

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

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

PNG Authorities Concerned By Illegal Miners At Porgera

Hundreds allegedly entered unsafe, active mining areas

By Philip Kepson

PORT MORESBY, Papua New Guinea (The National, Dec. 31, 2013) – More than 1,000 illegal miners have reportedly entered the Porgera gold mine site over the past couple of weeks, causing serious concern for Barrick and Papua New Guinea government authorities on the future of the multi-million kina gold project. Barrick management executives and Mineral Resources Authority (MRA) said after a joint visit to the SML (special mining lease) area last Friday, the problem with the illegal miners had reached a catastrophic level and parties involved in the project needed to address the issue urgently. MRA coordinator of PJV (Porgera Joint Venture) and Mt Kare exploration project Joe Kak Ryangao said after seeing hundreds of people (illegal miners) flooding into the SML area, including the open pit, stock pile sites and other sensitive company facilities, that he would put together a report for the parties to meet soon to come up with ways to address the problem.

Ryangao said the only area the illegal miners had not gone into yet was the underground tunnel which had an electronic entry system. "I could not believe that hundreds of people were everywhere in the SML area, mainly in the open pit and stock piling sites. These areas are dangerous and restricted to specialist workers only," he said. Ryangao said the presence of unauthorised people (illegal miners) in the operation areas became a serious concern as it disturbed the mining operation in a big way and posed high risks. He said one of the recommendations he would make for the parties, including Barrick, the landowners and national and Enga provincial governments to discuss, was the relocation of people living within the SML area.

"The illegal miners are from different parts of the Highlands region. They live within the SML area and cause these problems," he said. "They need to be relocated to cut down on the number of people causing problem to the mine operation." Barrick acting general manager Kevin Fish and open pit manager Craig Rintaul said more than 800 illegal miners entered the mine site daily in the last two weeks. They said special police personnel and security officers were outnumbered as they (the illegal miners) moved in big numbers, armed with any form of objects including bush knives, stones, iron bars and logs to attack anyone who tried to stop them. Company executives said they would not authorise security personnel to use excessive force to stop the people as they feared serious human rights implication. Three illegal miners died three weeks ago after they were reportedly chased into the cliffs by company security people while they were carrying out illegal mining inside the open pit area.

Fiji Bauxite Mine Employs 80 Local People

Bua Province said to benefit from XINFA operations

By Luke Rawalai

SUVA, Fiji (Fiji Times, Dec. 30, 2013) – The XINFA Bauxite Mining Company has employed about 80 people within the province of Bua since it began operations two years ago. Company executive director Sang Lei said many of workers were involved in driving, carpentry works, security and management. Mr Lei said majority of their workers were from villages in the Bua province and areas around Vanua Levu. "Since we began operations we had promised to provide employment to the people and we are employing as much workers we can take in," he said. "Work rates for our labourers are higher than other labour intensive employments. "Labourers who hail from outside the province are given a free stay within the company's facilities and are given free meals every day." Mr Lei said they paid out about \$1.2million in labour costs to their workers last year. "We believe that we are playing our part in contributing effectively to the growth of the economy in Nawailevu and the development of its people." Company assistant executive director Dereck Qiu said the company was involved in community projects in the Nawailevu area.

People now back seabed mining

The National, December 30th, 2013

THE lack of tangible development, especially along the west coast of New Ireland, has turned the tide in support for the Solwara 1 Seabed Mining Project. In a statement, local communities situated along more than 100-km of shoreline have declared their full support for Nautilus Minerals to proceed with the world's pioneering deep-sea mining operation. It is in direct about face to their initial rejection of the project. The change in stance was highlighted during a recent community awareness programme by the Department of Mineral Policy and Geo Ha-

zard Management in the area to highlight and educate impacted communities on amendments and progress of policy formulation to the Mining Act. Among those who attended were representatives of developer Nautilus Minerals, the provincial administration, local-level government representatives, NGOs and impacted communities. The meeting at Messi village saw representatives of the four communities of Messi, Kono, Konogogo and Ratugu in unanimous support of the project because of the lack of government services from the provincial headquarters in Kavieng.

2nd LNG: Landowners want talks with state

The National, December 27th, 2013

GULF resource owners want the national government to engage in positive dialogue with them to enable the second PNG LNG project to progress smoothly. “All this time we have been waiting and expecting the national government to our level through the land coordination unit of the Department of Petroleum and Energy to listen to us – the affected landowners,” Ihu District Umbrella Association public relations officer Aitari Huaupe said this week. “We have been silent since the discovery of the Elk and Antelope fields for the second LNG project by InterOil.” The fields are among the largest natural gas discoveries in Asia in the past two decades and early-stage “contingent” estimate has puts the amount of natural gas at 6.83 trillion cubic feet to 10.85 trillion cubic feet, according to InterOil. Huaupe said the concern was that “the government and the investor must identify the landowners of the well head”. He said there should be thorough studies done on migration history, genealogy, social mapping and landowner identification.

Association chairman George Hoiuru said he wanted the Government to engage in constructive discussions with the resource owners to settle the current development issues in Gulf. The association wanted direct engagement with all resource owners and the provincial government in investment decision-making. Hoiuru said they were unhappy with recent investment decisions that had been taken without involving the landowners. “There must be transparency and accountability in the decision-making process”, he said. “The people are supportive of the projects as they will create wealth and employment for the province and the nation.” But the authorities must first of all attend to the issues and concerns of the people whose lives will be affected by the LNG projects, he added. Earlier this month, France’s Total and InterOil agreed to a deal worth up to US\$3.6 billion (K9 billion) to the two fields. Total will buy a majority stake in the Elk and Antelope gas discoveries for an upfront payment of US\$613 million (K1.5 billion). Assuming the Papua New Guinean government and landowners exercise their rights to take a 22.5% interest in the project, Total will end up with 47% and InterOil 30%.

LNG: Pruaitch queries project

The National, December 27th, 2013

NATIONAL Alliance parliamentary leader Patrick Pruaitch expressed disappointment with the lack of development despite the allocation of K600 million for projects for landowners. Pruaitch was referring to the impacted villages hosting the main liquefied natural gas (LNG) in Kairuku-Hiri, Central. These villages include; Porebada, Boera, Papa and Lealea. He said having been on the LNG ministerial team, he was disappointed with the lack of development despite the allocation which was made by NA (former) government under seed capital programmes for impacted project for landowners. He said that at a campaign rally during the weekend at Porebada, outside Port Moresby. “The National Alliance designed the economic

benefits for the four impacted villages and still holds the blueprint for distribution in its party manifest," Pruaitch said. He said the LNG project had secured US\$16 billion (K40 billion) and it was a commitment no other government dared to undertake. Former prime minister Sir Michael Somare, who was present at the rally, spoke about how the ministerial team was tasked to secure a developer for the LNG project.

PNG politician slams Newcrest

Rowan Callick, The Australian, December 24, 2013

NEWCREST Mining is facing flak not only from its shareholders and from the price of gold slumping to a three-year low, but from political royalty in its main field of operations, Papua New Guinea. Julius Chan, the governor of New Ireland province -- where Newcrest, Australia's biggest goldminer, operates one of its largest mines, Lihir Gold -- has launched a surprisingly bitter attack on the company. At a press conference, he called on Newcrest to leave the province, accusing it of deceit, arrogance and incompetence. Sir Julius, a former prime minister and the father of Mining Minister Byron Chan, said he was "sick and tired" of hearing Newcrest say that the bottom has fallen out of the gold price. "All I can say is, Newcrest is in trouble not because of the gold price, it is because of the lack of management," he said. Sir Julius was especially critical of Newcrest's involvement in a scheme whereby resource companies receive PNG tax credits in return for providing agreed contributions to local infrastructure.

He said: "In 2011, Newcrest told us they would provide 157 million kina over five years for the tax credit scheme. Then, earlier this year, they told us there would have to be severe cuts in the scheme" -- which, he said, New Ireland's people had waited for 18 years to come on stream. Sir Julius said: "When I met with the top management of Newcrest shortly after their takeover of Lihir in late 2010, I asked: 'Have you done full due diligence on the purchase?' and 'Do you understand the failure of Lihir Gold to provide any benefits under the tax credit scheme for the past 15 years?' As prime minister, Sir Julius had described the Ok Tedi mine as PNG's "pot of gold". He now wants to review the mining regime to place landowners in the driving seat for approvals, and for receiving revenues.

A Newcrest spokesman said yesterday: "We are in discussions with Sir Julius, we meet with him on a regular basis, including on the tax credit scheme. Our position is that we are meeting our commitments under the scheme. And we have made significant contributions to the province and to Lihir" in recent years. He said Sir Julius was present at a ceremony a fortnight ago to mark the handing over of about \$1.8m for the upgrade of high schools in New Ireland, and that 11 other projects were under way in the first round of the tax credit scheme, as decided through a joint planning committee with the provincial government. Further projects would follow. Even though the mine is not required to pay tax this year, chiefly because of the fall in the gold price, the spokesman said "we are still committed to the tax credit scheme projects". He said it was "absolutely commendable" that Sir Julius was "trying to secure resources for his province . . . But he should also understand that our commitments are being made and met."

Ramu NiCo targets 70% design capacity in 2014

Post-Courier 24.12.2013

PAPUA New Guinea's only nickel/cobalt developer and exporter, Ramu NiCo Management (MCC) Ltd is committed to reach 70 per cent of design capacity next year, according to Board

Chairman and President, Mr Zhao Shimin. This follows the successful achievement of 50% design capacity target in October and November this year despite the depressed world nickel metal price and technical bottleneck currently faced by the company. "Our goals for 2014 are to add to the progress achieved in 2013 and reach 70 per cent of designed capacity while creating more benefits to our people and communities and reducing our impacts to environment. "As the board chairman I want to assure you that the company is committed to the long term success of the project, and that our Chinese and PNG stakeholders are standing firmly behind us," Mr Zhao said. However, Mr Zhao highlighted that the road to achieving the target design capacity is challenging with the drop in nickel market price from US\$ 17,000 to US\$14,000 per ton resulting in huge loss due to huge consumption and low production currently. He also acknowledged that his company also faces technical bottleneck in the current production, however, the management is confident to overcome them with the support from its partners and stakeholders.

Tight Security Limits Supplies To Grasberg Mine In Papua

Increased security in wake of shooting chokes land supply routes

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 23, 2013) – A contractor at the Grasberg copper and gold mine in Papua says a tense security situation is limiting the flow of supplies to mine workers. Earlier this month a bus carrying an Indonesian military commander and officers was fired upon by unidentified assailants near the mine in the Mimika regency of the Indonesian province. Pete Browne is part of a multi-national team installing large rockfall barriers around the mine's perimeter and he says there were several more shootings last week. "Pretty much they've stopped most traffic coming from the lowlands up to the mine. It's probably about a three-hour drive and that's where all the supplies come from so supplies are running low at the moment and they've pretty much reverted to just using the big passenger helicopters to move people around from the highlands to the lowlands," he said. Pete Browne says the security situation around the mine is at red alert.

Seabed Mining - Special Report

Researchandmarkets.com, December 2013

There was a flurry of interest in mining deepwater areas of the planet in the 1970s. Now, interest is returning as onshore resources run down and demand continues to grow. For the sector to move forward, though, a number of aspects – including technological, environmental, political and financial – will have to line up and there are some major hurdles in the first, early steps. This Seabed Mining Special Report includes interviews with a number of key players in the sector, providing a balanced perspective on the state of this fascinating business. There are strong precedents for the pursuit of metals and rare earths from the seabed, with diamonds and construction materials already being extracted from shallow waters. But miners are now moving into even deeper waters, of more than 4,000 metres. International waters are thought to hold some of the most attractive deposits but are controlled by the International Seabed Authority, which is still unclear about some of the finer details of regulating commercial production. As such, progress is being driven by deals signed with states. Environmental opposition is one of the major challenges facing.

http://www.researchandmarkets.com/research/vvkrp6/seabed_mining

Chairman: Verify mine landowners

The National, December 23rd, 2013

THE chairman of a landowner company at the Mt Kare gold mine in Enga says developer Summit Mining must verify the genuine landowner companies properly so that they can equally enjoy the benefits. Pes Watai, chairman of the Mt Kare Development Corporation, claims that many landowner companies have been formed and the developer must only recognise the genuine ones. Watai said Mt Kare had lasted for decades without any development taking place. He said so many companies had made their presence felt at the mining site but no development had taken place. "Some people who have been waiting for the mine to start operating have died," he said.

"Some companies fooled the landowners while others did not stick to their promises." He said Summit was the only developer which seemed to be moving on with the exploration programme and conducting feasibility studies. He said there were 6,000 landowners of Mt Kare and it was important that the landowner companies worked with the MKGDC. "I'm calling on Summit to realise that the landowners of Mt Kare have the umbrella company in place and that is MKGDC. This company will be the one that will negotiate all benefits for the landowners especially from the Enga side," Watai said. He claimed that MKGDC is recognised by the State and the Enga provincial government.

Tolukuma gold plant to resume operation

The National, December 23rd, 2013

TOLUKUMA Gold Mine Ltd (TGM), a subsidiary of Petromin, has re-commissioned its milling plant after two months of vigorous maintenance activities. Mills operation manager Dominic Walegere said the plant's upgrade and the refurbishment work carried out addressed the mill's reliability and production issues. Walegere said TGM engaged external consultant Sun Engineering from Australia to oversee the mill's re-commissioning. He pointed out that production was starting at ground zero. "This means that it is starting a new gold plant and the next three weeks or so the re-commissioning would re-establish the plant's operating conditions and optimisation of the operation," Walegere said. Improvements were also made to the gravity gold extraction circuit, where plant gold recovery was expected to increase. Chief executive Sam Inguba said TMG had invested in new equipment and hoped to see better results soon. He praised Sun Engineering, TGM general manager Sarimu Kanu, Walegere and his maintenance team for their effort to ensure the maintenance of the mill plant was successfully carried out and re-commissioned.

Sir Julius wants Newcrest to pack up and leave

Post-Courier 23.12.2013

By GRACE AUKA SALMANG

NEW Ireland Governor Sir Julius Chan is calling on the owner and operator of the giant Lihir gold mine to pack up and leave New Ireland. He said this during a press conference last Thursday, adding that the province was sick of the deceit, arrogance and incompetence the mining company has demonstrated since it took over Lihir. Sir Julius said he was upset that Newcrest was not keeping its word to fund the tax credit scheme to implement development projects in New Ireland Province. "In 2011, Newcrest told us they would provide K157 million over five years for the tax credit scheme. "Then earlier this year, they told us there would have to be severe cuts in the scheme," he said. Sir Julius said the people had waited for 18

years for the tax credit scheme to come on stream. "When I met with the top management of Newcrest shortly after their take over of Lihir in late 2010, I asked the following questions: Have you done full due diligence on the purchase? Do you understand the failure of Lihir gold to provide any benefits under the tax credit scheme for the past 15 years?"

He said the officers present assured him that the Tax Credit Scheme would be fully operational in a very short time and that Newcrest was fully committed to the scheme. Sir Julius said that supposed full commitment did not result in any implementation at all for two years, and then, "just as implementation was beginning, they tell us that the scheme has to be cut back". "This is pathetic, we are completely insulted at the way Newcrest has treated our Government and people. "We have made our position absolutely clear repeatedly, but the only response we have received is an offer well below what we were told would be available. "We told Newcrest that was not satisfactory, and unless they meet their commitment we would consider our relationship ended, we are now that point," Sir Julius said. Sir Julius said he was sick and tired of hearing Newcrest say that the bottom has fallen out of the gold price, so they cannot keep their commitments. "All I can say is, Newcrest is in trouble, not because of the gold price, it is because of the lack of management," he said. Newcrest has not been contacted by this newspaper for its comment.

Duma: Investment in oil, gas welcome

Post-Courier 20.12.2013

THE Papua New Guinea Government welcomes additional foreign investments in the growing oil and gas industry in the country says Minister for Petroleum and Energy William Duma. Mr Duma said this in the recent announcement of InterOil Corporation's decision in selecting France oil and gas company, Total SA as its development partner for the Elk-Antelope gas discoveries. Mr Duma said the agreement between InterOil and Total has been lodged with the department of petroleum and energy and is awaiting PNG government approval under the Oil and Gas Act. He said the government strongly supports the introduction of a new multinational oil and gas entry into the country with the development of Elk-Antelope and to confirm that PNG is well and truly open for new business.

"Strengthening competition of the LNG sector in this great resource rich country is high on our government's agenda", said Mr Duma. Minister Duma also stated that the Total transaction will be subject to the normal government approval process. He added that the approval process will be in the context of the 2009 InterOil LNG project agreement which will be terminated on December 31st by the state. He said that the PNG government does not expect further divestment of the operating interests in the Elk-Antelope project by either Total or InterOil. He added that InterOil is expected to have found an operator by now in order to progress in the anticipated development of the resources without further undue delay.

LNG: Hiwa clans steps forward

Post-Courier 20.12.2013

By JESSICA KOAE DWU Journalism student

THE Hiwa clan is now a step forward in establishing gas resources Hides PDL1, which will manage the royalty and equity benefits for the PDL1 landowners. This took place after Larry Andagali was elected unrestricted as Hiwa Block chairman by the nine Hiwa clan leaders recently during the clan vetting process- the first process in which proper clans ensure that all members who live in the respective petroleum development license are identified. The Process also ensures that all In-cooperative Land Groups (ILGs) are registered and also ensure

that all individual family members benefit from the Project established. The Hiwa block has been providing leadership for the gas to electricity project for the last 23 years and therefore the block was known for getting the 37 percent, which was classified as the highest percentage in the benefit share.

