

**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/>

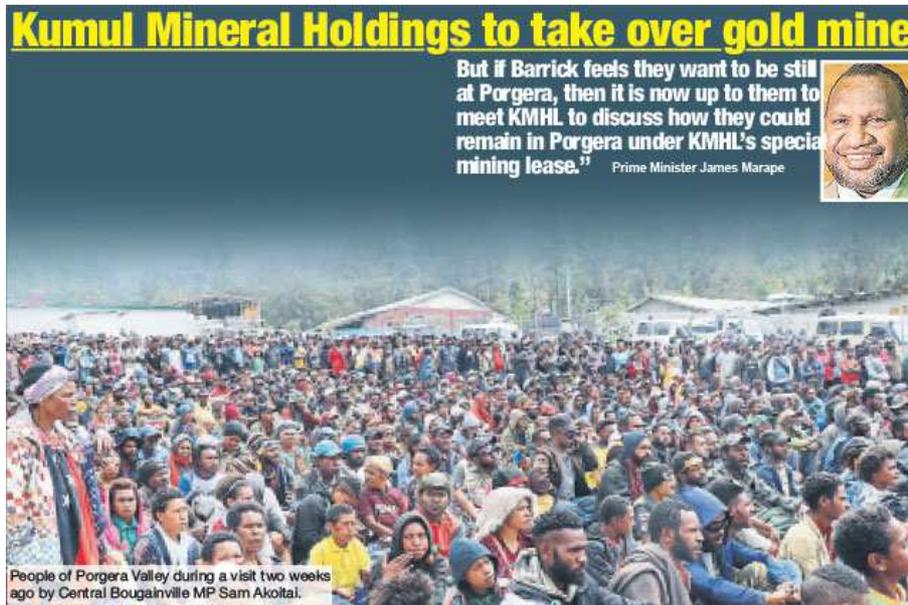
Porgera's new lease

August 31, 2020, The National

A SPECIAL mining lease for the Porgera gold mine will be issued to a state-owned enterprise, but the Government is giving the operator the option of negotiating “how it can remain”. Prime Minister James Marape in a statement yesterday explained why the mining lease renewal sought by Barrick Niugini Limited (BNL) had been rejected, and why a special mining lease would now be issued to the Kumul Mineral Holdings Limited (KMHL). The operator BNL is challenging in court the non-renewal of the special mining lease it applied for on June 29, 2017. Marape said BNL’s lease expired on Aug 16, 2019, and on the recommendation of the Mining Advisory Council, it was not renewed. The BNL and the KMHL then applied to the Mineral Resources Authority (MRA) for a new special mining lease.

“(The MRA) decision was in favour of KMHL,” Marape said. He said BNL “has all rights to contest our process in court and it is in all parties’ interest to conclude the matter fast”. “But if Barrick feels they want to be still at Porgera, then it is now up to them to meet KMHL to discuss how they

could remain in Porgera under KMHL's special mining lease," Marape said. "(The) equity plus operatorship option is on the table subject to negotiations. "My government's policies to empower our citizens and our country takes precedence when opportunities (arise) and with the expiring of lease and through the failure of lease renewal by a legitimate process, we had no option but to progress in the manner we have done as far as Porgera is concern." He assured the landowners and the Enga government that they will benefit from the new arrangement. Opposition Leader Belden Namah called the Government's move "devious, ill-advised, ill-timed and a fatal blow to investor confidence".



Former Prime Minister Peter O'Neill said the decision would further destroy the country. "This government must be stopped from making more damage to the nation. "We have no capacity or funding for this madness," O'Neill said. Mining Minister Johnson Tuke said he could not comment on the matter. Namah said to issue a special mining lease while BNL was challenging the matter in court meant that the refusal to extend the lease was "devious and ill-intentioned." He warned that this decision "now pre-empts the matter in court and might be held to be sub-judicial to the whole case". He said if KMHL was the State's choice to develop Porgera, then who would be the operator? "Instead of resolving the issue with BNL over the granting of a new special mining lease, the Government has granted a new one to KMHL," he said. "By this ill-advised and ill-timed decision, the hope of an early reopening of Porgera mine has now faded."

Barrick aware of State move on Porgera

August 31, 2020, The National

BARRICK Niugini Limited (BNL) says it is aware of the action taken by the Government to grant a special mining lease at Porgera to Kumul Minerals Holdings Limited. It said in a statement: "The Register of Mining Tenements records that the Head of State purportedly granted Special Mining Lease (SML) No. 11 (SML 11) to Kumul Minerals Holdings Limited on Aug 25, 2020 for a period of 20 years. SML 11 purports to cover 2,135 hectares of land at Porgera. "BNL considers that any such grant of SML 11 to Kumul Minerals Holdings Limited is unlawful and invalid. "BNL will take steps to challenge the purported grant of SML 11." The miner said the Government failed to consult the Porgera landowners prior to granting the special mining lease "whether through a development forum or other consultative steps". "Nor was a warden's hearing conducted. "We are unaware of any representative of Kumul Minerals visiting Porgera to meet with landowners and community stakeholders to discuss the special mining lease." "In purportedly granting an SML in this non-

transparent and rushed manner, the Marape Government sets a precedent of the State disenfranchising landowners.”

Mayur’s move insulting: Juffa

August 31, 2020, The National

NORTHERN Governor Gary Juffa has joined the opposition to a plan by an Australian-based company to mine limestone near Port Moresby, and set up a coal-fired power plant in Lae. The plan involves Australian rugby league legend Darren Lockyer who is the front man and head of business affairs of mining company Mayur Resources which is trying to develop a number of mines in PNG, and a coal-fired power station. The Brisbane-based Mayur, which is listed on the Australian Stock Exchange, has had 20 exploration licences granted by Papua New Guinea, including for copper, gold, limestone, mineral sands and coal. According to an Australian newspaper report, Mining Minister Johnson Tuke had praised Mayur for bringing jobs, revenue and prosperity to PNG.

In a statement to the Australian stock exchange by Mayur, Tuke said a 20-year deal for Mayur to mine limestone north of Port Moresby would “bring an additional source of mining/manufacturing export revenue will be most welcome by the PNG government.” But Juffa said the move by Mayur to parachute Lockyer into the region was a grave insult to the people of PNG. “We have become so brainwashed that we will be convinced of anything if they simply put an Aussie league player in front of it to sell,” Juffa said. Juffa questioned whether Lockyer would have paid PNG any heed “if he wasn’t lobbying for his company to be given all green lights for coal”. But it is their proposed productions plans – a cement production facility close to the capital of Port Moresby, and a coal mine and an associated coal-fired power plant, to be based in the coastal city of Lae – which have caused most alarm.

A separate mineral sands development, proposed by Mayur, at Orokolo Bay has also raised further concerns about the increasing influence of Chinese money in PNG. Mayur Resources has entered the joint venture with the Hong Kong-registered China Titanium Resources Holdings for the US\$850 million (K2.9bil) proposal. Lockyer said he had been involved with Mayur since 2013, and he had been drawn to their vision of PNG developing its own energy assets. Lockyer rejected claims that community members had not been consulted about a coal mine power plant 500 metres from their village.

Further call in New Caledonia to halt Vale sale

There is further pushback in New Caledonia to the sale of the Brazilian-owned Vale nickel plant to an Australian company. Radio New Zealand on 28 August 2020

The anti-independence Caledonia Together party called on Vale to postpone the announcement of a buyer until after the October referendum on independence from France. Vale extended its negotiations with Melbourne-based New Century resources until mid-September after financing arrangements failed to be completed in July as planned. Pro-independence parties and Kanak chiefs were firmly opposed to the sale, and last week staged the biggest march in months in protest at the deal. Caledonia Together said it wanted to convene an extraordinary session of Congress to examine the proposed sale process. It also wanted a committee formed comprising New Caledonia's key institutions, including the indigenous groups.



Caledonia Together party urges pause in Vale sale process Photo: supplied

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

Ok Tedi to resume ops on Sept 14

August 27, 2020, The National Business

OK Tedi Mining Ltd (OTML) says it plans to restart operations in the week commencing Sept 14. This would be almost six weeks after it suspended operations on Aug 5 due to a number of Covid-19 cases that were reported in Tabubil, Western. The company made the announcement after it initiated a contact tracing, testing and isolation programme at the mine site. To date over 3,000 samples have been collected with 143 positive Covid-19 cases identified in Tabubil. Employees and contractors who have tested positive were isolated in controlled accommodation facilities and are all asymptomatic. Eighteen of these cases recovered. According to OTML, since the operation was suspended, the company had lost about US\$20 million (K68.5mil) per week in revenue which had directly impacted foreign currency inflows into PNG. While operations were suspended, OTML continued to incur a significant amount of its normal operating costs, and as a result losses approximating US\$10 million (K34.25mil) per week which were being incurred during this time.

OTML managing director and chief executive Musje Werror said the testing programme had provided them critical information and after careful assessment the company was better informed to restart operations without compromising the health and safety of its employees, contractors and communities. He added that the Covid-19 pandemic had caused challenges to the business but had also presented opportunities for OTML to review and change the way it operated. A major change necessary to commence operations is a change to the employee roster panels to accommodate 14-day isolation at designated entry point centres. Returning employees and contractors are required to have a negative test result before they can travel to site and commence work. OTML is establishing entry point centres or isolation facilities in Port Moresby, Lae, Kokopo, Mt Hagen, Kiunga, Tabubil

and Cairns as well as at its dredging site in Bige, Western, to screen and test employees and contractors before they return to work.

Call to postpone changes

August 25, 2020, The National Business

THE PNG Chamber of Mines and Petroleum has requested Parliament to postpone the proposed changes to the organic law on resources in its next sitting. The proposed changes are on the Mining Act and Oil and Gas Act. “These changes will cause significant uncertainty for the industry, explorers, landowners, provincial and local level governments, and communities, it said. “Only MPs can protect our valuable resource industry, landowners and people against the unnecessary uncertainty this change will create. Failing to do this will see this proposed Organic Law end contribution and investment that have seen PNG grow as a nation.” This will be done by:

- Introducing production sharing agreements that have been shown not to have worked in the mining industry anywhere in the world and would put all future investments at risk;
- Making it possible for the Government to compulsorily acquire land from landowners that falls under a mining agreement taking away certainty and livelihoods;
- The establishment of state-owned entities (SOEs) to manage valuable projects that may not have any direct oversight or regulation by Government agencies; and,
- The transfer of ownership of hydrocarbons and minerals from State to SOEs.

The chamber and industry request that:

- The proposed Organic Law and other amendments to the Mining and Oil and Gas Acts be postponed; and,
- An urgent consultation and dialogue is undertaken with the industry and other stakeholders on the hydrocarbon and minerals policy legislation.

PM: Govt won't hurt industry's profit margin

August 25, 2020, The National Business

THE Government will not hurt the profit margins of the mining and petroleum industries, says Prime Minister James Marape. Marape told The National that his government would work with the industries to ensure that the country remained an attractive place for the industry to operate. He said it would do so while looking for ways which enabled the country to get more from resource projects as it was now trying to implement new reforms in the mining and petroleum sector. Marape said the Government would also continue to hold consultations with the industry on the new reforms. The PNG Chamber of Mines and Petroleum had put out a public statement asking the government to postpone the proposed organic law for the industry which it feared would put Papua NewGuinea's economy and future at risk.

Responding to this, Marape told The National that: “If they have a view on the proposed amendment, than we will consider those views. “We are not in haste to do things without their input or consultation,” he said. “They are an important part and this law will serve them and serve us so if there is a view that they need to be further consulted, then we will consider that view. I have already indicated that in any of the reforms that we are doing, most of the substantial amendments will come into play in 2025 when the nation celebrates 50 years of independence. “We will not hurt or harm their profit margins. “In business, there is a thing called rate of return of investment so we will work in the industry to make sure that we remain an attractive place for industries to operate in.”

Landowners, stakeholders want mining lease delayed

August 24, 2020, The National Business

LANDOWNERS and stakeholders in Morobe are calling on the Government to delay the granting of the special mining lease for the Wafi-Golpu gold project until an alternative disposal method is determined. This followed a meeting in Lae last Friday to discuss the deep sea tailing placement method for the K17 billion gold project by developers Newcrest Mining and Harmony Gold. Prime Minister James Marape had announced earlier this year that the licence was expected to be granted by September. But provincial chairman of the environment and conservation committee Judas Nalau urged the Government not to rush it. “Deep-sea mine tailings placement (DSTP) is banned in many countries around the world, including Australia,” Nalau said.

Another meeting has been planned to invite professionals in Morobe in mining, engineering and marine biology to design an alternative system to be given to the Government and developer. “That’s our part to assist the government and the developer because we are not against the mining project,” he said. Nalau said the provincial government was yet to action its stand against the proposed placement. He said although a public stance was made by the provincial government, they were yet to see some action put in to corroborate their word. Jotham Keleino of Vitiaz Pilots Limited, a local marine piloting company, said there was still a lot of work to be done. He said an independent review of the environmental impact study should be done first.

Porgera: Leaders urge MPs to visit area

August 24, 2020, The National

MEMBERS of parliament have been invited by leaders in Porgera to come and see for themselves the “current situation” surrounding the closed Porgera gold mine. Porgera Chamber of Commerce Inc president Nickson Pakea, Porgera Development Authority chairman Thomson Kulara and Porgera Landowners Association negotiation committee chairman Mason Manape were among the 16 leaders who made the call in a statement. “A visit will provide you, our nation’s leaders with an opportunity to see firsthand how the suspension of operations at the mine is impacting the local community and to speak with landowners, laid-off mine employees and business owners, all whom face a devastating situation due to the Government decision not to extend the Porgera special mining lease,” the statement said.

“Members of parliament enter public service to serve the ordinary people of country. “We call on you to fulfil that oath by seeing the situation in Porgera with your own eyes and making the correct decision that will save our future.” The Porgera leaders said the suspension of operations at Porgera mine had led to significant losses in tax revenue to the Government totalling more than K60 million to date. “Hundreds of businesses in Porgera and Enga have already been forced to shut down. “Thousands of employees at contracting companies as far as Lae have been left without jobs to feed their families.” Mine operator Barrick is challenging the Government’s decision in court.

Authority ‘rules-out’ Solwara 1 project

August 21, 2020, The National

THE Mineral Resources Authority has ruled out any chance of revisiting the failed Solwara 1 project which the Government had invested a lot of money in. Managing director Jerry Garry said seafloor production tools delivered to the country for the projects three years ago were “scattered” around the country. The seafloor production tools comprise an auxiliary cutter, bulk cutter and collecting machine, a riser and lifting System, and a production support vessel. Garry said the

production support vessel was still in China. He said there was “nil possibility” of getting the copper and gold project off the ground.

Earlier this year, Garry told The National that the State had invested a lot of money in the project and was still paying off the debt. “The State had US\$120 million (K408.8mil) in it and we will probably write it off as debt,” he said. “That was a risky investment, technology has never been tried and tested. Very difficult project.” The company had planned to extract high grade seafloor massive sulphide deposits of copper, gold, zinc and silver in 1,600-metre-deep water. Nautilus was granted the world’s first exploration licence for deep sea mineral resources in 1997. It was granted its first mining lease and environment permit in 2009 and 2010 respectively. The Solwara 1 project is located in the Bismarck Sea, 30 kilometres from the coast of New Ireland.

Firm pays over K2.2bil to State

By CLARISSA MOI, August 21, 2020, The National Business

EXXONMOBIL has paid the Government more than K2.2 billion in taxes, royalties and development levies from the PNG LNG (liquefied natural gas) project last year, ExxonMobil PNG Ltd managing director Andrew Barry says. He told The National yesterday that low oil prices was one of the challenges they encountered last year. “Unfortunately, gold (price) is very high, while oil and gas is very low, so the amount of money that the project will deliver to the country will be lower this year,” Barry said. “Not because of anything that we have done, but because of price situation in the international community.” While providing an update of the PNG LNG operations during Covid-19 pandemic, Barry said operations had not been affected as the company had put in place security measures and safety protocols which had been carefully followed.

Barry added that the Covid-19 had no significant impact on the PNG LNG operations and exports were normal. “We have been ensuring that we were working within all the procedures that the National Control Centre (NCC) is leading and we’ve implemented all of those with our own safety standards so the LNG operations are operating as normal with no impact because of Covid-19,” Barry said. He said this was a testimony to the company’s employees and contractors and also because of the cooperation of the Government that had ensured normal operations. “We haven’t had any significant impacts on our shipping,” Barry said. “There has been little movement around but alternatively, it hasn’t impacted our production. “So delivering our cargoes have been continuing as normal.”

New Caledonia's FLNKS backs Kanak opposition to Vale sale

Leaders of New Caledonia's pro-independence FLNKS movement say they back Kanak chiefs opposed to the sale of the Vale nickel plant. Radio New Zealand on 20 August 2020

Indigenous groups in the south of New Caledonia plan a demonstration on Friday calling for a rejection of the sale to New Century Resources of Australia. An FLNKS leader Alosio Sako said it was out of question to let go a non-renewable resource or to allow a foreign company to get hold of New Caledonia's assets. The Melbourne-based miner is being given another three weeks to finalise the purchase of the 95 percent stake put up by Vale's parent company in Brazil. Those opposed to the sale insist that New Caledonia's nickel ore should be processed onshore. However, Vale as well as another company, SLN, want to sell ore to improve their bottomline, with the government in principle agreeing with the nickel companies. To that end the mining code is in the process of being amended.

Project Sepik opposes Frieda mine

Post-Courier, August 20, 2020

Project Sepik has spoken out as a response to the East Sepik Provincial Government (ESP) decision on the Environmental Impact Statement (EIS) of the Frieda River Mine project which was submitted to the Conservation Environmental Protection Agency (CEPA). Project Sepik echoed the provincial government's decision by calling for the rejection of the mine on the grounds that the EIS was 'unfit for the purpose'. It is happy with the process taken by the provincial government in that it listened to the concerns and fears of the people. The people have been saying 'No' to the mine for a long time. It is particularly assuring that the provincial government has given an ultimatum, and that is; if the Frieda River Mine project could not find any safe way to build the mine, then the minerals must be preserved for the future generations who would perhaps have better technology.

This is the highlight of the decisions which stitched seamlessly to our fourth goal of the PNG Constitution that states that "we declare to be for Papua New Guinea's natural resources and environment to be conserved and used for the collective benefit of us all, and be replenished for the benefit of future generations". Project Sepik was supported by 10 expert scientists from all over the world who also reviewed the EIS. Their reports were submitted to CEPA on March 31, in Port Moresby. They conclusively resolved that the EIS was defective. The experts surmised three main issues in the EIS. First, the EIS has done nothing to reassure experts from the fact that there is no secure way of storing the massive amount of mine waste (tailings) safely without damaging the river.

