendor financing, undermining my government’s commitment to the landowners. “This sort of behaviour by the landowners caused a lot of confusion and frustration among landowners, and derailed the clan vetting process that was ongoing.

“I believe this confusion prompted Komo-Magarima MP Manasseh Makiba to raise the matter on the floor of Parliament in January 2019. And I reiterated that my Government was commitment transferring the shares,” Mr O’Neill said. He said that he promised landowners that once the clan vetting was completed, the 4.27 per cent would be theirs. But Mr O’Neill said: “That would have happened if those plotting behind my back did not hijack our government four months later. “Mr Marape was a senior member of National Alliance government that set the price at US\$230 million per 1 per cent in Kokopo in 1999 during the UBSA. That’s almost US\$1 billion for the 4.27% Kroton equity.

At that price, the landowners will be left with almost nothing for the life of the project. “It was my government that extended the deadline for the purchase and reduced the price. It was my government that eventually offered the Kroton Equity to landowners on free carry. Check the records both in Parliament and NEC.” Speaking on policy, Mr O’Neill said: “Of course, Marape would try to own a decision that was never his. That’s what he has been doing for the last three years. “No policy, no ideas, just borrowing. Like the TFF (Education Fee Free) policy, his announcement of

electing PM by the people and ‘Take Back PNG’ – these are all existing policies he has copied. “He has absolutely no idea and no policy and definitely no idea of the road ahead for PNG.”

Firm gets new machine

December 16, 2021, The National Business



LOCALLY-owned company, Yamo alluvial mining based in Bulolo, Morobe, recently launched its second PC 210 excavator machine at its mine site camp in Wau. Managing director Meka Yamo said from humble beginnings three years ago, the company had grown to what it is now. “Within the period of three years, I have come this far and I thank God for all that has been done,” Yamo said. Yamo Alluvial Mining Ltd operates under mining licence 515 granted by the Mineral Resources Authority (MRA) to operate as an alluvial mining company based in Bulolo. Yamo said his goal was to build the company up to become a successful mechanised mining company in the province. He added that his company opened a new office block last month to cater for the growth and expansion.

When congratulating Yamo Alluvial Mining Ltd, MRA small scale mining branch development engineer Cedric Kau said it took five years from 2015-2019 for the company’s mining lease to be granted the mining licence. “It’s a success story on the small scale mining sector to grow at that level,” he said. “Now with the additional machine to boost production work on the mining lease. “This is the success story on the small scale mining sector to grow at that level by adding another equipment to its fleet to work on the mining lease,” said Kau. Meanwhile, small scale mining branch officer in charge Samuel Leonard said seeing Yamo progressing in the sector as his former student was very encouraging. “Meka Yamo has fully utilised the skills and knowledge that he gained while at the small scale mining training centre in Wau where he graduated with a level one certificate in 2012,” Leonard said.

Group unhappy with Exxon for challenging decision

By DALE LUMA, December 16, 2021, The National Business

A GROUP of landowners in Hides, Hela is disappointed with ExxonMobil PNG Ltd for challenging the decision to pay compensation on the damage to the environment. The decision by the Department of Petroleum and Energy’s warden’s office on Nov 16 was for ExxonMobil to pay

compensation to the Tukupa Walo Incorporated Land Group. Tukupa Walo ILG chairman Edward Peno said on Monday that the 14 days was given to the company and the State to discuss and respond of the landowners. Peno said the group have been fighting for the compensation payment for 12 years, until the warden's decision went in their favour last month. "We have met the (legal requirements) in terms of ILG certification and clan vetting and others," Peno said.

"ExxonMobil has set up its properties on our land. We have not disturbed the project in any way since. "All our payments are with a trust with ExxonMobil, environment, land rental, business lease and everything. "Even benefits from the state, we have not received which are still with the State. "We were waiting for the state and Exxon to respond after the warden's decision last month but Exxon has appealed the decision." However, a spokesperson from ExxonMobil told The National: "We have acted in accordance with the PNG Oil and Gas Act and disagree with the decision. "On behalf of the PNG LNG project co-venturers, ExxonMobil PNG Limited has lodged an appeal in the National Court and we have no further comment on active legal matters."

Exxon's licence still valid: Kua

December 17, 2021, The National Business

THE Petroleum Retention License (PRL) 13 held by ExxonMobil for the P'nyang gas field in Western is still legal, according to Petroleum Minister Kerenga Kua. Kua said negotiations for a gas agreement was underway between the Government and ExxonMobil for the commercialisation of the resource. "ExxonMobil still has a valid PRL over the P'nyang gas resource," he said. He made the statement to clarify the ownership of PRL 13. "The provisions of the Oil and Gas Act make it clear that a licensee can hold a PRL in three lots of five years – a total of 15 years – before all rights to a further extension is fully extinguished," Kua said. "The Oil and Gas Act further says that if during the life of the third and final five-year term, the licensee, such as ExxonMobil, lodges an application for a petroleum development license (APDL), the licensee's rights are by operation of the law deemed to be extended until such time as the petroleum advisory board (PAB) sits to make a final determination of the APDL.

"As a matter of practice, it has been the case that upon the lodgment of the APDL, the licensee, such as ExxonMobil, immediately enter into a negotiation with the State for a possible gas agreement. "If a gas agreement is successfully signed, then that agreement is referred to the PAB. "The PAB will then call the APDL and make a determination for the grant (or rejection) of the APDL leading to as well a decision to grant the licensee a petroleum development license (PDL). "When that happens, all rights in the PRL and the APRD lapse and all rights are instantly merged into the PDL. "The project then proceeds through the various stages of FEED, FID, and construction." He said that was the procedure. "ExxonMobil has properly lodged an APDL during the life of the third and final year term of the PRL on P'nyang and has since entered into negotiations with the State. "There is no prescribed time limit within which such negotiations maybe concluded. "So whilst the negotiations are continuing the deeming extension of the PRL held by ExxonMobil continues until the day the PAB convenes and makes a final determination on the fate of the APDL."

Mayur ties deal for Gulf sand

Post-Courier, December 16, 2021

An Australian resource company has executed a binding terms sheet agreement with a PNG based construction and mining contractor — HBS (PNG) Limited — for the delivery of an iron and industrial sands project in Orokolo Bay, Gulf Province. Mayur Resources officially made the ASX announcement yesterday, with managing director Paul Mulder saying: "We are delighted to be

partnering with HBS, with their founder having 40 years of experience in PNG and their organisation having 1000 employees, HBS's reputation of delivery across PNG made them the obvious choice." This follows the grant of the mining lease and signing of a magnetite offtake arrangement for the project as announced on December 13 and 14 this year respectively. Under the Terms Sheet, HBS will complete a staged investment into Mayur's wholly owned subsidiary, Mayur Iron PNG Ltd for 20 per cent of the issued capital in Ortus Resources Limited.

Ortus has been established as an entity to hold Mayur's iron and industrial sands portfolio for the Orokolo Bay project. It is expected the first shipment of products will commence in late 2022 or early 2023. HBS funded construction work is estimated to start in February 2022 and includes the provision of people, plant and equipment to complete and agreed early works package. HBS chief executive officer Jason Zoller said: "HBS has been providing services to the PNG mining industry for multiple decades. "We have been looking forward for the opportunity to see this platform to grow our business via participating as an equity owner in a mining development project that does not compete with our existing mining clients." Orokolo Bay sits in the Gulf south and west from Kerema town. Mr Mulder said: "Prior to HBS and Mayur conducting any construction works we shall ensure that landowners are kept fully involved, offered employment on a direct and indirect basis, whilst ensuring appropriate and agreed compensations are paid."

LO payouts on hold by Dept

Post-Courier, December 16, 2021

Prime Minister James Marape, annoyed by what he described as "intrusion and disturbance" from resource owners from his Hela Province, has put a halt to landowner benefit payments in Port Moresby. In a letter dated December 10, Mr Marape directed Minister for Petroleum Kerenga Kua and the Department of Petroleum to cease all landowner benefit payments in Port Moresby. "The intrusion and disturbance by landowners at meeting venues is very disappointing and annoying," he stated in the letter. "It appears to be triggered by landowner group payouts administered by your department here in Port Moresby which we have on many occasions discouraged." Mr Marape told Mr Kua to cease all payments and said landowners should return home and wait for their money.

"You are directed to cease all payments immediately and advise all landowners to revert back home to wait payment. "Your department should, in collaboration with the respective provincial governments and landowner associations, compile all outstanding commitments and arrange pay-out at the respective PDL and project sites publicly. "I trust you understand (the) urgency of this matter and will expedite execution," he said. Mr Kua, who is in receipt of the Prime Minister's directives, has advised Petroleum and Energy Department Secretary David Manau to cease all payments. The LNG landowner issue is not new as people have been living on "credit basis" in Port Moresby and have been calling on the National Government to settle their outstanding payments. Mr Marape has, since taking office, assured the landowners, most of whom are his tribesmen from Hela, that their money was safe and had been encouraging landowners to go back home to get their money.

Harmony to resume drilling in Wau

December 15, 2021, The National Business

HARMONY Gold in Bulolo, Morobe, has announced that it will resume a drilling programme at its Kerimenge prospect EL 497 in Wau next year. The announcement was made during a reconciliation ceremony with the Kwembu villagers of the Biangai tribe after Harmony left the site eight years ago. Harmony exploration community affairs manager Anthony Naguwean said exploration work would resume after the reconciliation with the people. Naguwean said the company agreed to

resume drilling and move to the advanced stage of exploration of Greenfield to Brownfield. “We are optimistic of a possible discovery leading to developing a mine at EL 497 at Kerimenge in the near future,” Naguwean said.

He apologised for ceasing operations without a formal notice in 2013, saying it was a decision by the then company executives. A team comprising casual workers and field supervisors will track into the Kerimenge site in preparation for geologists to conduct low key soil sampling work in preparation for drilling next month. “Before the drilling programme, the company will have a community engagement agreement in place. That means a working committee will be established to monitor work progress and be responsible for casual employment and local issues.” Naguwean said if Harmony Gold developed a mine, then a separate memorandum of agreement would be signed to have the project 100 percent owned by the Kwembu people.