According to Mr Andagali, certain commitments made by the state during the Umbrella Benefit Sharing Agreement (UBSA) and License Based Sharing Agreement (LBBSA) were not honored. Therefore he will be taking lead in ensuring that those commitments made are fully honored before the first Gas in the second quarter of 2014. Mr Andagali also addressed the issue of reviewing the trust arrangements made under Mineral Resource Development Company so that strict guidelines are in place for people to be accountable in their work decisions and not doing bad investing decisions. He said an example of bad investing is the incomplete casino project in Boroko. He said the MRDC should be charged and should repay the funds to respective petroleum resources board for delivering false advice the people.

Landowners wants compensation of K26million

Post-Courier 20.12.2013

By *KONOPA KANA and MILKA AKANE*

THE Wim Landowners Association of Southern Highlands Province has been pursuing a K26 million environmental damage compensation claim with the Department of Petroleum and Energy (DPE) for 14 years. Chairman of the association Ken Andrews announced that he is the rightful endorser of any future prospection in the Petroleum Prospecting License (PPL) 199 to PPL 277 in the Poroma Local Level Government (LLG) in the Southern Highlands Province. According to chairman Mr Andrews the main outstanding compensation issues include general environment compensation issues which are currently having greater impacts on the local populations. Mr Andrews said the permanent dislocation of the village without proper settlement which resulted in 10-11 confirmed deaths and the contamination of the Nembi River which turned milky during the operation and as a result killed all marine life.

He said that the total claim payment of K26 million was lodged with the Department of Petroleum and Energy (DPE) but was left unattended for indefinite period now. This claim was submitted during the reign of former DPE Secretary Mr. Joseph Gabut and promised that the claim could have been made when the operator of Petroleum Prospecting License (PPL) 199 British Petroleum (BP) was in full operation. Mr. Andrew said that many important issues had not been addressed and the matter was left unattended before the operator BP PPL 199 pulled out. The impact on the environment was devastating and the compensation was never a concern to the government of the day. He said that the state at that time had given out unnecessary licenses to foreign Oil and mine exploration companies which turned out to be a deprivation of local citizen mineral ownership rights.

Mr Andrews said at that time there was no educated elites to bring the case up to the National court to lodge proper claim and they were financially handicapped with illiteracy level being the main hindrance to move the agenda forward. Election related tribal warfare and remoteness of the area from the main office in Port Moresby were also hindrances in the late lodge of the claim. Mr. Andrew claims that the 3 parties responsible are the PNG Government, The Department of Petroleum and Energy and the Developer. The Government is held responsible to pay the K26 million compensation claim for issuing illegal licenses to small drillers like British Petroleum Company call BP PPL 199. The Department of Petroleum and Energy is also held responsible for not assessing the Environmental Damages and prolonging

the claim payment and the Developer is also held responsible but left and now the License Area is taken over by PPL 277 now known as the New Guinea Energy Limited.

Department fails to identify real landowners of Hides gas fields

Post-Courier 20.12.2013

The Department of Petroleum and Energy has failed miserably in identifying the real landowners of the Hides Gas Field area of the PNG LNG Project, say project area landowner leaders. Landowner leaders Tuguyawini Libe Parindali, Andy Hamaga, Wandiago Kau, Hamule Ngiame, John Kaloma, Gini Mapuli, Marago Pate, George Iruka, Alembo Paliawe, Habe Wamite, Issac Hambuali, Waruni Warago, Tara Aliuwa, Handape Ekari, Mandago Matiabe, John Hinini and Henoni Haralu claimed that the screening process was "hijacked and heavily manipulated" by certain individuals and officers from the Department of Petroleum and Energy. "The purpose of the clan vetting process was defeated. Officers from the Department of Petroleum and Energy hijacked the clan vetting process," the leaders said. "As landowners we want further action to identify the real landowners within the project areas under each blocks and regions."

They said there were irregularities in the Clan Vetting Process for Hides Petroleum Development Licence areas, Tugutapira, JP Karai, Hapono, Hiwa, Tugba and Kamia Kera. They further claimed that officers allowed the clan vetting process to take place outside of the licensed areas and involved people who were not land owners but ended up being listed as beneficiaries. The leaders also claimed that after the vetting process at the Hides licence areas were completed on December 12, the vetted forms were kept by certain officers from the Petroleum and Energy Department at an unknown location and tampered with before finally being returned to the head office on December 16. They said certain officers involved had a conflict of interests and this could have compromised the entire vetting process. "These claims are serious and we will not rest until we are assured and satisfied that the real landowners of the licence areas have been identified," the leaders said.

Government urged to pay LNG related projects funds to Landowners

Post-Courier 20.12.2013

A LANDOWNER in Hides, Hela Province has called on the national Government not to pay funds earmarked for LNG related projects to paper landowner companies, cronies and individuals living in Port Moresby and other centres in Papua New Guinea. The association chairman of Hanimu Ange Eteyaki, Chief Aitape Awi yesterday said the departments of Finance, Treasury, National Planning, Petroleum and Energy, Commerce and Industry and the developers of multi-billion kina PNG LNG project must not repeat its past mistakes where they failed to make public the various LNG project related monies paid to numerous landowner companies, associates and individuals. Chief Awi said for the purpose of transparency and accountability, all government agencies and development partners must reveal the names of landowners, associations and individuals.

"The amount of money paid for any LNG project related works must be made public so that the majority of the landowners in the project areas are fully aware of what project will be established in their areas, the value of the project and time it will take to complete the project," Mr Awi said. Mr Awi said this will minimise the abuse of processes and the misuse of LNG related funds being paid to landowners. He also call on the national government to pass a law

which would penalise landowner leaders for misusing public funds by crippling or chopping their legs and hands off. Mr Awi himself has called on his tribesmen to chop off his legs and arms if he misused any funds earmarked for projects in his Project Development License eight area (PDL 8). Mr. Awi's outburst to the government departments and the developer came after learning from the past experience where agencies had been involved in illegally paying bogus landowners.

Bougainville mine: locals who oppose its re-opening must have a voice

Deference to Bougainvilleans must be the priority – a position that remains anathema to diplomats, politicians and insider media

Antony Loewenstein, theguardian.com, 19 December 2013



The mine. Photograph: Antony Loewenstein

The mine lies like a scar across a bloody face. Guava village sits in a remote area in Bougainville, Papua New Guinea (PNG), above a copper mine which closed 25 years ago. Resistance to the Rio Tinto-owned pit exploded in the late 1980s and during a recent visit, I got to stand above the massive hole that caused the crisis. Human rights abuses were rampant back then, with locals missing out on the financial spoils. Opposition to the enterprise was inevitable and necessary. Run by Bougainville Copper Limited (BCL) from the 1970s, the Panguna mine spewed unprecedented amounts of pollution into the ground, water and atmosphere. It lingers to this day but nature has begun to reclaim its rightful place across kilometres of land, dipping its ferns, grass and lush green trees across oily and rusting equipment. Guava, with its 400 inhabitants, is a peaceful place up a steep rocky incline. During the rainy season, clouds dance around unpredictably and the hot sun shines on the moist and muddy soil. From there, the view above Panguna is breath-taking, the scope of the environmental damage visible, and the lack of clean-up criminally negligent.

The Bougainville civil war, which was sparked by conflicts over the mine, lasted 10 years and cost the lives of up to 15,000 people. The PNG government blockade, comparable to that imposed on Saddam Hussein's Iraq, caused immense suffering amongst the civilian population. At the height of the conflict the government – which many say had BCL involvement – trained and led soldiers to crush the Bougainville resistance; some researchers have since claimed that Australia provided support to the Papua New Guinea Defence Force in the process. Locals were victorious, but they paid a high price: the island has remained eerily stuck

in time for a quarter of a century. In the nearest main town of Arawa, where I stayed, burned-out buildings and petrol stations still stand, and drunk youth loiter in parks. The region is nonetheless relatively safe these days, unlike many other areas of PNG, but it faces an even greater threat: the potential re-opening of the mine by the same forces who seem destined to, once again, not listen to landowners.



Photograph: Antony Loewenstein

During my time in Bougainville, I spent the vast bulk of my days with communities near the old mine and around the waste deposits that left vast swathes of land with little more than sandy dirt. A local woman, Theonila Roka, told me as the sun set on the polluted Kavarong river that mining simply isn't necessary to bring Bougainville independence. "In many ways we're already independent", she said. "Most people are self-sufficient, growing their own food on their land." She doesn't ignore the economic realities of wanting independence through a planned referendum between 2015 and 2020, but she has no faith that BCL and the government won't collude once more to deny mineral and financial rights to her people. Sadly, journalists rarely interview any Bougainvilleans. A recent report by the ABC run Australia Network completely ignored the locals and only featured an interview with the Australian-based writer of a study by the Australian Strategic Policy Institute (ASPI) that encourages more Australian engagement and big mining. As articulated by a notable dissenter of the ASPI study, locals are rarely given a voice.



Theonila Roka. Photograph: Antony Loewenstein

This year has also seen the unedifying sight of AusAid funding Australian academics such as Anthony Regan to assist the Bougainville Autonomous Government to draft new mining laws, which some claim is occurring without proper public consultation (something which Regan denies). During my time on the island, I constantly heard worries about the lack of transparency over who will be allowed to mine and how – along with who owns the rights to the resources. Nowhere in most media stories is any acknowledgement that Canberra is recruiting advisors with links to the mining giant – but Australia's record as a colonial administrator to PNG is not easily forgotten on the ground. Some land-owners in Bougainville told me they resented outsiders telling them that they should suffer the reality of polluting extraction while Australians live comfortably in clean cities.

The sheer scale of copper and gold beneath the ground explains the deals being struck. It's easy to see why so many stakeholders are so keen to keep these issues out of the public spotlight: it's a bad look to treat local concerns as illegitimate while waving around big dollars to seduce key players. Central Bougainville MP and minister for information and communication Jimmy Miringoro told the Post Courier that the local population must become resource owners and shareholders. "These [mining] laws", he said, "must also ensure equitable distribution of wealth from the mine so that no one group in Bougainville becomes rich while the rest are poor." Indeed, deference to Bougainvilleans must be the priority – a position that remains anathema to diplomats, politicians and insider media.



Some equipment remains, unused. Photograph: Antony Loewenstein

In the meantime, the lack of real democracy in Bougainville continues to haunt the island as its population gears up to make crucial decisions regarding its independence and the management of its resources. Former resistance leader Sam Kauona is one of the loudest public voices opposing the re-opening of the mine. He told me in Arawa that he recently met the BCL and Rio Tinto heads in the island's capital, Buka. He said they were shocked when he said it was time for unjust mining legislation across Commonwealth nations to be changed to reflect the will of the people, and that Bougainville was going to lead the charge. On my last day, I met AusAid's team leader in Bougainville, Deo Mwesigye. A friendly man who is curious about my reading of the political situation, Mwesigye believes the population largely supports the role of Australia in assisting the building of roads and hospitals there. But when I pointed out that these projects, while important, were referred to by many of the people I interviewed as little more than band-aid solutions, he remained silent.

Today, locals or key land-owners remain skeptical of big scale mining, scarred by the past. Even though the local government initiated formal talks around Bougainville this year to discuss the possibility of re-opening Panguna, locals told me the meetings were not inclusive, that many land-owners felt they were excluded, and that authorities arrived with a pre-ordained goal: bring BCL back to the island. Women's perspectives are almost invisible, though a Bougainville Women in Mining group submitted a paper recently which detailed their exclusion from the decision making process. PNG remains a unfinished nation which is being stripped of its resources, from logging to natural gas. The situation in Bougainville provides a perfect opportunity for authorities and the titans of multinational extraction to atone for the mistakes and crimes of the past.

Ramu: We avoided laying off workers

The National, December 19th, 2013

THE Ramu NiCo Management (MCC) Ltd was firm throughout this year not to lay off any of its national employees despite depressed metal prices, director and board chairman Zhao Shimin said. He said the company was taking measures to reduce costs to survive the testing period and this included meeting its design capacity and financial pressure. "In 2013, while we are actively addressing the challenges in meeting our designed capacity, we are under huge financial pressure just like mining companies throughout the world due to the big impact of low metal prices. "At Ramu NiCo, we have been taking measures to reduce costs to survive, but during 2013, we made a big decision not to make any of our PNG national employees redundant," Zhao said. He said the company paid great importance to provide technical training to landowners and locals and provided job opportunities. About 3,000 direct jobs were provided during construction period and 1,100 others were created when the project entered its production period.

Zhao said the number would increase every year. He said with efforts from its employees, Ramu NiCo's goals for next year was to add to the progress achieved this year and to reach 70% of the design capacity, while creating more benefits for its employees, impacted communities and stakeholders. He said they would work hard to reduce environmental impacts. "As the board chairman I want to assure you that the company is committed to the long-term success of the project and that our Chinese and PNG stakeholders are standing firmly behind us," Zhao said. He said Ramu NiCo is among the top five nickel laterite plants in the world and this year is its first year of operation. With unreserved supports of stakeholders, dedication and hard work from its employees, the company had reached 50% of its design capacity, which laid a good foundation for future development. "I want to stress that we should all be proud of what we have achieved and that the company is highly appreciative of what our employees have contributed," Zhao said.

Campaign against seabed mining

By *FRANKLIN KOLMA*

Post-Courier 19.12.2013

The campaign to stop the experimental seabed mining in Solwara 1 by Nautilus Minerals Limited was established on Sunday, December 1 and was held at the Ela Beach Hotel with the establishment of a civil group, 'Papua New Guinea Group against Seabed Experimental Mining. The group is made up of a coalition of resource owners: the Centre for Environmental Law and Community Rights, Partners with Melanesia, Mas Kagin Tapani, Four Maisin, Madang Indigenous Peoples Forum, Madang Deputy Governor Rama Marisan, Oro Governor

Gary Juffa, the PNG Council of Churches, private Lawyers Moses Murray and Thomas Elisah and some university lecturers and students from both the University of PNG and University of Technology in Lae. The group will be formally registered to pursue the matter further even in court to ultimately stop the activity of seabed mining. “Seafloor mining has not taken place anywhere else in the world. The costs of any possible environmental damage caused as a result of seafloor mining can be catastrophic and immeasurable,” said Mr Murray.

He said in such a case, the State and Nautilus Minerals Ltd may not be in any position to contain the damage which can harm the marine environment, and the lives of the people who live off it. He warned that those who may be affected by such damage include not just the people of New Ireland and East New Britain but everyone who consumes anything in the Bismarck Solomon seas. “Mining on the land is much easier to track and monitor the destruction caused. Unlike the ocean, current flows in completely different directions,” said Mr Murray. The Deputy Governor for Madang, Rama Marisan said on behalf of the Madang Provincial Government and the people of Madang Province, extended full support on behalf of the Governor and the Madang Provincial Government to say “NO” to Deep Sea Mining in PNG. He said a lot of mining activity can be seen on land and their aftermath can be visually seen. He gave examples of Panguna, Lihir, Ok Tedi, and Ramu Nickel which are causing great concern to people as they impact on PNG’s fresh water, forests and sea and biodiversity.

He raised concerns that anything within the three mile zone belongs to the customary owners, but anything outside the three mile zone is the State’s. The Government issued a license to Nautilus Minerals Ltd to mine for high grade copper, gold, zinc and other minerals found in high concentration on the seafloor and massive sulphide deposits over 59km² sections of the Bismarck Sea. The Solwara 1 project site is located at 1,600m below sea level and is about 30km from New Ireland and 50km from East New Britain provinces. The government has granted a 20-year mine lease for the project to Nautilus Minerals Ltd as well as taken a 30 per cent stake in the venture. The lobby group is in close consultation with scientists and a lawyer abroad for support and guidance in its endeavour to achieve its goal.

Nautilus could be first deep-sea miner

The National, December 16th, 2013

A MINERAL exploration company could become the first in the world to conduct deep-sea mining as early as next year if all goes according to plan. Nautilus Minerals Fiji country manager RatuIsoa Gavidid said should deep-sea mining begin at Solwara 1 in Papua New Guinea, it would set the platform for other deep sea mining activities around the globe. “This is frontier mining,” he said. “No one is doing sea-bed mining and if Nautilus starts mining next year at Solwara 1 in PNG, which has been delayed, we will be the first company in the world that is going to conduct deep sea mining.” Ratu Isoa said Nautilus had a mining contract with the PNG Government for mineral resources alone. “We are not doing oil, which is a common misconception. “We are going for minerals like copper, manganese, gold and rare earths that are needed for modern technological devices.” – Fiji Times

Deep-sea mining pushed

The National, December 19th, 2013

THE demand for metals is adding more pressure on land-based resources, resulting in growing social and environmental issues, Nautilus’ PNG based environmental adviser William

Saleu said. He told a meeting in Nadi, Fiji recently that seafloor mining with its small environmental footprint and limited social impacts offered many advantages over land-based mining. Saleu said: “Nautilus Minerals has taken an ‘above and beyond approach’ to environmental management. To promote transparency, Nautilus Minerals agreed that collaborating scientists working on the environmental impact assessment for the Solwara 1 project, be free to publish the results of their studies. Taking the lead in exploring the deep sea and eventually extracting minerals from the ocean floors, Nautilus Minerals was confident that the Solwara 1 project would bring many social and economic benefits to the people of PNG.