Second, there is no evidence of free, prior and informed consent of all impacted customary landowners in the EIS, including communities on the mine site and along the Frieda and Sepik rivers. Third, the EIS is missing critical reports and information that would normally be necessary in any comprehensive assessment. Project Sepik acknowledges the East Sepik Provincial Assembly boldly stating that there will not be any construction of a mine tailings dam, which was proposed to also produce electricity. The people of Papua New Guinea who use Facebook have flooded posts and commentaries with gratitude and praise for the leadership shown by the Governor, Allan Bird, and his administration for this decision. However, Project Sepik still believes that this decision is perhaps not as airtight as it should be, given that the EIS is flawed and dangerous.

A number of the decisions by the provincial government had some red flags. One of these was to encourage CEPA to ensure proper investigations later on. While this is a good call for the science and engineering aspect of the proposed mine, the call to complete the process of consultation, especially along the Sepik River, is something the people there do not want. They are afraid that these consultations will only be for compliance sake. The people have repeatedly stated that they have nothing else to say and do not want to hear from the company seeking to develop the Frieda River Mine project and the Government. In 2018, Project Sepik gathered 6000 signatures of voting age population of just the Upper Sepik area alone, who unanimously called for the "Ban of the Frieda Mine".

Then in April, 28 Haus Tambarans came together under the powers of the Supreme Sukundimi, the River god and declared the "Frieda Mine Banned". Aren't all these adequate to tell CEPA, the Government and Frieda Mine that there is "No social licence"? As a humanitarian and environmentalist group, Project Sepik is now concerned about the provincial government recommending for Deep Sea Tailing Disposal (DSTD), among other methods of tailings management. In 2019, the Ramu Nickel Disaster, in Madang showed clearly how a Chinese company leaked slurry waste into the pristine Basamuk Bay with the spillage. The destruction is yet to be fully assessed. At the time of writing this feedback, the people of Morobe, together with their Governor, are up in arms over the issue of DSTD in the Markham Bay. Countries such as Australia do not allow any kind of tailings disposal into any water source – be it riverine or sea.

It is unfortunate that the Government of PNG treats its own home and citizens as a rubbish dump. While the East Sepik Provincial Government can be praised for taking such a bold stand to ban the construction of the dam, they are just as indecisive to ban the Frieda Mine altogether. This feedback also responded to a recent news article that stated that ‘the Frieda River Project EIS recognises the importance of the Sepik River’. A highly contradictory statement, considering the conversations on the issue are continuing and the spending of lots of money trying to help protect the homes of those concerned. The provincial government would not have spent K 400,000 on experts to review the EIS. The company also stated that they have used comprehensive baseline surveys and data. This may not be true given that the reports had a clause saying that figures have been collected over time, the sources of some figures are not trustworthy and it is the responsibility of the consumers of their reports to do their own research to make their own conclusion. Project Sepik adds extensive stakeholder engagement was not carried out.

There were no town hall meetings which were open for public. They did not visit all villages and carried out surveys in other parts of the Sepik region. “The equatorial principles have greatly increased the attention and focus on social/community standards and responsibility, including robust standards for indigenous people, labour standards and consultation with locally affected communities within the project finance market. They have also promoted convergence around common environmental and social standards. “Frieda mine fails to live up to international principles and guidelines in their practices at the ground level. The rest of their claim on the relevance and validity of the EIS can be easily quashed by expert scientists employed by the ESP and the others who supported Project Sepik. “There is adequate information of their practices at the ground level which shows inability to perform within or above standards such as the IFC performance standards, especially standards 1, 4, 7, 8, 9 & 10.

“The people of the Sepik River have placed a total ban on the Frieda River Mine. East Sepik has expressed deep concerns, especially about the tailings dam. We need the Government to stand up for its people and to protect the Sepik River. It is a spiritual place that must be protected. It is a treasure in Papua New Guinea’s crown. All the money in the world could not replace it. We need our leaders to be strong and to stand with us,” Project Sepik concluded in its response. In its response to the stance made by the provincial government, Frieda River Mine project developer, PanAust, maintained that the Environmental Impact Statement (EIS) recognises the importance of the Sepik River, both from an environmental perspective and the valuable contribution it makes to people’s lives and livelihoods. “It incorporates comprehensive environmental, socio-economic and cultural heritage baseline data spanning a period of 10 years. Extensive stakeholder engagement was undertaken and will continue through the various stages of the project.

“The EIS is aligned to the IFC performance standards and the equator principles. The project’s hydroelectric facility was designed by experienced engineering company, SRK Consulting to international standards and guidelines. These include the Australian National Committee on Large Dams, the International Commission on Large Dams, and the Canadian Dam Association. “PanAust has engaged independent experts to provide advice on all aspects of the EIS, which is currently subject to public review and independent peer review by CEPA. PanAust added that it has requested CEPA to extend the public review period to October 31, to allow adequate time for the completion of this process. With the company working with the Government of PNG to ensure all legislative requirements during the permitting phase of the project are followed. “The EIS is available on the Frieda River website: www.friedariver.com,” PanAust pointed out.

Minister to present firm with 20-year mining lease

August 20, 2020, The National Business

MINING Minister Johnson Tuke is expected to present a 20-year mining lease to Mayur Industrials PNG Ltd today for its Central Cement and Lime project (CCL) in Central province. “After several years of development and 14 months since the mining lease application was made, I have today awarded Mayur Industrials PNG Ltd (a subsidiary of ASX listed Mayur Resources) a 20-year mining lease to mine, process, manufacture and supply, domestically and internationally, produced quicklime, clinker and cement from their Central Cement and Lime project (CCL), located in Central province (from the primary locations of Kido and Rea Rea),” Tuke said in a statement yesterday.

“This is an exciting time for PNG, where for the first time in our history, we are now going to be using our own mineral resources to value add and create a manufactured building material product (being cement), which at its core is one of the most basic and critical ingredient for nation building.” Tuke said the project signalled a great opportunity for PNG to displace the importation of quicklime, clinker and cement and produce these products in country creating employment for Papua New Guineans. He said Mayur had committed the CCL project to supply 100 per cent of the country’s domestic cement and quicklime needs. “I look forward to working with Mayur to get their CCL project – Phase 1 off the ground, but equally acknowledge the large resource base the mine lease is sitting on. I see a much bigger opportunity for PNG in further expansions and becoming a serious cement and lime player in the Asia Pacific.”

Law to change role of holding companies, says Basil

August 20, 2020, The National Business

AN organic law on mining and petroleum will be introduced in the next Parliament sitting which will change the role of the Kumul Petroleum Holdings Limited (KPHL) and Kumul Mineral Holdings Limited (KMHL), says national planning and monitoring Minister Sam Basil. Basil made the remarks during the presentation of KPHL’s second interim dividend payment of K100 million to the State yesterday. He said the government will support the new law which would allow both organisations to work together with the government to achieve its vision to develop the country through resource exploitation. KPHL managing director Wapu Sonk explained that with the proposed legislation, the changes in roles would see the organisations role being enhanced and would entail ownership of petroleum licences. “At the moment the Department of Petroleum and Energy controls those licences but with the new legislation, those licences will be transferred to Kumul Petroleum,” he said.

“This means that for exploration, drilling exploitation, production, marketing and all aspects of oil and gas will be done through Kumul Petroleum, the single point of contact and the benefits that flow from that include taxes getting paid but through the National Petroleum Authority. “So it will be part of the legislative amendments that will be done.” Sonk clarified that the dividend that was paid to the state was not the final dividend for 2020 but the second interim payment for the year. He said the prices of oil and LNG (Liquefied Natural Gas) have been affected in recent times and that would determine the final dividend which would be paid later. Prime Minister James Marape thanked KPHL and announced that Cabinet had approved a dividend declaration policy for the Kumul companies which would see 10 per cent of Kumuls dividend retained for community interventions.

China claims its testing Covid-19 vaccine in PNG

A Chinese mining company in Papua New Guinea claims to have immunised its employees against Covid-19 in an apparent trial as Australia and China prepare for a new "vaccine diplomacy" battle for influence across the region. Radio New Zealand on 20 August 2020



Ramu nickel plant Photo: sulphuricacid.com

This week Australian Prime Minister Scott Morrison vowed to help the nation's "Pacific family" and key Southeast Asian partners gain access to a successful coronavirus vaccine, when one was found, through a foreign aid programme. *The Australian* newspaper has learned China may have begun trialling a coronavirus vaccine in the region using employees of its state-owned enterprises as guinea pigs. The PNG government said the Health Department was investigating the claim by Chinese-owned Ramu Nickel that its employees had been vaccinated. A statement from the company declared 48 employees had been vaccinated with "SARS-COV-2 vaccine" on 10 August. The statement warned that any Covid testing of its employees within a week of the claimed vaccination "may show positive results" due to antibodies produced in the recipient's body. The Chinese government has given the green light for two potential vaccines to be trialled by state-owned firms with employees overseas, and another to be trialled by the nation's military.

Impact of mine's closure will be evident in a few months: Aitsi

August 19, 2020, The National Business

THE impacts of Porgera mine's closure will become more evident over the next two to four months as the income stream of contractors and suppliers dries up, according to Credit Corporation Ltd. Chief executive officer Peter Aitsi said impacts of the mine's closure would result in loss of income for landowners, contractors, suppliers, provincial governments and the government. Aitsi said generally in its business around the country, Credit Corp had not seen an increase of leased assets being repossessed to suggest the impacts of the Covid-19 and closure of the mine. "At this stage, we have not recorded any significant increases comparing to prior years in repossession of leased assets or properties," he said.

He said the impacts of the Covid-19 on business was largely disruptions to customer and staff movements caused by travel and movement restrictions introduced to prevent spread of coronavirus. "The real issue for PNG has been the underlying deterioration of the economy over the last two years. "PNG's economic conditions reflect the overall weak global economy but I believe are further compounded by the lack of progress of our major resource projects which has resulted in

significant decline in levels of foreign direct investment,” he said. According to an economic report published by ANZ last week, the government was taking a tough negotiating position with potential investors seeking to achieve a larger equity, greater landowner involvement and more opportunities for SMEs and local communities in project areas.

“However, mining capital is not a limitless pool, and PNG, notwithstanding its unique value proposition including rich gas is competing against discoveries in Mozambique, Guyana, Brazil and the United States,” the report highlighted. “The government needs to strike the right balance between national interests and investor interests in negotiating distribution of project benefits. “The Prime Minister (James Marape) has said he wants to finalise all current project agreements including P’nyang, Wafi-Golpu and Porgera by Sept 16, which coincides with PNG’s Independence Day. “We hope win-win agreements can be reached by then to lift business confidence and set PNG up for several years of strong GDP (gross domestic product), employment and revenue growth.”

Ok Tedi suspends operation

August 18, 2020, The National Business

OK Tedi Mining Ltd (OTML) has made a courageous decision to temporarily suspend operations after Covid-19 cases were detected in Tabubil, Kumul Minerals Holdings Ltd (KMHL) chairman and acting managing director Peter Graham says. Graham, OTML’s former managing director and chief executive, said the mining industry, as other industries in PNG, was feeling the impact of Covid-19. KMHL owns 67 per cent of OTML. Graham was responding to queries from The National on whether the suspension of operations by the company would be a concern for KMHL. “Companies have to balance the health risk to employees and local communities with maintaining operations and profitability,” he said. “Musje Werror (OTML CEO and MD) has acted consistent with the Ok Tedi’s core values – caring for the health and safety of employees and communities.”

Firm aware of environmental, cultural importance of river

August 17, 2020, The National Business

The Frieda River Project environmental impact statement (EIS) recognises the importance of the Sepik River from an environmental perspective and the valuable contribution it makes to people’s lives, according to the project operator. PanAust Ltd, the operator of the Frieda River copper/gold project, was responding to a statement by the East Sepik provincial government saying it was not prepared to approve the project under the current proposal. A company spokesperson said the EIS incorporated comprehensive environmental, socio-economic and cultural heritage baseline data spanning a period of 10 years. “Extensive stakeholder engagement was undertaken and will continue through the various stages of the project,” the spokesperson said. “The EIS is aligned to the IFC (international finance corporation) performance standards and equator principles.

“The project’s hydroelectric facility was designed by experienced engineering company, SRK Consulting to international standards and guidelines. “These include the Australian national committee on large dams, the international commission on large dams, and the Canadian dam association. “PanAust has engaged independent experts to provide advice on all aspects of the EIS, which is currently subject to public review and independent peer review by the PNG Conservation and Environmental Protection Authority (Cepa). “PanAust has requested Cepa extend the public review period to 31 Oct to allow adequate time for the completion of this process. “The Company is working with the Government of PNG to ensure all legislative requirements during the permitting phase of the project are followed.”

People reject proposal: Bird

August 17, 2020, The National Business

THE majority of East Sepik people have rejected the Frieda River copper/gold project under its current proposal, according to Governor Allan Bird. “The majority of the East Sepik people say no to the mine because of the risks associated with the dam,” he said. He revealed this after an assembly meeting in Wewak last Thursday. He said they based their decision based on the analysis of evidence gathered by independent experts engaged by the provincial government. “The views of the people affected were collected through dialogue and with listening to the expressions of all members of the provincial assembly,” he said. Authorities have been urged to consider the following before any approval is granted for the Frieda project:

- an extension of time to ensure proper investigations of geological fault structures undermining the subsurface stability, and integrity of the dam infrastructure which causes a high geohazard risk ratings;
- Due to the enormous risk involved, there is potential for a catastrophic failure, therefore construction and operation of a dual-purpose dam facility in the vicinity of the Frieda Mine should not be done; and,
- The Conservation and Environment Protection Authority (CEPA) is urged to complete the Sepik River component of the roadshow by engaging all communities on the entire stretch of the Sepik River to gain the free, prior and informed consent and not just from Angoram, Pagwi and Ambunti;

Alternative measures recommended are:

- Mine tailing disposals be deposited in the deep-sea trench between Aitape and Vanimo;
- Look into options of underground mining;
- Investigate the potential of using Plasma Technology to remediate mine derived tailings and sulphide bearing waste rocks; and,
- Investigate alternatives that may be available to avoid the construction of the dam.

State bid to dismiss review

August 17, 2020, The National

SOLICITOR-General Tauvasa Tanuvasa has filed an application in the Waigani National Court to dismiss a judicial review proceeding filed by Barrick Niugini Ltd (BNL), operator of Porgera gold mine in Enga. The application is seeking to dismiss a review of Government’s decision not to renew BNL’s special mining lease (SML) of the mine. The applications were heard by Deputy Chief Justice Ambeng Kandakasi on Friday. Tanuvasa proposed that the review proceedings be dismissed on the grounds that it was an abuse of court process and the Government’s decision was not reviewable. Tanuvasa informed the court that in addition to the review proceedings, BNL had also started two other actions currently pending. One of the actions is a conciliation proceedings BNL had registered at the International Centre for Settlement of Investment Disputes (ICSID) in the United States. The court was informed that the miner had threatened to start an arbitration proceeding should such conciliation fail. Tanuvasa, in his submission, stated that BNL was granted leave for review on limited grounds on the scope to allow state to produce a copy of NEC’s decision which was not in evidence at that time. He further submitted that BNL’s remaining grounds of review which are:

- Failing to take into account relevant consideration;
- (b) arriving at the decision in bad faith; and
- (c) the NEC decision not reasonable in the Wednesday sense can be immediately disposed of by reference to the NEC decision.

The ground of not taking into account relevant consideration is not applicable since by law, NEC decision took into account minimum consideration specified under the Mining Act and Constitution. The court was told that since NEC's decision was evident in court, it confirms that NEC "noted" the recommendation of the Mining Advisory Committee (MAC) in its deliberation of the SML extension application. "This, therefore confirms that NEC 'considered' the recommendation as required by the Mining Act," Tanuvasa said. BNL through its lawyer from Ashurst Lawyers generally opposed the application saying the review had been already granted by the court.

Warning for Pacific governments gambling on deepsea mining

Johnny Blades, RNZ Pacific Journalist, Radio New Zealand on 14 August 2020

As the pandemic dries up traditional revenue sources, some Pacific Island governments are considering diving into the unknown waters of deep sea mining. Mining advocates say the world badly needs polymetallic nodules on the seabed for materials to make batteries that will drive the carbon-free societies of the future, but it's a gamble which Pacific countries are being warned is too risky.



DeepGreen Metals' partner Allseas acquired this former ultra-deepwater drill ship "Vitoria 10000" for conversion to a polymetallic nodule collection vessel. Photo: DeepGreen Metals

The fledgling deep sea mining sector is moving quickly, and much of its interest centres on the world's biggest ocean. The mining would take place in the dark, furthest depths of the ocean, several kilometres below the surface, a place where humankind's destructive touch has been unable to reach - until now. One of the key players claiming to have the technology and finance to do the work is a Canada-based seabed mining company which has explorations contracts with Nauru, Tonga and Kiribati. DeepGreen Metals is focussed on the massive Clarion Clipperton Zone in the Central Pacific where it has marine claims under an agreement with the UN's International Seabed Authority and sponsored by Nauru.

According to DeepGreen's CEO and chairman, Gerard Barron, their aim is to source the metals needed for the batteries in electric vehicles and renewable power storage. Barron said the nodules they seek were vital for the transition to a zero carbon economy, enthusing that they sit like golf balls on the seabed so that you don't have to drill, dig or blast for them. "They grow a little bit like a pearl grows. And it's like Mother Nature made this resource for us, for the times that we're entering now, because of course the world is on a massive push to move away from fossil fuels, and what do we need to do if we want to do that? We need to build a lot of batteries," Barron said.



Polymetallic nodules found on the seafloor are known to contain metals such as nickel, copper and cobalt. Photo: DeepGreen Metals

But DeepGreen's recent claim that deep sea mining would entail minimal toxic tailings and be far less damaging to the environment than land-based mining has raised the hackles of environmentalists. Catherine Coumans of Miningwatch Canada said the scenario DeepGreen presented was more risky than for land-based mining, where its impacts are much more understood. Coming from someone like Coumans, a [trenchant critic](#) of land-based mining in parts of the world such as Papua New Guinea, that is really saying something. "So on land if something goes wrong, if there's a spill or a dam burst or whatever, there's people there who can see it, you can fly drones over, you can see the impacts and you can get at it to try and stop the leak or mitigate the environment or remediate the environment. You can't do any of that in the deep sea." "These nodules are millions of years old, they're a unique ecosystem, they themselves are host to flora, fauna and micro-organisms so they are not just little golf balls sitting on the seafloor. They are themselves an ecosystem," Coumans said.

"You will not find a single scientist that says (mining) is not going to have very serious impacts on the deep sea marine environment." It is not only the deep sea ecosystem, but also interrelated mid-water and surface species, that stand to be impacted. Regional countries such as Vanuatu and Fiji have called for a precautionary pause to deep sea mining activities. Indeed, this is also being advocated in a new [report](#) by a High Level Panel for Sustainable Ocean Economy, which has warned that mining on the sea floor should not begin before a full assessment of likely environmental impacts can be made. The panel also has concerns about governance of the world body that is supposed to be guiding this new, experimental industry. The head of the International Seabed Authority, Michael Lodge, has emerged as a cheerleader of the industry, and has dismissed calls for a precautionary pause. The panel's report noted a lack of transparency around the activities of the International Seabed Authority as well as the ISA's potential for a "mining approval bias".