Santos biggest partner in LNG project

December 15, 2021, The National Business

SANTOS Ltd is now the biggest partner in the PNG LNG project with over 40 per cent stake, according to Securities Commission of Papua New Guinea (SCPNG). Acting executive chairman Robert Minak said with all of Oil Search’s oil and gas fields in PNG now under Santos, there was the possibility of capital creation for PNG investors. He said for instance;

- THEmerged Santos has listed in PNG. That would mean, Oil Search PNG shareholders (now Santos) have the opportunity to trade, value or securitise their shares locally.
- NEW shareholders from PNG (investors) would now be able to acquire and trade their holdings in PNG, which would be easier as local listing would eliminate risks as foreign exchange restrictions.
- INVESTMENT funds would remain in PNG.
- PAPUA New Guineans would have access to direct investment into significant domestic projects like ExxonMobil PNG LNG and Total Papua LNG of which the merged Santos is part of.
- IMPORTANCE of Santos local shareholders would be significant as it would support domestic savings through capital growth and distribution of dividends and development of the capital markets.

Kumul Petroleum pays K200mil dividend to Govt

December 15, 2021, The National Business

KUMUL Petroleum Holdings Ltd (KPHL) yesterday paid the Government K200 million as dividend, in addition to the K100 million paid earlier this year. Prime Minister James Marape urged KPHL to concentrate on the upstream business of the country’s petroleum industry. “Let me commend the management to remain true to your calling to ensure dividends are returned to the State,” Marape said. “Kumul Petroleum Holdings (should) focus on the upstream area that is your domain, that is where you gain dominance, and partner credible investors. “PNG is privileged to have three majors in the country. Kumul should be an equal partner. You sit on the table. “You have access to Government institutions, policies, security, and at that level of accessibility.

“You are on par with the global majors that operate in our country. “Be a competent player and remain focused. “Some fields you already have in your assets are convertible for further upstream businesses. “Find partners to come and partner our landowners and provincial governments in downstream areas.” He thanked KPHL for its clear policy on dividend distribution. “One of the

things that I would like to commend you on is that for the first time since my Government took office, we have a clear dividend distribution policy. “It clear states 60 per cent to support the budget, 10 per cent for your administration, 13 per cent for savings for reinvestments, 7 per cent for setting up of sovereign wealth fund, 10 per cent for community-based programmes including assistance to churches.”

K250mil paid to shareholders

By SHIRLEY MAULUDU, December 15, 2021, The National Business

MORE than K250 million was paid yesterday by Kumul Petroleum Holdings Ltd (KPHL) to 60,000 landowners and five provincial governments of the PNG LNG project impact areas. Following the company’s annual general meeting yesterday, K251 million preferential dividends held by Kumul Petroleum for Kroton equity beneficiaries was paid to the respective provincial governments and project landowners. According to KPHL, of the K251 million paid, K189 million was announced as dividends for PNG LNG project Kroton equity option beneficiaries (landowners) while K62 million was paid to the five provincial governments which included Hela, Southern Highlands, Western, Gulf and Central. Respectively, each provincial government would receive their dividend payments in proportionate to their shareholding as determined in the 2009 Kokopo Umbrella Benefit Sharing Agreement (UBSA). This is the first dividend payment after Kroton equity beneficiary groups exercised the Kroton equity option in 2016.

KPHL managing director Wapu Sonk said the K251 million dividends were from the financial years 2017 to 2021 as per the vendor financing agreement that was signed in December 2016 which protected the Kroton share option exercise. “Kumul Petroleum has been working to free the Kroton option of 4.27 per cent and effective 2022, the beneficiaries will get full amounts allocated for the 4.27 per cent in project revenue now under Kumul Petroleum,” he said. According to KPHL, the five provincial governments and landowners from well head area, pipeline and plant site areas along the footprint of the PNG LNG project together constitute the Kroton equity beneficiary group. Under the 2009 Kokopo UBSA agreement, the government granted Kroton equity beneficiary group an option to acquire an indirect 4.27 per cent interest in the PNG LNG project by buying 25.75 per cent of the shares in Kumul Petroleum Kroton Ltd, which then was known as Kroton No.2 Ltd and is the special purpose subsidiary of Kumul Petroleum that holds the State’s 16.57 per cent interest in the PNG LNG project.

NZ urged to make a stand against deep sea mining

Radio New Zealand on 15 December 2021

The Deep Sea Conservation Coalition is urging the New Zealand government to make a stand against seabed mining while the International Seabed Authority meets in Jamaica. The international body is charged with drawing up regulations for the emerging industry which has been mired in controversy. There's great interest among advocates of the fledgling sector in the polymetallic nodules found on the deepest seabed of the Pacific.

Proponents of seabed mining claim it will have minimal environmental impact but ocean scientists and experts say there is not enough known about deep sea ecosystems to be sure of this. Further pressure has been added to this week's discussions because of a two year loophole triggered by [Nauru earlier this year which would allow mining to commence within its Exclusive Economic Zone](#) within two years.



The Deep Sea Mining Campaign warns that if nodule mining is allowed to take place in the Pacific Ocean, species such as the Sperm Whale could be adversely affected. Photo: WILLYAM



Kiwis Against Seabed Mining spokesperson Phil McCabe it is was clear that the EPA had embarked on an exercise of completing and, in effect, proving the applicant's case. Photo: RNZ / Robin Martin

The Pacific liaison for the coalition Phil McCabe said it's disappointing to see New Zealand helping enable deep sea mining in international waters. "New Zealand needs to embed the realities of what would occur, if this activity was enabled, into their positioning. And we think that people of Aotearoa New Zealand would be proud to stand behind New Zealand taking a position that really reserves these areas from the damage this activity would cause," McCabe said.

Ramu nickel LOs present position paper to MRA

Post-Courier, December 10, 2021

Landowner associations and landowner companies who are impacted by the Ramu nickel/cobalt mining operations in Madang Province earlier this week presented their position papers to the Mineral Resources Authority in Port Moresby in preparation for the review of the project's memorandum of agreement. The position paper contains collective issues affecting the LOAs from Kurumbukari, Inland Pipeline, Coastal Pipeline and Basamuk who are impacted by the nickel/cobalt mining operations in the province. The landowner representatives travelled to Port Moresby to present

their position paper on Monday this week. “We have taken this approach for the first time and have pledged to pursue our cause as ‘One landowner with One Voice,’” said chairman of the Coastal Pipeline LOA, Steven Saud on behalf of the three other groups. “All landowner issues and concerns are outlined in this position paper.” Mr Saud said the specific issue concerning SML area landowners at Kurumbukari and Basamuk plant site have been addressed and inserted into this position paper as attachments. “So we the landowners will go to the MoA review with a united front and await the response from the State and the mine operator to convene the review of the memorandum of agreement soon,” he said.

PNG's largest company agree to merge with Australian company

Radio New Zealand on 9 December 2021



LNG Project site (run by project partner Oil Search) in Nagoli, Hela Province, Papua New Guinea. Photo: RNZI / Johnny Blades

The shareholders of Papua New Guinea's largest company, Oil Search, have agreed to merge with the Australian mineral exploration company, Santos. It will end a 92-year history for the PNG company. Oil Search's shares will trade for the last time on the PNG and Australian stock exchanges on Friday. Oil Search shareholders will hold 38.5 percent of the enlarged Santos. The company started in 1929 and until recently the PNG was a cornerstone shareholder. It was one of the key investors in the Exxon-Mobil liquefied natural gas development which shipped its first consignment of gas in 2014. Other interests include an onshore oil discovery in Alaska, and another LNG project in PNG.

Sepik villagers formally challenge plans for giant mine

Radio New Zealand on 9 December 2021

2,638 people from 64 villages along the Sepik River in Papua New Guinea have taken action to stop a huge copper/gold mining project. The project is planned at the head waters of a vital waterway by PanAust, the Australian subsidiary of a Chinese Government owned company. The complaint has been lodged with the Australian National Contact point for the OECD. The communities are represented by Project Sepik Inc and environmental campaigners, Jubilee Australia.

Project Sepik's Emmanuel Peni said they want the company to stop the development until they have addressed the defects that have already been pointed out by eminent scientists. "We want them to halt the development and have an independently conducted and confirmed free, prior and informed

consent process, so that we believe in the process." he said. "The people along the river, 400 thousand or so people have been resisting, not just this mining company, but all mining companies that have tried to develop the place." The Sepik River meanders for more than 1100 kilometres through Sepik. The mine itself, which would be the biggest such development in PNG, is near the Frieda River, a tributary of the Sepik.



Frieda River heading north to join the Sepik River. Photo: Facebook - SEPIK Capital, PNG - Wewak Urban Local Level Government

Tabubil-Telefomin road update: 30km completed

December 7, 2021, The National

THIRTY kilometres of construction work have been completed for the Tabubil-Telefomin road, Ok Tedi Mining Ltd (OTML) chief executive officer (CEO) Musje Werror says. Werror said the road would be 75km long once completed, linking Telefomin station in West Sepik to Kiunga in Western and would cost K120 million, funded through a tax credit scheme. He said Telefomin, which had a population of more than 60,000, received services through Tabubil and Kiunga in Western instead of its provincial town in Vanimo. "It takes locals three days to walk from Telefomin to Tabubil to access services," he said. "This, including a number of aircraft crashes due to bad weather conditions over the years, compelled Member for Telefomin Solan Mirisim to approach OTLM to fund the road project under the tax credit scheme. "The K120 million project began in 2019 and as of last month, the project has reached 30km from Tabubil and is at the top of the Hindenburg wall. "The terrain is very challenging and prone to high rainfall events, landslips, slippery conditions and dense vegetation."

Mining lease not land title: MRA

By JIMMY KALEBE, December 7, 2021, The National Business

MINING leases are not land titles and it is wrong to consider them as such in the Mining Act (1992), an official says. Small scale mining development engineer with Mineral Resources Authority, Cedric Kau, said a mining lease was for mining only and not for construction of dwellings, settlements, farming or other purposes other than mining minerals. "When a developer submits its application for alluvial mining, it goes through an extensive screening process which includes

preliminary assessment, detailed technical assessment, a warden hearing and then to the Mining Advisory Council (MAC) for deliberation before a decision is made,” Kau said. The council will ensure if the developer meets all the requirements and has all the resources needed to engage in alluvial mining activities.