“Nautilus Minerals like the communities of Papua New Guinea care about the environment. The company has taken a vigorous and intensive approach to all of its exploration and environmental research for the Solwara 1 Project.” The weeklong meeting provided a forum for representatives of governments from the Pacific Island countries, non-governmental organisations (NGOs), international experts and industry to discuss potential issues from an environmental perspective. The key areas included environment impact assessment (EIA) processes, establishing environmental management plans (EMP), monitoring and enforcement of the EMPs.

Stakeholders including representatives from 15 Pacific Island countries applauded the meeting as a step in the right direction for this new industry. PNG was represented by the Department of Mineral Policy and Geo-hazard and Mineral Resource Authority and was able to provide leadership to other Pacific Island countries on the back of its firsthand experience with seafloor mining and permitting gained over the last 15 years. This was the fourth meeting of the deep sea minerals project, which was an initiative of the Secretariat of the Pacific Community (SPC) and funded by the European Union. The project had seen the SPC devise and implement a regional training programme to develop and enhance the knowledge of all regional stakeholders on issues relating to deep sea minerals.

Sir Julius bans logging in New Ireland

Post-Courier 19.12.2013

By *FRANKLIN KOLMA*



New Ireland governor Sir Julius Chan has banned all logging activities in his province in retaliation to the gross disregard for his people by logging companies operating in the province. An evidently disgruntled Sir J announced the outright ban on logging while speaking during the presentation of the K184 million 2014 provincial budget at the provincial assembly building on Wednesday. During his speech, the governor expressed disgust and frustration on behalf of his people towards the logging and mining companies that he alleged to have, in his

own words “Been making billions of kina from the province through logging and mining activities and doing very little for the people who own and live around the work sites.”

Sir Julius brought to the assembly’s attention the fact that Newcrest alone had made a K2.7 billion profit from Lihir operations in 2011 and a K3 billion profit in 2012 and that off this sizable profit, very little was left to show for the people living around the province who still live a next to nomadic life. “We are currently getting a lousy deal and I will not allow my people and the people of PNG as a whole to settle for less than what they deserve,” said governor Chan. He further stated that it was his government’s decision to disregard any new signings of MoAs until such a time that logging and mining companies come up with a fair method of sharing returns from these incredible profit making operations among the people of New Ireland.

“All of this year, we have sat with the heads of these different companies renegotiating and all we are fed promises that eventually become lies,” said Sir J. He said that as of his announcement on Wednesday, all logging operations are to stop and be disbanded and threatened that this would also happen to mining operations if this drastic measure is not heeded and a solution found with all haste. Sir Chan concluded that he would also push for a change of the mining regime to allow the people to be in control once again.

Sinivit: Court kicks out East New Britain miner

Post-Courier 19.12.2013

New Guinea Gold Limited and Gold Mines of Niugini Holdings no longer have any valid mining permit or license to continue with any mine related activity at the Wild Dog mining lease area in the Sinivit gold mine in East New Britain. This follows a recent decision by the National Court in Waigani that declared that the Mining Minister Byron Chan’s extension of the Mining Lease (ML 122) in May 2012 was in clear breach of the requirements and process prescribed by the provisions of the Mining Act 1992 and was therefore null and void. A statement from the East New Britain’s Governor’s office released yesterday stated that the court had ordered the Mining Advisory Board, the Mineral Resources Authority, the Minister, the state, New Guinea Gold Limited and Gold Mines of Niugini Limited to refrain from any activities pursuant to the Minister’s purported extension, until an application is fully reconsidered in full compliance of the procedures and process set out under the Mining Act.

The court found that the processes of giving notice to the landowners and the Provincial Government, including the Mining Advisory Board, the Mining Warden hearing requirement and the Warden Report requirements were clearly breached and that the breaches by MRA were very serious, gross and flagrant was tainted unilateral and therefore unlawful. The statement highlighted that amongst other issues that formed the basis of the landowners and the provincial government’s application against the Mining Minister’s extension of ML 122, the court noted that environmental safeguards such as the use of an efficient ore processing and tailings containment system was not shown by the company.

In addition, the court also found that there was evidence of the Joint venture partners, New Guinea Gold and Gold Mines of Niugini Holdings dishonestly and by misinterpretation failing to disclose the move to merge a foreign company called PNG Gold Corporation and the consequent insolvent trading of Goldmines of Niugini Holdings which has effectively resulted in the landowners promised share equity of 25 percent being a debt and a liability resulting in the landowners having not received any single dividend payment since gold and silver extraction processes and export started in 2007. The East New Britain Provincial Government (first

applicant) and the Uramot Landowner Company (second applicant) had taken the state and developer to court over the extension of the mining lease. This newspaper has a copy of that court decision that was handed down in late October this year.

Deep Sea Mining is not the answer: Pacific Civil Society

Solomon Star, 18 December 2013

PACIFIC Civil society groups across the Pacific criticise SOPAC and its development of a regional regulatory framework on deep sea mining (DSM). They argue that it facilitates and pre-empts DSM before Pacific Island communities have had the opportunity to debate whether this is a form of development they want. Last week the Secretariat of the Pacific Community (SPC) funded by the EU held its 4th Deep Sea Minerals Regional Training Workshop in Fiji. The workshop was jointly organised by Secretariat of the Pacific Regional Environment Programme (SPREP) and focused on “the Environmental Perspectives of Deep Sea Mineral Activities”. Laisa Vereti, Pacific Islands Association of on-Government organisations (PIANGO) said: “The EU funded SOPAC DSM project needs to have a clear process and mechanism in place. “Our pacific governments lack the capacity and expertise to go into this new venture. “Countries need to put proper legislation and regulation in place to safe guard their resources and the well-being of their people before even thinking of engaging in this new industry.”

The workshop brought together civil society, Pacific Island Government Representatives and DSM mining companies. The scientific experts confirmed that little is still known about deep sea environments and there is much speculation about the extent and nature of the impacts of deep sea mining. The discussion at the SOPAC meeting was sometimes tense as industry and government were confronted by some difficult truths about the deficiencies in Environmental Impact Assessments and the serious gaps in capacity to manage environmental issues. Thomas Imal, Lawyer with the Centre for Environmental Law & Community Rights (CELCOR) said, “The PNG Government has put the cart before the horse by issuing Nautilus Minerals Solwara 1 mining licence without adequate and independent scientific studies, or comprehensive national policy, laws and regulations for DSM.”

“To date the PNG Government has ignored the concerns of communities and other stakeholders. “This has been the cause of a strong backlash from PNG society culminating in the threat of a legal challenge. “Whilst DSM maybe a viable option for other Pacific Island states it is not the same for Papua New Guinea. “We need to apply the Precautionary Principle[2], the uncertainties far out weight the benefits and it is not beneficial for the country at this time.” In stark contrast to the PNG Government, the Vanuatu Government is embarking on a national deep sea mining consultation process. Under the oversight of the Hon. Ralph Regenvanu, Minister for Land and Natural Resources, the Vanuatu national consultations aim to model best practice Public Participation in Deep Sea Mining Decision-Making.

Charlie Timpoloa Harrison, Interim CEO, Vanuatu Association of Non-Governmental Organisations (VANGO) said, “It is paramount that our people fully understand what DSM is before we develop any policy, review any mining legislation or, for that matter, develop any new legislation. “All policy and legislation amendments have to involve civil society participation at the core of these national undertakings.” “This Vanuatu process will draw on the principles and approaches embedded in Free Prior and Informed Consent[3] and the Precautionary Principle. “It will be open and transparent and will ensure that if any licences are awarded it is with the consent of Vanuatu’s civil society and on the basis of independently ve-

rified science-based risk assessments.” Dr. Helen Rosenbaum, coordinator, Deep Sea Mining campaign said, “SOPAC is actively promoting DSM as the Pacific Panacea – the answer to poverty alleviation throughout the Pacific. “However the truth is somewhat different. Many Pacific countries already have significant mining projects but still lack basic infrastructure, and good health and education systems. DSM will not be a quick fix for this.”

Kikori Landowner wants payments

Post-Courier 18.12.2013

By *FRANKLIN KOLMA*

A major umbrella company representing landowners that were supposed to be paid their share of the benefits from the PNG LNG Pipeline in Kikori are yet to be paid. Landowner and Chairman of Green Field Resource Investment Limited Benjamin Torah Baidu said that he was upset with National Planning and Monitoring for losing the company’s K3 million cheque and also for denying funding payments which was supposed to be given to landowners of PNG LNG Pipeline of Kikori Project since 2010. According to Mr Baidu, the Green Field Resource Investment Limited, had transferred all of its submissions to IDG funding under the Public Investment Program (PIP) since 2010, but yet the National Planning and Monitoring has not made any attempt to solve this matter whilst other individual groups have already been allocated funding payments. Mr Baidu added that the K17 million Kikori Primary School relocation project under the IDG and the PIP were not being utilized accordingly to License Benefit Sharing Agreement (LBSA) and the Umbrella sharing agreement (UBSA) as well as the implementation of projects on the project affected zone.

He said the illegal process of diverting funds by the National Planning to Omati Landowners Association under former Governor Ridler Kimave and West Kikori LLG President Wilson Baidu is not acceptable. “It is a serious matter we are now making a sop to the LNG Project operations in early 2014, enough is enough, this stop operations is severe and will persist, there will be bloodshed to eradicate so much systemized corruptions in abusing process, abusing the duly recognized major Umbrella companies rights and landowners, we feel the pain,” he said. Meanwhile, the company has also raised other legal claims that were systemized and are believed to affect the PNG multi-billion kina project operations in the country. Mr Baidu said the company urged the Department of National Planning and Monitoring, Department of Finance, Department of Petroleum and Energy as well as other Government departments not to ignore such serious issues and ensure there was something done.

Court blow for Sinivit miner

Post-Courier 17.12.2013



New Guinea Gold Limited and Gold Mines of Niugini Holdings no longer have any valid mining permit or license to continue with any mine related activities at the Wild Dog Mining Lease area in the Sinivit Gold Mine in East New Britain Province. This follows a recent decision by the National Court in Waigani that declared that Mining Minister Byron Chan's extension of the Mining Lease (ML 122) in May 2012 was in clear breach of the requirements and process prescribed by the provisions of the Mining Act 1992 and was therefore null and void. A statement from the East New Britain Governor's office released yesterday stated that the court had ordered the Mining Advisory Board, the Mineral Resources Authority, the Minister, the state, New Guinea Gold Limited and Gold Mines of Niugini Limited to refrain from any activities pursuant to the Minister's purported extension, until an application is fully reconsidered in full compliance of the procedures and process set out under the Mining Act.

The court found that the process of giving notice to the landowners and the Provincial Government, including the Mining Advisory Board, the Mining Warden hearing requirement and the Warden Report requirements were clearly breached and that the breaches by MRA were very serious, gross and flagrant was tainted unilateral and therefore unlawful. The statement highlighted that among other issues that formed the basis of the landowners and the provincial government's application against the Mining Ministers extension of ML 122, the court noted that environmental safeguards such as the use of an efficient ore processing and tailings containment system was not evidenced by the company.

In addition the court also found that there was evidence of the joint venture partners, New Guinea Gold and Gold Mines of Niugini Holdings dishonestly and by misinterpretation failing to disclose the move to merge a foreign company called PNG Gold Corporation and the consequent insolvent trading of Goldmines of Niugini Holdings which has effectively resulted in the landowners promised share equity of 25 percent being a debt and a liability resulting in the landowners having not received any single dividend payment since gold and silver extraction processes and export started in 2007. The ENB Provincial Government (first applicant) and the Uramot Landowner Company (second applicant) had taken the state and developer to court over the extension of the mining lease. Meanwhile, ENB Governor Ereman Tobaining Junior after being briefed of the decision, urged investors that although ENB would like to encourage investors to the province, the rule of law, fairness and equitable principles of engagement must be upheld at all times by all stakeholders so that genuine projects and development were not unnecessarily delayed or stopped.

Mt Kare work to start

The National, December 16th, 2013

By PHILIP KEPSON

LANDOWNERS of the Mt Kare gold mining project have agreed with developer Indochine to fast-track exploration activities to see the mine operating in 2015. They made the undertaking in front of government officials including 120 police officers, village court officials, land mediators and local leaders from Enga and Hela on Saturday during a feast. The landowners who spoke in support of the project included Thomas Torami, Parao Tipapuli, Alembo Pasuw, Parapu Andiki, Cr Kandapi Iyupa, Kangaru Yape, Yale Iyunda and Cr Angai Akoi of Leapi, Pakea, Aloma and Apais clans who own major portions of Mt Ipusa and Kare where two high-grade zones of gold have been discovered.

Iyupa said they were happy with the company for using a Melanesian approach to carry out the exploration activities since they were granted a license by Mineral Resource Authority in

2011. “We are happy to work with Indochine to fast-track the major activities in the advanced exploration stage. These include the identification of landownership and underground drilling to see the mine development coming into reality in 2015,” he said. Company community affairs manager Joe Pais said the parties involved would start tracking the boundary to identify ownership after logistic issues were sorted out this week. “It would take about three weeks to complete the process of identifying the land boundary of the possible special mining lease (SML) area,” he said.

Nautilus could be first deep-sea miner

The National, December 16th, 2013

A MINERAL exploration company could become the first in the world to conduct deep-sea mining as early as next year if all goes according to plan. Nautilus Minerals Fiji country manager RatuIsoa Gavidia said should deep-sea mining begin at Solwara 1 in Papua New Guinea, it would set the platform for other deep sea mining activities around the globe. “This is frontier mining,” he said. “No one is doing sea-bed mining and if Nautilus starts mining next year at Solwara 1 in PNG, which has been delayed, we will be the first company in the world that is going to conduct deep sea mining.” Ratu Isoa said Nautilus had a mining contract with the PNG Government for mineral resources alone. “We are not doing oil, which is a common misconception. “We are going for minerals like copper, manganese, gold and rare earths that are needed for modern technological devices.” – Fiji Times

Dividends payed out to Hides shareholders

Post-Courier 16.12.2013

By *FRANKLIN KOLMA*

A record K7 million in dividends was payed out to shareholders of the Hides Gas Development Company in Hela last Saturday. The payments were made to the 15 regional landowner companies which are represented by the Hides Gas Development Company. The sum of money that each landowner company received was based on the percentage of shares they have in the company. Hides Gas Development Company Chairman, Tuguyawini Libe Parindali, said that such a large sum in dividends was achieved due to the hard work and determination by the employees and all stakeholders involved. Mr Parindali said the company had done exceptionally well over the past three years and this was evident in the large sum of its first dividend payment to the landowner companies. Apart from the K7 million dividend payments to the 15 landowner companies, a separate K1.2 million was presented to churches in the province. The company also presented a Toyota land-cruiser each to the Komo police station and Mananda Health Centre and a 110kva generator each to the Hela Provincial Government and Tari police.

The chairman also announced that K50 thousand will be presented to the Komo Catholic Church at a later date. Mr Parindali said the company was committed to supporting the community in various ways and he encouraged the landowner groups to work together with the company throughout the phase of the LNG project. He said HGDC was now looking at venturing into other technical and engineering projects both within Hela province and the country. HGDC was given contracts for catering, light vehicle hire, security and labour hire during the LNG construction phase. Mr Parindali said the company has the infrastructure available so it was planning on bidding for contracts in camp management, road construction, pipeline management and others. “Due to our accountability and good safety standards, I am confident the company can go up another level,” Mr Parindali said. Mr Parindali also expressed his ap-

preciation to the developer Exxon Mobil and subsidiary Esso Highlands Limited for providing the people, through HGDC, with business opportunities under the LNG project and he was confident in future partnerships with the pair and other business partners including the Hela Provincial Government.

Fiji: Determine viability first

Felix Chaudhary, Fiji Times, December 13, 2013

Harvey Cook, left, with Akuila Tawake during the workshop. Picture: BALJEET SINGH
A REPRESENTATIVE from a mineral exploration company granted licences to prospect in waters around Fiji says it will be a number of years before any deep-sea mining activity is conducted in the country. Ratu Isoa Gavidi, the country manager for Nautilus Minerals, said not enough had been done to determine the viability of deep sea mineral mines in Fiji. "We have exploration licences for 12 or 13 tenements for areas where we have to go and explore and check whether there are any prospective mineral deposits," he said. "Fiji is still a long way into the future because we haven't even started to do prospecting although we have been granted licences. "We have done some but not enough for us to make a decision as to whether we will mine or not."

Ratu Isoa said the area of focus, located about 100km north of Vanua Levu, between Fiji and Tonga, could bring in jobs if commercially viable mines were established. "There will be employment opportunities for locals at the mining stage but not at the technical stage. "Like any other mine, even those on land, we can never tell until we start to prospect if the potential is there because it is not cheap to mine. "It would add to the economy in a lot of ways. "I'm not saying it would be the answer to all our prayers but it would provide an opportunity for island states to get returns from mineral resources in the abundant waters around them." Ratu Isoa was a participant at a workshop hosted by the Secretariat of the Pacific Community and the Secretariat for the Pacific Regional Environment Programme about deep sea mining in the Pacific which concludes in Nadi today.

Development continues at Harmony Gold's Hidden Valley, despite setbacks

By Zandile Mavuso, Mining Weekly, 13th December 2013

Development at JSE-listed gold mining major Harmony Gold's first offshore greenfield project, Hidden Valley, continues to present challenges because of its remote location and lack of infrastructure, according to the company's yearly integrated report for 2013; however, Harmony notes that major capital projects are under way to increase mill throughput at Hidden Valley to an initial 4.7-million tons a year. Situated in Papua New Guinea's Morobe province, Hidden Valley is a joint venture (JV) between Harmony Gold and exploration and gold development company Newcrest Mining, with both companies having a 50% stake in the operation. Hidden Valley comprises two openpits, within 5 km of each other, that are currently in production. The first exploits the Hamata gold orebody while the larger second pit exploits the Hidden Valley and Kaveroi gold and silver orebodies. "These major projects include installing an upgraded crusher and an upgraded oxygen plant, reconfiguring tankage, and increasing interstage screen capacity and raw water filtration. These enhancements will increase production at an incremental cost," says the report.