Barron conceded that it was natural for people to be suspicious of deep sea mining. This may also be an acknowledgement of his own background working and investing in the Canadian company Nautilus which drove the failed [Solwara 1 deepsea mining project](#) in PNG. However [he said](#) Pacific countries stood to benefit from the industry. "So it will mean jobs for them, it will mean economic prosperity, and the opportunity to participate in one of the most exciting new initiatives that can really have a meaningful impact on addressing climate change, and that's good for everyone on the planet."



Gerard Barron, the CEO and Chairman of DeepGreen Metals, seen here at an annual session of the International Seabed Authority, has forged close links to Nauru's government. Photo: International Institute for Sustainable Development

While Coumans spoke of the danger of messing with the "slow-evolving ecosystem" of the deep sea which would take a very long time to recover, the DeepGreen head dismissed the notion that it was a gamble. He said the real gamble was in not doing anything proactive to tackle fossil fuel use. Barron is a highly competent communicator, and his smooth delivery appears to have made an impression on some Pacific governments, particularly Nauru. A statement from the Nauru government, co-signed by representatives of the governments of Tonga and the Cook Islands urged critics to allow them to explore opportunities in the fledgling deep sea minerals industry, which the three countries touted themselves as "leaders" in. "While developed states possess a broad range of climate change mitigation and economic strategies, options for our small island developing states are far narrower, and for our futures to be secure, we once again look to the ocean," the statement said.



Phil McCabe, of the Deep Sea Conservation Coalition, formerly worked with the Kiwis Against Seabed Mining campaign Photo: RNZ / Robin Martin

Without agreeing to the idea of a ten-year moratorium to allow for independent research on deep sea mining, the Cook Islands' Seabed Minerals Commissioner, Alex Herman, insisted her government was taking a cautious, research-centred approach. She said the regulatory framework was being worked on, with involvement not just of outsiders but also Cook Islanders themselves, and that

at any rate extraction was still years away. "An exploration license only allows you to undertake research. It allows you to undertake the baseline studies that you need to do to gather environmental data and to monitor potential impacts that might occur."



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

New Zealander Phil McCabe, who works in the Pacific with the Deep Sea Conservation Coalition and the Deep Sea Mining Campaign, admitted the polymetallic nodules could be useful for society, but said the damage from exploiting them was likely to be significant. He said that governments such as the Cook Islands and Nauru, which have been vocal in pushing deep sea mining as "environmentally and economically vital", were going against the grain. "Every conversation about the ocean today is about protection and restoration," he said. "From the community level, all the way up to the UN and global climate negotiations, everyone's recognising the importance of ocean health. And then you've got this outlier, this industry that at its inescapable core, is destructive in nature."



Recovered nodules Photo: Cook Islands Seabed Minerals Authority

"(The Cook Islands) government will not allow the commercial recovery of our nodules unless we are satisfied that there is sufficient information on how to address and minimise environmental impact," Alex Herman said. But McCabe said given the Pacific community's relationship with the

ocean, regional governments had no social license to pursue deep sea mining. He said all Pacific Islands countries should take heed of the New Zealand experience where various applications to mine the seabed have been knocked back through lengthy, costly court cases. "New Zealand has traversed three application processes through the EPA (Environmental Protection Agency). We've been through the High Court appeal, Court of Appeals appeal, all of them have shown the activities, the proposals to be totally inappropriate and haven't cleared the bar. "The public opposition was profound. We scrutinised the science around this, the economics around it, and the social impacts and ultimately the legality of it."

As the economic pinch from the pandemic tightens, and sectors like tourism are forced on to the back burner, Pacific countries are desperately seeking new economic opportunities. But before diving into deep sea mining, they are being urged to look to the example of PNG whose government lost millions in the Solwara 1 Project, which never got off the ground, or in this case, the sea floor.

Country's resource laws has issues: Kua

August 14, 2020, The National Business

PETROLEUM and Energy Minister Kerenga Kua says there are several issues with the current resource laws that the country has. This issues compelled the Government to make recent changes to those laws. "Why the Government has set out in carrying out a series of legislative reforms in mining and petroleum is because we think that there are certain aspects of the legislative framework that we are working on are not operating to the benefit of the State and the citizens of this country," Kua told the PNG Chamber of Mines and Petroleum virtual seminar yesterday. "Looking at the current systems we have, for both mining and petroleum, we operate under a concession based system." Kua noted that some of the issues included:

- Giving away resources, without any compensation flowing back to the State;
- Buying back part of the resource (as equity) which was once fully owned by the State; and,
- Going out to the money market to borrow substantial money to finance equity which then adds to the country's already existing debt.

"Initially, when some commercial reserves are found, development licences are given and project agreements are signed. "At that moment, the State's ownership of those resources are then transferred from the State 100 per cent across to the licence holder or the developer," Kua explained. "Moments later, the resource owner grants an option back to the State in the case of minerals, 30 per cent option. "In the case of petroleum, 22.5 per cent. "When that happens, the State goes into the international money market to look for money to purchase the equity. "Up to November 2019, the statutory limit for statutory borrowing was 35 per cent. "In passing the budget last year, the Government also set about amending that particular legislation to increase the ceiling from 35 per cent to 45 per cent," he said.

Kua says freeing debt to GDP ceiling key to reforms

BY MATTHEW VARI, Post-Courier, August 14, 2020

Minister for Petroleum Kerenga Kua has emphasised the view behind government's push for reforms in the country's mineral and petroleum laws revolves around freeing up vital space within the country's already stressed debt to GDP levels for the development needs of the country. Mr Kua gave a perspective to the PNG Mining and Petroleum virtual seminar that has not been spoken much about, but definitely has its merits, when it comes to the core function of government, which is to develop vital and scarce funding for its populous under the annual budgets. In his opening

remarks President of the PNG Chamber of Mines and Petroleum Gereia Aopi expressed the extractive sector has experienced a period of “heightened uncertainty” in 2019 and 2020. He pointed to the concerns of industry regarding policy reforms coupled with a depressed economy along with the current Covid-19 impacts all run the risk of “ruining the hydrocarbon industry”

Highlighting concerns in areas such as tenure risk, transition arrangements, the increased cost to do business, and constraints to business in relation to arrangements such the fly-in-fly-out employment practice in the sector. Mr Aopi even emphasised the ever decreasing revenue in exploration that continues despite being a major earner in the past. Mr Kua, while assuring the state being aware for all to benefit, reiterated that government has long operated the extractive sector under the current system of concessional licensing where 100 per cent of ownership of the country’s natural resources are transferred to developers, and after handing over the resource the developer grants government a 30 per cent option in mining and 22.5 per cent for the petroleum space. He elaborated that the current regime in the sector forces government to seek funding to buy into multimillion projects for its own resources it has given away 100 per cent under current licensing, or as the minister described as “free of charge” to developers in order to partake.

Adding with the Fiscal Responsibility Act governing and limiting overall spending within prescribed limits within law, it also covers government borrowing to partake in any business venture. Creating a dilemma where whilst the debt to GDP limits have been increased to 45 per cent, the allowance in law never gets fully realized with the historical debt stockpile still weighing on any new government taking office. He said whatever little leeway allowed by law for borrowing most of the time gets taken up by state ventures to buy into its own resource projects. Thus adding more to the debt stockpile and leaving no real room for real development borrowing. Adding that government prefers to move away from the concessional based system to a benefit sharing one where state ownership is maintained from exploration, production, and to export which sees benefits being shared between both parties at the end of the process. Ultimately the final process of distribution will be determined by both parties through contracts and not by the state, nor the developer, but in agreement. This then frees up the state to borrow within its Debt to GDP limits for vital goods and services to the country that is not taken up by project debts.

PNG ‘not investment friendly’

By DALE LUMA, August 14, 2020, The National Business

PNG is not an attractive investment destination to the global community, according to research. This was highlighted by international mining consultant John Gooding who said during the PNG Mining and Petroleum Seminar yesterday, that according to a survey conducted last year by the Fraser Institute in Canada, PNG scored 53 in investor confidence, a 12 per cent drop since 2015. The survey is done in the mining industry regarding country investment attractiveness by measuring government policy factors including:

- Taxation;
- Regulatory uncertainty; and,
- Potential for mineral endowment and exploration success among other things.

Gooding said PNG needed to compete with other countries with qualities that would attract investment in preference to PNG. “It must make itself a compelling destination for exploration development and infrastructure that is so important,” he said. “Right now, there is a lot of competition out there. “At the moment, PNG is considered not an attractive investment destination by the community. “It is really important that fulfilling a mutually rewarding partnership with mining resource

companies is critical with the Government. “The key issues for a country’s selection is the political stability and security and the legal environment that exists among many other factors.

“Investors require comfort and defined rules of engagement. “Once you set an agreement, you’ve got to stick by it. “This is to justify the large expenditure in some billions of dollars in projects in Papua New Guinea. “Investors need legal and long term regulatory stability which is critical to investment and operational decisions.” He said the country was currently resource rich but lacked capital and needed to compete with other nations for foreign direct investment. “Sensible solutions must be created by sensible legislation and leadership to improve PNG’s competitiveness and quality of life for its people especially with the impact of the Covid-19 restraints that will maybe be with us for a very long time.”

PNG province votes no to open cast mine

The East Sepik provincial assembly in Papua New Guinea has voted against a major copper and gold mine project. Radio New Zealand on 13 August 2020



Papua New Guinea's East Sepik Provincial Assembly in deliberation. Photo: Supplied

The Frieda River Project, a planned large open cast mine with associated infrastructure in both East Sepik and neighbouring West Sepik, was [first proposed decades ago](#). However, the plans of Chinese-owned, Australian-incorporated company PanAust to build its mine just upstream of the Sepik River, the longest river on New Guinea, sparked concern among local communities. Many locals are dependent on the river system for food, and it was feared that the mine's industrial footprint would cause permanent and significant devastation. East Sepik's provincial legislature under the leadership of Governor Alan Bird has voted not to approve the project.

Barrick told to list assets

August 12, 2020, The National

DEPUTY Chief Justice Ambeng Kandakasi has given seven days to the operator of Porgera gold mine in Enga, Barrick Niugini Ltd (BNL) to provide a list of third party assets with evidences of lease contracts. Justice Kandakasi made the order at the National Court in Waigani yesterday after he upheld a submission by Solicitor-General Tauvasa Tanuvasa informing the court that the removal of assets and equipment from the mine needed to be restrained because BNL was yet to provide its list of third party assets. Tanuvasa informed the court that BNL had been attempting to remove assets from the mine despite a restraining order that barred parties from removing assets from the mine. He told the court that on July 31 the miner attempted to transport equipment out of the mine despite a restraining order which was in place for variation in court. Tanuvasa said that BNL had mischievously taken advantage of a restraining order which was yet to be formalised in court. It is

understood that since the miner's special mining lease (SML) expired, the mine is in the custody of the state and anything such as third party assets are to be confirmed with the state before being removed from the mine site.

Tanuvasa explained that the list of third party assets and evidence of lease contracts would enable the state to assess whether the assets were essential and critical in maintaining the care and maintenance of the mine before confirming approval. "Police officers who allowed the trucks loaded with equipment to leave the mine site on the later date did not have the discretion as they should have informed the state," he said. Meanwhile, a trial concerning the national government's decision not to renew the SML has been stayed by the court, however proceedings are not stayed. The stayed trial regards a judicial review proceeding BNL filed against the decision of the government. Mineral Resource Enga (MRE) and the State have filed applications to dismiss the proceedings claiming it was an abuse of the court process because BNL had filed a reconciliation proceedings in International Centre for Settlement of Investment Disputes (ICSID) in the United States. MRE has also filed a competency application against the proceedings. The matter will return on Friday for a hearing of the application.

New Caledonia nickel ore sale denounced

A pro-independence party in New Caledonia has added its voice against this week's government decision to allow nickel ore exports. Radio New Zealand on 7 August 2020



Photo: 123RF

The UNI party accused the government of giving in to the dictates of multi-nationals after the USTKE union said the government was squandering New Caledonia's mining heritage. The 11-member collegial government [approved in principle a proposed law change](#) requested by two nickel companies which seek to raise cash by selling ore. For the sale to proceed, Congress will have to amend the mining code according to which - ore must be processed in the territory. SLN, which is the territory's largest private sector employer, has been losing hundreds of millions of dollars and wants to sell ore to avert insolvency. Vale of Brazil is selling its New Caledonia plant to an Australian company and as part of a restructure it wants to sell some ore. UNI said SLN's parent company Eramet and the French state need to assume responsibility for their decisions in New Caledonia. The Vale plant was launched on condition that it processes its ore in New Caledonia, with the USTKE union opposed to what it called a sell-off.

PM: K500mil for LNG beneficiaries in account

August 7, 2020, The National Business

PRIME Minister James Marape says almost K500 million is sitting in a trust account for the beneficiaries of the PNG LNG project. He told a radio talkback show yesterday that the monies were being kept in trust due to pending court cases which had prevented the payout of funds. “PNG LNG benefits is a sad thing for me in the sense that I was around in 2009 when the UBS agreement was pushed through,” he said. “After the first shipment (of gas) in 2014, and many shipments after that, landowner funds are accruing and sitting in the bank as royalties and equity,” Marape said. “But all these have been stalled by many competing court cases that are currently on foot in our National and Supreme courts.” Marape said he had directed the judiciary, through the Ministry of Justice and Attorney-General, to ensure landowner cases were heard and decisions made for payouts to be made.

“As I was advised, we have close to K500 million sitting in trust.” However, the prime minister said he had issued instructions for part of the funds to be released to beneficiaries without any dispute. “I have instructed to have funds released to those areas that do not have disputes,” he said. “And on record, the plant site landowners are already recipients of benefits from the PNG LNG project. “But some segments of the pipeline, and some segments upstream in Southern Highlands, Hela and the PDL (petroleum development license) areas that have courts cases, are still going back and forth. “I have appealed to them to resolve these cases out of court. “Some have listened and some are still in court. “And the court processes have prevented us from releasing their benefits. “I hope that within this year, many if not all of the court cases can be resolved and we can start paying our landowners.”

Higher gold prices positive for PNG: Bank

By CLARISSA MOI, August 7, 2020, The National Business

HIGHER gold prices and increased production are positive for Papua New Guinea in terms of balance of payment and profitability for State-owned enterprises and landowners, according to Westpac. The bank was responding to questions from The National regarding the increased gold price and the impact it would have on the country. “Commodity prices generally are reflecting the extraordinary amount of monetary and fiscal stimulus being made available by governments and central banks in response to the Covid-19-induced economic slow-down,” the bank said. “Very low interest rates make non-yielding assets like commodities more attractive to investors. “A weak US dollar (commodities are priced in US dollars) makes gold and copper more affordable to non-US investors as the buying power of their local currencies is enhanced.

“Markets fear that governments will try and inflate their way out of enormous debt burdens. “Gold is a well-known hedge against inflation. “In general terms, higher prices and increased production are positive for PNG in terms of the balance of payments and profitability (dividends) for state-owned enterprises and landowners.” According to Westpac’s financial markets summary for July, PNG export commodities mostly had a strong month in terms of price. It stated that gold and copper were both higher with the gold price being supported by ultra-low interest rates and a weak US dollar. “Prices are setting records close to US\$2,000 (K6,825.79) per ounce.” K92 Mining Inc chief executive John Lewins this week also noted that the higher gold price would increase the profitability of local gold producers. Meanwhile, the Westpac financial summary for July also noted that energy prices continued to recover with both liquefied natural gas (LNG) and oil prices higher.

Decision over firm's lease goes to trial

August 7, 2020, The National

A TRIAL concerning the decision of the Government which refused to renew the special mining lease (SML) to Barrick Niugini Ltd (BNL), the operator of the Porgera mine in Enga, has been stayed by the Supreme Court. Justice David Cannings, presiding as a single Supreme Court judge on Wednesday, made the order after he granted leave to BNL to appeal a National Court decision delivered by Deputy Chief Justice Ambeng Kandakasi. BNL had appealed the decision by Justice Kandakasi who refused an application by BNL to add a new ground to its substantive review. The ground was that BNL claimed that the head of state acting in ultra-vires in its decision to refuse the SML. BNL claimed that the wordings of the National Executive Committee (NEC) decision did not correspond to the gazettal notice issued by the head of state. BNL submitted that Justice Kandakasi, when refusing the leave to amend the motion, acted ultra vires in his decision of July 13 at the National Court.

But Justice Cannings found that there was a material difference on that note, despite Justice Kandakasi ruling that the issue on the wordings could be taken care of by the State. BNL through its lawyer also asked the court to grant a blanket stay over the National Court proceedings regarding the review, however, states with its authorities argued that a stay on entire proceedings would affect the care and maintenance plan and restraining orders regarding removal of assets. NEC lawyer argued that if the National Court proceedings was stayed, it would affect the people of Enga and the restraining order that prevented removal of assets from the mine since some of the assets like power generators were critical to care and maintenance plan. Due to the overwhelming issues surrounding the National Court proceedings, Justice Cannings decided to stay only the trial which was scheduled next week – from Wednesday to Friday. The State argued that BNL would only remove assets which it claimed third party as assets unless it provide a list of all assets, including non-infrastructure assets and confirmation of lease contracts third parties had made with BNL. It is understood that once the SML expires, the mine is in custody of the State.

New Caledonia approves export of nickel ore

The New Caledonian government has approved the export of nickel ore after being lobbied by two nickel companies seeking to sell low-grade ore. Radio New Zealand on 6 August 2020



Competition watchdog Photo: supplied FB

Six of the 11 ministers of the collegial government voted in favour, with the pro-independence side opposed to the policy. SLN, which is the territory's largest private sector employer, has been losing

hundreds of millions of dollars and wants to sell ore to avert insolvency. Vale of Brazil is selling its New Caledonia plant to an Australian company and as part of a restructure it wants to sell some ore. For the sale to proceed, Congress will have to amend the mining code according to which - ore must be processed in the territory. The government also plans to impose a tax on ore exports.

PNG gold mine suspends operations over Covid-19 cases

The OK Tedi copper and gold mine in Western Province in Papua New Guinea has shut down operations after the confirmation of seven Covid-19 cases on Tuesday.

Radio New Zealand on 6 August 2020



OK Tedi mine Photo: Ok Tedi Mine CMCA Review

The company shut down charter flights into its site at Tabubil last week after the escalation of cases in Port Moresby. In a statement the company said the source of the transmission was believed to be a person who travelled to Kiunga from Port Moresby on Friday, where an Ok Tedi worker was infected. The company said it was likely that more people were infected and that was why it was suspending operations. It said this would be for at least 14 days to limit further transmission and to allow contact tracing, isolation and testing to be undertaken. The number of coronavirus cases in PNG has risen to at least 153, including two deaths.