He said developers needed to do approved mining operations for the standard five-year term or the term of the licence and they could reapply for an extension or leave it for another developer to acquire. Kau warned that any developer found to have breached approved alluvial mining practices could have its lease cancelled. He said this after complaints from landowners in Bulolo, Morobe, recently regarding applicants applying for mining leases on their registered customary lands without their consent. Landowner representatives Jimmy Saki and Gewasa Tukwund said they opposed applicants of mining leases on their land at the mining warden hearing because they wanted to participate in the venture or be guaranteed benefits for the use of their land. They took this stance saying landowners always missed out on development taking place in their area.

Saki said the developers would then tell them they had a right to work and use the customary land because of their mining lease. Kau said by law alluvial miners were allowed to use mechanised operations but needed special mining licences in order to use larger complex machinery such as excavators. He urged landowners using such machinery to apply for the proper licence. He said anyone, landowner or developer, engaged in unauthorised mining operations would be arrested and have their equipment seized by the state. Kau added that awareness would be carried out in the district to educate people on the proper process to apply for mining licences.

Drilling shows more copper on Feni Island

December 6, 2021, The National Business

ADYTON Resources Corporation has reported significant copper assays at its 100 per cent owned Feni Island Project (Feni) following the completion of the company’s maiden drilling programme of five diamond holes (1,982m) in September. Adyton resources president, executive chairman and chief executive officer, Frank Terranova, said the initial objectives of the programme were to expand the gold resource as well as test various induced polarisation (IP) anomalies for the potential of a copper porphyry system. He said multi-element assays had been returned with significant copper intersections being recorded from a hole in two zones – a shallower disseminated zone of copper mineralisation followed by a zone of massive sulphide copper mineralisation.

Terranova said the assay results demonstrated Feni’s significant copper potential. “The results confirm that Feni could contain zones of high-grade copper within the extensive gold mineralisation and this confirmation of massive sulphide copper in the system justifies more work which is currently being planned,” he said. “The recent drilling programme has highlighted the potential for a significant discovery in the 1.5km long Kabang structural corridor. Terranova said the corridor was lightly drilled, and going north was covered by younger volcanic cover, which has hindered previous exploration efforts hence a focus of the next programme would be exploring under this younger cover.

Miner spent K103mil on Covid-19

December 6, 2021, The National Business

THE OK Tedi Mining Ltd (OTML) has spent about K103.9 million on Coronavirus (Covid-19) associated costs. Chief executive officer and managing director Musje Werror said the costs were especially for airlines and hotel quarantines. “The cost of managing Covid and the associated

protocols has also been significant, with circa US\$30 million (K103.96 million) spent this year,” Werror told the recent PNG Mining and Petroleum conference. “A large share of this cost has gone to airlines and to hotels in Port Moresby where we had established our entry point centres. “To minimise the impact to production, we introduced a fourth panel and recruited an additional 800 employees contributing to an increase in labour costs. “Our employees are now working an even time roster of four weeks on and four weeks off.

“This year has been a particularly challenging one for OTML for two reasons. The first relates to a fire in the processing facility at the end of last year impacting one of the two processing circuits for the entire month of January. “This reduced annual production by approximately 5 per cent with the cost of repairs around K20million. “The second and main issue has been the impact of Covid due to the suspension of operations and the significant impact of ongoing labour shortages. “Covid and the fire have contributed to below budget production and revenue for the year. “Despite the setbacks, we have benefitted from strengthening metal prices. “The higher than budget prices have cushioned the impact on this year’s revenue. “This in turn is expected to enable a final dividend to be declared this month to supplement the K150million interim dividend paid in September to shareholders.”

LNG generated K11bil revenue

By SHIRLEY MAULUDU, December 6, 2021, The National Business

THE PNG LNG project has so far generated K11 billion in revenue for the country, according to ExxonMobil PNG Ltd. Managing director Peter Larden revealed this during the recent PNG Mining and Petroleum conference in Port Moresby. “Up to October this year, PNG LNG has generated K11 billion in revenue to the State and landowners, which obviously supports investments and services and infrastructure across the country,” Larden said. “In addition, K15 billion in business opportunities (were) generated across the country from the project.” Larden said more than 91 per cent of the company’s workforce were Papua New Guineans. He also announced some of the company’s plans. “In July this year, I announced the restart of Angore project which was suspended in 2020 because of the pandemic,” he said. “Angore was part of the original project development plan.

“This year, we engaged with the Government and the State Negotiating Team on the P’nyang LNG project. In September, we entered into an important heads of agreement in Houston, Texas. “Since that time, we have been in active discussions on the gas agreement and we remain committed to progressing those to conclusion. “P’nyang will construct new upstream facilities in Western and link them with existing pipeline infrastructure and the LNG plant in Caution Bay. “It will be an independent project, covered under a future benefit sharing agreement. “Gas from P’nyang will support domestic power supply, improving access to electricity power to Western and surrounds. “We are also proud to be part of the Papua LNG project. Momentum is building with studies underway with front-end engineering set to begin next year. “The two projects could last up to a decade of continuous construction activities. “This would be significant to the country with potentially more than K65 billion.”

Gas project to bring in K8bil

By DALE LUMA, December 3, 2021, The National Business

THE Pasca A oil and gas project in the Gulf of Papua is expected to bring in over K8.6 billion in direct revenue to the country over the life of the project, Twinza chairman Stephen Quantrill said. Quantrill told the 2021 Mining and Petroleum Conference yesterday that a total of K500 million was expected to be paid as tax and royalties in a year. He said a final investment decision (FID) on the project was expected in 2023. “The Prime Minister noted that the country is open for business

and, we are here and believe in PNG's bright future," he said. "We are working to achieve alignment and certainty so that 2022 can be Pasca's time to shine for PNG. "This is an important project in scheme of the country's economic future. "Over the life of the project, we believe that the direct revenue to PNG would be over K8.6 billion resulting in over six per cent increase to PNG's annual direct revenues over the life of the project.



"It has a forecast of expansion of the PNG economy through a multiplier effect of more than two to three times PNG's share of direct project revenues. "We expect to contribute K500 million annually to taxes and royalties. "We have a development cost of about K5 billion." Quantrill said his company would spend about K600 million within Papua New Guinea during construction and operating costs within Papua New Guinea would amount to about K400 million. "There will be further benefits that will flow from the project with the expansion of the offshore resource industry as we are the first mover in that space to provide an opportunity in the development of adjacent assets and also with the ability to supply PNG with domestic liquefied petroleum gas." Quantrill said the project itself was a simple development in shallow water offshore. "We can use industry-standard technology in a phased development with an initial extraction of liquids followed by the second phase of floating LNG development in the second stage."

Werror reveals Ok Tedi's mine life will extend to 2032

December 3, 2021, The National Business

OK Tedi's mine life will extend for another three years from 2029 to 2032 with an uplift in value of US\$3.7 billion (about K12.97 billion), chief executive officer and managing director Musje Werror says. Werror said this during the 2021 PNG Mining and Petroleum Conference and Exhibition yesterday in Port Moresby. He said this was according to the mine's 2021 strategic business plan, which was an increase from the 2020 plan which estimated the mine life to be 2026 to 2029. "The 2021 Ok Tedi strategic business plan confirms an uplift in value by another US\$475 million (about K1.66 billion) to US\$3.7 billion with mine life extended for another three years," he said. Werror said the revised value and extension of mine life was promised on the timely implementation of several imperative projects which were:

- THE removal of 20 million tonnes of debris at the centre pit at a cost of US\$62 million (about K217 million) to access high grade ore from 2023;

- THE construction of a 400 million tonne engineered waste rock dump at a cost of US\$135 million (about K473 million) to enable a potential option of in-pit disposal;
- THE underground depressurisation of the pit walls to ensure stability at a cost of US\$10 million (about K35 million);
- INCREASE storage capacity for pirate concentrate, one of our waste products to extend beyond 2032 at a cost of US\$20 million (about K70 million); and,
- MAJOR refurbishment and upgrade of all aging processing facilities at the cost of US\$280 million (about K982 million)

Werron said another significant project completed last year was the US\$240 million (about K842 million) crusher replacement project. “Mining has commenced where the old crusher was located which will now open up access to high grade ore by 2023. Werror said the next 12 months would see OTML complete the transition from current low grade ore to high grade ore sources,” he said.



Machines working at Ok Tedi mine. The mine's managing director says Ok Tedi's mine life will extend for another three years from 2029 to 2032 with an uplift in value of US\$3.7 billion (about K12.97b).
– Picture supplied

Clan-vetting issues held back funds: Exec

By DALE LUMA, December 3, 2021 The National Business

SUBSTANTIAL landowner money have been sitting in trust with the Bank of Papua New Guinea (BPNG) and the Mineral Resources Development Company (MRDC) because of clan-vetting issues, managing director Augustine Mano says. Mano told the 2021 Mining and Petroleum Conference yesterday that it had been eight years now and up to about K1 billion was still being held in trust. “Hopefully, if we can find a way around that than investments can be made and funds can be utilised,” he said. Providing an update on MRDC’s investments, Mano said current investment portfolio sat at K6.7 billion. He said MRDC was looking at a number of projects such as the Star Mountain Plaza, Pacific Properties Trust and real estate and all the other shareholding that it had, such as PNG Air. Mano also explained that MRDC’s corporate trustee’s board had exclusive control and MRDC had no powers to spend funds without the board’s approval.

“The funds held in trust by the corporate trustees are not public funds, they belong to the identified project area landowners,” he said. “The impact of wealth creation can be illustrated when seen through three different stakeholders, the beneficiaries, corporate trustees and the national economy.” Mano said at the beneficiary level, investments were done through community projects, dividend and royalty payments, scholarships and community donations. “Areas of focus include education, health, agriculture, law and order and small business enterprise,” he said. “This investments

also contribute national economic growth through employment, government tax income and spin-off business and overall GDP (gross domestic product) of PNG.”