Harmony Gold further notes that the JV partners are actively exploring according to the stipulations of the mining lease, and that the life of the operation could be extended if additional

resources are identified. “There is ongoing resource definition drilling throughout the year and this is expected to continue in the normal course of business,” highlights the company. Hidden Valley generated a revenue of R1.163-billion for the 2012/13 financial year, with total cash operating costs, after silver credits, of R309 230/kg. Attributable capital expenditure by Harmony during that financial year was R296-million, which included work on approved mine development, or sustaining capital, projects, process plant projects and new mobile equipment. In 2012, 3.5-million tons was processed to yield 177 602 oz of gold and 1.7-million ounces of silver, 50% of which was attributable to Harmony. The company says that a decrease in production for the year reflects a combination of factors, largely outside management’s control, but which will have to be considered when operating in remote areas. It adds that Harmony management’s ability to mitigate the impact of unexpected events reflects the benefit of an experienced team on site and on hand.

Infrastructural Developments

After an overland conveyor was recommissioned in September 2011, which increased capacity of the materials handling system, Hidden Valley raised milled tons by 14% in the second quarter of that year. However, production in the ensuing months was severely curtailed by an earthquake in December and exceptionally high rainfall in January and February of 2012, among other natural disturbances, which impeded access to high-grade ore. This was exacerbated by infrastructural constraints, which included a six-day shutdown mainly due to the lack of grid power, the decision to reduce throughput to remediate large quantities of water on the tailings storage facility, fuel shortages caused by flooding and a 24-hour shutdown to check for damage after the earthquake.

Hidden Valley mine was connected to the national electricity grid in 2011 and is receiving up to 10 MW of grid power at night – which is 100% of its total requirements – and 5 MW during the day. “We are working with the national utility to increase the daytime supply,” says the gold major. Grid power has reduced the operational costs of trucking diesel to site, with concomitant environmental benefits, and lowered demand of the site’s diesel-fired power station. In terms of the offtake agreement currently in place, the State-owned power utility benefits from securing a substantial customer, which, in turn, will support its infrastructural development and rural electrification programme, says the report.

Community Engagement

Hidden Valley’s policy of community engagement and local employment and training continued throughout 2013. This year’s sustainability report highlights that constructing the Hidden Valley mine has contributed to sedimentation in the Watut river system and raised concern among downstream communities living on the riverbanks. Two years ago, Harmony Gold and Newcrest JV company Morobe Mining Joint Ventures commissioned studies to assess current and future impacts on this river system. These sediment, biology and acid mine drainage characterisation studies confirmed the impact on the Watut river, as a result of activities at Hidden Valley and human activity along the river. “Since 2010, we have been making significant progress in reducing mine-related sediment in the Watut river, as initiatives during the review period included the scheduled water-quality monitoring at all local and operational Hidden Valley sites, which continued throughout the year, in line with commitments in the environmental management plan,” says Harmony Gold CEO Graham Briggs.

There is also ongoing implementation of an erosion control and sediment reduction plan; the Hidden Valley pit dewatering and sediment reduction programme, initiated late in 2011; and the removal of large volumes of ponded water from the tailings storage facility – which aims to reduce pond size according to design parameters. Briggs adds that the lime-dosing system

and cyanide destruction plant, which aim to ensure acceptable water quality at the Nauti compliance point, are still operational, while the completion of gap analysis for the creation of a working closure plan is also still ongoing. The report further highlights that several parallel studies are under way to manage Harmony Gold's impact on the Watut river, including a technical workshop on acid mine drainage (AMD), which began in March 2012. However, there are no serious AMD issues in the river system at present.

"To prevent any possible occurrence in future, the team is developing a strategy for properly engineered waste-rock dumps, combined with an acid mine drainage treatment system," states the report. A scoping study was also completed when Harmony Gold installed a river titration system in the upper Watut river to provide an exact measure of river acidity under various conditions, including rainfall flush events. This will enable the mine to determine the efficacy of waste-rock-dump liming strategies. Further, studies on the forest dieback in the lower Watut river – from flooding caused by sediment deposition, only as a result of Hidden Valley's operations – were completed at the end of 2012. Harmony Gold's report further notes that there is an ongoing hydrobiology monitoring programme on ecosystem recovery in the upper Watut river.

Pan Aust's Frieda river plan

Post-Courier 13.12.2013

By *FREDRICK JEJERI*

PAN AUST managing director Gary Stafford said the previous \$US5.6 billion (\$A5.9 billion) development plan for the company's new Frieda River project at the boarder of East and West Sepik Provinces was too big and the company would leverage off its experience in Laos to build a smaller project. Stafford presented to the Sydney Mining Club this week, less than a week after announcing a deal worth up to \$125 million to buy an 80% interest in the project from Glencore Xstrata and invest in minority partner Highlands Pacific. Stafford said he was delighted to invest in Highlands as they (Highlands) are going to be an important partner with the company in that project in their depth of experience in Papua New Guinea. PanAust has already completed a scoping study on a 24 million tonne per annum open pit and flotation operation.

Xstrata's feasibility study, delivered in December last year, envisaged throughput of up to 64Mtpa. "In our view, with all due respect to previous owners of the project and current owners of the project, we believe that the previous managers of the project have looked for a big solution to a world-class deposit and the solutions have been very complex, they've been very high capital and in our view, a mid-cap scale project is better suited to that topography, to that geometry of the orebody," Stafford said. Stafford added that once you're there, once you've made that investment decision, you can start leveraging off it and you've got ample opportunity to grow the business once you've established that foothold. Stafford said the Frieda River terrain was very similar to that of the company's Phu Kham operation in Laos and the plant would be a similar size.

18 Deep-Sea Mining Prospecting Licenses Approved By Fiji

Exploration could lead to ways to mine safely: official

By Shayal Devi

SUVA, Fiji (Fiji Times, Dec. 12, 2013) – Eighteen special prospecting licences for deep-sea minerals in Fiji's exclusive economic zone were given to Nautilus Minerals of Canada, Blue-

water Minerals Australia and Korea Institute of Science and Technology. This, according to the director of Mineral and Resources Department Malakai Finau. Mr Finau stated that Fiji was still in the exploration phase. "With the current exploration licenses issued, hopefully it will lead to identification of economic mineral deposits," he said. "Also, it can lead to identifying much more important ways in which it can be mined safely and without adversely impacting the environment and other natural resources of the deep-sea environment." Mr Finau said from a mineral development perspective, deep-sea mining meant developing mineral resources sustainably for the benefit of the nation. "Deep-sea mining can also provide possible sources of employment, economic activity and financial benefits generated from such activity.

"The other major benefit as compared to land-based open cast mining is its low footprint given that it occurs far away from land and at great depths." He also said deep-sea mining could have an impact on the environment. "Deep-sea mining is similar to land-based mining in many ways but we are trying hard to learn from the adverse environment impacts of some land-based mining bad practices. "We also look at other ways of identifying such adverse impacts socially, economically and how it can be better managed so we could all benefit from it." So far, Fiji looks good for deep-sea mining and Mr Finau said "we have the experience of hindsight with many years of land-based mining in Fiji and the many lessons there is to learn from". "The lessons are not only within Fiji but from the region where mining has been part of economic development in our neighbouring countries namely New Caledonia, Papua New Guinea, New Zealand and Australia."

Western Governor urged to tell the truth

Post-Courier 12.12.2013



The Governor of Western Province has been urged to tell his people the truth about the K36 million which was accessed from the Western Province People's Fund- Non CMCA Account (WPPDTF- Non CMCA) held in trust by the Department of Mineral Policy and Geohazard. The former Provincial Administrator of Western Province, Mr. Goinau called on Governor Ati Wobbiro to explain why the projects that the money was used for were never tendered by the Western provincial Supply and Tenders Board (WPSTB), which is an essential legislative requirement of the Public Finance Management Act. He added that when the WPSTB met

earlier this year to deliberate projects, they did not consider bids or award contracts to any service provider or contractors.

“Rather the contracts were awarded by pre- conceived arrangements through the Fly River Provincial Executive Council (FRPEC) decisions which the WPSTB merely and defectively endorsed.” He also stated that the contracts signed were defective because the Acting Western Province provincial administrator Dr Modowa Gumoi signed the contracts for the State which can only be signed by the Governor General of PNG, witnesses present were Western MP, Ati Wobiro and Dr Gumoi for each other, although they were principle signatories to the Sub Contracts and needed independent persons to pose as witness and the Sub-Contracts were signed between Mr. Wobiro and Dr Gumoi instead of WPSTB and the contractors. “

In my honest and humble opinion, there are clear ingredients of fraud, corruption and misappropriation present in these allegations and thus warrant immediate investigations by State Authorities,” said Mr. Goinou. All these were stated in response to an article published recently by Post Courier in which, Dr Gumoi stated that the K36 million funds from the Western Province People’s Fund- Non CMCA Account (WPPDTF- Non CMCA) have never been part of the provincial budget. Dr Gumoi also said that the only reason they were included in this year’s revised budget was because of the application of section 40, subsection 3 of the Public Finance Management Act where, unlike in the past, the Department made direct payments to contractors.

South Fly people want Ok Tedi mine shut

Post-Courier 12.12.2013

By *MELISSA MARTIN*



The people of South Fly mine affected communities have urged the Government to shut down the Ok Tedi mine due to vast environmental pollution from mine wastes. They have raised concerns over the amount of waste being disposed of into the Fly River, which is also affecting the neighbouring Torres Strait islanders, according to their own Australian Government scientific studies. Pastor Steven Bagari, from Sewerimabu village near Daru, said they had been liaising with the Torres Strait Islanders who were now affected by the pollution to demand the PNG Government to shut down the Ok Tedi Mine. "The South Fly people want the

mine shut and we do not recognise and allow anyone from another area or clan such as the Community Mine Continuation Agreement spokespersons and their followers to make any decisions for mine extension," he said.

"The CMCA leaders begin supporting Mekere Morauta and PNGSDP then appeared with Opposition Leader Belden Namah giving the state 48 hours to meet their demands with a threat to shut the mine." Pr Bagari alleged that during the 48 hours, they were engaging with Ok Tedi Mine Limited (OTML) Management and Board, then on that same weekend, they were happily seated with the Prime Minister Peter O'Neill at the Crown Plaza Hotel in Port Moresby stating that all misunderstandings were resolved. "We simply do not recognise and support tedious opportunists who are only after money for themselves without having any serious regard for the vast number of people from PNG, Australia and Indonesia whose lives are seriously affected by pollution from the mine," he said. "How can anybody, let alone the State, take such people seriously. People who are willing to sacrifice the lives of their own people for money do not deserve any place in our communities."

He claimed that it was obvious the CMCA group was under the complete control and direction of the mine and Ok Tedi Development Foundation executives who have given them the instructions to carry out against the affected communities. "All press statements and paid advertisements are clearly written and paid for and sent to the papers by the company or the Government," he said. "We have seen the mine extension packages from 2014 to 2025, the State and OTML have reduced all payments by 40 per cent, yet they will dump the most dangerous lot of tailings into the Ok Tedi Fly River systems." Ps Bagari said this posed the highest risk of acid rock drainage in any open cut mine in the last 10 years. "We have been unjustly deprived of our land without just compensation in breach of section 53 of the Constitution.

Ramu: Revising mining MoA took 7 years

The National, December 12th, 2013

REVISING the agreement covering the Ramu nickel project was a very difficult and challenging job which took almost seven years to complete, according to the chairman of the Basamuk landowners association Lima Mullung. Mullung, who spoke on behalf of four landowner association (LOA) chairmen in the project impacted areas said it was a long road in the consultation process between the landowners and the government negotiation teams. The impacted communities were Kurumbukari, Inland Pipeline and Coastal Pipeline. Mullung had paid tribute to the former chairmen who passed away while working hard to get the MoA revision off the ground. The late chairmen were David Tigavu of Kurumbukari LOA and Charles Okori of Coastal Pipeline LOA. Mineral Resources Authority (MRA) acting managing director Philip Samar said it took his team six years of work to get all parties together into one room. "There were serious discussions in the last six years, and for all parties who signed, there are still challenges for us to move forward,".

Police: Mt Kare land negotiations will be safe

By PHILIP KEPSON

Post-Courier 12.12.2013

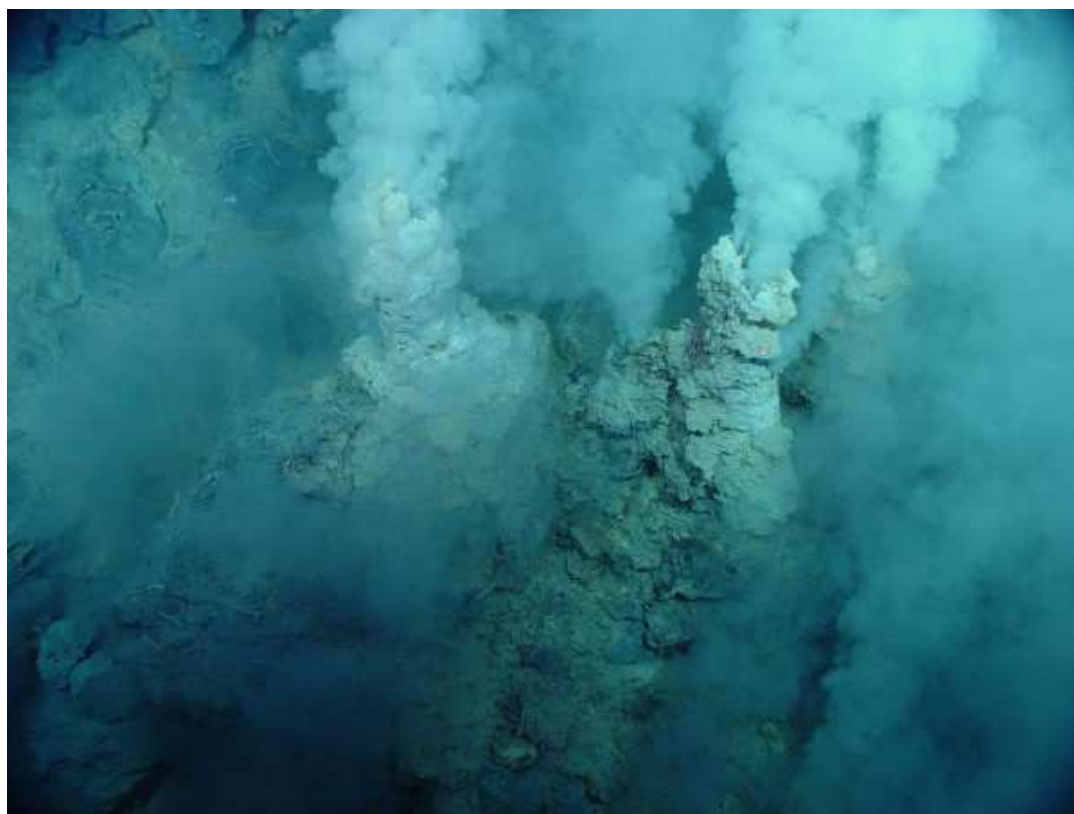
Police say any person that tries to disturb the land boundary identification process in Mt Kare gold project will be dealt with severely. After a historic parade by more than 120 police from Wabag, Tari and Port Moresby in Mt Kare in Enga, group commander Inspector Spencer Ge-

lo said aggrieved parties were required to take up their grievance with the authorities involved in the boundary identification process following set procedures. Insp Gelo said anyone that tries to disturb the process would be arrested and sent on choppers to Wabag, Tari or Mt Hagen for lock up. Apart from the police, there are about 300 government authorities including land mediators, village court officials, district and provincial authorities from Enga and Hela, media representatives, social scientists and local customary land owners, currently in Mt Kare to witness the final identification and marking of the boundary around the possible special mining lease area.

He said many local people had lost their lives while thousands of kina worth of company property was destroyed in the last 25 years and his men and women did not want to see more problems. Inspector Gelo said while customary land owners, authorities from all levels of government and the general public, wanted to see the project get off the ground in 2015 as planned, all parties were expected to be responsible in fast-tracking the process. "We are not here to frighten anyone. Our presence is to give all parties confidence so they may fast track the job without unnecessary problems," he said. Joe Pais, the community affairs manager of Indochine, the Australian developer of the project, said the process was an important step in the feasibility study, which is an advanced stage in any exploration undertaking. He said it would cost the company more than K100 million on top of over K60 million they invested during the preliminary feasibility study since 2011. Mr Pais said the process would take more than two weeks to complete and the people have been urged to respect the process.

New Interest in Seafloor Mining Revives Calls for Conservation

By Michael W. Lodge, National Geographic, Posted by Guest Blogger in Ocean Views on December 11, 2013



There is large commercial interest in mining deep-sea hydrothermal vents for minerals. Photo courtesy of Pacific Ring of Fire 2004 Expedition. NOAA Office of Ocean Exploration; Dr. Bob Embley, NOAA PMEL, Chief Scientist

New interest in the exploitation of seabed minerals has led to the revival of old concerns for the preservation of our oceans, argues Michael W. Lodge, Deputy to the Secretary-General and Legal Counsel of the International Seabed Authority, and speaker at the upcoming World Ocean Summit hosted by The Economist in partnership with National Geographic Society.