No impact on PNG LNG: Sonk

August 5, 2020, The National Business

THERE has not been any impact on the PNG LNG export to buyers during the Covid-19 period, a senior official says. Kumul Petroleum Holdings Ltd (KPHL) managing director Wapu Sonk said ExxonMobil PNG Ltd had maintained operations for the project well during the period. “The operations of PNG LNG project has not been impacted as much by the Covid-19,” Sonk told The National yesterday. “ExxonMobil has done a good job at maintaining operations and there has been no impact on LNG export.” KPHL is the country’s national oil and gas company and is responsible for managing the State’s 16.57 per cent equity in the ExxonMobil operated US\$19 billion (K64.91 billion) PNG LNG project – becoming the third largest partner in the largest single investment made by the country to date.

A spokesperson from ExxonMobil told The National yesterday: “EMPNG continues to meet all contractual obligations, with export cargoes averaging 9 per month for 2020.” Meanwhile, Sonk

noted the decline in oil and LNG prices which could impact the expected revenue for the country from the project. “The only impact that affects the revenue is the price of oil and LNG which have been, and continue to be very low due to the Covid-19 and the market conditions,” he said. Sonk also confirmed that the price of oil was now at US\$43/bbl (K146.91/ barrel) and LNG price on spot market was around US\$2.30/MMbtu (K7.85/ million British thermal units).

Second largest partner in the project, Oil Search, which owns up to 29 per cent of the project, in its second quarter report for this year said: “Total revenue generated from hydrocarbons declined 27 per cent to US\$258 million (K881.49 million), reflecting the material fall in oil prices and a higher proportion of LNG sold on the spot market.” However, according to a report last Friday by Bloomberg, the price of oil was expected to remain the same for a while. “If oil-producing countries do not continue the co-ordinated cuts, oil prices could again fall below US\$40 (K139),” Jun Inoue, an economist at Mizuho Research Institute in Tokyo, said. “Although demand is expected to continue to recover and inventories are expected to decline, the pace of recovery in oil prices is expected to be moderate.”

Concerns about future of New Caledonia's SLN deepen

There is growing concern about the viability of New Caledonia's SLN nickel company, which is the territory's largest private sector employer. Radio New Zealand on 2 August 2020



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

The French parent company Eramet, which has a 56-percent stake in SLN, announced a loss of \$US733 million for the first half of the year and is unlikely to assist SLN further. Eramet called on the other stake holders to help SLN which last month warned that it was on track to use up the remainder of a \$US600 million loan, given to it in 2016 by Eramet and the French state. 34 percent is owned by New Caledonia's STCPI umbrella group and 10 percent by Nisshin Steel of Japan. Eramet said for SLN to be saved, a range of factors also had to work out, such as lower costs for the electricity for the smelter and the further sale of nickel ore for export. SLN had already applied to be permitted to export two million tons of nickel ore to get urgently needed cash, but the pro-independence camp opposed it. Its policy is to maintain the existing mining code which requires ore producers to process raw material in New Caledonia.

Gold mine records higher production

July 31, 2020, The National Business

THE Lihir Gold mine recorded production of 207,000 ounces in the June quarter, 11 per cent higher than the prior quarter driven by a seven per cent increase in head grade and a two per cent improvement in recovery rates. According to the quarterly report ended June 30, the increase in head grade reflects higher grade ore from the eastern side of Phase 14, with the improvement in recovery driven by the higher grades and a higher proportion of material being directly fed to the autoclaves. The report said the increase in stripping as the mine transitions towards the Kapit pit has required a higher ratio of stockpiled ore (relative to mined ore) being delivered to the processing plant, lowering overall processed grade for the year. “The higher proportion of stockpile ore feed has also resulted in reduced autoclave throughput as the clays in the stockpile feed create materials handling issues and increase viscosity affecting oxygen transfer in the autoclaves,” the report stated. “The lower autoclave throughput in turn required an increase in ore flotation, reducing overall recovery rates for the year.

“Improvement programmes are underway to address the materials handling system and the ability of the autoclaves to better handle ore with higher clay levels. “AISC (All In Sustaining Costs) per ounce was 17 per cent higher than the prior quarter reflecting an increase in sustaining capital expenditure, lower sales volumes and higher site costs which were primarily related to the preventative management of risks associated with Covid-19.” The price of gold has increased sharply of late due to Covid-19. The report stated that: “To date, Lihir has not experienced any Covid-19 related disruptions to the supply of goods or services or to its workforce. “To manage the potential impacts of Covid-19 to production, Lihir increased its key inventory holdings to mitigate against disruptions to the supply chain, implemented longer rosters and regularly engaged with key service providers. “National travel restrictions to reduce the risk of Covid-19 have been in place since March 2020. Having obtained the necessary approvals, Lihir received its first incoming flight allowing a change of workforce on June 13, 2020.”

Official facing allegations of misuse of landowners’ funds

By BOURA GORUKILA, July 31, 2020, The National [National](#)

CENTRAL deputy administrator Edward Kila, facing allegations of misuse of funds belonging to the province’s LNG landowners, will return to court next week. Police Prosecutor Chief Sgt Polon Koniu asked for Aug 6 (Thursday) so that he could get in touch with the informant and advise the court if a file was forthcoming. Waigani Committal Court Magistrate Tracy Ganaii allowed the short adjournment and extended Kila’s bail. Kila, 59, of Hula village in Rigo, is charged with a count each of abuse of office, misappropriation, conspire to defraud and false pretence. As the deputy provincial administrator, he was also the chairman of the LNG Infrastructure Development Grant (IDG) Funds with the Infrastructure Development Unit and alleged to have between Jan 8, 2013 and July 4, 2018, authorised, approved and signed 71 cheques totalling K34,464,509.23 belonging to the LNG impacted areas – Porebada, Boera, Papa and Lealea. Police alleged that the payments were made to companies and individuals without compliance. Police say the MoU between the National Planning Department and Central government was to ensure effective implementation of infrastructure projects funded under the IDG trust funds. It was also alleged that 2012 and 2013 governments allocated funds of K34,464,509.32 for IDG to the administration under the LNG Plant IDG Trust Account but were not properly managed. Other senior provincial administration officers are also under investigation.

Paris keeps eye on New Caledonia's Vale plant

The French government says it is closely watching the nickel plant sale process in New Caledonia where Vale of Brazil is in negotiations with New Century Resources of Australia to cede its 95 per cent stake. Radio New Zealand on 29 July 2020



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

The sale was to be completed this month but Vale announced on Tuesday that the period to complete the financial arrangements was extended by six weeks. The French High Commission issued a statement to say that it would ensure that commitments would be honoured in terms of economic activity, employment of locals and respect for environmental norms. It said in 2016 the French state supported Vale with a \$US235 million loan for it to maintain its operation in New Caledonia. The Vale plant in the south of the main island had been making losses for years and after considering to mothball it, Vale last year decided to sell it. The sale to New Century Resources is opposed by pro-independence parties, Kanak chiefs and unions.

State negotiating project's equity

July 29, 2020, The National Business

THE State is negotiating to acquire 22.5 per cent equity in the Pasca A gas-condensate project in Gulf, according to Petroleum and Energy Minister Kerenga Kua. Kua told The National yesterday that discussions between the state's negotiating team and the developer Twinza Oil Ltd regarding the project "have been good so far". "Negotiations are ongoing," he said. "As prescribed by the Oil and Gas Act (1998), the State is expected to take up that equity because that's the statutory requirement." Kua said the other critical issue was the appointment of the state nominee to take charge of the state equity in the project. "The NEC (National Executive Council) has to appoint a state nominee to hold the equity," he said. "Although it will be KPHL (Kumul Petroleum Holdings Ltd), the decision will have to be made by the cabinet. "I am making a submission for Cabinet to make the appointment." Twinza Oil has some representatives in the country and others joining in the discussions from overseas via the electronic medium of communication.

A recent statement by Twinza said negotiations were on the fiscal terms that would apply to the development of the gas-condensate field in the Gulf of Papua. Twinza was also looking forward to addressing with the State important non-fiscal opportunities, including domestic market commitment, third-party access to facilities and national content. It said these matters were differentiated from

land-based projects because the Pasca A field was to be the first offshore development in PNG. It said Pasca A was being promoted as an infrastructure hub where existing and new discoveries could use spare capacity at the installed facilities to lower their costs. “Several offshore fields, including Pandora, can be regarded as commercial if they are aggregated through Pasca infrastructure,” the statement said. “Such aggregation of fields can provide a steady stream of investment, jobs and liquefied petroleum gas for the domestic market.”

Sale process of Vale in New Caledonia extended

Radio New Zealand on 28 July 2020

Negotiations for a sale of New Caledonia's Vale nickel plant have been extended by a month and a half. Vale had been in talks with New Century Resources of Australia since late May when they announced a two-month period to conclude the financial arrangements for the sale. The agreed deadline passed at the weekend but the two sides decided to extend it with an expectation to complete the sale process by the end of the year. The Vale plant was put up for sale in December after running up losses in the hundreds of millions of dollars. Vale is restructuring its operations and wants to sell nickel ore but pro-independence parties firmly oppose changes to the mining code to allow this. Vale's changes also involved prioritising the production of NHC, or nickel hydroxide cake, which was in demand for batteries for electric vehicles.

Group opposes deep sea mine

July 28, 2020, The National Business

A GROUP of citizens in the affected area of the deep sea mining Solwara 1 project in New Ireland are opposing the project even if new investors are considered. Alliance of Solwara Warriors spokesperson Jonathan Mesulam said Prime Minister James Marape recently officiated at the groundbreaking ceremony of a new airport that would improve the economy of New Ireland. He said Solwara 1 would destroy marine life and the people's livelihood. Their objection was sent to the Mineral Resources Authority. There have been talks for a new investor following the exit of Nautilus Minerals. The Alliance of Solwara Warriors represents impacted communities in New Ireland, East New Britain, Madang, Manus and Milne Bay. They claimed that there was no national policy on seabed mining in PNG and no legal regulatory framework at provincial and national level to monitor the impacts and regulate seabed operation or mining in our waters. Attempts to get comments from MRA were unsuccessful.

Gulf updates on major resource projects

BY MATTHEW VARI, Post-Courier, July 28, 2020

While the names Papua LNG and Pasca A are the more common names being tossed about as major economic projects, the Gulf Province is set to host beyond the two mentioned, in terms of major investments in resources. The Post-Courier asked Gulf Governor Chris Haiveta, last week, to give an update of other major projects still in the works for his province and the interaction the provincial government has been having with developers. “For Total, the Papua LNG they have done all the work, social mapping everything is ready, so we are just waiting for P’nyang to finalise. “With the province we are ready to go to the development forum. Our views have already been given a year or two years ago. “Even also for Twinza we are also ready, so we have got our own structures, everything to be done so we are waiting,” Mr Haiveta said.

On the much debated coal mining prospects in the province, Mr Haiveta affirmed, the existence of two deposits, adding whilst the development will be focused on exports – the issue was still pretty much one of mining authorities to liaise with his government to move the project forward.

“Two developers, and you are looking at pretty substantial coal deposits there and they are basically for export. It is up to them, the developers, how they move. “It is a mining issue and I don’t want to comment on it, the national government function and let them sort out what they need to do and then come to the provincial government.” The same proponent of the coal development, Mayur Resources, also has its sights set on mineral sands, but according to the governor Covid-19 has delayed the advancement so far for that.

“That is going on as well, it is at the stage where they are doing bulk sampling, they were going to start and then Covid hit and it has been delayed for a while, they will sort themselves out, and the machinery and all those things were supposed to come from China,” Mr Haiveta said. He added that whilst the province’s timber industry has hit a snag with taxation increases on logs, the support for downstream processing is also vital with provincial support with the national government. “Because the tax are so high we have had operations close down but the Marape-Steven government wants to go into downstream processing and the provincial government fully supports that.” He added that domestic market obligation for gas and electric power generation through revised plans for the Purari Hydro will all set the platform for downstream processing, with plans for an international port at Kikori set for development, all geared towards the province set to be a major industrial hub in the country.

People of Salamaua assured of benefits from Wafi-Golpu project

July 28, 2020, The National Business

PEOPLE of the Salamaua local level government in Huon Gulf, Morobe have been told that they will also benefit from the Wafi-Golpu project. Huon Gulf MP Ross Seymour assured them during the Conservation and Environment Protective Authority (Cepa) awareness on deep sea tailings placement at Buakap village last week. Villagers were concerned that they would miss on the benefits and wanted to form an association to represent them. Seymour said the people needed to organise themselves into forming an association. “It’s not an issue as the Cepa team and Minister for Environment and Conservation and Climate Change Wera Mori are here to hear from you and assist in the best possible way so that we all can participate in the project,” he said. “You said you will miss out. It is not true. You are part of the package – Wampar, Salamaua and the Morobe LLGs.” The project involves the districts of Bulolo, Huon Gulf and Lae.

Deep sea tailings placement not 100pc safe: LLG president

July 28, 2020, The National Business

DEEP Sea Tailings Placement (DSTP) will not be 100 per cent safe as there will still be damage done to the environment, says Salamaua local level government president Kolo Mathia. Mathia made the statement during the Conservation and Environment Protection Authority’s (Cepa) visit to Buakap village for the Wafi-Golpu project’s DSTP awareness last week. The Cepa delegation included Minister for Environment and Conservation Wera Mori at the request of Huon Gulf MP Ross Seymour. Mathia had been in the mining industry for 35 years working with operations including Ok Tedi, Simberi and Lihir. “Being in the system, I know when there is a blockage and total shut,” he said. “We cannot contain but open the valve and just let it down the system into the river or down to the sea. “Who knows, who cares, it’s gone. “There will be wear and tear because of high pressure line. “So there must be tight control when handling such operation and I want to

acknowledge Ceba who have a done a great job to come and explain to the people on DSTP.” Mathia urged the Government and the developers to find alternative solutions that can be beneficial.



Salamaua local level government president Kolo Mathia (right), Huon Gulf MP Ross Seymour and Environment and Conservation Minister Wera Mori listening to Asini villager Charles Kekeng expressing his views on the deep sea tailings placement. – Nationalpic by LARRY ANDREW.

Committee approved to look into Kainantu mine’s landowner issues

July 28, 2020, The National

THE National Executive Council (NEC) has recently approved appointment of a Special Lands Titles Commission to look into landownership issues over the Kainantu gold mine project in Eastern Highlands. It will hear outstanding disputes which previous attempts had failed to resolve. Prime Minister James Marape said Section 4 of the Land Disputes Settlements Act of 1975 stated that where there was special circumstance like the Kainantu mine, the head of State, through advice from the NEC, should appoint a special commission to settle those disputes. “The work of the Special Lands Titles Commission for the Kainantu gold project is to hear and settle differences and issues of claimants over land tenements covering four leases amongst the Irumafimpa and Bilimoia villages and the Kumian plains,” he said. “There were a total of 66 claimants registered as disputing parties, with the majority from Eastern Highlands and a few from Madang and Morobe. “The formal hearings commenced in Kainantu on Dec 6, 2004, and proceeded until Dec 22, 2007, and a decision was handed down on Jan 12, 2009. “But, the disputing parties who were not happy with the decision and appealed and their appeal is pending.” Marape said the NEC decision to appoint the Special Lands Titles Commission with three special commissioners was to review the decision made on Jan 12, 2009.

Schätze am Meeresgrund: Ist Tiefseebergbau die Zukunft?

Weltweit bereiten sich Firmen darauf vor, in bisher unberührte Regionen der Ozeane vorzustoßen. Sie wollen in der Tiefsee Manganknollen vom Meeresgrund ernten. Doch Umweltschützer und Wissenschaftler schlagen Alarm: Der Schaden für die Ökosysteme der Meere wäre irreparabel.

Von Marten Hahn, Deutschlandfunk, 27. Juli 2020

4.000 Meter unter der Wasseroberfläche: Ein ferngesteuerter Sammler rollt über den Meeresboden im Pazifik. Ohne die Lichter der Maschine wäre es stockdunkel hier. Der Meeresgrund ist gepflastert mit Manganknollen, kleinen, schwarzen Klumpen, die sich über Millionen von Jahren gebildet haben und viele Metalle enthalten. Der Sammler saugt die Knollen aus dem Schlamm und Pumpen befördern sie dann an die Wasseroberfläche in ein Schiff. So stellen sich Firmen wie DeepGreen

den Bergbau der Zukunft vor, ganz im Namen der Nachhaltigkeit, wie Firmenchef Gerard Barron in einem Werbevideo erklärt:



Manganknollen gelten als rohstoffreich – und sind deshalb begehrt beim Tiefseebergbau (picture alliance / Bundesanstalt für Geowissenschaften und Rohstoffe)

„DeepGreen will die Metalle der Zukunft sichern, für einen nachhaltigeren Planeten. Damit lastet eine schwere Verantwortung auf unseren Schultern. Aber das muss jetzt passieren.“ DeepGreen gehört zu den lautesten Firmen einer neuen Tiefseeindustrie. Firmenchef Gerard Barron trommelt weltweit für seine Ideen. Und egal, wo er auftaucht, ob in Kapstadt oder Oslo, hat Barron immer eine schwarze Knolle in der Tasche. „Die polymetallische Knolle in meiner Hand ist ungefähr so groß wie eine Kartoffel. Es gibt sie in Hülle und Fülle. Sie liegen auf dem Meeresgrund. Die hier ist wahrscheinlich sechs oder sieben Millionen Jahre alt. Sie enthalten all die Metalle, die wir für die grüne Energiewende brauchen. Sie sind voller Nickel, Kupfer, Kobalt und Mangan.“

Metalle der Manganknollen sind begehrt

Die Metalle aus Manganknollen können unter anderem für die Herstellung von Batterien genutzt werden. Batterien, die wir benötigen, um fossile Brennstoffe hinter uns zu lassen, sagt Barron. „Wir werden unsere Fahrzeuge elektrifizieren müssen. Und wir werden zehntausende Kraftwerke und Batterien bauen müssen, um Energie aus erneuerbaren Quellen zu speichern für Zeiten, wenn der Wind nicht weht. Addiert man all diesen Bedarf, werden wir hunderte Millionen Tonnen dieser Metalle brauchen.“ Firmen wie das kanadische Start-Up DeepGreen wittern ein Riesengeschäft. Aber Barron betont lieber einen weiteren Aspekt des Tiefseebergbaus: Er hält ihn auch für menschen- und umweltfreundlicher als bisherige Verfahren. Denn derzeit werden die Metalle an Land gewonnen.