Law passed to enable project

December 3, 2021, The National



From left: Southern Highlands Governor William Powi, Enga Governor Sir Peter Ipatas, Prime Minister James Marape, Treasurer Ian Ling-Stuckey and Communication and Information Technology Minister Timothy Masiu at Parliament after yesterday’s session. – Nationalpic by KENNEDY BANI

THE Oil and Gas (P’nyang LNG Project) (Amendment) Bill 2021 to amend the Oil and Gas Act (1998) was passed yesterday in Parliament to allow for the development of the P’nyang gas project in Western. Petroleum Minister Kerenga Kua said discussions on the project agreement would be concluded this month to ensure partners moved on to the next stage of the project’s development. “The amendment to the Oil and Gas Act (1998) is for the State and the project participants to execute a gas agreement of the kind that was contemplated by the heads of agreement executed by the State and ExxonMobil on Sept 28, which among other things, provides for the processing of the application of a petroleum development licence for P’nyang gas project to be unaffected by the amendment of the Oil and Gas Act 2020, number 11 of 2020,” Kua said. “The bill concerns P’nyang LNG project alone and any application for the petroleum development licence for the P’nyang LNG project.”

Mercury threatens miners, communities: Elder

BY ROMULUS MASIU, Post-Courier, November 30, 2021

The unauthorised use of mercury by alluvial miners in Bougainville is a great concern for the health and wellbeing of the miners and communities using the same waterways downstream. A concerned village elder from Banoni, where the Panguna waterways flow down to, Patrick Heromate, is calling on the responsible authorities including the Autonomous Bougainville Government’s mining department and the health department to really crackdown on the use of mercury. He said the usage of mercury during gold penning in Panguna and other areas within Central and South Bougainville can be harmful to the miners and villagers using waterways as well. Mr Heromate, a certified alluvial miner, said most of the people doing the alluvial mining are illiterate and they don’t know the proper and safe ways of using the mercury, thus, making themselves and the people using the same waterways and surrounding communities vulnerable to mercury poisoning.

Mr Heromate said mercury poisoning is a type of metal poisoning that occurs due to one’s exposure to mercury, adding that symptoms depend on the type, dose, method, and duration of exposure. The victims of the use of mercury are not the miners but the people of Bana and Torokina districts who

live downstream of the Kavarong and Jaba rivers. He said there are already signs and symptoms of people with mercury poisoning visiting hospitals. Some of the people are complaining of muscle weakness, poor coordination, numbness in the hands and feet, rashes, anxiety, memory problems, trouble speaking, trouble hearing, or troubling seeing. He said alluvial miners are using mercury upstream of Bovo, Tupukas, Luluai, Queen River (Arakabau), Tavatava just to name a few that is posing threat to the communities of Arawa and villages downstream.

Western administrator charged with abuse of office

November 30, 2021, The National Main Stories

WESTERN administrator Robert Alphonse Kaiyun was arrested and charged with abuse of office by police on Sunday. Director of the National Fraud and Anti-Corruption Directorate Det Chief Supt Matthew Damaru said Kaiyun, 52, from Karengo village, North Fly in Western, was expected to appear at the Waigani Committal Court this week for mention. Police alleged that on Dec 13, 2018, Kaiyun on behalf of the Fly River government, signed a three-year office lease agreement with New Century City Ltd and the Fly River government. The office space in question is located at Section 2, Lot 59 at Kiunga town in Western. Police allege that the value of the lease agreement is valued at K330,000 per month which equates to K3.9 million per year.

Police allege that the contract agreement valued at K11.8 million for three years starting on Jan 1, 2019 to Dec 31, 2021 was signed by Kaiyun on behalf of the Fly River government which was beyond his powers as provincial administrator. Police stated that as provincial administrator, Kaiyun could only sign for procurement contracts valued at K500,000 and as the chairman of the Provincial Supplies and Tenders Board (PSTB). Police stated that according to the National Procurement Act 2018 and the Public Finance Management Act, the provincial procurement board threshold was K5 million. Police alleged that the office lease contract signed by New Century City Ltd and the Fly River was contrary to the National Procurement Act and was void from the moment of execution.

Industry needs proper policies

November 25, 2021 The National Business



Mass rural employment opportunity in the small scale mining in Morobe.
— Pictures courtesy of Sustainable Alluvial Mining Services

The alluvial mining industry has existed in Papua New Guinea for over a century since the day gold was first discovered on Sudest Island, Milne Bay in 1888. It is almost 132 years of the existence of

alluvial mining activities in this country yet the plight of struggling mining families and communities who encounter so much financial, technical and social stress to ensure a gramme of gold reaches the refineries have been overlooked. Sustainable Alluvial Mining Services co-founder DARREN SUTTON spoke to Business reporter PETER ESILA about the industry.



A child involved in small scale mining in Wau, Morobe. – Pictures courtesy of Sustainable Alluvial Mining Services

Question: What is the status of the alluvial mining industry in PNG?

SUTTON: The Sustainable Alluvial Mining Services (Sams) is a nationally-owned company providing alluvial mining services in PNG. Every day, more than 100,000 women, men, youth and children sift through alluvial (streambed and surface) deposits to mine for gold. The Government sanctions, encourages, and benefits from the taxable income of these small-scale alluvial mining operations, which produce upward of K300 million in export levies as revenue to the Government annually. There is evidence of many remote districts in PNG that are economically supported by the artisanal and small-scale gold mining sector. Some of the rural districts economically empowered by this industry are Wau/Bulolo, Maprik, Samarai-Murua and Kainantu. The evidence of this economic aspect of the sector presents itself in the revenue generated through gold export levies. Although there is economic potential in this sector, many successful governments have given little attention to the sector in terms of financial and technical assistance.

On the policy aspect of the sector, no specific legal framework or regulations is in place to protect small-scale and grassroots miners, including women and children, from the dangers of this mining practice, including mercury poisoning and child labour. While in the process of advocating for policy inclusion to effectively regulate the small-scale mining industry, there can be programmes rolled out in small scale mining communities and districts around the country to reinforce the idea that this sector can be an economic driver for rural development to give that needed confidence to the government to revisit existing mining laws that can incorporate the Artisanal Small-Scale Gold Mining (ASGM) industry. Creating wealth in the small scale mining industry by delivering better and tailored services to clients (SMEs, entrepreneurs, local governments, etc), hence creating an avenue conducive for all to participate in business/economic activities.

The ASGM sector is inadequately understood by many, thus we provide the general information regarding the sector. It supports hundreds of thousands of rural people, almost all of whom live in remote rural areas. It incorporates both formal and informal activities, where the latter is widespread and is commonly referred to as “illegal mining”. Thus the sector needs to be formalised. ASGM plays a key role in mineral economy, where it is estimated to contribute one-third of less-fuel mineral output. ASGM is pivotal in alleviating poverty and improving living standards through increase in community capital, diversifying local economy in rural areas basically because it is viable in areas with minimal to no infrastructure where other sector cannot function.

What is Sams' views on the Government's move to establish a gold refinery and mint project in the PNG?

In the wake of a biased gold deal forced upon Papua New Guineans to exploit their resources, hundreds of thousands of alluvial miners around the country who will either be victims or beneficiaries of this deal face another grim reality of ignorance, misrepresentation, and forced decision from a Government who is expected to fairly represent them. The alluvial mining industry has existed in PNG for over a century since gold was first discovered on Sudest Island, Milne Bay, in 1888. Almost 132 years of existence yet the plight of struggling mining families and communities who encounter so much financial, technical and social stress to ensure a gram of gold reaches the refineries have been overlooked.

The fact that no proper consultations with local mining communities to establish understanding, seek informed consent and input around the gold refinery plan, it seems a biased and rushed decision by a few individuals whose interests are not representative of the sector and people who not only work in difficult and dangerous mining sites but also those who have been deliberately neglected by many governments in meeting their financial and technical needs despite their direct input to strengthening rural economies and generating income for the Government. The small scale mining industry in Papua New Guinea comprises of many actors, from miners, local mining services providers, to local buyers, established gold buyers and exporters, suppliers of mining equipment, policy makers, regulators, civil societies and local governments who play significant roles in their capacities to ensure a gramme of gold reaches a refinery.

It is an informally established supply chain that has existed for centuries and the only sensible thing any responsible Government with aspirations to improve its resources sector could do is to involve all players, understand their situations, address pressing issues faced by the sector before jumping quickly to a deal that does not represent all players involved. A consultation process would help identify the many issues faced by the sector that is hindering progress. The alluvial mining sector is not only about gold and refineries, there are other more significant issues to be addressed. The prime minister should be seeking appropriate advice to develop a plan that addresses many of these issues whilst looking at the economic aspect of the sector. One of the key concerns of the government establishing a refinery is to ensure that small scale and artisanal miners have a safe secure and fair way of selling their gold to either government gold buyers, or directly to the refinery.

Often, the small miner sells his gold to unscrupulous buyers for as low as 30 per cent of its real value. The buyer then sells to another buyer who pays well under market price and then finally the gold is sold to existing foreign buyers who pay usually about 80 per cent of the true value of the gold. The reality here is at the end of the day no one really gets a fair price for their gold, particularly the miner or the low end buyer. If the government is to establish a refinery it must ensure that there is a regular outreach programme where buyers representing the refinery visit remote areas outside major cities to buy directly from the miners giving the miner a much better and fair price.

Through training and registration, buyers could be trained, registered and the act on behalf of the government refinery. This can only happen if the artisanal and small scale mining sector is formalised, regulated, and recognised as a significant provider of gold to the Government. With no formalisation, miners are subjected to dealing with buyers who are not registered, unregulated, and in many cases illegal, many of whom smuggle gold out of the country. They have to deal with them as there is no other economic option to sell their gold in any other way. The prime minister should be focused instead on addressing issues that might be a hindrance to the success of his plans for a refinery. Issues of greater concern in the alluvial mining sector include:

- POLICY and regulatory regime of the sector;

- INSTITUTIONALISATION and formalisation;
- TECHNICAL and financial assistance to improve the sector;
- EVER increasing social issues faced in the sector;
- ENSURING PNG becomes a party to the Minamata Convention to phase out mercury;
- HEALTH and safety issues affecting miners;
- VICIOUS cycles of illiteracy on generations of miners;
- RISING illegal mining activities near large mining companies;
- ENVIRONMENT concerns associated with unregulated mining activities in fragile environments;
- DEVELOP policies to recognise the sector as an important SME to boost rural economies.