The sea floor is as crucial to human flourishing as the earth's surface, and as in need of careful stewardship. Just like the terrestrial environment, it is made up of mountain ranges, plateaus, volcanic peaks, canyons and vast plains. It contains most of the same minerals we find on land, often in enriched forms, as well as mineral formations that are unique to the deep ocean such as ferromanganese crusts and manganese nodules. The possibility of mining the deep seabed has been known for several decades. As long ago as the 1960s, the idea that manganese nodules on the deep seabed offered the prospect of massive profits for industrialized nations with the technology to access them, coupled with the fear that there would be a race to colonize the seabed, led the United Nations General Assembly to declare the mineral resources of the seabed as the common heritage of mankind, to be used “for the benefit of mankind as a whole”.

After the initial euphoria of the 1970s, a collapse in world metal prices, combined with relatively easy access to minerals in the developing world, dampened interest in seabed mining. Nevertheless, the United Nations forged ahead to develop the international machinery to administer the mineral resources of the deep seabed, in the form of an international organization known as the International Seabed Authority (ISA). The ISA, established under the [1982 UN Convention on the Law of the Sea \(UNCLOS\)](#), and with a membership of 166 states, is empowered to issue contracts for seabed mining, to receive royalties from mining and to distribute those royalties for the benefit of developing countries that lack the technology and capital to carry out mining for themselves. Now, after decades in which it lay dormant, there is an explosion of interest in the commercial exploitation of seabed minerals, from the private sector and governments alike. [see [Will Deep-sea Mining Yield an Underwater Gold Rush?](#)]

The main drivers of this new interest are technological advances in marine mining and processing; a dramatic increase in demand for metals, largely fueled by emerging economies, which has caused metal prices to rise; a decline in the grade of land-based nickel, copper and cobalt sulphide deposits being mined and developed; and increased demand for rare earth minerals that coincides with reduced supply (these are used in “green” applications such as renewable energy and hybrid motor vehicles). Currently, there are a range of active marine mining operations at relatively shallow water depths (up to 140m), including diamond mining in Namibia and tin mining in Indonesia. There are also increasing numbers of exploration activities taking place in national jurisdictions (up to 200 nautical miles from shore). As an example, Canadian company Nautilus Minerals (whose chief executive is a member of the World Ocean Summit 2014 advisory board) currently holds more than 100 active prospecting licenses in Tonga, Fiji, the Solomon Islands and Vanuatu, as well as a sea-floor mining concession in Papua New Guinea. In the area regulated by the ISA—the deep seabed beyond national jurisdictions—UNCLOS states that exploration and mining may only be carried out under a contract with the ISA and subject to its rules, regulations and procedures.

Contracts may be issued to public and private mining enterprises, provided they are sponsored by a state party to UNCLOS and meet certain standards of technical and financial capacity. While a number of state-backed operations from Russia, China, Japan and others have held such contracts for several years, the last three years has seen a rapid increase in activity for the ISA, especially from the private sector. Today, 19 entities hold [exploration contracts gran-](#)

[ted by the ISA](#), covering a total area roughly the size of Mexico, and there are a further five applications in the pipeline. This rapid increase in activity raises a number of environmental, legal and economic challenges for the ISA and its member states. The most immediate of these is environmental. The deep ocean, below 200m, is the largest habitat for life on Earth and the most difficult to access. Far from being a marine desert, as was once commonly thought, the deep seabed supports a surprising diversity of marine life. One study estimated that there might be more than a thousand species at a single site.



Many scientists and conservationists are concerned about the impacts on these sensitive – and little-known – ecosystems. Photo courtesy of Pacific Ring of Fire 2004 Expedition. NOAA Office of Ocean Exploration; Dr. Bob Embley, NOAA PMEL, Chief Scientist

While we can predict some of the environmental impacts of seabed mining, much remains unknown and untested. We remain largely ignorant of how deep-ocean ecosystems change in response to human activities and natural variations, and of the consequences of these changes. It is reasonable to assume that recovery periods are likely to be decades long, and that at least in localized areas, these ecosystems may never recover. Important environmental management work aimed at better understanding the impact of deep-seabed mining has already been undertaken and is ongoing. Yet there remains a need for us to better understand the effects of multiple anthropogenic stressors on deep-sea ecosystems. Out of that understanding, we will also need to devise an integrated management strategy that balances future mineral extraction with the preservation of a sustainable, productive and healthy marine environment.

Source: <http://newswatch.nationalgeographic.com/2013/12/11/new-interest-in-seafloor-mining-revives-calls-for-conservation/>

News Release

Pacific Stakeholders Meet To Discuss Deep Sea Mining

Nadi, Fiji, Secretariat of the Pacific Regional Environmental Programme, December 11, 2013

The Secretariat of the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP) are working closely together to consult stakeholders in order to identify and address concerns about the potential impacts of deep sea mining activities in the region. As part of this ongoing work SOPAC, SPC's Applied Geoscience and Technology Division, is co-hosting a regional training workshop with SPREP on the environmental impacts of deep sea minerals activities from 9-13th December 2013 at the Tanoa International Hotel in Nadi, Fiji. While no deep sea mining activities have yet taken place, this workshop is designed to collectively identify and assess national and regional environmental management needs and to develop a robust process for strengthened strategic planning and Environmental Impact Assessments (EIA's) before any deep sea mining activities occur. Two government officials, one each from the environment and mineral development agencies of each of the 15 Pacific ACP States, and representatives from Civil Society have also been invited.

This workshop is part of the ongoing work of the SPC-EU Pacific Deep Sea Minerals Project to build national capacity and greater public awareness of the key issues related to the development and management of deep sea mineral resources in the Pacific. SPREP's Director General, Mr David Sheppard, says there is a critical need for more baseline environmental data to be collected to enable Pacific countries to ensure informed decision making and strengthen the responsible management of their deep sea mineral resources. "SPREP as the environmental agency is committed to partnering with SPC and SOPAC to try to bring more environmental information to the table. But the companies themselves need to allocate money for independent scientific studies of the biodiversity and the environment in the deep sea. There is good understanding of the mineral deposits but we need to have the same level of information of the deep sea ecosystems where they occur.

"To date much of the discussion has been focussed on project level EIA but this needs to be done within a wider context of strategic plans and assessments such as marine spatial planning, cost benefit analysis and sustainability appraisals. We need to consider deep sea mining as only one of the potential uses of our ocean resources and consider it in an integrated way along other uses such as conservation, fisheries and tourism paying particular attention to accumulative impacts, setting acceptable thresholds, equity of benefits and long term sustainability," he says. Mr Sheppard believes the upcoming Nadi workshop is a critical step forward to improve knowledge and cooperation across the region. "The aim is to get key stakeholders, and that includes civil society, environmental experts in the governments of Pacific countries, and also those people that are knowledgeable in this area. So we'd like to have a cross-section to have quality participation and to really come out with some useful recommendations as we go forward. "But we need to proceed cautiously in line with the precautionary approach especially since this is an activity that has not been carried out anywhere in the world and ensure that public consultation and participation in decision making is at the core of this process," he says.

SOPAC Director, Professor Mike Petterson, says the workshop will also help to address poor public awareness about deep sea minerals and the possible impacts of mining. "While it is true that we still face a lot of 'unknowns' there are also many 'knowns' and the Nadi workshop will help us to learn from some of world's leading experts on the deep sea environment. As a region we need to use this best current knowledge to put in place regulatory measures before any seabed mining starts. By proactively agreeing common standards and tools across the Pacific, we can empower member countries to protect their marine environments and apply the precautionary approach, whilst exploring the economic opportunity presented by their seabed minerals. "This workshop will provide some very practical outcomes, such as a template for

conducting environmental impact assessment before any seabed mining commences. But, I have to stress that, while SOPAC will continue to play an important role in helping countries to agree common standards, the ultimate responsibility for protecting the marine environment inevitably lies with Pacific Island countries themselves, not regional agencies like SPC," he says. Dr Malcolm Clark, Principal Scientist at New Zealand's National Institute of Water and Atmospheric Research (NIWA) says many of the most damaging impacts of seabed mining, will occur at the seafloor, and in most cases this will be too deep to directly affect Pacific Island fisheries.

"It is important to ensure that mining doesn't occur in known spawning areas or regions where small fish are abundant. Knowledge of the nature and extent of sediment plumes generated by the seafloor mining operation must be assessed before mining starts. The discharge of processed waters also needs to be carefully understood, and should occur deeper than the depth of fisheries and other important animals," he says. Currently the SPC-EU Deep Sea Minerals Project provides the only means for Pacific Island countries to work together to manage and minimize any potential environmental impacts from future deep sea mining activities. Mr Akuila Tawake, the Manager of the SPC-EU Deep Sea Minerals Project, says this regional approach will help Pacific Island countries to avoid irresponsible mining practices. "We are encouraging Pacific Island countries to move away from what we call a 'race to the bottom' scenario, where countries have to work on their own and compete against each other. I think that's a bad scenario for the whole region. We want them to work together, against a background of limited resources, and limited knowledge that they have, so we can pool those resources together and strengthen our policy and our legislation and our capacity to be able to fully and meaningfully engage in this new industry," he says.

Future not looking bright for Nautilus in PNG

EMTV, 11.12.2013

Prime Minister Peter O'Neill said the government is now in direct discussions with Nautilus Minerals to sort out unresolved issues. He made the comments last week, when asked by EMTV's Resource PNG program, what arrangements the government was making with Nautilus, following arbitration proceedings in Australia. Mr. O'Neill said there were issues with the arbitration itself as two parties are needed to agree to go into arbitration in the first place. "The State has never agreed for that. One employee of the State made that decision by himself. There's no NEC decision, there's no approval from the government that we have a dispute so we will go into arbitration." he said. He said the decision made by the tribunal in Australia is now being reviewed. Mr. O'Neill said that the decision was biased, and feels that the State can discuss directly with Nautilus to overcome the issues.

A few months ago, Nautilus gave a presentation of its operations at a media briefing following a series of negative publicity. They pointed out that no chemicals will be used in the extraction process. The deposits will be piped up and undergo a dewatering process. And after filtering, processed clean water will be piped back to the sea floor. But Mr. O'Neill maintains that the issues of environmental impact, capacity to deliver, and equipment to be used need to be examined. He went on to say, "Our aim is to reduce our participation in that particular project. That project is unproven. It has never been done anywhere in the world." He said there are legal issues surrounding the K118million awarded, which the lawyers are now looking at. He said the State feels it is not liable for such damage, and the government is not prepared to pay for it yet, until a constructive dialogue with Nautilus.

Ok Tedi mass resignation

EMTV, 11.12.2013

More than 550 employees of Ok Tedi Mining Limited have voluntarily resigned, following the company's announcement of improved packages. OTML Management said the extension of the mine operations from 2015 to 2025 will see production reduced by 30 per cent, and OTML is preparing to transition the business to suit a smaller mine. It said the reduced production will also result in less revenue and less benefits to stakeholders. This will be made worse if metal prices do not improve. The company in a statement said it therefore introduced the Ok Tedi 2025 project which was aimed at reducing the number of permanent workforce by 280 employees from a total of 2100.

The project was also introduced to reduce costs associated with labour such as overtime, reduce contractor numbers and introduce new rosters, flight schedules on OTML charter flights and provide new accommodation. They denied claims that the company has made staff redundant. They said it was a commercial decision made to allow the mine to operate until 2025. However they confirmed that the company made some offer to longest serving employees aimed to encourage them to resign. More than 550 employees accepted this volunteer departure offer. The company will also be paying out all employees their statutory entitlements and other benefits totalling 146.2 million US dollars by the end of this year. It has also provided letters of offer to current employees who would want to continue working for OTML starting January next year.

Resource sector could increase

The National, December 11th, 2013

ASIA's growing demand for strong and sustained mineral and energy supply could see Papua New Guinea's resources sector revenue increase to US\$23 billion (K55.5b) by 2030. It was \$5.8 (K14b) billion last year. ANZ's Natural Resources director Mark Couchman highlighted this during a seminar in Port Moresby last week. However, he said this would not happen for PNG unless it could out-compete other nations for international investment flows. "At present resources sector investors are supportive of only the highest quality projects worldwide creating challenges for emerging global resource players including PNG," Couchman said. "Investment risks associated with operating in developing countries are attracting high levels of concern. "As well as cost overruns that have become common place in resource and energy project construction everywhere, investors are concerned with the need to build infrastructure where none exists, the sovereign risks that arises from government changing taxation or operating rules among others."

Citing the ANZ insight report launched earlier this year, Couchman said PNG's current global share of major mineral commodity was small. "Given strong and sustained demand in the Asian markets, PNG could likely find markets for all of the output that its high quality projects can produce," Couchman said. "The resource endowment and growth demand could allow PNG's resource sector revenues to increase to at least fourfold to US\$23 billion per annum by 2030. He said while the country focused on the LNG as the big game changer, gold and copper revenue remained constant. "Global Markets and events offshore are challenging not just the viability of existing operating mines, but the development pipeline of new projects. "Under the central case, resources sector growth would require an additional US\$112 billion of investment until 2030. "Under this scenario, investment would peak in the next five to 10 years as the current project pipeline rapidly builds capacity".

120 police officers at mine boundary process

The National, December 11th, 2013

By PHILIP KEPSON

A CONTINGENT of 120 police officers has joined officials at the Mt Kare gold project site to witness the final land boundary identification process. The police personnel are from Wabag, Tari and MacGrega mobile squad barracks in Port Moresby. Government officials include land mediators and provincial government officials from Enga and Hela. Joe Pais, the community affairs manager of Indochine, the developer of the Mt Kare gold exploration project, said police personnel were brought in to maintain peace during the land boundary identification process. "Mt Kare is known for conflict and disputes in the past 25 years and we want the boundary identification process to be concluded without any disturbance," he said.

"The policemen and women are here at the request of the local people. They want the process to be carried out peacefully." Pais said they would survey the possible special mining lease (SML) area to mark the land boundaries. He said they would rely on a land investigation study carried out by one of the country's top social scientists, Vincent Warakai, and a group of consultants, in the past two years. Pais said customary landowners from both provinces had arrived and were ready to see the final work on the boundary being carried out. He said after completing the process, an umbrella company would be formed with representatives from major clans from the two provinces.

New gas deal lauded

The National, December 11th, 2013

By GYNNIE KERO

PAPUA New Guinea has welcomed additional investment by Total SA into the country's growing gas industry, Petroleum and Energy Minister William Duma said. Speaking at the signing of the exploration farm-in rights last Friday, Duma said the government had regarded the InterOil-Total deal a boost to the country's LNG sector. "The government would strongly support the introduction of a new multinational oil and gas entry into Papua New Guinea to assist with the development of Elk and Antelope and to further confirm that Papua New Guinea is well and truly open for new businesses, Duma said. "Strengthening competition of the LNG sector in this great resource-rich country is high in our government's agenda. "Since InterOil has introduced a world-class partner to ensure development of its discovered resource, it is our intention to encourage InterOil and assist it where possible in dealing with InterOil's exploration licences. "I have issued InterOil with petroleum retention licence 39 over the Triceratops discovery. "This is another step on the path to proving up additional gas resources in the Gulf province".

Duma said Total's transaction would be subject to the normal government approval process, which should be relatively easy and quick. Total SA said in a statement that its common objective and that of InterOil was to complete the delineation of the two discoveries and to continue to explore for new resources in the licence area. Depending on the results, this could lead to a final investment decision by 2016 for the development of the fields and the construction of a liquefaction plant located onshore of Gulf. In addition, Total had an option to take an interest in petroleum prospecting licences PPL 236, PPL 237 and PPL 238 in the same area. "Following Total's entry into exploration in Papua New Guinea in 2012, this new acquisition of an interest in significant discovered resources is an exciting opportunity for Total to develop a new gas production and liquefaction hub in the Asia-Pacific region, where gas demand

is very dynamic,” Yves-Louis Darricarrère, president upstream at Total, said.

“Total will leverage its technology and experience in major LNG projects to reinforce its long-term production post-2020.” “Total will pay US\$470 million (K1.1 billion) for a 42% interest (32.5% if the government executes its option to join the project) with a contingent payment estimated by Total at about US\$590 million (K1.4 billion). “The transaction remains subject to the approval of the government. In October last year, Total acquired from Oil Search a 40% stake in the PPL 234 and PPL 244 offshore permits, 50% in the PRL 10 offshore permit and an option for 35% in the PPL 338 and PPL 339 onshore permits (in the same area as the Elk and Antelope gas fields and PPLs 236, PPL 237 and PPL 238). In April 2012, Total Marketing & Services created a new affiliate in PNG, with offices in Port Moresby. Total Marketing & Services had been dealing with lubricants in the country via a distributor arrangement for several years.

None harmed in two Freeport shootings

The Jakarta Post, December 10 2013

Two vehicles operating at copper and gold producer PT Freeport Indonesia’s (PTFI) mine were targeted in shootings on Sunday and Monday in Timika, Papua. No casualties were reported in the incidents. “A water tanker was shot at in the Mile 41 area on Monday at around 2 p.m. local time, by unidentified persons as the truck was heading to Post 41 to refill water,” Papua Police chief spokesman Adj. Sr. Comr. Sulistio Pudjo said via text message. He added that the tanker driver, Agustinus Weyai, was unharmed. The perpetrators shot at his truck six times from the left. When police inspected his truck, they found five bullet holes on the left door, tire and radiator. Earlier on Sunday, unidentified people also fired shots at a Toyota Kijang Innova, driven by Chief Pvt. Warsidi, a Mimika Infantry Brigade personnel. The incident took place at around 12:55 p.m. local time when the car was on its way from Timika to Mile 50. As the car arrived at Mile 41, it was shot at by unidentified persons from the left and right directions. “There was no casualty in the incident,” said Pudjo. Separately, in a press release, PTFI corporate communication vice president Daisy Primayanti said she had received the reports from the incidents from the command center and that the vehicles were not owned by PTFI, and the drivers were not employed by the company.