„Der Großteil des Kobalts kommt aus dem Kongo, wo Kinderarbeit noch an der Tagesordnung ist. Nickel kommt aus einer der artenreichsten Gegenden der Welt in Indonesien. Um da heranzukommen, roden wir Regenwälder und schütten den Abraum ins Meer. Das ist fürchterlich. Als Gesellschaft sollten wir uns fragen: Wo können wir diese Metalle am verantwortungsvollsten abbauen?“ Tiefseebergbau bedeute: keine Kinderarbeit, kein Kahlschlag an Land. Das heben DeepGreens Werbevideos immer wieder hervor. Dennoch gibt es Menschen, die würden Barron und seine Kollegen gern stoppen, bevor sie überhaupt begonnen haben.
„Hello? – Hello, it’s Marten. High.“

Gegner des Tiefseebergbaus formieren sich

Einer der Tiefseebergbau-Gegner wohnt in Amsterdam. „My name is Matthew Gianni. I am a co-founder of the Deep Sea Conservation Coalition.“ Matthew Gianni organisiert aus den Niederlanden den Widerstand gegen die Ausbeutung der Tiefsee. Der US-Amerikaner ist Mitbegründer der

Deep Sea Conservation Coalition. Ein niederländischer Verband, der viele Meeresschützer weltweit vereint. „Tiefseebergbau sollte nicht erlaubt werden, bevor man zeigen kann, dass er absolut nötig ist und dass er betrieben werden kann, ohne marine Ökosysteme zu schädigen.“ Würde der Tiefseebergbau jetzt starten, wären die Konsequenzen für Fische und andere Lebewesen verheerend, warnen Umweltschützer. Eine Sorge, die die europäische Fischereiwirtschaft teilt. In einem Statement des EU-Beirats für Fernfischerei heißt es: „In internationalen Gewässern muss ein Tiefseebergbaumoratorium etabliert werden, ohne Ausnahmen, bis die Risiken vollständig bewertet und erfasst wurden.“



Metallschatz aus der Tiefsee: Manganknollen (picture alliance / dpa / Caroline Seidel)

EU-Parlament fordert ein Moratorium

Auch das EU-Parlament fordert ein Moratorium. Denn noch ist nicht absehbar, wie groß die potenziellen Umweltschäden sind, die durch den Abbau verursacht werden. Ein großes Problem sind Sand und Schlamm, die beim Abbau aufgewirbelt oder nach dem Abpumpen der Manganknollen wieder ins Meer geleitet werden, sagt Gianni. „Wenn die Sandwolken wandern, hat das Einfluss auf die Lebewesen darüber und in der Nähe – abseits der eigentlichen Abbauflächen. Arten wie Korallen oder Schwämme, die auf den Knollen wachsen, filtern zum Beispiel organisches Material aus dem Wasser. Fährt nun eine schwere Maschine über den Meeresgrund und wirbelt viel Sediment auf, schadet das den Organismen, die ihre Nahrung aus dem Wasser filtern.“



(picture alliance / dpa / Inga Kjer) [Teilchenfänger – Ideen gegen Mikroplastik im Meer](#)

Kunstfasern aus Fleece-Pullis, Abrieb von Autoreifen, Reste von Schuhsohlen: Bis zu 2,5 Millionen Tonnen winzigster Plastikteilchen landen jedes Jahr im Meer. Während die Müllmenge immer weiter wächst, suchen Erfinder, Ingenieure und Aktivisten nach Wegen, das Plastik abzufangen. An kreativen Vorschlägen fehlt es nicht. Nur welche davon taugen?

Nach menschlichem Maß wären die Schäden irreparabel, denn die Tiefsee regeneriert nur sehr langsam. Außerdem brächten die Maschinen Lärm in bisher unberührte Regionen. Vom Argument der Befürworter – wir brauchen die Tiefseemetalle für die Energiewende und für Autobatterien – hält

Gianni nichts. Für ihn klingt das so, als würde man mehr Rinder züchten wollen, um den Hunger auf der Welt zu bekämpfen. Kurzfristig würde es helfen, aber klug wäre es nicht.

„Die Metalle sind in den Technologien, die wir schon besitzen. Wir werfen derzeit rund 85 Prozent unseres Elektroschrotts weltweit weg. Wir könnten erst einmal diese Metalle nutzen, bevor wir uns entscheiden, nach neuen Quellen für Metalle zu suchen.“ Vielleicht überdenken wir in Zukunft auch das Konzept Auto. Und vielleicht verändert sich in den kommenden Jahrzehnten die Zusammensetzung von Batterien, sagt der Meeresschützer. Was dann? Schon jetzt suchen Batterieforscher nach Alternativen für Kobalt. Matthew Gianni:

Forderung nach einer Reform der ISA

„Außerdem sollte die Meeresbodenbehörde ISA als regulierende Instanz reformiert werden. Aus unserer Sicht gibt es da einige ernstzunehmende Mängel.“ Die International Seabed Authority (ISA) ist die UN-Behörde, die die Rohstoffe in der Tiefsee verwaltet. Denn das Manganknollenvorkommen, das derzeit von industriellem Interesse ist, liegt in der sogenannten Clarion Clipperton Zone, im Pazifik zwischen Mexiko und Hawaii – und damit in internationalen Gewässern. Auch andere Verbände fordern eine Reform der Meeresbodenbehörde, darunter das London Mining Network, Mining Watch Canada und Greenpeace. Die ISA betreibe Lobbyarbeit für Firmen wie DeepGreen, statt sie zu kontrollieren.



Gerard Barron, CEO des Start-ups DeepGreen, wirbt bei der „Our Ocean“-Konferenz im November in Oslo für die Ausbeutung der Tiefsee (Marten Hahn)

„Die ISA wurde unter dem Seerechtsübereinkommen gegründet und soll Ressourcen zum Nutzen der gesamten Menschheit verwalten. Und da gibt es ein ernstes Transparenzproblem. Denn die Verträge, die die ISA zu Erkundungszwecken ausgegeben hat, sind vertraulich. Sie sind geheim. Wir als Öffentlichkeit haben da keinen Einblick.“ Gianni selbst sitzt als Beobachter mit am Tisch, wenn die UN-Behörde und ihre Mitgliedsländer über die Abbaurichtlinien verhandeln. Der Umweltschützer kritisiert, manche Gremien der UN-Behörde hätten zu viel Macht und würden Entscheidungen hinter verschlossenen Türen treffen. Michael Lodge weist diese Vorwürfe als falsch zurück.

„Ich denke, das ist eine sehr falsche und unfaire Beurteilung. Meiner Meinung nach ist die ISA eine außergewöhnlich transparente Organisation. Alle Dokumente sind auf unserer Website einsehbar. Und nichtstaatliche Organisationen haben das Recht, als Beobachter an unseren Sitzungen teilzunehmen. Viele tun das auch.“ Michael Lodge leitet die UN-Behörde mit Sitz in Jamaika. Im Gespräch wird klar: Der Chef der ISA glaubt durchaus, dass der Vorstoß in Richtung Tiefsee unausweichlich ist. Aber in seinen Augen verhindert die ISA den Alleingang von einzelnen Unternehmen und großen Staaten. Die ISA Sorge so dafür, dass auch ärmere Inselstaaten vom Tiefseebergbau profitieren. „Ohne die Erlaubnis der Internationalen Meeresbodenbehörde gibt es keinen Zugang zu

Tiefseemineraleien und keinen Tiefseebergbau. Das ist ein einzigartiger Fall einer globalen Resource, die international verwaltet wird.“

Bisher nur Erkundungslizenzen

Seit ihrer Gründung 1994 hat die ISA nur Erkundungslizenzen vor allem für Forschungszwecke vergeben – unter anderem an China, Großbritannien und Deutschland. Firmen, die in internationalen Gewässern Rohstoffe fördern wollen, müssen sich von einem der Länder sponsern lassen. Im Fall von DeepGreen sind das die Inselstaaten Kiribati, Nauru und Tonga. Michael Lodge: „Wir arbeiten gerade an den Bedingungen, die uns erlauben, zur Förderung überzugehen. Es geht um die Anforderungen für Umweltverträglichkeitsprüfungen, die Länge der Förderprojekte, die Größe der Flächen, die zugeteilt werden können, die Arten der Flächen, die als Schutzzonen deklariert werden, das finanzielle System und so weiter. Wir arbeiten seit fünf Jahren an diesen Abbaurichtlinien.“

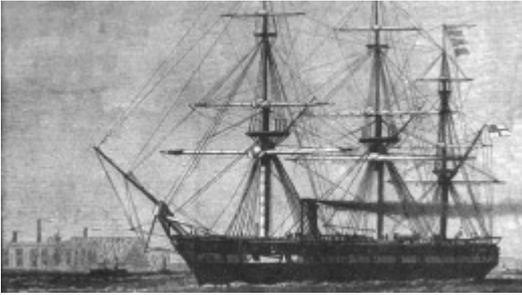


Meeresboden: Befürchtet werden Schäden am Ökosystem (imago/stock&people/blickwinkel)

Im vergangenen Jahr hieß es, 2020 solle das Regelwerk stehen. Doch dann hat das Coronavirus die Verhandlungen ausgebremst. Außerdem streiten sich die Mitgliedsstaaten gerade darüber, wie potenzielle Gewinne verteilt und Bergbaufirmen besteuert werden sollen. Dass noch niemand angefangen hat die Knollen zu sammeln, liegt aber nicht nur am fehlenden rechtlichen Rahmen. Auch die Technologie fehlt noch. Tiefseeequipment muss nicht nur Salzwasser, sondern auch dem Druck auf 4.000 bis 6.000 Metern Tiefe standhalten. Doch es gibt Fortschritte, so der Meeresschützer Matthew Gianni. „Einer der Gründe, warum die Technologie nun viel weiter fortgeschritten ist, ist, dass die EU die Entwicklung der Technologie subventioniert.“ „I'm Wiebe Boomsma. I work as a manager for the mining department. – My name is Laurens de Jonge, and I work as a manager marine mining and deep sea mining.“

Firma entwickelt Tiefseesammler

Die Ingenieure Wiebe Boomsma und Laurens de Jonge arbeiten für eine der Firmen, die EU-Subventionen erhalten hat: Royal IHC. Der Schiffsbauer hat mehrere Standorte in den Niederlanden. Kleinere Hightechlösungen werden hier in Raamsdonksveer gebaut. Boomsma und de Jonge führen durch die Halle und bleiben vor einem zerlegten Kettenfahrzeug stehen. Apollo 2 ist eine Erntemaschine für die Tiefsee. Das Fahrzeug ist zweieinhalb Meter breit und fast sieben Meter lang und wird gerade für den nächsten Test vorbereitet. „Der Sammler nutzt einen Wasserstrahl, der Unterdruck erzeugt und die Knollen und den Sand ansaugt.“ Das Fahrzeug ist über ein Kabel mit einem Schiff verbunden und wird ferngesteuert. Die Manganknollen am Meeresgrund einzusammeln, ist jedoch vergleichsweise einfach. Schwieriger ist es, die Knollen aus tausenden Metern Tiefe an die Oberfläche zu befördern. „Es ist nicht einfach, Wasser, Sediment und größere Partikel in einem Rohr zu transportieren, ohne das Rohr zu verstopfen.“



(picture alliance/Heritage-Images), [„Challenger-Expedition“ vor 145 Jahren – Die Entdeckung der Ozeantiefe](#): Am 23. März 1875 war die HMS Challenger mehr als zwei Jahre unterwegs, um die Tiefsee zu erforschen. Die Resultate der Expedition begründeten die moderne Ozeanographie. Heute vor 145* Jahren maßen die Forscher die damals tiefste Stelle im Ozean – so tief, dass der Mount Everest darin verschwinden würde.

Boomsma und de Jonge haben in den vergangenen Monaten deswegen viel Zeit in die Entwicklung einer Förderanlage aus Rohren, Pumpen und Motoren gesteckt. Neben Apollo 2 liegt ein schwerer, schwarzer Zylinder. „Das ist ein Tiefseemotor. Der ist mit Meerwasser gefüllt und wird durch Meerwasser geschmiert und gekühlt.“ „Er kommt also ohne hydraulisches Öl aus. Wir nennen das einen offenen Permanentmagnetmotor. Das heißt, er ist nach außen hin offen, durchlässig. So hat er keine Probleme mit dem Druck.“ Auf einem fünf Kilometer langen Fördersystem müssten zwölf der Motoren und die gleiche Anzahl Pumpen verteilt werden.

„Falls die Pumpen ausfallen, werden sie vom System überbrückt. Das ganze System ist so zuverlässig, dass es mindestens drei Monate am Stück unter Wasser arbeiten kann.“ Getestet haben die beiden Ingenieure ihr System aber erst mit Modellrechnungen im Labor und dann auf einer Länge von 270 Metern, in einem Minenschacht. „Der nächste Schritt ist ein Feldtest in fünf Kilometern Tiefe. Mein Bauchgefühl sagt mir, das wird so 2022, 2023 passieren.“ Royal IHC will dann das komplette System testen, vom Sammler über das Steigsystem bis hin zum Schiff. Und alle drei müssen sich dabei zusammen synchron durchs Meer bewegen.

Umweltschäden werden entstehen

Boomsma und de Jonge sind mit viel Leidenschaft bei der Sache. Auch sie glauben, dass Tiefseebergbau im Vergleich zum Abbau an Land das geringere Übel ist. Aber die beiden wissen auch: Tiefseebergbau ohne Umweltschäden wird es nicht geben. Das haben Wissenschaftler mittlerweile herausgefunden. „Hier sind wir normalerweise so am Packen.“ Matthias Haeckel zeigt auf eine Halle im Geomar Helmholtz-Zentrum für Ozeanforschung in Kiel. Hier beginnen Haeckels Forschungsfahrten. Dreimal schon ist der Bio-Geo-Chemiker auf der „Sonne“, einem deutschen Forschungsschiff, zu den Lizenzgebieten in der Clarion Clipperton Zone im Pazifik gefahren. „Wir gucken uns eben die Auswirkungen an auf die marine Umwelt in der Tiefsee, die ein zukünftiger Abbau von Manganknollen in der Tiefsee haben könnte.“

Haeckel koordiniert ein Projekt namens Mining Impact. Gemeinsam mit Kollegen aus ganz Europa haben die deutschen Forscher dafür unter anderem Spuren untersucht, die Wissenschaftler vor 40 Jahren mit einer Art Pflug auf dem Meeresgrund hinterlassen haben. Das Ergebnis: Veränderungen des Meeresbodens sind auch nach Jahrzehnten noch sichtbar. Matthias Haeckel: „Weil da eben ganz wenig Material von oben wieder runterregnet. Das ist die Dünne eines menschlichen Haares, was dort pro Jahr runterkommt. Deswegen messen wir das eigentlich auch immer in Zentimetern oder Millimetern pro tausend Jahre. Und da sind es dann ungefähr so ein halber Zentimeter in 1000 Jahren, die abgelagert werden. Das heißt, diese Spuren, die ein paar Jahrzehnte her sind, die sehen so aus wie gestern.“

Sehr langsame Erholung des Ökosystems

Entsprechend langsam würde sich das Ökosystem nach einer Störung durch Bergbaumaschinen erholen. Und anders als noch in den 1970er-Jahren angenommen, als Tiefseebergbau erstmals diskutiert wurde, weiß man heute: Es gibt auf dem Meeresboden mehr als Schlamm und Manganknollen. „Ja, wir haben eine extrem hohe Artenvielfalt da unten, die wahrscheinlich höher ist als im Regenwald.“ Matthias Haeckel startet ein Video auf seinem Laptop. Auf dem Bildschirm erscheint der Meeresboden des Pazifiks, erleuchtet vom Tauchgerät der Mining-Impact-Forscher. „Hier sieht man zum Beispiel so einen gestiehlten Schwamm, der ist locker einen Meter hoch“ „Das ist wie eine Blume, die da auf dem Meeresgrund...“



Ein sogenannter Kastengreifer hat ein 50 x 50 Zentimeter großes und rund 40 Zentimeter tiefes Stück Meeresboden mit Manganknollen aus dem Pazifik ausgestanzt (picture alliance / dpa / BGR)

Haeckel: „Genau, die sind auch wirklich sehr, sehr schön, die Fauna, die da lebt. Gerade diese Glasschwämme sehen sehr hübsch aus. Hier ist so eine Kleine Seefeder zu sehen.“ Auf jeder Expedition entdecken Haeckel und andere Tiefseeforscher hunderte neue Arten. Entfernen Maschinen hier nun auf mehreren hundert Quadratkilometern pro Jahr die obersten 10 bis 15 Zentimeter des Bodens, wird nicht nur Schlamm aufgewirbelt, der Filterorganismen erstickt. Viele Lebewesen brauchen auch die Manganknollen, um zu überleben. „Das Haupthabitat, auch bei den Knollen, haben wir für viele Millionen Jahre entfernt. Im Sediment kann eine Wiederbesiedlung stattfinden, die dann mehrere hundert Jahre, vielleicht tausend Jahre braucht. Aber das Haupthabitat, was wir haben, haben wir für viele Millionen Jahre weggenommen.“

Womöglich große Schäden am Tiefsee-Ökosystem

Auch Diva Amon hat sich die möglichen Folgen auf den Lebensraum Tiefsee angeschaut. Die Meeresbiologin forscht am Natural History Museum in London. „Mindestens 50 Prozent der größeren Tiere sind auf die Knollen als Untergrund angewiesen, um sich zu verankern: Korallen, Anemonen und Schwämme halten sich daran fest. Forscher haben festgestellt, dass das Leben in diesen Gebieten nicht zurückgekehrt ist, weil die Knollen fehlten.“ Die Befürworter der Tiefseeindustrie verweisen darauf, dass im Vergleich zur Gesamtfläche der Tiefsee nur ein kleiner Teil vom Abbau betroffen wäre. Das Problem ist: Noch ist nicht klar, wie alles zusammenhängt. Bis heute wissen Forscher nicht, wie groß ein Ökosystem dort ist. Wenige Meter oder 2000 Kilometer? Das ist der Durchmesser der gesamten Clarion Clipperton Zone mit ihren Manganknollenfeldern. Schon kleine Eingriffe könnten also eine verheerende Wirkung haben.

„Unsere Ozeane sind so wichtig für unsere Existenz. Sie speichern Kohlenstoff. Sie regulieren das Klima, indem sie Wärme speichern. Sie sind wichtig für den Nährstoffkreislauf. Sie versorgen uns mit Essen und anderen Rohstoffen. Selbst wenn die Auswirkungen des Abbaus verhältnismäßig klein wären, heißt klein weniger wichtig? Ich weiß es nicht.“ Tiefseeforscher wie Diva Amon und Matthias Haeckel betonen immer wieder, dass noch zu viele Teile des Puzzles fehlen. „There’s so

much science missing. We're just missing a lot of the puzzle pieces.“ Passenderweise haben die Vereinten Nation die Jahre 2021 bis 2030 zur Dekade der Ozeanforschung ausgerufen. Es wäre zumindest ironisch, wenn in diesem Zeitraum eine UN-Behörde grünes Licht dafür geben würde, den Meeresboden umzugraben. Quelle: https://www.deutschlandfunk.de/schaetze-am-meeresgrund-ist-tiefseebergbau-die-zukunft.724.de.html?dram:article_id=481319

Firm: Over K4bil given in tax

July 27, 2020, The National Business

THE Porgera mine in Enga has contributed more than K4 billion in tax and exercise revenue to the Government since it began, according to Barrick Niugini Ltd. The mine operator said more than K368 million had also been paid to the Government in taxes and excise arising from the mine's 2019 operations alone. “The Porgera mine has been one of the largest corporate taxpayers in Papua New Guinea,” a company statement said. “Over the life of the mine, approximately 48 per cent of all economic benefits arising from the operation of the mine have flowed to Papua New Guinea in the form of taxes, royalties, equity revenue, contracts and capital expenditure, and employment for thousands of Papua New Guinean workers.” The Government refused to extend the special mining licence for the mine which expired last year.