These are pressing issues which the Government must address before settling for deals that may never eventuate as a result of all the issues mentioned above. International Gold buyers are affiliated to organisations such as the World Gold Council which regulates the industry and ensures ethical gold is sourced. The Government should be asking:

- IS PNG gold ethical? Does it meet international standards?
- IS the National Gold Corporation Ltd a member of the World Gold Council to be able to sell directly to the London Gold Bullion market?
- DOES the National Gold Corporation have experience and expertise in international fair-mined standards to ensure benefits trickle down to people?
- DO they have experience in social responsibility, to include rural mining communities, since bulk of the gold NGC will be dealing with, will be sourced from these disadvantaged mining communities? and,
- WHY can't it collaborate with gold exporters or mining companies operating in the country, or local miners to establish a refinery?

It is also important that the NGC should have experience and knowledge in the formalisation of the ASM sector so they can adequately advise Government on the changes happening to the sector in terms of global ban in mercury, and possible ways to identify alternative ways of extracting alluvial gold. The Prime Minister should engage foreign companies that have technical capacity in dealing with all cross cutting issues whilst also ensuring gold production rates are steady and not affected by these global changes. The Prime Minister should ensure international standards are accommodated to address issues in the sector before settling for economic deals that might turn out to be unsuccessful.

For instance, there is international lobbying behind improving the ASGM sector and Governments are taking this sector serious has it has a potential to economically empower indigenous resource owners. The Government should be empowering its local miners to participate in fair-mined gold initiatives rather than dealing with middlemen. They should be participating as a government in these international forums to assist local miners, collaborate with reputable organisations to holistically address many grave issues faced in the sector whilst also venturing into economic collaboration. The Government should be considering these options and ensuring that the country is actively participating, sharing knowledge and ideas with many other successful countries in the mining sector and particularly the ASM sector.

Kainantu gold mine to be a priority: PM

November 24, 2021, The National National

PRIME Minister James Marape says Kainantu gold mine in Eastern Highlands and two others will be a priority for his Government in the new year. He said this would be to ensure landowners and

provincial governments within the project impacted provinces received maximum benefits. Marape was responding to a question by Eastern Highlands Governor Peter Numu on the status of the review of the mine's project agreement. "I would like to thank the prime minister for allowing us to review the Kainantu mine," Numu said. "The review was carried out, concerned parties were involved. "Issues were sorted out, especially to do with benefit sharing."

He said his understanding was that Kainantu mine, though a new operation, had paid about K100 million in taxes from its exploration and production activities which were world class. He said stakeholders, which included landowners and the provincial government, had been waiting since last year for the review to be endorsed by the National Executive Council (NEC). Numu asked Marape when the compliance team and State Solicitor complete the process before it went to the NEC and then to the eventual signing. "At the moment, we are missing out big time," he said. "Under the review, there is a free five per cent equity share apart from royalties. "All businesses will also be given to the locals."

Govt to consult P'nyang gas landowners to get best deal: PM

November 24, 2021, The National Business

PRIME Minister James Marape has assured North Fly MP James Donald that consultation with landowners on the P'nyang gas project will take place to ensure that they get the best deal. Donald recently raised questions on the gas project and was not satisfied with the response given by Marape. Donald was advised to submit questions formally in writing to Marape, copied to the Minister for Petroleum Kerenga Kua. "I will get the minister for petroleum to get a written response," Marape said. Marape said Kua recently returned from meeting with Exxonmobil representatives to ensure progress on the P'nyang project and to secure benefits for those involved. "As far as benefits are concerned, all state agents involved are working very hard to make sure no one gets left out," he said.

Concerns over 'biased deal'

By PETER ESILA, November 23, 2021 The National Business

ALLUVIAL miners in the country currently sell their gold to unscrupulous buyers for as low as 30 per cent of its real value, and this, among other issues that must be addressed, an official says. Sustainable Alluvial Mining Services (Sams) founder Immaculate Javia said the Government needed to formalise and properly regulate alluvial mining industry before talking about establishing a gold refinery in the country. Javia said the Government needed to consult all stakeholders on the proposed project. "In the wake of a biased gold deal forced upon Papua New Guineans to exploit their resources, hundreds of thousands of alluvial miners around the country, who will either be victims or beneficiaries of this deal face another grim reality of ignorance, misrepresentation, and forced decision from a Government who, is expected to fairly represent them," she said. Javia said the alluvial mining industry had existed in PNG for over a century since the day gold was first discovered on Sudest Island, Milne Bay, in 1888.

"It is almost 132 years of the existence of alluvial mining activities in this country, yet the plight of struggling mining families and communities who encounter so much financial, technical and social stress to ensure a gramme of gold reaches the refineries, has been overlooked," she said. "The fact that no proper consultation with local mining communities throughout the country to establish an understanding, seek informed consent and input around the gold refinery plan seems a biased and rushed decision by few individuals whose interests are not representative of the sector and people who not only work in difficult and dangerous sites and conditions to produce gold, but who have

been neglected by many successive governments in meeting their financial and technical needs despite their direct input to strengthening rural economies and generating income for the Government.”

Javia said a consultation process would help identify the issues faced by the sector that was hindering its progress. “The alluvial mining sector is not only about gold and refineries, there are other more significant issues to be addressed and the Prime Minister should be seeking appropriate advice to develop a plan that addresses many of these issues whilst looking at the economic aspect of the sector,” she said. “Currently, often the small miner sells his gold to unscrupulous buyers for as low as 30 per cent of its real value. “The buyer then sells to another buyer who pays well under market price and then finally the gold is sold to existing foreign buyers who pay usually about 80 per cent of the true value of the gold. “The reality here is, at the end of the day, no one really gets a fair price for their gold. “Particularly, the miner or the low end buyer.”

Deal for gold refinery, factory not final, PM says

November 22, 2021, The National

PRIME Minister James Marape says a deal signed for a proposed PNG Gold Refinery and Mint Factory was “not final”. He was responding to questions by Abau MP Sir Puka Temu in Parliament to explain his government’s understanding of the protocols embedded in the gold refinery industry. Sir Puka also questioned how the investor was chosen. Marape said the Government’s vision to build a gold refinery and mint factory in the country was a bold move in the right direction to get more from the country’s gold resources and reserves. It also included having a gold bullion bank in the future. Marape said since the 1800s, gold was harvested in the country, and the country had been exporting gold since, but, never saw and or knew how much gold was produced in country. He told Parliament that the proponents of the PNG gold refinery and mint factory and the Government had signed an agreement for the business, but the deal was a work-in-progress, not final.

“The agreement that we have signed with the proponents of the proposed PNG Gold Refinery and Mint Factory can be re-looked at if it is not in the best interest of our nation,” Marape said. “They have been pushing this proposal in the last eight to nine years through past governments and ministers. “The former prime minister’ cabinet approved the project in 2014 through NEC decision 297/2014, and my Government has reviewed this to get better benefits. “They have been going and coming, back and forth, with their proposal, and they wanted an 80 to 90-year exclusivity right to mint and refine all gold in PNG and export overseas. Under the review that my Government put through the State Negotiation Process, we have arrived at a much improved version that includes an equal 50-50 ownership, with Refinery Holdings Ltd putting up the entire capital to construct the refinery.”

State about to seal deal for P’nyang project: PM

November 19, 2021, The National Business

THE State negotiating team is working towards a gas agreement for the P’nyang project in Western, Prime Minister James Marape says. He said this yesterday in Parliament in response to questions from Ijivitari MP Richard Masere on the P’nyang and the Papua LNG projects. Marape said the heads of agreement (HOA) had been secured and were moving into the next level of agreements to ensure the project was in order. Marape and his delegation executed the HOA for the P’nyang gas agreement and an equity purchase HOA with ExxonMobil in Texas, US, two months ago. The HOA captures fiscal, regulatory and licensing terms that were negotiated. The equity HOA provided for the State to acquire at cost 10 per cent additional equity from ExxonMobil in the P’nyang

project. “So the heads of agreement is secured. Now the State negotiating team are working to ensure that gas agreement is delivered to the expectations that we want.” Marape said negotiations for P’nyang were still ongoing and would be completed with a gas agreement. “In the next phase, we will be engaging with the Western government.”

Singaporean company to refine country’s precious metal

BY THIERRY LEPANI and GORETHY KENNETH

Post-Courier, November 19, 2021

Papua New Guinea has entered into a deal to refine all its gold with a Singapore based company, despite the necessary legislation – the National Gold Corporation Bill 2021 – is yet to be deliberated by Parliament. Three weeks ago, the Government entered into an agreement with Refinery Holdings Pty Ltd to establish the National Gold Corporation to take carriage of refining the entire country’s gold production in an ambitious mint and refinery project. The Post-Courier understands that per the agreement, the State will hold 30 per cent equity in the National Gold Corporation while the company will hold 70 per cent. Section 215 of the 470 page draft National Gold Corporation Bill 2021 that is yet to be enacted by parliament pertains to the National Mint’s exclusivity rights, which states: “The National Mint is the exclusive refiner of all gold mined or recovered from land in Papua New Guinea”.

Prime Minister James Marape was present at the signing ceremony between the State and the company’s representatives James Scobie and Michael Boyd, and said: “This has been talked about for decades, but it is my leadership peers in present government who are now pushing for this major in-country downstream processing project”. The refinery concept has been around since 2012 when company ‘Gold Partners PNG Pty Ltd’, which is a major shareholder in Refinery Holdings, signed an agreement with Mineral Resources Development Company. Yet in 2014, BPNG Governor Loi Bakani wrote to State Solicitor Daniel Rolpagarea regarding the proposed National Gold Corporation Bill 2014, to “reconsider the contents of the Bill and its implication on the Central Banking Act 2000, and related Acts.” Per the legal advice given to BPNG, it stated “State Equity Corporation and MRDC may together hold up to 30 percent of the equity in National Gold Corporation.

“The balance will be held by Refinery Holdings Pte Ltd, a Singaporean company of which at this stage we have been unable to obtain any information” the letter said. Further, it highlighted major ramifications for BPNG as “the bank’s powers to buy or import gold under section 79 of the Central Banking Act will cease” and transferred to the national mint that would be established. The proposed Bill has not yet reached parliament, and has been placed in a ‘cart before the horse’ scenario as the framework agreement has been signed by the State while lacking the necessary legislation to legitimize the deal. In a NEC submission presented by Mr Marape sometime this year for the approval for the State to enter into the agreement with Refinery Holdings, he said it also paves way for “the previously approved project Bills be submitted to First Legislative Counsel as drafting requirements, and to ensure the Bills are then presented to the next Parliamentary session.”