Juffa against seabed mining

The National, December 10th, 2013

ORO Governor Gary Juffa has strongly supported the opposition to seabed mining by Nautilus in New Ireland. Juffa said the Government’s continuous failure to listen to the people was causing much agitation and anger. He said Nautilus was already taking samples in the waters of New Ireland and the Government was making no efforts to verify if the samples taken were for mining purposes. “The majority of people in the coastal areas affected have adamantly opposed this project. Many leaders have opposed it,” he said. Juffa said there was substantial evidence that seabed mining would have significant negative environmental consequences. Yet the company is allowed to do as it pleases. “How inhumane and outrageous,” he said. “If the people feel they are not protected, I guarantee that a time is coming when enough will simply be enough and situations such as the Bougainville crisis will occur. “After all, this is what we are elected to do, to listen to our people and take on board their concerns and act on their behalf.” Juffa said leadership was about not only building roads and bridges but also listening to the people. “They gave parliamentarians the mandate to do exactly that. So do it,” he

said. “I am saddened to see that many leaders say one thing and do the complete opposite. “Many leaders have strayed from their election promises and are now building little empires and have forgotten their people.”

Ramu: Chan says nickel project significant

The National, December 10th, 2013

RECOGNISING the significance of the Ramu NiCo project to the country’s economy, the government has endorsed the funding for its special support grant or infrastructure grant through the national budget process, Mining Minister Byron Chan (pictured right) said. “Please allow me on behalf of the Prime Minister Peter O’Neill to assure you the government’s commitment to fulfil its various undertakings in the revised memorandum of agreement (MoA),” Chan said. Chan represented the government in the signing of the revised MoA of Ramu NiCo project in Madang recently. When commenting that the signing ceremony was a milestone in the life of Ramu Nickel project and the people of Usino-Bundi, Rai Coast and Madang as a whole, Chan had prepped the landowners and impacted communities on the huge future benefits the Revised MoA would deliver. “To our landowners, these are huge investments and developments coming your way. I foresee opportunities in the revised MoA but I also encourage you look outside of the box.”

He said in the revised MoA, which the National Executive Council approved last month, the government had committed to build infrastructure, including separate townships, one for Usino-Bundi and another for Basamuk in the Rai Coast. The government would also look at upgrading the deteriorating Rai Coast Highway and Usino-Bundi roads, pay the balance of K10 million seed capital, recognising Ramu Nickel Foundation to be the development vehicle and provide funding of K3 million in Infrastructure development grant or SSG over the next 20 years of the project life to be managed by the foundation. “Your provincial government has also made significant commitments of K1 million towards the south road at Kurumbukari in the Usino-Bundi district and the establishment of the Environment Unit within the Madang provincial administration,” Chan said.

Vale To Restart New Caledonia Plant Operations In January

Company says special ship to finish repairs on the way

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 9, 2013) – The Vale nickel company in New Caledonia says it plans to restart its plant in early January after last month’s effluent pipe breakage. The US\$6 billion plant halted operations after it became known that the pipe leading through a lagoon of a World Heritage site was broken. Most of the 26-kilometre pipe has been inspected and Vale says a special ship is due shortly to help complete the repair. Vale says the incident has caused no damage to the environment but there has been criticism that the authorities and the mining giant have been too lax. This year, Vale has produced about 15,000 tonnes of nickel, which is about two thirds of the projected quantity. Four years ago, Vale caused an acid spill and was fined, but the sentence has been appealed by the prosecution, with a ruling due in February.

Vale New Caledonia to resume operations in a month

Radio New Zealand, 9.12.2013

The Vale nickel company in New Caledonia says it plans to restart its plant in early January after last month's effluent pipe breakage. The six-billion US dollar plant halted operations after it became known that the pipe leading through a lagoon of a World Heritage site was broken. Most of the 26-kilometre pipe has been inspected and Vale says a special ship is due shortly to help complete the repair. Vale says the incident has caused no damage to the environment but there has been criticism that the authorities and the mining giant have been too lax. This year, Vale has produced about 15,000 tonnes of nickel, which is about two thirds of the projected quantity. Four years ago, Vale caused an acid spill and was fined, but the sentence has been appealed by the prosecution, with a ruling due in February.

Money from mining would stimulate other industries - Bougainville minister

Radio New Zealand, 9.12.2013

The finance minister in the autonomous government in Papua New Guinea's Bougainville says re-launching mining in the province will provide the finance to foster other sectors of the economy. There is a real prospect of a re-start with new mining legislation likely to go before the ABG early next year and extensive efforts by the government to garner the thoughts of communities around Bougainville. Albert Pungchau told Don Wiseman the immediate appeal of mining is it would bring money into the economy the moment construction work starts.

ALBERT PUNGHAU: The cash crop industry, for example the cocoa and coconut and the other crop industries, they're also equally important here in Bougainville, but given the situation that we are at, to re-activate back the plantations here that have been closed down that were generating economy to Bougainville are all in virgin forest. And we need to clear this forest - all the plantations are no longer as they used to be. We need, first of all, an amount of money to kick start clearing the bushes so the cocoa trees and the coconut trees that are now in the bush can be cleared so we can start to work on these plantations. It will need money to kick-start all these things that were left for a long time during the war. And as a minister I feel if we can kick-start the mine we can reinvest all the money into agriculture and try to get downstream processing on maybe cocoa and coconut industry here in Bougainville. So the mine would give the financing time kick-start the agriculture industry here in Bougainville.

DON WISEMAN: Some might think that's cart before the horse given the problems associated with mining.

AP: Yes, I think we need to also look at the realistic situation on the ground. Yes, peace has prevailed in Bougainville. We are now in total peace. But the issue of getting the agriculture industry up and running so fast and quickly, it will take time to produce all these cash crops, to produce cocoa and to produce coconut and all these things. But if you can look at mining we can just kick-start the economy quickly because as soon as construction starts on the mine there will be money thrown to the people and to the government As soon as they open the mine. But if we don't do the agriculture it will take some time. And, remember, we are going through this referendum until five or four or three years' time. So it is something that we are putting into a situation where we have to make some hard decisions, some drastic decisions for us as a government, as a people of Bougainville to now say that we have to things from the past in the past and look to the future and rebuild the economy and get the political aspiration that people have died for.

DW: Do you think that the mine can be up and running or mining, per say, can be a significant activity in Bougainville within that two or three years before there is a referendum?

AP: From the investors point of view, in my view I think they would want to do is they would want to wait until the referendum is taken in Bougainville. Then they would know how much money they are going to invest in Bougainville because no investor would want to come to Bougainville given the situation that we have gone through and given the experience that the investors had had in the past. And I think the political stability of having the referendum and the result of the referendum, whether it's an autonomous government here in Bougainville, an independent government here in Bougainville, that would be a clear indication for the investor to come into Bougainville. But we need to start something to talk about these issues with whichever investors want to come. Then we can talk within the parameters of the mining policy that we are talking about and we are trying to build. And then the investor would use that mining policy to come and invest in Bougainville. But I think the investor would want to come to Bougainville only after the referendum. That's my view.

DW: As far as the mining legislation goes, how far away is that in terms of it being re-presented in the house?

AP: We have given copies of the draft to all the constituency members of Bougainville. And they are doing consultations with their people in all the constituencies in Bougainville. As soon as all these consultations are done it will be taken back to the mining department of the Autonomous Bougainville Government and then the Autonomous Government will collate all the views of the people and try to look at how they can put all these inputs together before they present it back to the Bougainville executive council and the executive council will make a decision as to when they can put the mining law on to the floor of parliament.

DW: So the middle of next year maybe?

AP: If I look at things, yes, I think it might be the first session of parliament, which will be March. Maybe that will be a good time for us to have a look at that mining transitional deal.

DW: There has been criticism that there hasn't been enough consultation at grass-roots level. Do you think with this work that the MPs are doing that that will satisfy those critics?

AP: I think that people, especially the people in the constituency from South and North Bougainville, they are virtually aware of what is happening and what the contents of the mining deal is all about, but it is the people in Central Bougainville where there a lot of mining elements and Panguna and [Indistinct] and all the other places where they find coal, these kind of people who are resource owners, these are the people who really want to scrutinise the mining deal and make sure that the landowners and the resource owners are protected.

DW: The MP from Central Bougainville in the national government Jimmy Miningoro spoke out quite recently about how the people there don't want mining.

AP: If go to Central Bougainville and you talk to the actual people on the ground you will find that there are people who want the mine to be open and there are also people there who think the mine should not be open. So these are the people that we need to educate and we need to tell them why it is important that we have to get this mine up.

Alexander Mining to start drilling next month

The National, December 9th, 2013

ALEXANDER Mining Ltd, a Canadian company prospecting for gold in Yangoru, East Sepik, is expected to go full swing next year with drilling jobs starting on Jan 12. Gabriel Wara, chairman of a locally-based landowner company, said Alexander Mining said had been very busy since the issuance of the exploration licence EL1857 by the government in 2011 to do sampling, trenching and moving onto aerial and radio metric IP survey. "I am pleased to announce that from these activities, the company had received good results and would proceed to drilling in January. "I am confident that Alexander Mining has the capability, expertise and the funds to deliver the mine," Wara said. Three locations in the EL1857 area on the ranges of

East Yangoru to Maprik where drilling would be carried out were identified last week with officers from the Environment Department.

Underground mining study plans

Post-Courier 9.12.2013

NEWCREST Mining Limited (Newcrest) and Harmony Gold Mining Company Limited (Harmony) have announced plans to complete a feasibility study to evaluate an underground exploration programme for the Wafi-Golpu project in Morobe Province. The Wafi-Golpu exploration project is owned by the Wafi-Golpu unincorporated joint venture between subsidiaries of Newcrest (50%) and Harmony (50%). Newcrest in a statement last week said the next phase of work requires a feasibility study on an exploration shaft and associated underground staging platforms to complete deep underground drilling and bulk sampling of the ore body. Underground access to the ore body through the exploration shaft would generate essential ore body knowledge required to support a future development decision. Geotechnical drilling to identify a suitable exploration shaft location has commenced.

The Johannesburg office of the engineering consulting firm WorleyParsons TWP has been engaged to prepare the feasibility study for the proposed exploration shaft for consideration and approval by the joint venture. Their engagement also includes a review of an associated lower capital expenditure development option for the Golpu deposit to underpin the commercial decision to sink an exploration shaft. The joint venture anticipates a final investment decision for the proposed exploration shaft during the second half of calendar 2014, subject to receipt of necessary regulatory approvals. The joint venture also aims to finalise an agreement with the State to provide a framework for the underground exploration phase, ongoing technical and economic studies and, ultimately, the future development and operation of the project. These planning and study activities are accommodated within the 2014 exploration budget for the project. In parallel to these planning and study activities, the joint venture will continue with investment in the community in the Wafi-Golpu project area.

French Company Agrees To Invest \$3.6 Billion In PNG's LNG

Total SA to buy stake in InterOil's gas assts in Gulf Province

PORT MORESBY, Papua New Guinea (The National, Dec. 9, 2013) – France's Total SA has agreed to buy a stake in InterOil's assets in Gulf for K8.7 billion (US\$3.6 billion) to build a liquefied natural gas (LNG) project. This will be Papua New Guinea's second LNG project, with the first ExxonMobil-led project about to complete construction and set to produce first gas by the end of 2014. InterOil will sell Total a gross 61.3% interest in petroleum retention lease 15 (PRL15), which contains two fields at Elk and Antelope in the Gulf hinterland. Total will have exclusive rights to negotiate a farm-in to all InterOil's exploration licences in the country. The two companies have agreed to a final transaction price of US\$1.5-US\$3.6 billion for 5.4-9 tcf of natural gas equivalent. Payments will be based on appraisal drilling and reserves certification.

Agreements covering the purchase of PRL15 interests, the proposed LNG project and exploration farm-in rights were signed in Port Moresby last Friday by Hession, and Total Asia-Pacific exploration and production senior vice-president Jean-Marie Guillermou. Fixed payments to InterOil are made up of US\$613 million on completion of the transaction expected during first-quarter 2014; US\$112 million on the occurrence of a final investment decision for a new LNG plant; and \$100 million at first LNG cargo from the facility. Total also agreed to

pay US\$100 million/tcfe for volumes more than 1 tcfe for additional resources discovered within the retention lease from one exploration well. Payment would be made at its first gas from the proposed Elk-Antelope LNG facility. In addition Total will carry the cost of drilling the appraisal well program and lead construction and operation of the proposed LNG project. InterOil will continue to operate all its exploration leases in the country.

InterOil will use funds from the transaction to retire debt, exploration and appraisal activities, and to fund the company's 30% share of the Elk-Antelope project development. InterOil chief executive Dr Michael Hession said last Friday that the first jobs associated with the Elk and Antelope gas fields will start before Christmas. Hession said: "Papua New Guinea is now a multi mega LNG site; we will work alongside Total to develop further expertise among Papua New Guineans in the country's oil and gas industry. "We (InterOil) will also start employing people before Christmas and will deliver on time in a way PNG will be proud of." Hession said the transaction was a key to meeting the company's priority objectives of maximising shareholder value, monetising Elk-Antelope, progressing development of an integrated LNG project, strengthening its financial position and continuing its extensive programme. Guiller-mou said Total is enthusiastic in delivering the country's second LNG project on time and within budget.

Ramu NiCo remains committed despite fall in price

Post-Courier 9.12.2013



PAPUA New Guinea's first nickel/cobalt developer and exporter, Ramu NiCo says it remains committed to reach full production by 2015 and deliver the project to the stakeholders despite the current drop in international nickel market prices. Board chairman and President of Ramu NiCo management (MCC) Ltd, Zhao Shimin gave this assurance during the signing of the Ramu NiCo Project revised memorandum of agreement (MoA) last Tuesday in Madang by the parties concerned. Mr Zhao in his address before more than 2,000 people from the four impacted landowners associations, and dignitaries from the provincial, national and local level governments, said the deliver stands committed to deliver. The chairman said with the help of all stakeholders, Ramu NiCo was able to conquer lots of difficulties and technical obstacles along the way and in October 2013 realized 50 percent of designed capacity and in November, the project also realized 50 percent designed capacity continuously. The production

achievement is despite the Project suffering from the losses with the huge consumptions and low production costs and fall in nickel price.

"Ramu NiCo project has launched into trial production; however, we are still faced with huge challenges. The international nickel market price has already dropped from US\$28,000 to US\$14,000 \$ per tone," "A lot of peer mines have either cut down staff or shut down production but Ramu NiCo is still at its starting stage of operation and is suffering from losses with the huge consumptions and low production," Mr Zhao said. The chairman said initial operation of the project is very difficult with huge obstacles existing during the production but the company is breaking through the obstacles to improve the production quality to eventually realise the profitability of the project. "Every member of Ramu NiCo Management Limited will devote every effort, fight all challenges and thrive as always to realise the commercial operation of the Project and to realise the goal set before us," the chairman said. "Ramu NiCo is determined to develop, construct and operate Ramu NiCo Project for the common interest of the country and especially the interest of people of Madang," Mr Zhao said.

Ramu nickel project boosts economy

Post-Courier 9.12.2013

RAMU NiCo Project's investment in Madang Province has created huge demand for local business houses and consequently has stimulated both Madang and PNG's economic development through local procurement with the subsequent spending of well over K600 million. Ramu NiCo also spent millions of Kina in infrastructure development and provided business opportunities, including business spin-off opportunities to the four landowner associations and provided employment opportunities for the locals. Chairman and director of Ramu NiCo Management (MCC) Ltd, Mr Zhao Shimin said this during the signing of the Ramu NiCo Project revised memorandum of agreement (MOA) last Tuesday. Mr Zhao said most of the benefits delivered under the old (2002) MOA were mostly outside of the MoA as part of Ramu NiCo's corporate assistance towards the local impacted areas. Most were delivered during the construction phase of the project.

"By the end of 2012, the total purchase made locally mounted to K600million," "From 2001 to 2012, the total business opportunity contract value given to land owner companies reached K61, 605, 103. The economic status of land owners has been improved and land owner companies at different levels were able to develop and expand," Mr Zhao said. He reiterated that Ramu NiCo also constructed and maintained medical aid post at the project impacted areas to provide needed medical services to villagers, constructed and maintained schools and assisted children with school fees. "Starting from 2008, the company has provided a sum of K270,00 to the four landowner associations; KBK, Basamuk, Inland Pipeline and Coast Pipeline, through its school fee aid program," he said. Ramu NiCo has also gone further and upgraded important infrastructures, including the construction of the Ramu Bridge leading to Usino and KBK Mine, the road between KBK Mine and Usino Junction and the road around Basamuk Refinery.

The chairman also highlighted that the company was also dedicated to assisting the agriculture development through agriculture aid projects, technical training, management training and coaching, donating seed, fertiliser and others, all of which led to the development of rice farming, cocoa plantations, fishing and livestock farming. Ramu NiCo also provides technical training to land owners and local people with lots of job opportunities. "3000 direct employment opportunities were provided during the construction period and 1100 were provided when the project enters production period and this number will increase year by year," Mr

Zhao said. Madang Governor, Jim Kas and Usino-Bundi MP, Anthon Yagama thanked Ramu NiCo for the positive changes towards Madang and pledged their support to ensure the Project successfully reach its full production in 2015.