The company is challenging the decision in court. It said the Enga government received more than K335 million in royalty benefits from the mine since mining began in 1990, much of which was paid to the Ipatas Foundation at the request of the provincial government. “Since July 1996, royalties have been paid by the mine at a rate of 2 per cent of the value of sales, less selling expenses,” it said. “Prior to July 1996, the royalty rate was 1.25 per cent of the value of sales. “When the mine first started producing gold, the provincial government received 77 per cent of these royalties. “Since July 1995, the provincial government has received a 50 per cent share of the royalties paid by the mine.” However, the company noted that as a result of the current present situation, royalty payments and equity revenue for the Enga government have ceased.

Coastal villages to benefit: Mori

BY ANCILLA ILAVE, Post-Courier, July 27, 2020

Minister for Environment and Conservation Mr Wera Mori has assured the coastal villages of Morobe of benefits from the Wafi-Golpu mining project. The Wafi-Golpu pipeline corridor for the deep sea tailing placement (DSTP) will stretch from Labu to Wagang affecting villages along the coastline of Labu, Busamang, Salamaua, Bukawa, Wagang and Sipaia. The Wafi-Golpu project borders four districts in Morobe; Bulolo, Huon, Lae and Nawaeb and is considered the biggest mine in the province. The coastal villages of Morobe have been sustained by marine life so there will be obvious impacts to their livelihoods when the mining project comes into effect this September. Mr Mori visited a local community in Buakap, Salamaua, with the Conservation, Environment and Protection Authority (CEPA) team to conduct awareness on the effects and impacts of mining activities so that local communities are fully aware of the benefits and dangers of the mining processes.

CEPA had conducted awareness from Labu and Salamaua, however, they have yet to complete their awareness program to Bukawa, Sipaia and Wagang where the exit point of the deep sea tailing placement will be located. Mr Mori said he is considerate about the issues faced by the coastal villages of Morobe and gave reassurance to talk on their behalf. “I will look at the issues the local people have raised because our priority is protecting the people's interest” he said. He said to push forward the people's grievances and assured the locals that environmental protocols are in place for assessments. “I will assess the environmental requirements and make sure they are met” he said.

The minister said the Wafi-Golpu project is a business opportunity for the province therefore the local coastal villages' concern will also be reflected in a Memorandum of Understanding. "I will talk about it in the cabinet upon submission of the report to the National Executive Council by CEPA," said Mr Mori. He said the Wafi-Golpu mining project is unique because it holds the potential to be PNG's largest and richest mine in history.

Awareness done on project's deep sea tailings placement

July 27, 2020, The National Business

AWARENESS on deep sea tailings placement for the Wafi-Golpu project was conducted over two days last week in coastal villages of Huon Gulf, Morobe. The villages visited were in Labu in the Wampar local level government and the Salamaua local level government of Huon Gulf. The awareness was conducted by Conservation and Environment Protection Authority (Cepa) officers. Cepa official Robert Sine said the deep sea tailing placement (DSTP) had been tried out at Misima, Simberi, Lihir and Ramu Nickel. The DSTP at the four mines were 150 meters while for Wafi-Golpu, it was 200 meters. Villagers questioned Cepa on the safety of the sea which they depend on.

Former Salamaua LLG president Philemon Tomala told Cepa officials, Environment and Conservation Minister Wera Mori and Huon Gulf MP Ross Seymour that the awareness was full of scientific terms which most people did not understand. "You are saying everything will be alright but we, in the village, still have doubts," he said. "We still have this question whether releasing of the waste into the sea would be okay or not. "With this doubt, we want to say no to dumping waste into the sea where it will destroy the environment that we depend on. If our environment is destroyed, what will you, the Government do to help us?"

Mediation begins between PNG state and Barrick

Mediation is beginning between the Papua New Guinea government and Canadian miner Barrick over the Porgera gold mine. Radio New Zealand on 27 July 2020



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

The two parties had been in a stand-off in recent months after the James Marape-led government refused to renew the company's mine lease. Looking for a new future operator, the government had wanted mining to continue through a transition period. But Barrick and its Chinese partner in the Porgera joint venture, Zijin, suspended the mine operations, while pressing for the government to

revisit its decision. Almost 3,000 local employees were laid off, while both the PNG national and Enga provincial governments had been losing millions of kina in the interim. With neither the developer or the state able to agree on how to proceed, a court-ordered mediation process was to get underway this week.

Vale sale in New Caledonia may face delay

The plan for New Caledonia's Vale nickel company to be taken over by New Century Resources of Australia appears to be facing delays. Radio New Zealand on 24 July 2020



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

The Melbourne-based miner was to finalise the purchase of the 95 percent stake up by Vale's parent company in Brazil this weekend. However, according to *les Nouvelles Caledoniennes* the two-month phase to shore up the financing looks set to be extended. The Vale plant was put up for sale in December after running up losses in the hundreds of millions of dollars. Vale, which acquired the project in the south of the main island when it took over the Canadian miner Inco in 2006, is estimated to have spent \$US9 billion on the Goro plant. Part of Vale's pre-sale restructure included the sale of nickel ore but pro-independence parties firmly oppose changes to the mining code to allow this. Vale's changes involved prioritising the production of NHC, or nickel hydroxide cake, which is in demand for batteries for electric vehicles.

Wafi landowners lack service delivery

Post-Courier, July 24, 2020

With much anticipation of the country's billion kina Wafi-Golpu mine project said to go ahead, landowners remained concerned over benefits. Spin off benefits and proper service delivery into their villages in terms of basic services like health, education, and road still remains a major concern. One of the three special mining lease landowner groups of the mine Yanta Landowners Development Agency (YLDA) members were outspoken on these issues during a truck presentation to the group last weekend. The landowner group has five villages situated at the bottom of a mountain believed to be housing the mineral ores and situated below the mining camp site. However there are still issues of lack of service delivery faced. "The project has already moved to another phase but we are still feeling the pain of issues related to this project," one of the village representative said. "Road still remains our major problem and without good roads our school is not functioning well and teachers are not in school.

We have to carry sick patients on stretchers (made from bush materials) to the company clinic,” A women’s representative said. “There are still issues with landowners in regards to the other mine operations in the country and we don’t want that to apply to us. These issues must be properly addressed,” The other landowner group in Bulolo District the Hegambu landowners association is still faced with hiccups on the election of new executives. These issues were highlighted to Bulolo MP Sam Basil and his team of delegates to the area during the trucks presentation. Mr Basil has advised that his office will try to address the issues raised. He also added that while each group have various needs the groups are urged to work together to ensure the start of project. “All landowners play a significant role in ensuring the mine comes to reality and work with other leaders and MPs to harmonize issues into one tangible outcome to deliver the mine,” Basil said.

Porgera: Parties query discussion

By KARO JESSE, July 24, 2020, The National

THE Mineral Resources Authority (MRA) and Mining Minister Johnson Tuke are uncertain of what is to be discussed in a mediation ordered by the Waigani National Court between the State and Barrick Niugini Ltd (BNL), the operator of Porgera gold mine in Enga. Deputy Chief Justice Ambeng Kandakasi gave the order on Tuesday, in a judicial review proceeding BNL filed against the State for refusing to extend its special mining lease (SML). The issue that remains to be resolved is whether the decision by the State was unreasonable, which the miner claimed as unreasonable in wednesbury sense (a reasoning or decision made unreasonable or irrational). State claimed that the expiry of the lease was in accordance to the law and there’s no right for renewal. The MRA and Tuke, through their lawyer Nelson Saroa, raised their concerns on Wednesday during the hearing of determination of the mediator.

“My clients’ instruction is what is there to mediate on,” Saroa said. “By operation of law, SML expired and has come to an end, why would one have to go back and mediate? “The issue is that the miner had claimed right of renewal. “It’s all provided in the Mining Act, if you want to unalign that process, that came to an end in appraisal of law, how can it be? “It (mediation) is like asking the National Executive Council and the State to revisit the entire provision.” Justice Kandakasi, however, explained that parties’ consent was not needed to order a mediation or the mediator. He explained that the mediation was to expediate the long litigation process to cut time and unnecessary cost of filing appeals or applications in court regarding the matter.

As he had explained earlier, the forum is for the parties to be given the prospect of exploring their options and coming to a resolution to strike a deal to create a win-win situation. Thus, the mediation is only an option which the court considered to resolve the issue which parties have shown arrogance and taken position of the issue. “Court has come to a stage where mediation had to get the parties to negotiate and come to an agreement of settlement of issues before the court,” Justice Kandakasi said. “If the issues can not be resolved through mediation, then we can go back to trial.” The State will be represented by the state negotiation team. Justice Kandakasi was self-appointed as the mediator after parties sought an experienced and well-informed mediator to see through the forum. The proceedings return today for hearing on pending motions while mediation begins on Monday.

State, partners hold discussions on P’nyang project

July 22, 2020, The National Business

INFORMAL discussions were held between State and development partners for the P’nyang gas project in Western, after initial suspension of negotiations earlier this year, according to Oil Search. The company, in its second quarter report for this year, said following the suspension of the

P’nyang gas agreement negotiations between the State and ExxonMobil at the end of January, exploratory informal discussions were held with the Government, aimed at reaching alignment on terms that were fair and balanced for all stakeholders. These exploratory discussions were completed in May and the government and ExxonMobil then re-engaged on the P’nyang gas agreement. Due to the Covid-19 and its impact on oil and gas prices, Total and ExxonMobil demobilised the majority of their LNG expansion technical and commercial staff.

Meanwhile, according to the report, Oil Search’s other operating costs were anticipated to be between US\$40-50 million (K135.47- K169.34 million) for the first half. This was lower than in the same period of 2019, reflecting higher inventory balances as of June 30, a reduction in Hides GTE (gas to electricity) hydrocarbon purchases and lower royalties driven by the fall in realised oil and gas prices, partly offset by one-off exit costs of approximately US\$600,000 (K2.08mil) associated with Sydney-based employees who had left the company in the reorganisation. Also, Oil Search’s full year 2020 investment expenditure guidance of US\$440-530 million (K1.49bil -K1.75bil) remained unchanged, with between US\$120-210 million (K406-K711.26mil) expected to be incurred in the second half of 2020. Key activities would include:

- Various risk reduction and facilities optimisation activities at the Oil Search-operated oil production facilities;
- PNG LNG project development activities at Angore;
- Optimisation engineering for the Pikka Unit Development and ongoing summer season early works activities; and,
- Progressing LNG expansion activities in PNG.

Porgera: Court orders mediation

By KARO JESSE, July 22, 2020, The National

THE State and the operator of Porgera gold mine, Barrick Niugini Ltd (BNL), have been ordered by the National Court to resolve issues through a mediation process. It ordered the mediation in a judicial review proceedings BNL had filed against the State for refusing to extend its special mining lease (SML). Deputy Chief Justice Ambeng Kandakasi gave the order yesterday as parties were showing arrogance and taking positions in the issue of State’s refusal to extend the miner’s SML. Thus, the court asked the parties to settle the issue outside court and to reason out whether the State’s decision was unreasonable. The issue that remains to be resolved is whether the decision by the State was unreasonable, which the miner claimed as unreasonable in Wednesbury sense (a reasoning or decision made unreasonable or irrational).

Justice Kandakasi had to order the parties to face mediation as he had considered the time and economic aspects of the country, miner and the landowners due to the State’s decision. Solicitor-General Tauvasa Tanuvasa opposed the mediation, saying that it was inappropriate to order the mediation at this stage when the miner had claimed right for renewal. The State and its authorities submitted that BNL did not have the right of renewal when its lease expired. However, Justice Kandakasi explained to the parties to take into consideration the consequences of a long litigation process. “Currently in economic climate, whether a long-run litigation is the way to go if mediation is not ordered” Kandakasi said. “Let’s say case commences to trial and given the length of documentation, the decision might not be out in long.”

“Can the country afford that, can we not have the mine?” “Can we afford not to talk of any income generation as result of this litigation going on?” Mineral Resource Enga (MRE) lawyer Gibson Geroro responded, saying the defendants did not oppose the mediation. However, due to validity of decision by the National Executive Council (NEC), there needs to be determination of powers of the

NEC through the review. However, Kandakasi explained that timing was an issue in the case among economic situation of the country. “Do we have the luxury of time, is the economy with us to take that approach?” Justice Kandakasi asked. “To come to that forum, you get to a point where you can agree to strike deal.”

Implementation by PNGEITI to impact governance in extractive sector

Post-Courier, July 21, 2020

Head of PNGEITI National Secretariat, Lucas Alkan has called on the multi stakeholder groups to utilise EITI’s full potential to improve governance in the sector. Mr Alkan made this call while commending the efforts of the MSGs for implementing the EITI Standard over the past six years. Speaking on the eve of PNG’s second validation and during the Covid-19 MSG Constituent briefings, Mr Alkan stressed that PNG’s implementation of the Global EITI Standard has gained favourable results so far with the overwhelming support from the PNG MSG, however, still a great potential to improve governance in the mining and petroleum sector. “Our decision to sign up to implement the EITI had opened the door for citizens to question the government and industry on how past and current mining, oil and gas deals are best tailored to contribute to implementing the government’s development plans and agendas,” he said.

PNG joined 53 other mineral wealthy countries around the world in 2013 and like many implementing countries, is working on mainstreaming a lot of the international EITI principles and requirements. It is a journey of continuous improvement and most recently, in 2018, the PNG Government came up with a National Policy on Transparency and Accountability that set the framework for EITI implementation in this country. Mr Alkan acknowledged public sentiments surrounding the debate on resource extraction and national development. “Citizens have become sceptical that the extraction of this rich mineral wealth would translate into tangible service delivery, funding education and health programs, invested in rundown infrastructures and so forth for a better future for all,” Mr Alkan said.

Mine lifespan may be expanded

By ROSELYN ELLISON, July 21, 2020, The National Business

THE lifespan of Kainantu gold mine in Eastern Highlands may be extended beyond the 10 years as initially planned, according to operator K92 Mining Inc. Vice-president for operations, Warren Uyen, told The National that the mine might be expanded as well. “We believe the mine can be there longer than 10 years,” he said. “We also have exploration licences around the mining licence and we are putting some work into these licences to see if the mine can expand.” While giving a brief on mine developments so far, Uyen said initially, the mine was owned by Highlands Pacific Ltd (HPL), and then was purchased by Barrick. “While the mine was closed, many interested parties went to inspect the mine and K92 Mining Ltd was one of those interested parties,” he said.

Uyen said K92 Mining took up the interest and made a deal to start developing the mine back in 2016. He said Minerals Resource Authority (MRA) asked the mine to be back in operation and that was the guarantee from K92 Mining. “Now that K92 is the current developer our aim is to make sure the mine is up and running in full operation,” he said. Uyen also explained that the mine had gone into commercial production in 2018. He said once the exploration was completed, they would look at expanding it. Meanwhile, Uyen said in terms of benefit sharing, the Bilimioa landowners would be given a bigger share as they were the landowners within the mine’s impact area. K92 Mining owns and operates the Kainantu gold mine. The Kainantu gold mine is a high-grade, low cost underground mine.

Kainantu mine ‘impactful’

July 21, 2020, The National Business

KAINANTU gold mine is Eastern Highlands’ most economically impactful project, Governor Peter Numu says. Numu said this during the signing of a revised agreement between K92 Mining Inc, the operator of Kainantu gold mine, and the Eastern Highlands government in Kokopo, East New Britain, recently. “At the end of the day, we will deliver the impact projects through signing of this revised agreement,” he said. “The Kainantu gold mine MoA (memorandum of agreement) was signed in 2003 with another developer. “But now, we are reviewing it and signing it with the K92 Mining which is the current developer.” Numu said in terms of beneficiaries, the provincial, district and local level government (LLG) leaders came together and formed a team which they have negotiated with the company and state. “Our Eastern Highlands team is solid and we agreed on many things for the good of our people. We are here to support this impact project as this will bring economic development to my province.” Numu said the impact projects would also bring relief to his government in terms of some basic services to the people like roads, health and education.

Poverty likely to worsen in next five years, economist predicts

July 20, 2020, The National

THE poverty situation in the country is likely to worsen in the next five years due to the impacts of the Covid-19, an economist says. Institute of National Affairs executive director Paul Barker told The National that even with restrictions removed and the country living in a new normal, impacts on economic activities and livelihoods would continue. He said the Covid-19 impacts on global markets including the demand for energy and various commodities, and on the travel, tourism and hospitality industry, had hit PNG badly since February. “Poverty is already high in PNG by many measures, including nutrition and access to balanced diet, health status and health service provision and various other indicators,” he said.

“In five years’ time, despite commitments to addressing key sustainable development goals, the scenario is likely to have been worsened by the Covid-19 disrupting markets and various key industries for an extended period, by poor investment conditions, and poor public infrastructure and deficient governance and institutional capacity and accountability. “While it won’t be possible to restore all markets and economic activities while the Covid-19 remains a threat, PNG’s economic prospects are partly prescribed by external factors, including the level of global cooperation or continued hostility in trade, energy, health and other global challenges. “However, even with difficult external influences, many of the handicaps to economic activity and the growing income disparities, levels of poverty could be readily turned around with a concerted drive by the Government to:

- Improve governance and crackdown on corruption (both grand and petty which have permeated most areas of government operations, from land administration to resource management, to law and justice);
- Focus public funds on priority infrastructure and other key public goods and services delivered at more competitive costs;
- Ensure openness in all government transactions, including contracts and trading by state-owned enterprises;
- Make legitimate and open appointments of suitable professionals to State boards, and other public offices;
- Do major reform of the public sector and withdrawal from State equity in a range of business activities minimum standards and service focus in public sector; and,
- Take a markedly more proactive approach to private investment, both by foreign and domestic investors.

Developer transfers equity

July 20, 2020, The National Business

DEVELOPER K92 Mining Inc will transfer 5 per cent equity in the Kainantu gold mine to the Bilimoia landowners, associated landowners and the provincial government, it has been revealed. A statement by the parties involved in the revised memorandum of agreement was released following the week of talks held in Kokopo, East New Britain, last week. Other new benefits package include:

- K1 million community projects development funding from K92 Mine Inc;
- K100,000 funding for the Kainantu Women In Mining by the Eastern Highlands government;
- K1 million tender for maintenance of Konkua-Biliomoia Road; and,
- State to upgrade and seal road from Konkua to Bilimoia village.

The parties agreed in principle to various commitments in the revised agreement. Commitments include royalty distribution, special support grants, infrastructure development, business development and training and job opportunities. The parties included the Bilimoia Landowners Association, Associated Landowners Association, State, K92 Mining Inc and the Eastern Highlands government. The Bilimoia association executives were absent because of a pending court matter. But representatives of 10 clans attended the meeting. The revised agreement will go through various government vetting processes including approvals from various departments on State's commitments. It will be followed by legal clearance from the State Solicitor and approval by the National Executive Council.