The Post-Courier has sought answers from the government to ensure that all necessary regulatory and compliance functions are being met in relation to the new deal. Established gold businessman, Justin Parker said some clauses in the refinery agreement should be removed. “I’m ready to build a refinery 100 per cent nationally-owned with me as owner of a minor share. “The deal that the PM has signed is giving them (Refinery Holdings) 60 year rights and renewal of every 30 years forever and ever,” he said. Mineral Resources Authority managing director Jerry Garry said PNG’s current mining law is very broad with no prescriptive laws under the Mining Act to currently regulate a refinery as such. “The need now is to regulate this business. We need to have the policies and the laws in place to regulate the business. “I am always optimistic about life. Expertise and technology

is readily available. “If we have the money we can pay to operate a business like this refinery. “We welcome the refinery concept into the country but it must operate within our laws and be regulated so that we don’t miss out on the benefits,” Mr Garry said.

Chamber says gold refinery will have implications on industry

November 19, 2021, The National Business

THE PNG Chamber of Mines and Petroleum is concerned that there has not been any consultation with the resource industry regarding the establishment of a gold refinery and mint facility in the country. In a paid advertisement yesterday, the chamber said without consultation, implications on the gold industry could not be fully understood and decision makers would not be furnished with full knowledge to make important decisions. “The Chamber of Mines and Petroleum place on record, major concerns on the enacting of an enabling legislation to establish a gold processing project in the country,” the chamber said. “The Chamber represents all current gold mining and processing projects in the country envisages far-reaching ramifications for all companies participating in the mining industry, and serious impacts on our country’s status as an attractive investment destination for mineral exploration, development and investment.

“Consultation on any proposed legislation in the industry is essential. “This is especially important for legislations that have far reaching implications for the revenue streams that fund the industry. “There has been no consultation with industry about the proposed project, therefore, the industry and the business community in the country do not know the full implications of this project. “We request for collaborative consultation on this legislation before it is tabled in Parliament, to ensure that the implications of the legislation on the industry can be fully understood.” Former chief secretary Isaac Lupari also said more consultation needed to be done on the proposed facility. Lupari said the proposal could provide unprecedented access by a foreign-owned company to what should be a significant state asset. Prime Minister James Marape told Parliament yesterday that Government would ensure that any agreement signed with investors would not harm existing mine and alluvial mine operators in the country. He responded to questions from Opposition Leader Belden Namah regarding the project agreement.

Govt decision upsets locals

November 17, 2021, The National Business

THE three landowner companies of the Wafi-Golpu gold and copper project area and the pipeline landowners are not happy with the Government’s K34 million distribution to some districts in Morobe recently. The K34 million is part of the K100 million infrastructure development grant (IDG) that the Government promised for the Wafi-Golpu project during a recent pre-development forum at Zenag in Bulolo. Presidents of the Hengambu, Babuaf and Yanta landowner associations John Nema, Jack Raban and Victor Gayatulu said they were not happy with the announcement by National Planning and Monitoring Minister Renbo Paita that the funds were not for the landowners’ development objectives. Paita’s statement indicated that the landowners of the Wafi-Golpu mining project would not get the funds as the project had not started yet. In the statement, Paita mentioned that the K34 million IDG fund that was paid to the Morobe government and all districts except Kabwum was not for the landowners of the Wafi project.

Hengambu landowner association president John Nema said it was a slap on the face and were disappointed with Paita’s statement. “The funds comes as infrastructure development grants from Wafi-Golpu project which means part of that should be directed at us as we will be severely affected when the project is fully developed,” Nema said. He said infrastructure developments in the

mine affecting communities was not progressing well and services that the developer established over the years, such as roads, health posts and schools, had deteriorated. Nema said the districts that received part of the K34 million Wafi IDG fund would not be impacted by the project. “Why using the name Wafi-Golpu IDG funds when actually the money is not ours,” Nema asked. Meanwhile, Yanta president Victor Gayatulu proposed that since there was still K66 million remaining from the K100 million Wafi-Golpu project IDG, the Government could allocate part of it to the landowner companies. “This will help us to improve on the infrastructure development in the area and also to get the local landowners prepared for the actual implementation of the project,” he said

Church against deep-sea tailings

BY JEFFREY ELAPA, Post-Courier, November 17, 2021

The Lutheran Church, the second largest church in the country is totally against deep sea tailings and other forms of destruction to the environment. Head Bishop of the Evangelical Lutheran Church Reverend Dr Jack Urame said PNG is not doing enough to address issues of climate change and the destruction of the environment. He said the environment is God’s gift to mankind and these gifts should be used wisely for the benefit of our people but that is not the case as the resources are monetised. Dr Urame said just before the PNG COP26 delegation team left for Glasgow in Scotland, he wrote to the Prime Minister James Marape about the issues of logging in the country. He said he was concerned about the level of uncontrolled logging that is reducing the forest, the source of life.

He said God created the forest and made man to take control of it and use it for its benefit but it is not the case, people with the greed for money continues to destroy the forest, killing and destroying all other forms of life in the environment. He said there is also the issue of mining where the waste is disposed into the sea and river system. He said God created the sea and the rivers to support human existence but we are not doing enough to control the waste into our rivers and the seas. For instance, the government gave license to Nautilus Minerals to mine minerals in the sea floors of the New Ireland Province. “The proposed deep sea tailing for the Wafi-Golpu project in Morobe province is also another project that is expected to destroy the life in the sea which will then affect the lives of the people.

“The church has also been against the deep sea tailing in Basamuk Bay in Madang Province as it would affect human lives but yet the government continues to override the concern for the love of money,” Reverend Dr Jack Urame said. “Creation is not for sale, it is for the benefit of the people but today every creation is monetised because money is becoming the centre of our lives. We have moved away from God’s intentions. “We should find a balance so some of the creations are not destroyed for the love of money,” he said. Dr Urame said the Church believes that all God’s creation like the forest, the resources in the ground and the resources in the sea have been created for purpose and that is for the benefit of mankind and not to be over exploited and destroyed. He said over exploitation is resulting in climate change and we should put a stop to some of these activities like logging.

BCL ready to rescue Bougainville

Post-Courier, November 16, 2021

Bougainville Copper Limited (BCL) stands ready to rescue the government and its people. This was echoed by the Chairman of the BCL Board of Directors Sir Mel Togolo stating that the company stands ready to help ABG create the kind money needed to build its economy. Sir Mel stated that 36 percent of BCL is now owned by the ABG Government and people of Bougainville and needs to

assist the economic recovery of Bougainville. He said that once the other 36 percent shares from the National Government is released to Bougainville as promised by Prime Minister James Marape, Bougainville will own 72 percent whilst the remaining 28 percent is owned by individual shareholders. Sir Mel added that this is real independence for Bougainville and will trigger other economic activities for Bougainvilleans who will operate private service contracts that will further trigger other economic activities in our communities.

“Bougainvilleans need to make up their mind to start exploration operations before 2025. “The quicker we start something the better for Bougainville.” Sir Mel further clarified that BCL as a local company continues to support requests from groups in Bougainville for financial assistance as its community obligations. It has assisted with school fees support, other education support, health support, sports, religious groups, youth and women’s groups and support communication and tourism programs on Bougainville. The Chairman said that with the latest technology the company can still manage to raise enough funds for Bougainville for its economic recovery program, when workers, contractors and also the company itself pay taxes to ABG. Sir Mel confirmed that BCL is ready to start work if it is given the greenlight by the ABG and its people especially the Panguna landowners.

Bad weather delays project

November 16, 2021, The National Business

WORK on the Woodlark gold project in Milne Bay has been delayed due to unusual weather conditions, developer Geopacific Resources Ltd says. Chief executive officer Tim Richards said the impact of unseasonal inclement weather has resulted in a short-term deterioration in ground conditions, limiting the ability to conduct civil works programme in preparation for construction of the CIL (carbon-in-leach) plant. Richards said the project did not occur at the level required to ensure work streams were cost effective. He said the rising Coronavirus (Covid-19) cases across the country affected site operations. Richards said an increasing number of staff were either unable to travel or placed in quarantine, limiting the availability of workers on site and overall productivity rates. “Whilst the delays at the project are disappointing, they should not take away from the quality of the underlying asset base,” Richards said. “Woodlark remains a highly attractive project, targeting to deliver over one million ounces of gold production at an average all in sustaining cost of AU\$1,239/oz (about K3,100) over the life of the asset.

“We are doing everything we can to minimise the impact of the delays on the project schedule, and post the completion of the project review we will update the market to the extent of the impacts on the project execution plan. “We continue to progress exploration, with these activities continuing. “There remains significant exploration potential at the project, which we expect will result in additional value creation at Woodlark. “Exploration drilling will focus primarily on defining near pit potential, as well as defining other targets in our mining licence area. “The ability to add further ore reserves will significantly enhance the metrics of this high returning gold project.” Richards said the company enacted a Covid-19 management plan and was working with the Milne Bay health authority to limit the impact of the Covid-19 on the work force and the community. He said Geopacific remained committed to providing assistance to ensure this critical health initiative was implemented as rapidly as possible. The company is working on a critical path analysis to minimise the impact of the delays on the overall project schedule and to determine the impact on the budget.

Chinese firm interested in joining mining industry: Tuke

By CLARISSA MOI, November 15, 2021 The National Business

A CHINESE company is interested in investing in PNG's mining industry, says Mining Minister Johnson Tuke. The Jaxin Group, through its subsidiary Simons Energy Resources Ltd and local partner Conquerors Group, signed a memorandum of understanding with Tuke, witnessed by representatives of China Energy, in Port Moresby on Friday. To expedite the process of identifying the opportunities and move into making investment decision, Tuke agreed to enter into a blanket memorandum of understanding. "We are creating an understanding so that we can invite this company to conduct business in the mining sector, so as in the oil and petroleum sector because they have a known history back in their country," Tuke said. "We've got a process at the Mineral Resources Authority (MRA). This doesn't mean we'll give them first preference or priority. "They have to fully comply with processes down at MRA, meaning they have to take part in the application processes."