Mining the Abyss

By Jo Chandler, The Global Mail, December 6, 2013

Pacific islanders have always been sustained by the ocean. Might it now make them rich – and at what cost?



VLAD SOKHIN; Eliuda Toxok, a shark caller of Mesi village, prepares to go to the sea on his canoe.

The old man's cap proclaims "*Jesus Loves Me*", but his embrace of the faith imported to this South Pacific island by missionaries just a century ago – his parents were likely the first generation to hear The Word – doesn't preclude him from dabbling in a little local magic. Today, there are incantations to be sung and sacred stones to be gathered from the enchanted forest enclosing his village; according to lore, this is a place of potent power. He checks off a list of ritual devotions that will ready his body, soul and canoe for a perilous expedition. At dawn he will push his outrigger into the Bismarck Sea, drop some stones in the water at his *ples masalai* (spirit place) and paddle to the horizon. There he will try to summon a monster from the deep. Eliuda Toxok is a shark caller. He lives on a fabled stretch of the remote west coast of New Ireland, Papua New Guinea, home to the local mythic hero Moroa, now melded with the Christian creator into an almighty, one-size-fits-all deity. Toxok is the inheritor of an enduring, albeit fading, mystical tradition that is entwined with the natural world, and heir to a rare culture of the Bismarck Archipelago, one that has long intrigued visitors to these waters.



VLAD SOKHIN; Eliuda Toxok is the heir of the enduring, albeit fading, mystical tradition of shark calling.

When the Dutch explorer Abel Tasman sailed by in 1642, he recorded the strange custom of the shark callers in his log: “They bound to a canoe many small half-coconut husks, assembled in a chain, and rattled with this implement on top of the water to gather the fish.” This evening Toxok picks up the *larung* – the tambourine-like apparatus Tasman described – and gives it a shake. Its magic (and genius) is to mimic the sound of a school of fish thrashing on the surface of the water.

He hangs it on a stake planted in the sand alongside his other tools of trade. There’s the *ka’saman*, a propeller-shaped float with a noose of twisted vine looped through it in which the shark will be snared. And there’s the conch shell Toxok will blow if he is successful. This signal will be recognised and broadcast in a triumphal signature drum beat from his clan’s *haus boi*, men’s clubhouse, on the shoreline. Having summoned his family onto the beach to receive him, he will offer his catch to be butchered and shared according to strict protocol.



Vlad Sokhin; Two men demonstrate the *ka’saman*, a propeller-shaped float with a noose of twisted vine looped through it. Shark callers use this to ensnare sharks.

It’s only a month since Toxok brought home his last shark, his hundred-and-somethingth in more than 40 years of shark calling (he started at around age 30). Now that the annual shark season – such as it was this year – has turned, he is not so hopeful of a catch this day. On land and sea life is changing in New Ireland; even during the season there are reportedly fewer sharks than there were a decade ago, and there are certainly far fewer shark callers. Lately, heavy rains, freak tides and floods have curtailed fishing and spoiled garden crops along the coast. Climate change is much discussed – not in the abstract, but as a presence. What was once the dry season is now just more wet, says Stanly Laxarun, a senior man from Kane-

meradan village just up the road. “So crops are taking longer to mature.” Toxok supplies wife Miriam’s cooking pot by hunting in the forest. Lean and wiry, all sinew and hollows (he personally prefers chewing *buai* to eating food, *kaikai*), he scrambles with his slingshot, the handle worn shiny with use, up the green-draped escarpment behind the village and enters the tangled interior. During his earliest years, his family lived here, bidding out the Japanese occupation.



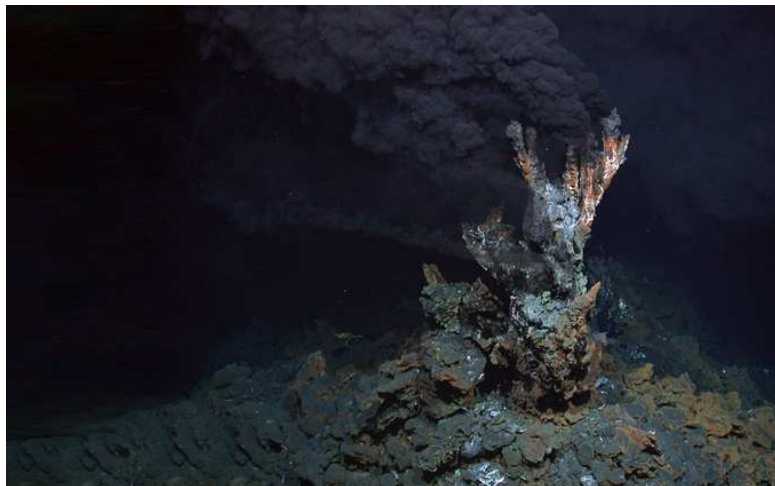
VLAD SOKHIN; The larung mimics the sound of a school of fish thrashing on the surface of the water, thereby "calling" nearby sharks.

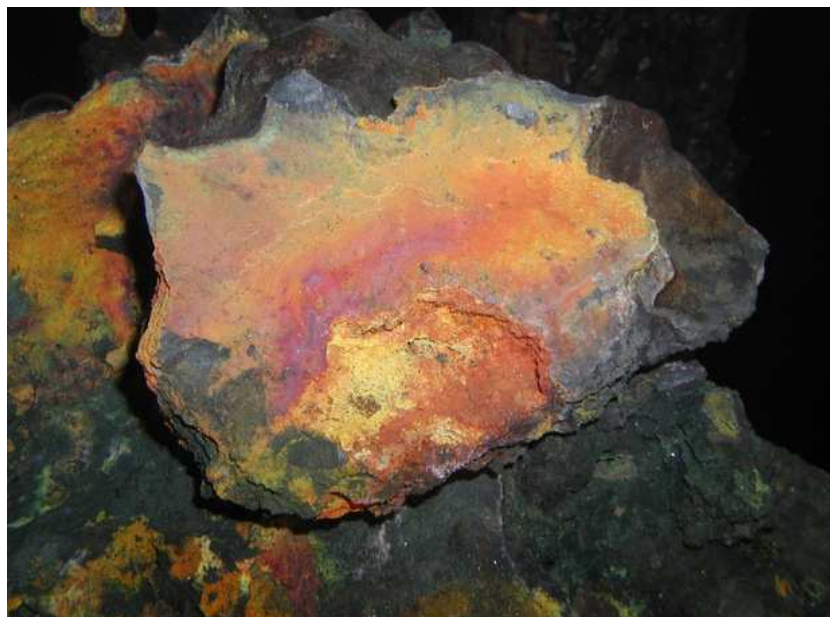
His eyes are rheumy, fried by a lifetime of navigating the brilliant sea, but his aim is still true enough to regularly bring home a flying fox. It’s protein, that most elusive staple, and it costs not a Kina. Such resourcefulness matters in a country where 57 per cent of the population live on less than \$US2 a day – a bit over Kina 5, the price of a tin of fish at a town store, and twice what it would cost at a village stall. Many people along the coast are surviving on taro and coconut, and relief rations of rice – a fig-leaf of essential service from a lethargic, uninterested state – which are delivered by truck along the fractured track that is the community’s only thoroughfare. Green vegetables are scarce. Prized household pigs, skinny and nervous, give up their wallows under the huts to scavenge through stinking-hot afternoons. Mesi village doesn’t much look like a place that’s sitting on a gold mine. But just 30 kilometres off its beach, out beyond where Toxok paddles his canoe, is the site pegged for the world’s first commercial deep-seabed mine, where treasure lies buried 1.6 kilometres under the sea.

“In the depths of the ocean, there are mines of zinc, iron, silver and gold that would be quite easy to exploit.” Captain Nemo, *Twenty Thousand Leagues Under The Sea*, by Jules Verne (1870)

Solwara 1 – ‘saltwater’ in PNG’s *lingua franca*, *Tok Pidgin* – contains gold, silver, copper and lead at dizzyingly high concentrations, cooked up in a volcanic crucible way down where the submerged earth’s seams bump and grind. For now, all remains dark and mostly still at what will likely be the world’s first open-cut deep water mine, which sits on the crest of a volcanic ridge geologists dubbed Suzette, not far from a submerged volcano called North Su. The volcano spurts plumes of gas and sediment into the water that might push up as high as 1100 metres below the sea surface and then, depending on the current, settle over Solwara 1. The noise booms and echoes throughout the deep. There are no constants here, brutal conditions fluctuate and change. If we were to visit the site in a submersible craft, as scientists have in recent years – the first being a French team in 2001 – we would soon leave behind the reach of daylight. The sweep of our lights would reveal a ghostly panorama of towering mineral-encrusted “chimneys”, only a few of which are still active, and bizarre populations of pale crabs, snails the size of tennis balls and bright red worms with an armour of scales. It’s not a

particularly distinguished collection as such underwater communities go, but experts say it contains some novel and intriguing characters.





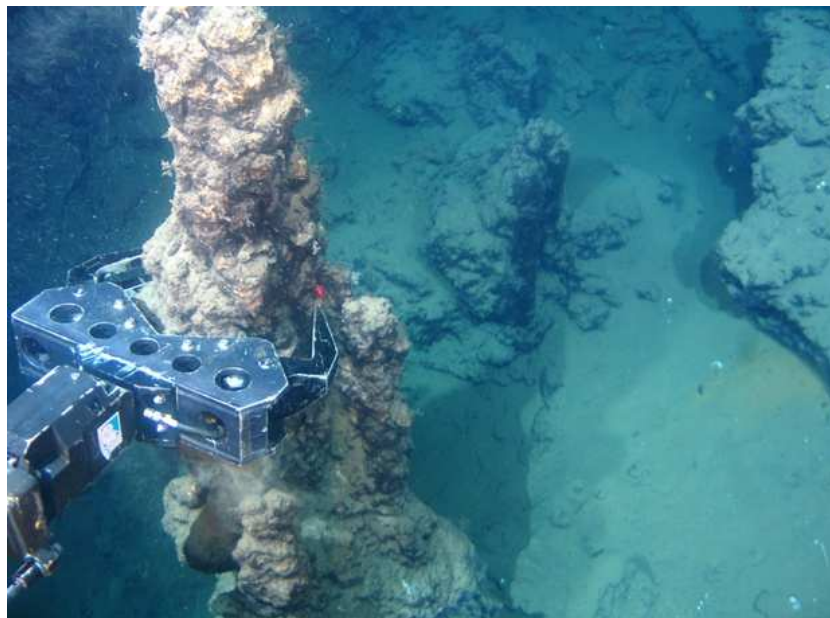
Yoshihiro FUJIWARA/JAMSTEC; A hydrothermal vent snail found off the east coast of Japan.

The pH is 8.2, tipping into the base end of the scale, except in the vicinity of the active chimneys, where the outpouring might be highly acid, around pH 3. Water temperature on the sea floor averages an inhospitable 3 degrees Celsius, and so life tends to orbit around any warm, nurturing vents and currents. Existence in this dark, dynamic, sometimes toxic world is precarious. Whole populations with no capacity to run or crawl or swim to safety are snuffed out when the geyser sustaining them spontaneously splutters or stops as the earth's crust spreads and shifts. Scientists call these "natural catastrophic events". The fact that they happen regularly is enlisted by proponents of deep sea mining to support their cause – nature herself mercilessly devastates these sites, and yet somehow life reconstitutes and endures. "In time, I believe that oceans could provide the world's demand for metals in its entirety." – Steve Rogers, former chief of Nautilus Minerals

How? Science is still largely at a loss to understand such environments. The deep sea is the largest ecosystem on earth, but it remains among the least explored. In the abyss we glimpse wonder and suspect menace. It captures our imagination, in the narratives of Jules Verne, and in the observations of recent record-breaking sea-floor expeditions by adventurer and movie director James Cameron, who used nearby waters as a testing ground for his conquest of the Mariana Trench. It's less than 40 years since sensors and cameras were trawled across a deep-water ridge near the Galapagos Islands, revealing for the first time super-heated volcanic plumes erupting from hydrothermal vents akin to the hot springs we might find on land. Then in 1977 and 1979 scientists climbed into a submersible called Alvin and navigated their way down for a closer look. Their lights found a huge "smoker", an "incredible pipe organ of chemicals coming into the ocean", hitting the cold water and forming lumps of copper, lead, silver, zinc and gold, recalled pioneering American marine explorer Dr Robert Ballard, when he relived the moment for a TED Talk audience in 2008.

A dormant 'smoker'. These pillars are a veritable mineral motherlode, forming lumps of copper, lead, silver, zinc and gold. They are also home to whole populations of deep-sea life. But it wasn't the mineral motherlode that took Ballard's breath away. "We discovered a profusion of life in a world that should not exist. Giant tube worms, 10 feet tall," he marvelled. "We went and found these incredible clam beds sitting on the barren rock [but] ... when we cut them open, they didn't have the anatomy of a clam. No mouth, no gut, no digestive system. Their bodies had been totally taken over by another organism, a bacterium, that had figured

out how to replicate photosynthesis in the dark, through a process we now call chemosynthesis.” By accident, they had found what would be hailed as one of the greatest scientific discoveries of the 20th century. While Ballard is probably most famous for finding the wreck of the *Titanic*, in scientific terms his role in the ensemble that found new life forms hiding in the deep ocean is way more impressive. “None of it [was] in our text books”, Ballard explained. “We did not know about this life system. We were not predicting it. We stumbled on it.”



Courtesy Nautilus

Some scientists have since suggested that these hitherto hidden systems may be where life first evolved on earth. But it was the geology that would, inevitably, excite treasure-hunters, especially as ore deposits on land became more depleted. The only surprise for many pundits is that it would take another 30 years for the nexus of mineral-market appetites, technology and opportunity to trigger what is today shaping up as an underwater minerals rush. “Our livelihood and culture is based around these oceans... Our lives are interconnected with the cycles of the sea, it is our calendar and we are dependent on it for our survival” – people of the Bismarck Sea communities. The metal contents of the deposits discovered around black smokers stunned scientists, recalls Dr Chris Yeats, today program leader for CSIRO Earth Science and Resource Engineering. He explored the Manus Basin, where the Solwara site and others earmarked for development are located, during the late-1990s. The initial lure for the CSIRO was in the clues that underwater volcanic ranges might yield to locating further deposits on land, says Yeats. Instead its scientists found riches that rivalled anything remaining on the exposed earth.

Precocious Canadian-registered, Brisbane-based prospector Nautilus Minerals soon seized the initiative and obtained the first of its exploration licenses over the area. It has since staked out tenements that cover 500,000 square kilometres of the waters of PNG, Tonga, Solomon Islands, Fiji, Vanuatu and New Zealand. Its plan for Solwara 1 – the first of many proposed mining sites – is to drop three monster robot vehicles to the sea floor, two of which will manoeuvre giant cutters by remote control to scour and scrape the vent field, levelling some of the chimneys. The third machine will suck the ore up long pipes into the belly of a vessel floating on the surface. This method is designed to prevent a toxic sediment plume rising into the water column and causing turbidity (cloudiness). The ore will then be finely filtered and transferred to a barge and ferried directly to Nautilus’ customer in China for processing. Earlier plans for a stopover at a facility on nearby East New Britain have been shelved, at least for phase

one, says the company's country manager, Mel Togolo. Wastewater from the filtering process will be sent back down pipes to be expelled over the sea floor.

All being well, the mess is largely confined to the area of the seafloor, and the siphoning pipes bypass interference with the higher realm of fish and birds. It's been estimated that the hardware for this mine will cost around \$US383 million. It will be used to shift 2.26 million tonnes of ore from the deep sea floor over the mine's short lifespan – likely less than five years – and will sift from it copper at levels 10 times the average of what is being dug out of land-based mines and gold at a mouthwatering 6.4 grams per tonne. In raw terms, at today's market prices and at the most conservative end of the resource estimate, the gold and copper alone would fetch in the area of \$US600 million. Once the site is exhausted, the whole apparatus will up anchor and sail on to the next location. Another 18 mineralised seabed systems have already been identified in the Bismarck Sea, although Yeats observes that most don't have anything like the promise of Solwara 1, and they require different technology to realise.



Courtesy Nautilus

Last year, Steve Rogers, former chief of Nautilus Minerals, pronounced, "In time, I believe that oceans could provide the world's demand for metals in its entirety." Other players have materialised on the seabed scene. The UN's International Seabed Authority, reflecting on a flurry of recent applications under its auspices, characterises this moment as "the threshold of a new era". Some insight into the momentum fuelling the prospecting rush can be glimpsed in British Prime Minister David Cameron's strong endorsement, in March, of a venture by Pacific prospector UK Seabed Resources, a subsidiary of US defence giant Lockheed Martin. Deep sea mining could be £40 billion to the UK economy in the next 30 years, he said. "We are involved in a global race where we have to compete with the fast-growing economies of the south and east of the world."