Foundation challenging PNGSDP to reclaim funds

BY FRANK RAI, Post-Courier, July 20, 2020

The OK Tedi Fly River Development Foundation of Western Province has filed a Writ of Summons at the Singapore High Court last week to reclaim substantial development funds held by PNG Sustainable Development Program Limited in an offshore trust account. This is the second attempt undertaken to bring back more than USD\$1.5 billion parked offshore since 2012 after the PNG government's first attempt in 2014 at the same court was dismissed early this year. The Writs of Summons was filed last Monday, July 13, by Young and Williams Lawyers from Port Moresby on behalf of the affected people of North Fly, Middle Fly and South Fly districts. In a Statement of Claim, the affected communities are seeking declaration to bring back the funds to PNG and put it within the control of the OK Tedi Fly River Development Foundation, hence in the control by the affected people.

It also seeks for the affected communities to become beneficiaries and entitled to the long-term fund held by PNGSDP in Singapore. Meanwhile, the first attempt by the government of PNG in 2014 was for breach of agreements by PNGSDP, however, it was dismissed by the High Court early this year. The State further filed an appeal on the decision at the Singapore Court of Appeal which was also quashed, noting the objectives in the Memorandum of Association of PNGSDP defined the purpose of PNGSDP existence and cannot be disposed by the State. At a forum attended by thousands in Daru last Saturday, Greg Sheppard of Young and Williams Lawyers told those gathered that it was a significant proceeding to reclaim what belong to the people of Western Province and PNG. "The crux of the matter is for the purpose of litigation of the issue for the return of the Long-Term Fund under the control and the direction of the plaintiff. There a lot of applications made to the Singapore High Court and the basis of which the statements are made are contained in the Statement of Claim," Mr Sheppard told a crowd. He said the main issue sought in the proceeding was the

breach of its duties under the common law and under the laws of PNG to the affected communities of Fly River. “The proceedings are against OK Tedi Mining Limited, PNG Sustainable Development Program Limited, Mekere Morauta, Independent State of PNG and TMF Trustees Singapore Limited,” he added. Meanwhile, the Statement of Claim among, other things, included:

- A declaration that the mining company is liable in deceit to the affected communities;
- A declaration that the mining company is liable for breach of duties to the affected communities;
- A declaration that the program company (PNGSDP) is liable for breach of duties to the affected communities;
- A declaration that the affected communities are beneficially entitled to the shares and or income derived from the shares; and
- An order that the mining company accounts as constructive trustees for monies representing the value of the shares and all income derived from the shares that should have been applied for the benefit of the affected communities.

OK Tedi Fly River Development Foundation chairman Steven Bagari told the forum that this was a milestone undertaking to fight for the rights and benefits of the affected communities. “You can witness firsthand here on Daru Island, the provincial headquarters of Western Province. There is nothing here to show for. There is no water supply, sanitation, electricity, hospital and the road network is in unimaginable condition. Where are all those development monies? We will fight to claim what rightfully belongs to the affected communities,” Mr Bagari said. He also urged politicians to stay out of the fight and concentrate on serving the people through the government system.

Firm: We tried dialogue

July 20, 2020, The National

Barrick (Niugini) Ltd (BNL) says it had tried to ask the Government to have a special mining lease extension to benefit all Porgera mine stakeholders. “As the Prime Minister (James Marape) is well aware, Barrick and Zijin, the owners of BNL, tried consistently and in good faith to engage with him and his government for nearly a year to forge an SML extension agreement that would benefit all Porgera stakeholders,” it said in a statement. According to BNL, Marape in a meeting with Barrick chief executive officer Mark Bristow in June last year stated in a follow-up letter that PNG valued its partnership with BNL and invited the company to submit proposals for the SML extension adhering to the principal of a 50-50 sharing of economic benefits.

Porgera: Court grants miner order

July 20, 2020, The National

A COURT has ordered the Government not to take any further action on its decision not to extend the Porgera mine special mining lease pending a judicial review of that decision. The stay order was sought by the mine operator Barrick Niugini Ltd, which is seeking a judicial review of the government decision not to renew the special mining lease which had expired in August last year. Deputy Chief Justice Ambeng Kandakasi granted the stay order last Friday. BNL is arguing that it has the right to a renewal of the special mining lease. BNL’s lawyer Derek Wood of Ashurst Lawyers told the court that the company sought the stay so that it could remain on site to protect and secure assets, maintain the land to ensure the environment was in safe and stable condition, including security.

Solicitor-General Tauvasa Tanuvasa opposed the stay order saying the decision by the National Executive Council had already been gazetted by the Head of State and registered by the Registrar of Tenements. “The relief sought by BNL is unnecessary because the safety, care and maintenance of the mine site is already taken care of in Clause 19 of the mining development contract,” Tanuvasa said. “Clause 19 allows the Porgera Joint Venture access to the mine site for a one-year period following the (mining lease) expiry date. The State has not done anything to deprive the miner of such rights.” But Justice Kandakasi granted the stay after considering the status quo of the substantive review to avoid interference through further applications from parties involved in the matter. The review is schedule for July 28.

Official: Consider transparency mechanisms in projects deals

July 17, 2020, The National Business

TRANSPARENCY mechanisms must be considered in agreements for major projects such as Wafi-Golpu, says an official from the Extractive Industries Transparency Initiative (EITI). Head of national secretariat Lucas Alkan made the comment as the Government prepares for negotiations on the Wafi-Golpu project, Woodlark and Kainantu gold mines memorandum of agreement reviews. “In these project development process, transparency mechanisms must be considered and built into these project agreements and the reviews,” Alkan said. Alkan said the Government’s commitment to implementing EITI would not increase transparency overnight. But it will assist the government to manage the extractive sector in a more inclusive and transparent manner. He said highlighting transparency would also assist in minimising public speculations and distrust towards the Government.

“The EITI framework works to assist in bringing various sectors of the economy together and builds trust among them and creates a platform for these issues to be discussed so that solutions could be found together for better management of the sector,” he said. “Now that Papua New Guinea is an EITI implementing country, the Government should not lose traction on EITI implementation. “It stands to gain from implementing extractive industries transparency initiative because of the potential governance gains associated with it.” Alkan said PNG still had a lot of work to do on citizen engagement. “According to the World Bank’s World Governance Index 2018 edition, PNG scored very low on the voice-and-accountability indicator which indicates weak performance,” he said. “As an EITI implementing country, mining and petroleum impacted communities and civil societies have a platform to access information and constructively engage with companies and the government on resource governance issues.”

Govt doing everything to reopen Porgera mine: Marape

July 17, 2020, The National

PRIME Minister James Marape has assured the country that the Government is doing everything within its mandate to reopen the Porgera gold mine. He was responding to a statement from his predecessor Peter O’Neill on Wednesday accusing him of dragging his feet on resolving the closure of the mine with the operator Barrick Niugini Ltd. Marape said he was not going to follow the footsteps of O’Neill “who does not respect legitimate government processes and concedes to foreign interests, like his giveaway of 10 per cent in State equity for the Wafi-Golpu project” by a memorandum of agreement. “I choose to differ. Every opportunity to gain for country, our provinces and landowners, we must gain,” Marape said. Marape said the Government remained clear and resolute on what to do on Porgera.

“It’s not nationalisation or expropriation as some may think or promote. “Companies and mining lease holders in Porgera had unbroken and profitable years since 1989 when the lease was issued,” Marape said. “The lease expired on August 16, 2019 and the Government is duty bound to honour our Constitution’s desire to harvest resources at better terms for our country, including our landowners.” He said Barrick’s decision to take the matter to court had delayed the re-opening of the mine. “Government has indicated to Barrick Ltd that they will be given first consideration for partnership, but under new terms,” he said. “But first, the resource will be defined as belonging to the people – landowners, the provincial government and the country. “If they (Barrick) withdraw the court cases, we can talk commercial with them. We are not idiots running this government. We can read numbers and laws. “The time when industries had lopsided wins is over. It’s now a You win – PNG win equity-based principle.”

Firm to cut electricity to communities

July 17, 2020, The National

FREE electricity supplied by Barrick Niugini Limited to communities in Porgera will be reduced from today, the miner says. The operator of the Porgera gold mine said the measure was due to necessary cost reductions at the mine forced by the lack of revenue. “Local electricity supplied to Paiam and surrounding Porgera communities, which is currently provided free of charge by the Porgera mine, will be reduced during the current care and maintenance period,” a company statement said. From today, electricity supply to Porgera communities will be from 6pm to 6am daily. The company said it regretted the decision but it had no other option “in light of the Government decision not to extend the Porgera Special Mining Lease which forced the suspension of operations and the consequent loss of operating revenue for the company”. The company is challenging the Government decision in court.

Govt yet to transfer BCL shares

By SHIRLEY MAULUDU, July 16, 2020 The National Business

THE Government’s shares in the Bougainville Copper Ltd (BCL) is yet to be transferred to the Bougainville Mineral Ltd (BML), according to the Kumul Minerals Holdings Ltd (KMHL). Prime Minister James Marape said, during the Joint Supervisory Body (JSB) meeting in March, that the Government would give all its shares to the BML. BML would manage the shares on behalf of the Autonomous Bougainville Government (ABG) and Panguna landowners. KMHL chairman and acting managing director Peter Graham confirmed yesterday “that neither parcel of shares (KMHL 17.4 per cent and Treasury 19 per cent) has been transferred pending clarification of process”. Marape and ABG President John Momis agreed to the transfer of shares at the JSB meeting in Port Moresby in March. The Government owns 36.4 per cent of the BCL shares since 1975. In 2017, the National Executive Council decided to transfer 17.4 per cent of its shares to the landowners of Panguna. Last December, the Government decided to transfer the remaining 19 per cent of its shares to the ABG. The JSB directed the Treasury Department and KMHL to effect the immediate transfer of the 36.4 per cent shares. According to information on the BCL website, the company is an independently-managed PNG company listed on the Australian Securities Exchange. Its main objective is to work towards resuming active exploration and sustainable copper, gold and silver mining at Panguna, Central Bougainville. Mining ceased in 1989.

State team negotiating with Twinza Oil on project

July 15, 2020, The National Business



NEGOTIATIONS have begun between the state negotiating team (SNT) and Twinza Oil Ltd on the Pasca A gas project in Gulf. Project operator Twinza said the talks were on the fiscal terms that would apply to the development of the gas-condensate field in the Gulf of Papua. The SNT members are picked from various state agencies. Twinza PNG country manager Roppe Uyassi said: “The company is committed to working collaboratively with the Government to deliver an agreement that allows the project to move forward toward development, while providing a higher state take than previous projects. “Once the Pasca A gas agreement and the petroleum development license are in place, the project is well positioned to enter the front-end-engineering and design phase later this year.” Twinza is also looking forward to addressing with the SNT important non-fiscal opportunities, including domestic market commitment, third-party access to facilities and national content.

These matters are differentiated from land-based projects as Pasca A field is planned to be the first offshore development in PNG. According to the company, Pasca A is being promoted as an infrastructure hub, whereby existing and new discoveries can use spare capacity at the installed facilities to lower their costs. Several offshore fields, including Pandora, can be regarded as commercial if they are aggregated through Pasca infrastructure. Such aggregation of fields can provide a steady stream of investment, jobs and liquefied petroleum gas for the domestic market. Twinza’s technical lead in the discussions with the SNT, Erick Kowa, said: “There is a real opportunity for the parties to set the Gulf of Papua up for success through creating a framework for the co-operative development of currently stranded fields. “Such an arrangement can provide fiscal certainty for industry players to invest in development and exploration with the confidence that resources can be commercialised.”

LNG: Settle issues outside court: Mano

July 15, 2020, The National Business

LANDOWNERS along the PNG LNG project impact sites should learn to settle their issues outside of court to enjoy the benefits of the project, says Mineral Resources Development Company (MRDC) managing director Augustine Mano. Mano said the MRDC had so far paid around K21 million to the pipeline landowners in segments six, three and two. “It’s almost seven years since the first gas flow and we should start following the example of plant site landowners by resolving all

our issues internally rather than going to the courts so we can enjoy the benefits,” he said. “We have, so far, paid K21 million for the pipeline landowners only. “Only segments six, three and two are still outstanding. “That’s for equity up to 2014 to 2016 and royalty up to 2018. “The balance of the funds is for such community impact projects and investments in future generations. “For the Greenfields such as Hides, Hides Four, Angora and Juha, no payments have been made because clan vetting is not completed due to landowner disputes that have ended up in court.” A total of K7.5 million had been spent on four impact villages in Central since 2018 for infrastructure projects through the landowners’ infrastructure trust fund. It is estimated that K11.2 million will be spent this year and next year.

Leonard seeks rescue package for Misima mine

BY FRANK RAI, Post-Courier, July 14, 2020

A National Executive Council submission is being prepared to seek the Government’s approval for a rescue package for the Misima gold mine in the Samarai-Murua district of Milne Bay province. This is because the National Government had failed to provide a mine closure plan for Misima Island when the developer ceased mining operations and left. Samarai Murua MP, Isi Henry Leonard, told the Post-Courier last week that the submission was being prepared by the Mineral Resource Authority and would be presented before the NEC by Mining Minister Johnson Tuke. Mr Isi said the Misima mine was rushed into operation by the National Government when the Bougainville crisis hit the country’s economy in the late 1980s and early 1990s. He said the government’s source of revenue from the Bougainville Copper mine came to a stop during the crisis and it had no choice but to rush the Misima mine into operation. The MP said Misima mine was needed to complement the Porgera and OK Tedi mines during that time.

“Misima mine is a colonial mine but was rushed to operate during the Bougainville crisis,” Mr Leonard said. “There was no mine closure plan or an appropriate memorandum of agreement (MoA) established for the mine before it started operations. “However, mining started and lasted for more than 10-years and later shut down. “There is nothing tangible to show that there was a world-class mine on the island. “Therefore, I have approached MRA and the minister for mining to provide a rescue package for Misima island and both have stepped in to put together a NEC submission.” He said the Misima rescue package would cater for improving the road network system on the island, including an upgrade to the airport, wharf, water supply, health and education, maintain law and order and the installing of communication networks. Mr Leonard said Misima mine was expected to resume operations next year, however essential services should be in place to complement the mine. He said that mine closure plans were important for all mining areas around the country.

Landowners want issues addressed

July 14, 2020, The National Business

LANDOWNERS of the Hidden Valley mine in Bulolo, Morobe, say they do not want an extension of a mining lease in their area until issues surrounding an agreement between them and the state are resolved. Nakuwi Landowners Association chairman Rex Mauri said they would oppose the extension of ML 151 and related tenements. The association which represents the people of Nauti, Kwembu and Winima made their intentions known last Tuesday after this paper ran a story on Morobe Consolidated Goldfields Ltd (MCG) lodging an application with the Mineral Resources Authority to extend the term of the mining lease for a further five years beyond its expiry date in March 2025. Mauri said landowners were frustrated because the government had yet to review and sign a 2014 memorandum of agreement. “The MOA has not been reviewed with discussions taking

place in 2014 in Lae and it was put forward ready for signing then but did not eventuate.

“And for six years the government has been holding onto the document. “How long will we wait?” Mauri said the MOA was to be reviewed in 2012 and reviewed every two years after that but this has not happened. He said as the company now applied for an extension of their mining lease, the association could not support this as the MOA had not been signed. Mauri said the MOA would ensure landowners received the agreed benefits. He stressed that the association had no issue with the developer. Mauri said the issue was with the government which had not reviewed the MOA. He warned that the association would take the matter to court to stop the granting of the extension to MCG. Mauri said other major projects in the area such as Wafi would be affected if their matter was not resolved. Meanwhile, attempts to get comments from MRA were unsuccessful.

New Caledonia's SLN fears insolvency

New Caledonia's largest private sector employer, the SLN nickel company, has warned that it risks running out of money by the end of the year. Radio New Zealand, 13 July 2020



SLN smelter in Noumea New Caledonia Photo: RNZ Walter Zweifel



The SLN plant in Noumea. Photo: RNZ / Johnny Blades

SLN keeps incurring losses and is on track to use up the remainder of a \$US600 million loan given to it in 2016 by the French state and its parent company Eramet. Its CEO Colin McGibbon said last year alone SLN suffered a \$US90 million loss. The company said it needed a capital injection from its minority stakeholders as the majority stakeholder Eramet would not give any more advances. It appealed to the three New Caledonian provinces which jointly own about a third of SLN. McGibbon said after improving export returns earlier this year the Covid-19 pandemic complicated matters. He said to help SLN survive, electricity costs needed to be lowered and a permit to be issued to allow SLN to export two million tonnes of nickel ore.

Decision non-justiciable

[July 13, 2020 The National National](#)



The Porgera mine in Enga. The government has not renewed the miner's special mining lease. – Picture supplied

DEPUTY Chief Justice Ambeng Kandakasi, on Friday ruled that the State's decision not to renew Barrick Niugini Ltd's (BNL) special mining lease (SML) to operate the Porgera gold mine, was non-justiciable. Justice Kandakasi made the ruling when he dismissed an application for discovery filed by BNL, seeking documents which the State had used in refusal of its SML after he found that the court could not give further exception as the State's decision was non-justiciable (not capable of being decided by legal principles or by a court of justice). Kandakasi found that there was no provision which the judicial arm of government could use to order the disclosure of the documents which BNL had sought to discover, as he was cautious of the separation of powers between the judiciary and legislature.

The application for discovery was filed by way of motion by BNL, requesting disclosure of all documents which the State had used in its decision of refusal for SML, which includes draft copies of the National Executive Council's meeting minutes and its decision. BNL lawyer Derek Wood argued that the documents which the miner had sought to be assisted with for its review over State's decision were not privileged and confidential in nature. Kandakasi, however, upheld submissions from NEC's lawyer and solicitor-general Tauvasa Tanuvasa arguing that the State's decision was confidential and protected as it was non-justiciable, according to s.86 (4) of the Constitution. Tanuvasa argued that the State was entitled to make a decision which it did after the miner's SML expired and it (State) had no obligation to give reasons for its decision.

The court ruled that there was an exception for BNL to apply for discovery of documents under s.163 of the Mining Act as this provision was critical in confidential communications between the miner and the State, however, Kandakasi found that BNL failed to make out a case under the exceptions of the Mining Act. "I am most reluctant to cross over to the legislative arena to create further

exception for Section 163 of the Mining Act as BNL had failed to make out a case,” he said. BNL, after the renewal of its SML was refused by the State in March, applied in the National Court which leave had been granted to review the State’s decision. BNL is seeking to review the decision by NEC and the Head of State, it claimed that the decision was sudden and its application for renewal was lodged two years earlier. The matter returns today with hearing of further applications filed by parties.

Industry to see changes

By GYNNIE KERO, July 13, 2020, The National

THE Government has some new initiatives for the mineral industry as it meets to discuss and review Kainantu gold mine’s memorandum of agreement (MoA) in East New Britain this week, according to Mineral Resources Authority (MRA). MRA managing director Jerry Garry said the State had plans to change the way it did business. One of which he highlighted yesterday was to establish a growth centre for rural communities to rely on for sustainability after a mine ceased operations. “A new initiative is try to build a growth centre of some nature for community to rely upon beyond a mine’s closure rather than the current efforts which are very much isolated,” Garry said. “That is like building one clinic here and another school over there. “We cannot establish development projects or infrastructures apart from each other.” “But that’s what we (state) are thinking and will throw it on the table as we discuss in Kokopo this week,” he said.