Jaxin PNG chairman Kennedy Penial said the company had the financial capacity and human resources to invest in PNG. Simons Energy, an upstream oil and gas subsidiary of Jaxin, is 51 per cent owned by China Offshore Point Corporation. "Since Prime Minister (James Marape) opened up to bring in investors from China through the Embassy of China in PNG, they (Jaxin) are the first ones who have taken up the initiative. Our interest is more in the mining and petroleum sector," Penial said. Representatives of the Chinese embassy were not present at the signing event. A spokesperson said: "The Chinese embassy did not know and did not participate in this signing. It was a business activity organised by the company itself." Initial investment anticipated in this arrangement is about US\$10 billion (K34 billion) in the first three years, and a further US\$30 billion (K103 billion) thereafter.

K1.1 billion awaiting clans

November 12, 2021, The National Main Stories



MORE than K1.1 billion is sitting in the banks waiting to be paid out to PNG LNG project land-owning units – once the clan-vetting exercise is completed, says Prime Minister James Marape. And he said the onus is on the landowners to assist the completion of the exercise by withdrawing cases some had filed in court challenging it. "Based on the September 2021 figures, this fund is now more than K1.1 billion sitting in accounts held by the Government and the Mineral Resources

Development Company (MRDC) at the Bank South Pacific and Central Bank,” Marape said. “When I met the landowners in 2019, I encouraged them to assist the Department of Petroleum and Energy complete the clan-vetting exercise by removing various court cases some of them had filed in the National Court and Supreme Court. “This will allow their rightful entitlements to flow through like what the landowners of Papa-Lealea (in Central) are now receiving.”

Marape was responding yesterday to some PNG LNG project landowners from petroleum development license (PDL) areas “chasing the Government for funds that may no longer be a direct entitlement in the Budget”. He said they were only making themselves “look silly”. He again clarified that landowners’ entitlements were from what was signed under the umbrella benefits sharing agreement (UBSA) in Kokopo, “split by percentage to all the landowner-based benefits sharing agreements”. He said these were royalties and equity “which needed their help to be released for their use”. He told the landowners that whatever else was owed, if any, as per UBSA and LBBSAs, would be verified and settled.

“So far, based on records, various bodies of landowners and provincial governments have (received) funds under the auspice of various agreements,” he said. “We are presently verifying these under the leadership of the Petroleum Department. I want to tell the so-called landowners in Port Moresby that I have been here since day one and I know all these dynamics at play. “You have lived through the Somare government and the O’Neil government over the last 10 years and these issues keep on recurring. “I am putting in place permanent solutions to these outstanding matters. And it does not help when you protest and run all over the place for some so-called IDG, HIP, BDG or MOA funds when your own royalties and equities are sitting idle in the banks. “We will complete verification of what is owed to you by agreement, and I will bring the figure to you in the PDL areas – not in Port Moresby. “A date will be set up soon. But you must help too in completing your landowner ID processing so I can release your funds, direct entitlements, royalty and equities.”

Cabinet approves K34 million IDG funds for Wafi-Golpu

BY JERRY SEFE, Post-Courier, November 11, 2021

Minister for National Planning and Monitoring Rainbo Paita has confirmed that the K34 million infrastructure development grants (IDG) for the Wafi-Golpu project was approved by Cabinet before they were released. Mr Paita said in an interview with the Post-Courier recently that the funding was requested by the Morobe Provincial Government and the funds were released by the National Planning and Monitoring Department with Cabinet’s approval for infrastructure developments. “This funding was released to the Morobe Provincial Government under a breakup approved by Cabinet for infrastructure developments for ward areas, local level governments, districts and the province. This funding is not for landowners because the project has not started yet.” He said landowners cannot request funding from the National Government or in this case, of an amount of K34 million in IDGs because there are no funds for the landowners as yet since the project has not started.

He, however, said the provincial government is also demanding a bigger share of the K100 million IDGs grants which is impossible because the project has not started yet. Meanwhile, the landowner chairmen of three recognised stakeholder associations in the special mining lease (SML) project area, Victor Geyactulu (Yanta Development Landowner Association), Jack Laban (Babuaf Landowner Association) and John Nema (Hengambu Landowner Association) backed by Wampar Pipeline, Butibam, Mumeng and Wagan Outfall impacted landowners in Bulolo, Huon Gulf and Lae districts said they were frustrated because they missed out from the funding distribution. They wanted to know why they missed out when their people are also suffering and in need of services and development.

Mr Geyactulu said in accordance with the announcement made by Prime Minister James Marape during the Wafi-Golpu pre-mining development forum on September 2 at Zenag, Mumeng station in Bulolo, a total of K100 million in IDGs was ready and that it was to be released during the next development forum once all stakeholders had fully submitted their position papers. However, according to Mr Geyactulu, Mr Laban and Mr Nema, the funds were released too soon to the provincial government and it took the landowners almost a month to find out about it.

- K12 million was paid to the Morobe Provincial Government (payment No:E206017159)
- K4 million to Lae district (payment No:E206017160)
- K4 million to Bulolo district (payment No:E206017165)
- Huon Gulf district K4 million (payment No:E206017167)
- K2 million to Finschhafen district(payment No:E206017166)
- K2 million to Markham district (payment No:E206017161)
- K2 million to Nawaeb district (payment No:E206017162)
- K2 million to Menyamya district (payment No:E206017163)
- K2 million to Tewae-Siassi district (payment No:E206017164) while Kabwum district was included.

The three landowner chairmen and other impacted stakeholders argued that it would be better that the government also release the remaining K46 million to fund services in their areas. Mr Geyactulu said the provincial government has to meet with them to clarify the status of the grants so that they can be in a better position to inform their people why they missed out. “We will not entertain any development forum for the progress of Wafi-Golpu project if we do not receive our share of the infrastructure development grants to improve services for our people,” Mr Laban and Mr Geyactulu said. The frustrated leaders said it was a slap in the face for the people of Bulolo and the landowners of Wafi-Golpu project.

They said a meeting was held between the landowner chairmen and Governor Ginson Saonu and Mining Minister Johnson Tuke several weeks ago to discuss about the grants, but they were told that once all their position papers are received, the government would release the grants. Mr Laban also said basic services such as health, education and electricity and others are still lacking in their areas and want the government to respond to their call or else the landowners will take a different approach. “IDG is purposely for infrastructure developments and the breakup was supposed include the landowners as genuine stakeholders, however, that never eventuated,” Mr Laban said. “I am calling on the government to ensure we get a share of the remaining K46 million to improve services lacking in our areas,” Mr Nema said.

PNG to construct gold refinery and mint

Radio New Zealand on 5 November 2021

The Papua New Guinea Prime Minister has signed an agreement for construction of a national gold refinery and mint. James Marape said that for the first time PNG will have a downstream processing and value-adding industry for gold.

He said the project will put PNG on the world gold map, so that it was rightfully recognised as one of the world's most-important gold-producing countries. Marape said downstream processing of natural resources in PNG, including gold, forestry and fisheries, is the key to the country's economic future, and a key policy of his government. According to him, "this has been talked about for decades, but it is my leadership peers in present government who are now pushing for this major in-country downstream processing project". He is promising up to 200 jobs will be created during the construction phase, with up to 350 new tertiary level jobs in the operational phase. The prime

minister believes this will mean significant training and skills transfer to local employees for decades to come. In addition he said "and there will be the creation of many local ancillary industries, including gold tourism facilities, and long-term supply requirements from local contractors and suppliers". Small-scale, local alluvial gold miners will benefit from the new refinery in PNG, while landowners can expect to receive better prices by avoiding the industry middlemen.



Aerial view of the Porgera gold mine. Photo: Zijin Mining

The Metals Company Showcases Pilot Nodule Collection Technology at Stakeholder Event Co-Hosted by Allseas

businesswire, November 04, 2021 08:00 AM Eastern Daylight Time



Hidden Gem (The Metals Company) (Photo: Business Wire)

NEW YORK--([BUSINESS WIRE](#))--The Metals Company (Nasdaq: TMC) ("TMC" or the "Company"), an explorer of the world's largest estimated undeveloped source of battery metals for electric vehicles ("EVs"), today announced the completion of their event in Rotterdam, Netherlands,

'Engineering the Future with Allseas,', co-hosted by the Company's strategic partner and shareholder, Allseas Group S.A. ("Allseas"). In partnership with TMC, Allseas is developing a deep-sea collection system to responsibly recover polymetallic nodules from the ocean floor and lift them to the surface for transportation to shore.

At the event, key stakeholders were given the opportunity to tour the pilot polymetallic nodule collection vessel, the [Hidden Gem](#), and the facility where the prototype of a nodule collector vehicle is being built. The Hidden Gem is a 228-meter-long former drill ship and is currently undergoing key modifications to enable at-sea deployment through its existing moonpool of a 4.3-kilometer-long riser that would bring polymetallic nodules up from the seafloor. The Hidden Gem is expected to become the world's first ship classed as a subsea mining vessel by the American Bureau of Shipping. Allseas engineers have also integrated a launch and recovery system for the twelve-meter-long nodule collector vehicle that would enable it to be deployed over the side of the vessel.

Both the Hidden Gem and the nodule collector vehicle are key components of the partnership's efforts to responsibly recover polymetallic nodules from the ocean floor and lift them to the surface for transportation to shore for processing. Allseas current schedule has the Hidden Gem being deployed in the Clarion Clipperton Zone (CCZ) to undertake collection tests in mid-2022. The estimated in situ resource on the seafloor in the exploration contract areas held by TMC's subsidiaries is sufficient for 280 million EVs – roughly the entire U.S. passenger vehicle fleet. The development of this resource offers an abundant, low-cost supply of critical raw materials for EV batteries and wiring including nickel, cobalt, copper and manganese, with an expected lower lifecycle ESG impact than conventional land-based mining.

"One of the great opportunities we have in getting this industry started is the conversion of assets from the oil and gas industry, which enables us to reach our milestones with significantly less capital expense," said Gerard Barron, Chairman and CEO of The Metals Company. "It was an honor to be able to showcase the incredible ingenuity of Allseas engineering for our key stakeholders, to see the collector coming to life and to stand onboard the Hidden Gem and witness her transformation firsthand. The fact that she will be ready for trials next year and for production in what we anticipate will be 2024 is tremendously exciting."

Edward Heerema, Founder and President of Allseas, said: "We've studied this industry very carefully for many years and when we gained the certainty as engineers that this can work, we really went for it. There is no better solution than the conversion of the Hidden Gem for the first nodule production ship and the development of the collector vehicle and vertical transportation system are currently in a stage that we are very comfortable with."

About The Metals Company

The Metals Company is a Canadian explorer of lower-impact battery metals from seafloor polymetallic nodules, on a dual mission: (1) supply metals for the clean energy transition with the least possible negative environmental and social impact and (2) accelerate the transition to a circular metal economy. The company through its subsidiaries holds exploration and commercial rights to three polymetallic nodule contract areas in the Clarion Clipperton Zone (the "CCZ") of the Pacific Ocean regulated by the International Seabed Authority and sponsored by the governments of Nauru, Kiribati and the Kingdom of Tonga.

About Allseas

Allseas Group S.A. is a world-leading contractor in offshore pipeline installation, heavy lift and subsea construction. The company employs 2500 people worldwide and operates a versatile fleet of specialised heavy-lift, pipelay and support vessels, designed and developed in-house.



Prototype Nodule Collector Vehicle (The Metals Company) (Photo: Business Wire)

Source: <https://www.businesswire.com/news/home/20211104005653/en/The-Metals-Company-Showcases-Pilot-Nodule-Collection-Technology-at-Stakeholder-Event-Co-Hosted-by-Allseas>

Official urges country to have positive environment policy

November 4, 2021, The National

A CHURCH official has urged the country to have a positive energy and environmental policy for the future. Evangelical Lutheran Church of PNG head bishop Rev Dr Jack Urame said Papua New Guinea needed policies that would lead the nation away from fossil-based fuels and catastrophic mine waste dumping into the environment. “Our addiction to fossil fuels harm human health, causes global warming, degrades land and marine ecosystems and pollutes the Earth,” he said. “Therefore, we need energy systems that provide clean, renewable and reliable energy that do not threaten human health or the environment. “We must act to preserve our world and strive to secure our future.” Rev Urame said PNG was obligated to do its part in reaching global targets, adding that failure to do so would be like ignoring a moral responsibility. He said PNG, as a Christian nation, had a duty of care for God’s creation as man had been called to be responsible care-takers of it. Rev Urame said bold action was needed to address the daunting issue of climate change.

Kingston to present reports on gold project next year

November 3, 2021, The National Business

RELEVANT studies being carried out by Kingston Resources for the Misima gold project in Milne Bay are expected to be submitted by next March, according to the company. Kingston noted in its September 2021 quarterly activities report that this included mining lease studies. Other achievements of the project highlighted in the report included:

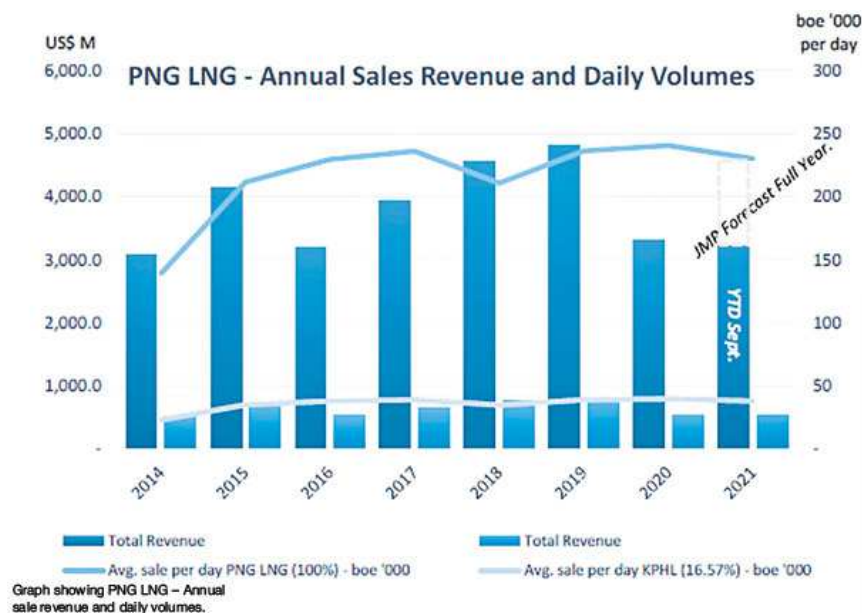
- A 39 per cent increase in indicated resource to 2.5 million ounces (Moz) of gold (Au) to underpin the definitive feasibility study (DFS) and anticipated potential ore reserve upgrade as part of the DFS;

- KEY process engineering contract executed with Lycopodium, with plant design work and simulations now underway;
- BALANCE of DFS engineering packages awarded with work underway on civil works, site water management, high voltage electrical work, non-processing infrastructure, mine geotechnical assessments and mine planning;
- GEOTECHNICAL drilling and site investigation programme to be completed this month (November);
- MINE design work underway incorporating the updated resource estimate;
- MAJORITY of environmental and social impact assessment (ESIA) baseline field surveys now completed, with those remaining to be completed in the December quarter;
- SOCIAL baseline studies completed, with landowner studies and engagement progressing; and,
- All DFS, ESIA and mining licence studies and applications on track for completion and submission in March 2022.

Kingston managing director Andrew Corbett said the release of the updated 3.8Moz mineral resource for Misima was a key milestone for the team during another active and successful quarter. “The substantial upgrade in resource classification has firmly established Misima as one of the most exciting new mid-tier gold development opportunities in the Asia-Pacific region,” he said. He said the company’s refined geological model for the Umuna deposit represented a key step forward for the project and further reinforced potential for Misima.

K15bil projected for '21

November 2, 2021, The National Business



AGGREGATE revenue for the PNG LNG project will exceed US\$4.5 billion (about K15.4 billion) for the 2021 financial year, according to a report. Estimates recently released by JMP Securities, an equities and fixed interest markets broker/dealer in PNG, show that the current aggregate revenues to the Kumul Petroleum Holdings Ltd (KPHL) from the project this year is between US\$750 million and US\$775 million (about K2.5 billion and K2.6 billion) based on the high prices currently being achieved. It also estimates that the cumulative revenues from the PNG LNG Project to KPHL since the start of operations in 2014 are in the order of US\$5.1 billion (about K17.5 billion). “This is an estimate of revenue only,” said JMP Securities. “We are not in a position to comment on the overall costs of operations associated with the project or the wider operations of KPHL,” “Given the

current high international crude oil prices and the time lag between movements in oil prices and the pricing of LNG under long-term contracts, we expect continued benign trading conditions for PNG LNG in the coming months.

“This will result in a strong performance for the 2021 financial year as a whole. “We estimate that the PNG LNG Project has sold LNG, condensates, domestic gas and naphtha valued at US\$30.27 billion between April 2014 and September 2021. “More than 80 per cent of revenues come from the sale of liquefied natural gas (LNG). “We estimate that the PNG LNG has sold the equivalent of close to 600 million barrels of oil since 2014. “Around 100 million boe (barrels) have been sold by KPHL. KPHL sells around 35,000 to 40,000 boe per day. “We estimate that the highest average quarterly gas export prices achieved by PNG LNG is US\$14.41 (about K49.4) per mmbtu (metric million British thermal unit). This was achieved in the June quarter of 2014 on modest volumes.” In the September 2021 quarter, PNG LNG achieved around US\$10 (about K34.3) in average gas sales prices. “The lowest gas prices were achieved in the September quarter of 2020 – around US\$4.2 (about K14.4) per mmbtu.”

PNG signs landmark deal for first gold refinery and mint project

BY JEFFREY ELAPA, Post-Courier, November 1, 2021

The signing of a National Gold Refinery and Mint Project Agreement between the State and the developer Refinery Holding last Friday at the Government House in Konedobu will see all gold from the country smelted in PNG by 2025. The agreement was signed between the State represented by the Secretary for Treasury Dairi Vele and Refinery Holding represented by executives Michael Boyd (chairman) and James Scobie (managing director). The project will be a 50-50 ownership between the State and Refinery Holding. Prime Minister James Marape who witnessed the signing, applauded the parties for successfully negotiating for the establishment of the project and described it as a landmark agreement that is in line with the government’s ‘Take Back PNG’ policy. “The project will put PNG on the world gold map.

“So it is rightfully recognised in both gold mining and gold refining industries and in global precious metals and financial markets as one of the world’s most-important gold-producing countries,” he said. Mr Marape said downstream processing of natural resources in PNG, including gold, forestry and fisheries is the key to our economic future and employment opportunities for citizens, and is a key policy of the government. “This has been talked about for decades. “But it is my leadership peers in the present government who are now pushing for this major in-country downstream processing project.” He said the refinery will come with a lot of social and economic benefits and would add value to our gold after exporting it to foreign refineries for foreign benefit over the years. He said it is the first of many to come and some years down the lane, the country would go into gold bullion which is already a government agenda. Mr Marape said for the first time all the profits, taxes, new US dollar foreign exchange inflows, employment and related benefits from the refining of gold and precious metals will stay in Papua New Guinea. “PNG will be recognised on the world stage, including by international refined gold regulatory bodies, such as the London Bullion Market Association (LBMA) and PNG will be known and recognised as a producer of international standard:

- Gold and precious metal investment bullion bars;
- Gold and precious metal legal tender investment coins; and
- Other refined gold products.

He said the project will establish four new world-class businesses in the State:

- National Gold Refinery – which will refine all of PNG’s gold and precious metals and produce international standard gold and silver bullion bars.
- National Mint – to mint our own currency and the new National Bird of Paradise legal tender and investment grade gold and precious metal currency coins.
- National Gold Bank – to provide dedicated gold and precious metal banking and trading services to the PNG gold mining industry.
- National Gold – to market PNG gold and precious metals, and our value-added bullion bars, investment coins and other products global investors.

“This is a high-end value-adding business. “And for a gold producing nation, we want to move into this space,” Mr Marape said. “No one has dared to dream this dream, but as a government fighting to earn more from our resources, this low-hanging economic opportunity is now harnessed,” he said.