Garry also said the Government wanted miners to take full responsibility of its social obligations. “The Government has been putting so much money in maintaining social licences, we want companies to take on board. “The idea has been passed to our development partners. “We want them to take full responsibility other than state using the tax credit scheme in building infrastructure. We want to change the way we do business,” he said. Garry further noted that this would be the first time the MoA of the Kainantu mine in Eastern Highlands would be reviewed. Normally, project MoA’s were reviewed every four years. Garry also said the mine’s operator, K92 Mining, would also participate in this review. The K92 Mining owns and operates the Kainantu gold mine – a high-grade, low cost underground mine in Eastern Highlands. Chief executive John Lewins said the mine had performed well in the first quarter of this year. “We are very pleased with Kainantu’s significant ramp-up momentum for the stage 2 expansion in Q1 (quarter one), including first production from long hole stopping areas,” Lewins said.

Morobe wants concern addressed

July 10, 2020, The National Business

THE Morobe government wants the Wafi-Golpu gold project to go ahead but the Government should first adequately address environmental concerns before the project is given approval to operate. Governor Ginson Saonu told Conservation Environment Protection Authority (Cepa) officials this week in Lae that his people were concerned about potential environmental impacts of the project’s proposed deep-sea tailings placement (DSTP). Saonu asked if Cepa could source additional expertise from around the world to assist with environmental assessments of potential impacts, if any, of the DSTP system. Cepa managing director Gunther Joku said the environmental impact statement (EIS) submitted by Wafi-Golpu project had gone through comprehensive peer reviews and assessments both from internal and external experts in relevant scientific fields. “The peer review looked at the terrestrial (land) and marine (sea) issues, pipeline and specific review of the DSTP,” he said.

Joku said the Ceba had to ensure that external organisations selected to conduct peer reviews for submissions such as that of Wafi-Golpu's DSTP system, were credible and had experience of working in tropical climates such as PNG. This, he said, was because PNG's natural environment such as water and sea behaved differently to that of other climatic regions of the world. In addition, Ceba engaged national experts from the University of PNG and University of Technology to do peer reviews of Wafi-Golpu's EIS document. The experts looked at marine, biodiversity and other critical areas of the biophysical and biological marine and terrestrial environments. The Ceba officials were in Morobe this week to conduct environmental awareness and consultations relating to the DSTP system that had been proposed by the Wafi-Golpu project. The consultations are a requirement under Environment Act as it would form part of the basis for assessment of the company's environment permit. Landowners and impacted community members attended the awareness throughout the week.

Villagers at Ok Tedi mine area receive K7mil in dividends

July 8, 2020, The National Business

VILLAGERS living in the Ok Tedi mine area in Western received K7.2 million in dividends from the Mineral Resources Star Mountains Ltd (MRSML) last Wednesday. Mineral Resources Development Company (MRDC) said the dividends were derived from the 2019 profits as the 9 per cent equity holdings in the mine. Their money is being held in trust by the MRDC through the MRSML. Ok Tedi recorded a profit of K18 million last year. MRDC managing director Augustine Mano told village leaders that they would be paid 40 per cent while 60 per cent was put into the trust for investments. "This payment distributions are now based on the benefit split agreement you signed in Alotau," he said. Western Governor Toboi Yoto urged the villages to use funds wisely and prudently.

"I know MRSML has made investments, but these are for all the villages," he said. "You must invest in your future, your kids' future so when the mine is gone, you have invested in something you can benefit from later." Yoto thanked the landowners for supporting the mine operations. The MRSML represents 10 villages surrounding the mine, six of which are in the special mining lease area, and four are within the lease for mining purposes area. The six villages – Migalsim, Finalbin, Bullem, Wangbin, Atemkit, and Kavorabipm – received K1.05 million each. The four villages – Kumkit, Ankit, Ok Tedi Tau and Nioksikwi – received K167,000 each. The board allocated K500,000 for the Covid-19 food relief for the 10 villages.

Chaos at PNG's Porgera gold mine

The open-pit mine has been idle since late April when the government [refused to renew](#) the mining lease held by Canadian firm Barrick Gold.

Radio New Zealand, 8 July 2020

Thought to be a step towards nationalising the Porgera operation, the decision not to renew is being challenged in court. The miner has warned it will cut more than [2500 jobs](#) by the end of July if it does not resume mining. Meanwhile, Porgera police station commander Jack Kimala told [The National](#) people were breaking into the mine site and stealing whatever they could. Despite reports that PNG Defence Force [soldiers](#) had been sent to secure the mine, Mr Kimala said the thieves, who used to steal pay-dirt when the mine was running, were now breaking into the mine's offices. The mine's future needed to be resolved soon before the situation was beyond his control, Mr Kimala said.

Barker: PNG needs genuine investors

By DALE LUMA, July 7, 2020, The National

THE country must recognise that it needs to be competitive in attracting genuine investment, says Institute of National Affairs executive director Paul Barker. He told The National that “too often by imposing too many formal restrictions, the country frightens off genuine investors”. “This has opened the door instead to the fly-by-night or corrupt operators,” he said. He said corrupt operators came in through the back door and then failed to contribute adequately to the economy, employment, revenue and standards. He said in many cases, they seriously exploited PNG’s resources, providing inadequate and unsustainable local benefits. “Rules have to be consistent and applied transparently for all-comers. And the genuine investors, whether in agricultural production, downstream processing and value adding or services, must be (provided) a fair, consistent and level playing field,” he said. “Businesses aim to be able to make a profit.

“That’s legitimate. And if it is apparent that the costs will be excessive or the risks too high, then clearly neither locally-owned nor overseas businesses will invest. “The mantra should be to generate sustainable economic activity and meaningful employment, while safeguarding the natural environment and making a reasonable mandated contribution to the State, for it to perform its essential functions.” He said if the business sector was hindered by red tape, restriction and unrealistic or rigid fees, no genuine and diverse investment would be attracted. “Then the economy won’t develop, employment won’t be generated and the State and the country will miss out on revenue and services,” he said. “Generating opportunities for Papua New Guineans, whether as employees, entrepreneurs, scientists or in various services should be the objective, rather than taking back what is already operated by someone else and failing stimulate increased opportunities and revenue.”

Ramu mine Landowner chairmen sign K1.2 million program

Post-Courier, July 7, 2020

Three landowner association (LOA) chairmen in the Ramu mine project in Madang Province on Wednesday, July 1, 2020 have signed instruments for the Community Development Fund (CDF) policy for the implementation of over K1.2 million. Three LOA chairmen Eddie Utu of Kurumbukari LOA, Jacob Winis of Inland Pipeline LOA and Steven Saud of Coastal Pipeline LOA signed the CDF agreement in Madang in the presence of Ramu NiCo (MCC) Community Affairs Department general manager, Martin Paining and his senior management team. The signing of the CDF paves way for each of the LOAs to implement K300,000 per year within the four impacted project areas. Inland Pipeline LOA chairman, Mr Winis said the signing signifies the importance of company’s support to help the LOA to benefit from the project. According to Paining the K1.2 million is allocated by the company to the four LOA groups annually as community development fund as per the Clause 13 of the Revised Compensation Agreement (2019).

The beneficiaries of the fund is the customary landowners and residents of the project tenement areas in Kurumbukari, Inland Pipeline (Maigari), Coastal Pipeline and Basamuk. Mr Paining clarified that the fund is established to support community development initiatives within the immediate project impacted communities. It is a discretionary fund aimed at engaging landowners’ participation and involvement in community projects using a flexible demand-driven funding mechanism that provides financial support for development projects in health, education, technical training, water supply and sanitation (WASH), agriculture and livestock production, law and order, customary obligations and gender advocacy. Meanwhile, the Basamuk LOA’s part of the CDF funds would be delayed until further notice from the Mineral Resources Authority (MRA).

Team conducting mine awareness

July 7, 2020, The National Business

A STATE team led by the Conservation Environment Protection Authority (Cepa) is in Morobe to conduct awareness and get stakeholders' views on the proposed Wafi-Golpu mine deep sea tailings placement (DSTP) system. Cepa, with the support of Mineral Resources Authority (MRA), started its awareness and consultations yesterday with the Morobe government executive council. "The awareness on DSTP is aimed at educating landowners and impacted communities along the route of the pipeline, on what the DSTP system is, how it works and how the Cepa will monitor the operation of the system if installed," MRA said in a statement. "The views of stakeholders, including landowners, impacted communities and the provincial government, will be recorded and will form part of the basis for assessment of the developer's application for an environmental permit."

Council members who attended the consultation included Governor Ginson Saonu, Ahi local level government president Malcolm Kalo, Wampar LLG president Boaras Giuka and Sialum LLG president Bobby Robby. The Government team was led by Minister for Environment Wera Mori, Cepa managing director Gunther Joku. Saonu said while his government and people wanted the mine to operate, Cepa and the Government must continue to explore and source more expertise from around the world to give assurance to his people. The team is expected to visit villages along the proposed pipeline route including Wagang, Salamaua, Labu and Labuta. The awareness is a prerequisite (under the Environment Act). Following the awareness and consultation, the environment council will consider the environment impact statement, independent expert peer reviews and other submissions from stakeholders, and recommend to the minister for environment, to issue an approval-in-principle.

Concern over Porgera mine

By STAFF REPORTERS, July 7, 2020, The National

POLICE are requesting the Government to quickly resolve issues with the Porgera mine and landowners, as an escalating breakdown in law and order will lead to more criminal activities at the mine site. People's National Congress Party leader and former prime minister Peter O'Neill has also raised concern over the closure of the mine, after the Government refused to renew the special mining lease in April. Mine operator Barrick Niugini Limited has been granted leave to challenge the Government's decision in court. Porgera police station commander Senior Sergeant Jack Kimala said people were breaking into the mine site and stealing whatever they wished to steal. He told The National yesterday that he doubted that the situation would remain peaceful for long. "We are managing but the issue with the mine has to be settled quickly before everything goes beyond our control," he said.

"People used to collect leftovers of what is mined during the operations. But now that it is closed, they are breaking into the company's premises and getting office equipment and other items." The Government recently sent 100 soldiers and resources to Porgera to help police. O'Neill said the lives of workers, contractors and landowners in Porgera had been "ruined by the government's attempt to nationalise a mine". "The people of Porgera, Enga and the nation are losing around K100 million each month because of (Prime Minister James) Marape's miscalculated decision," O'Neill said. "While more than 2,600 PNG staff are losing their jobs, Marape, perhaps gripped by guilt over what he has done to them, went on Facebook and said the government has them covered if Barrick does not pay. "As a global company listed on the Toronto and New York Stock Exchanges, there is no doubt that Barrick will adhere to the law and meet retrenchment payouts."

No comment could be obtained from the Government yesterday but it said last month it wanted to advance the Wafi-Golpu (in Morobe) and Porgera projects, as well as other major resource developments before the third quarter of this year. Marape assured provincial governments and landowners in the resource areas that the Government “will give you a fairer share within what the State secures from negotiations with developers”. O’Neil said there was no plan by Marape “to replace the wages of workers, no plan to replace contracts for small businesses, and no plan to provide money for schools and healthcare that was funded by the Porgera mine for the people”. “Marape thought he was being smart by announcing he would not renew the Porgera lease, but because of his lack of foresight, he has now ruined the lives of thousands of people who have now lost their jobs and lost small businesses.”

O’Neill questions govt plan for Porgera

Post-Courier, July 6, 2020

PEOPLE’S National Congress Party leader, Peter O’Neill has taken serious issue with what he describes as “false hope” comments by Prime Minister James Marape. Mr O’Neill said the lives of the workers, contractors and landowners of Porgera “have been ruined” by the government’s decision to nationalise the mine. In a statement the former prime minister said Mr Marape’s “miscalculated decision” is costing the State, Enga Province and the people of Porgera around K100 million each month. “While more than 2600 PNG staff are losing their jobs, Marape, perhaps gripped by guilt over what he has done to them, went on Facebook and said the government has them covered if Barrick does not pay,” said Mr O’Neill. He was referring to Mr Marape’s post on his Facebook account on Tuesday saying: “Porgera workers, contractors and landowners your government and country have you covered, hang in there if Barrick does not pay you.”

In the same post Mr Marape said “short-term pain, long-term gain”. However, Mr O’Neill said: “As a global company listed on the Toronto and New York Stock Exchanges, there is no doubt that Barrick will adhere to the law and meet retrenchment payouts. “So this is nonsense about the government having them covered, because there is no plan to replace the wages of workers, no plan to replace contracts for small businesses, and no plan to provide money for schools and healthcare that was funded by the mine for the people. “The failure of the government to complete a single successful negotiation with the global investment community comes down to inexperience and incompetence. “The management of government and the national economy is serious, it is not something to play around with through empty sermons and sweet talk on Facebook, because this only leads to more of the pain our country is experiencing right now because of bad decisions.”

Mine closure affects farmers

Post-Courier, July 6, 2020

More than 1700 women farmers who sub-contracted through the Porgera Women in Business (WiB) main contractor supplying vegetables to mine catering company, Ipi Porgera Investment (iPi), now have their vegetable plots rotting with nowhere to sell their produce and earn an income. Porgera WiB president, Elizabeth Iarume, said the women farmers have not been able to sell their produce for the last ten weeks to iPi Catering amounting to a loss of more than K330,000 in earnings. She said the women have a schedule of vegetable deliveries to the iPi kitchen twice a week of up to 150 bags per load with per delivery earning K16,500. On average, each woman farmer earns roughly between K800 – K1500 monthly to sustain them for a month or so until their next delivery. Now with the reduced food service on the mine, Mrs Iarume said there is less demand for vegetable quantities and the farmers are suffering.

Since the suspension of mine operations in April, iPi has reduced its overall vegetable order intake to meet the reduced requirements in catering services by the mine. iPi Catering general manager, Peter Long, said the reductions to food services across the mine site has been significant amounting to only about 20 per cent of what iPi Catering was delivering in meal numbers. Affected farmer, Ruth Kutato from Mungulep shed tears contemplating the uncertainties of the future and the impacts of not being able to sell her vegetable production. “My home is a disaster. When I look down towards the lower valley, I see houses being burnt, children suffering, villages and gardens being destroyed by tribal fighting. When I look up towards the mine site, I see the ‘smoke’ no longer rising. I realised then that I was only able to sustain my livelihood when the mine was operating,” Ms Kutato expressed. The harsh realities brought on by the mine situation are just as challenging for Laswan Kulaya, a widow and mother of four from Porgera station.

She said her lettuce, cabbage, broccoli and a few other crops are now left to rot in the vegetable plots as she is unable to sell them all. “I am a widow. The little that I earn from my farm has helped me to pay for school fees and lunch for my children and assisted in medical fees. But my family and I are now struggling because the mine has stopped operations,” she said. Her attempts to even sell at the local markets have not been favourable as she says, there is a real cash flow problem that people are just not buying. Mrs Iarume said the government must intervene and support the women at this time as the people are struggling and suffering. “Should the State or should another company take over the mine, or should BNL resume operation but that is a situation that we do not have control over. But right now the people are suffering. During this period, the government must assist us in the same way it provides relief to people impacted by natural disasters in the country”, Mrs Iarume expressed. iPi and WiB officially entered into contract as business partners in 2016, for WiB to supply locally grown vegetables to iPi Catering. iPi Catering is proud to support the WiB.

Porgera Mine starts redundancy

July 6, 2020, The National

THE redundancy of about 2,700 employees of the Porgera gold mine began last week, according to Porgera Joint Venture (PJV). The miner said, in a statement, that it had accorded its employees the opportunity to return to the mine site one last time for the clearance of their personal effects from the camps and to have their redundancy documents processed. “As of Wednesday, July 1, the PJV human resource group began the redundancy exercise processing both fly-in-fly-out (Fifo) employees and local mine award employees,” PJV said in the statement. PJV said about 500 staff and 300 award employees would remain employed at this stage to assist in providing the required care and maintenance activity, the majority being asset protection officers (APD) and local guards. PJV said the redundancy exercise would take the company until the end of the month to complete. Gibson Manape, a diamond driller with the open pit crew for 12 years, was with the first group of award mine employees to be processed by the PJV HR team on Wednesday.

Manape said the Government needed to practice some leniency on the tax component of the redundancy entitlements for the affected mine workers as it took out a large portion of their earnings. “My father has worked here and paid taxes and so have I and now even on my redundancy, I still have to pay taxes,” he said. “My redundancy is the Government’s doing and so I appeal to the Government to do something about reducing tax for now the jobless mine employees. “I could use that tax money to improve my livelihood, build a house or buy a truck instead I keep giving to the government. “The hardship is going to be real and I ask for the government to show some compassion at this time.” Long-serving open pit operator Dika Akoya, who served the operation for 25 years, said he was thankful to PJV for providing him employment over the years, but he was departing a confused man.

“I don’t know what I will do now,” he admitted. “I have a family to feed and school fees to pay. “The Government is taking a lot in taxes and I am not happy. “The country and government have benefited from Porgera mine for so many years and I should be allowed to take home my final entitlements without paying high taxes.” PJV said June 26 marked the last payroll for mine employees made redundant. It said final entitlement payments were expected to be completed on July 27. The company is extending existing medical and life insurance coverage for those employees who have been made redundant for a three-month period post redundancy. In officially announcing the redundancy on June 24, executive managing director Tony Esplin thanked all employees for their loyalty, professionalism and contributions to the success of the Porgera gold mine over the past 30 years and particularly for the resilience and support for one another over the past year.

Company seeking extension of mining lease

July 1, 2020, The National Business

HARMONY Gold says Morobe Consolidated Goldfields Ltd (MCG) recently lodged an application with the Mineral Resources Authority to extend the term of Hidden Valley’s mining lease for a further five years beyond its present expiry date in March 2025. Harmony, in a statement, said a critical element of the application was the support of key stakeholders of the mine for continuation over the extended life of the mine of all present arrangements. If the application is granted, MCG will finalise a detailed feasibility study to enable a final investment decision to be made by the Harmony board. If supported by the board, the Hidden Valley extension project would require a significant, time-critical capital investment commencing in 2021, well before the current mining lease expiry.

Landowners key people: Saonu

July 1, 2020, The National

LANDOWNERS of major impact projects in Morobe should not be used as toilet paper, second class citizens or have their land snatched in the name of development, says Morobe Governor Ginson Saonu. “They must be respected at all costs and the nine MPs in Morobe should represent them well to make sure the government and developers listen to their voices so that there is respect among all parties,” Saonu said. He made the statement during a consultative presentation of project updates and the special mining lease permitting process of Wafi-Golpu project in Lae yesterday. “Billions of kina have been taken out of Morobe through mining activities since the 1920s, leaving many landowners with nothing and underdeveloped. That should not happen again for Wafi-Golpu mining project,” Saonu said. He said Morobe was the economic hub of PNG and should be compensated in terms of developments.