“PNG’s economic development has a history of boom and bust, feast and famine, hope and despair. Its people and its communities question where all the money has gone and why their expectations have not been fulfilled. In the end, the questions are left unanswered and people continue to live with the precious little that is left.” Lode Shedding: A Case Study of the Economic Benefits of the Porgera Gold Mine, PNG National Research Institute discussion paper by Peter Johnson, 2012

What all this deep sea activity will mean for the marine environment, and for the human communities that rely on it, is a matter of intense conjecture – in the rarified halls of top-tier scientific institutions and the palm-and-thatch meeting houses of coastal villages across the Pacific. The tone may vary, from dispassionate to viscerally invested, but the conclusions are much the same: no-one knows. As 11 leading researchers noted in a major 2011 analysis from the international Census of Marine Life – “Man and the Last Great Wilderness: Human Impact on the Deep Sea” – the “real nature of the impact” of mining the riches lying on the seafloor “is still not well understood”. They caution that seabed mining is taking shape at the same time as ocean ecosystems face “large and accelerating” challenges, including from other physical disturbances (trawling, waste disposal, oil and gas extraction) and physiological stress from interacting climate factors such as temperature, acidification and hypoxia (expanding ‘dead zones’ of low oxygen). Potential mining impacts identified in the report include the disruption of the vent sites (individual chimneys and their fauna would be destroyed), the production of sediment plumes affecting filter feeders higher in the water column, changes in hydrothermal circulation and the polluting effect of wastewater. The report’s authors – drawing on field research around the Solwara 1 site conducted in 2008 as part of the Nautilus environmental impact process – highlighted the “significant risk” of losing rare species.

“The fact is deep-sea mining has never been done. The best-laid plans go awry. We don’t know what the effects will be.” – Professor Charles Fisher, marine biologist

Nautilus, working with a team of American research scientists, has outlined several strategies to mitigate impacts on seafloor biodiversity. They include preserving untouched nearby areas with highly similar communities; setting up temporary ‘refuge’ sites within the project boundary which won’t be dug up until damaged areas have recovered; and using one of the robot vehicles to shift large clumps of rock with its resident biology out of harm’s way. But Professor Richard Steiner, formerly of the University of Alaska, and science advisor to the Bismarck-Solomon Seas Indigenous People’s Council, said in his 2009 review of the Nautilus Environmental Impact Statement (EIS) that while the company had conducted extensive studies of the bottom-dwelling (benthic) communities, it had barely considered life in the deep-water column. Even assuming the plume from the digging could be fully contained and spills avoided, there would still be light and noise from the project, both at the seafloor and around the surface traffic.

Noise from the site could travel 600 km underwater. This would be sufficient to mask what’s heard by migrating fish and whales and dolphins in at least a 15-kilometre range. The Nautilus EIS argued that industrial noise would itself be drowned out by the eruptions of the underwater North Su volcano – not a good enough investigation of this serious concern, Steiner argued. Many scientists are nonetheless confident enough of the technology, the safeguards, and the resilience and remoteness of the deep sea to cautiously endorse a first foray into seabed exploitation through the Nautilus project, under caveats of close, long-term scrutiny – if for no other reason than to learn more. But the majority speaking up at village meetings and gatherings attended by *The Global Mail* over several days in October on the west coast of

New Ireland – the closest human communities to the project – find this suck-it-and-see strategy deeply objectionable. They say they don't want to be "guinea pigs". They have zero confidence in the capacity of local regulators or government to safeguard their interests. "Let it be tried first someplace else," they say – somewhere easily accessible, with good communications, where the world can observe what occurs; somewhere capable of efficient response and recovery if something goes awry. Most say they are dead against the project. Others are pragmatic, wondering what might be gleaned from it to improve woeful local services and infrastructure.



VLAD SOKHIN, Children in New Ireland Province are learning the value of the land. The chalkboard reads "It is a resource which our life depends on."

A handful of locals are positioning to secure some substantial piece of the action for their communities – jobs, cargo, benefits, power, maybe a processing facility on their shores so that the lion's share of loot doesn't go direct to China. There have been rumblings that uprisings will take place if the locals are not heard—the spectre has been raised of the copper-fuelled crisis that began 25 years ago on nearby Bougainville Island. "This thing will not come to pass if they don't take us on board," declares one of the big men in Mesi, Peter Lakna. Lakna is angry, as many are, that coastal peoples' traditional seafaring and fishing hasn't guaranteed them a royalties share or a seat at the table for talks over the shape of the project, as they would likely have gained if the resource were on land. "The sea is our garden," he insists. But the legal advice to the PNG Minerals Resources Authority doesn't support that claim, specifically stating that "coastal people cannot be recognised for (Memorandum of Agreement) discussions and cannot be recipients of benefits derived from the project". It asserts that the site is owned by the PNG Government.

Several women at the meetings declared that they would march on the next Nautilus project talks in Kavieng and present the forum with gorgor, a kind of ginger root plant which is used in customary dispute handling. Gorgor is a taboo marker, signaling a grievance and demanding resolution, one which managers at New Ireland's Lihir mine have been confronted with frequently in recent years. Last week a photograph appeared on the high-traffic PNG political Facebook forum 'Sharp Talk' showing a man from Mesi waving gorgor from his outrigger over the sea. "In New Ireland the gorgor protocol is our traditional law," wrote University of PNG political scientist and activist Patrick Kaiku. "[Nautilus] ships or vessels must not venture into this area prohibited by the gorgor. If Nautilus breaches this area and enters illegally, we have all the right under kastom to destroy the vessels or ship." Attitudes in the villages range from resigned cynicism to concern to fury. The depths of ordinary New Irelanders' disquiet at the project is an enunciation of something much bigger: the rumble of per-

vasive disenchantment and despair palpable in communities across PNG, where 80 per cent of 7 million citizens live in rural and remote communities, many with limited or no access to basic services.

People feel ripped off by the resources boom, by the promise that giving miners and loggers access to their land would bring some material improvement to their lives.

The Prime Minister, Peter O'Neill, acknowledged their grievances in an extraordinarily blunt recent speech to a grassroots audience in Central Province, declaring that, "we've wasted the last 12 years", blown the windfall of an economy growing at 6 to 8 per cent, and surpluses of K7 billion to K8 billion, "on priorities that did not really help the community". Taxes and other statutory payments from mining companies contribute significantly to PNG's coffers, with those from the four biggest miners combined worth an average K1568.4m a year (in the three years from 2009-11), according to a recent analysis by Margaret Callan for the Development Policy Centre at the Crawford School, Australian National University. That accounts for over 17 per cent of total government revenue. But these benefits "are undermined by poor government capacity to convert revenue into basic infrastructure and services, and weak accountability and often poor performance by development authorities and landowner organisations", Callan concluded.

Much of the resources windfall has been gobbled up by rampant corruption. "How frustrating it is to watch the richness of one's homeland vanish into the hands of the few," wrote the government's chief anti-corruption agent, Sam Koim, in a paper for an Australian law journal earlier this year. He has estimated that at least 40 per cent of the country's annual budget has been lost to sticky fingers, mismanagement and waste. People feel ripped off by the resources boom, by the promise that giving miners and loggers access to their land would bring some material improvement to their lives. For many communities, living standards have gone backwards, as captured in a parable published last year by a young economist from a highlands village near the Porgera gold mine, the country's second largest, which has distributed K6.4 billion over 15 years to various governments, groups, institutions and landowners. But in that same timeframe "the single health center, the primary school which I attended as a boy, an airstrip that brings supplies to the village, and agricultural extension services have all closed down, and shrubs are now growing on a new road which was built in the late 1990s to connect my village to the nearest town," Andrew Anton Mako reported. Landscapes, forests, waterways, traditions and communities have been ravaged. Meanwhile the latest UN human-development index confirms PNG's entrenched, woeful ranking near the bottom of the global ladder; it is assessed at number 156 of 187 countries.

This is the context underwriting much of the the volatile politics and grassroots violence that blights the nation. At the macro level it's likely contributing to the growing inclination towards economic nationalism, which culminated in the breathtaking move by the PNG Parliament in September to gain ownership of the country's largest mining company Ok Tedi Mining Limited. Since the departure of BHP-Billiton from Ok Tedi a Singapore-based trust (PNG Sustainable Development Program) has controlled the environmentally-disastrous mine's majority stake, holding the shares for the people of PNG, particularly those whose rivers were devastated by its operation. It also controls a \$US1.4 billion trust fund. O'Neill's government acquired the 63.4 per cent owned by PNGSDP, so far without compensation, after accusing the trust board of being controlled by foreign interests and not serving PNG's needs. And down at the grassroots, in the villages on the west coast of New Ireland, it's why seabed mining stirs trepidation and resentment rather than excitement. A new frontier, maybe, but for many it smacks of the same old story.

“The people have seen what is continuously happening up in the highlands where there is oil and gas, and in Western Province where the Ok Tedi mine is,” says Aisack Pisure at a meeting up the road from Mesi, at Kanemeradan village, “They have seen the damage that can occur downstream. With seabed mining, what is the government trying to do [by supporting this]? They don’t seem to be concerned at all about people’s wellbeing and future.” Elsa Lenakot – the only woman to speak up publicly at the Kanemeradan gathering (though many sidle up to privately share their concerns with *The Global Mail*) – delivers a short, shaky, passionate tirade. She describes herself as “just an illiterate mother”, but what if this project brings harm to the next generation, she asks. Who will sort out the mess if anything goes wrong? “It is hard for people to believe what the company says,” says Pastor John Liak. “They would prefer that the project takes place somewhere else first – prove to them that there won’t be any environmental damage ... [that] it won’t affect their livelihood.”

Nautilus’s Mel Togolo says New Ireland and East New Britain will receive substantial benefits and royalties, though the terms are still being negotiated with the two provincial administrations and the national government. Although the amounts haven’t been determined it is Nautilus’ understanding, he says, that the stake that would in other circumstances go to landowners will be dispersed to local level governments, mostly along the coasts closest to the project – although the National Government would have the last word. The company will also contribute K2 per tonne of ore extracted (which on expected volumes would yield roughly K4.5 million total) to an independent development fund, which would be distributed according to local priorities to support schools, aid posts and the like. The Provincial Government says that while the coastal people may not be legally considered landowners, they nonetheless should receive a greater, disproportionate share of the benefits flowing to the province from the development.



VLAD SOKHIN; Local PNG communities remain divided on the issue of deep-sea mining. Their daily routines, customs and diet turn on the sea, and the impacts of deep-sea mining are still a mystery.

Togolo insists that the company has consulted closely, that it has met with around 20,000 people in the course of awareness programs. The science is complex, he says, “we just have to keep talking to the people, explaining”. Most concerns, he adds, are founded on misinformation or misunderstanding: “People come with a mindset of land-based operation. In this operation, first we won’t be chopping trees down, we won’t be carving roads, we won’t be digging the topsoil off, we won’t be blasting ... there are no villages down there to be relocated. “Because it is high grade [the deposit], there is less waste,” Togolo says. “We won’t be using chemicals ... [the ore] won’t have any direct contact with the water column, it is an enclosed

system, so it has minimum impact with the fisheries in there.” There was much talk at the Kamenemeradan meeting of a big school of dead tuna, 200 fish, washing up on the nearby beach during exploratory work on the seabed in 2010 – “even the dogs wouldn’t eat them”. But no one collected samples for analysis in the capital, Kavieng, which is several hours’ ride away on the bus, or took photographs. Any number of things going on in the changing sea might have caused such an event. It’s an easy story for experts to dismiss or to disbelieve. But that doesn’t make it go away.

“Seabed mining is a risk not worth taking”

Sir Julius Chan, Governor, New Ireland Province, 9 September 2012

Seventy signatories representing communities across the Bismarck Sea region wrote to Nautilus back in 2008 declaring their right, under customary law and as outlined in the UN Declaration on Indigenous People, to Free Prior Informed Consent over any project impacting on their land or sea resources, and to withholding their consent. “Our livelihood and culture is based around these oceans, and it is an inseparable part of our culture, identity and way of life. Our lives are interconnected with the cycles of the sea, it is our calendar and we are dependent on it for our survival,” they wrote. Their concerns included irreversible environmental damage, a lack of meaningful consultation, and inadequate laws to manage and regulate the project. “We are aware that the socio-economic and environmental costs of mining in PNG are often greater than the benefits,” they wrote. PNG’s increasingly influential activist Twitterati took up the cause. For a time they had a formidable ally – former Prime Minister and veteran power-player Sir Julius Chan, who told Australia’s SBS television last August that he didn’t want his home province “to be the first in the world” to try the technology. International groups, including Greenpeace and the (anti-) Deep Sea Mining Campaign, lobbied for a worldwide moratorium.



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Nonetheless, in late 2009, Nautilus Minerals gained an environmental permit from the PNG Government for Solwara 1, and a mining license in January 2011. The Somare Government, then on its last legs, was so keen for the mine to go ahead it controversially chose to take up its option for a 30 per cent equity stake. Last year a petition with 24,000 signatures from around PNG, which called for a halt to the project, was presented to local MP and PNG Mining Minister Byron Chan – son of Sir Julius. There’s been no formal response. Political attitudes to the project are today in a state of flux. After a year-long legal dispute Prime Minister Peter O’Neill’s government has failed to come good with the money for its stake, despite an

arbitration ruling in Sydney last month ordering it to pay \$US118 million to Nautilus. When the deadline passed, O'Neill released a brief, vague statement, saying that his government was seeking "legal advice" on the supposedly binding ruling. Nautilus, momentarily buoyed at having its case upheld, is saying only that talks continue and its preference is that matters be amicably resolved.

Meanwhile, Sir Julius's provincial New Ireland government now appears to be on board with Solwara 1, having gained some assurances from Nautilus. An agreement between the company, the national government, and the two closest provinces – New Ireland and East New Britain – is still "a long way from a done deal", according to Chan's key advisor, Dr Bruce Harris. But, he says, "We have developed a much better relationship with [Nautilus] over the past year." How much the deal would be worth in royalties, tax credits and support grants is not yet clear, says Harris. But Sir Julius has long had a reputation as a cunning operator. Chan is also engaged in a bigger battle, championing an agenda for radical reform of the PNG Mining Act (1992), saying Papua New Guineans have been "duped" into "systematically giving away [their] birthright" to mining companies losing claim to minerals under the ground which had been theirs for 40,000 years of history. "We have squandered this wealth, and in doing so condemned our people to poverty, to being left behind while others prosper," he told a conference in August.

He's preaching the rising creed of resources nationalism, the growth of which worldwide is identified by the mining industry as its biggest threat. Chan argues the state should, automatically and free of charge, get at least 30 per cent equity in ventures like Nautilus. He's lobbying for the raising of royalties, talking in ambit terms from about 2 per cent to 10 per cent, (noting that many nations have, or are pondering, higher rates again) and to return ownership of minerals "to the people who live on the land or to the provinces in whose territory seabed extraction is done". His son, Minister Byron Chan, sent mining companies and investors into conniptions in late 2011 when he proposed just such a move. Nautilus has, Harris says, neutralised some of Sir Julius' environmental concerns by agreeing to engage an independent scientific expert who will assess the project at least monthly; by providing a "drop-dead switch" on operations in event of problems; and by securing insurance to allow immediate relief to local people if they sustain any damage from an accident. The company has also agreed to build and upgrade roads and bridges on the west coast. "I'm not 100 per cent convinced that this is something that is going to go off without a hitch – I suspect that's not the case," says Harris. But Port Moresby had signed the deal, like it or not. "What we are trying to do is ensure that anything happening in New Ireland waters is done in ways that are acceptable to us and provide us with a minimum of coverage and safeguards," says Harris.

"The reality is that we all have our gizmos and gadgets... we all drive around in our tin cars. We all in our way are supporting mining, and this is the new frontier." – Jeff Kinch, PNG National Fisheries

Meanwhile the integrity of the Environmental Impact Statement that underwrites the mine's license continues to be questioned by scientists, non-government organisations and activists, including in three substantial expert reports commissioned by lobbyists. "It is likely that the project would result in severe, prolonged, and perhaps region-wide impacts to a globally rare and poorly understood biological community, and it is clear that the EIS does not adequately assess many of these impacts," argued Professor Steiner in his report. Dr John Luick, an Australian consultant oceanographer, wrote a report for the Deep Sea Mining Campaign last year, which maintains that the physical modelling components of the EIS were "to put it kindly, second rate ... Moreover, every omission in the analysis plays down the risk." He concluded

that it, “fails to provide the basic information needed to assess the risk of pollution of the environment or the risk to local communities”.

Perth-based CSIRO geologist Dr Chris Yeats is widely quoted by anti-mining campaigners for saying, “we know more about the surface of Mars and Venus than we know about the deep ocean floor, broadly speaking it is a great unknown”. That’s true, he says, in general terms, but the area around Solwara 1 is well characterised – mostly as a result of Nautilus’s research. It’s his belief that enough is known to be able to conduct seabed mining safely. He also argues that environmental concerns should be weighed against the social and environmental impact of continuing to exploit land for the minerals that markets continue to demand. Land-based mining displaces communities, “potentially using land that could be used for other purposes (agriculture, housing etc),” says Yeats. “Then there’s the associated infrastructure – road or rail to transport the ore to a port ... to get it to a smelter. “That’s all fixed – you build it for one mine, and then if you go and mine somewhere else, you build it all again. Then you’ve got all the rehabilitation, reclamation and sterilisation-of-land issues.” Meanwhile mines get bigger and deeper, because all the easily extracted surface stuff is long gone.

Seabed mining leaves no blot on the human landscape. And when one mine is exhausted, you haul the equipment to the next deposit, “so from that point of view it is relatively low impact environmentally, and cost effective”, says Yeats. Yeats perceives the biggest enduring environmental risk of deep-sea mining as being if the 1,600-metre-long pipelines break or leak, or if ore is accidentally spilled at the surface. There are toxic materials, including arsenic, in the sludge. But unlike an oil spill, he says, the material is heavy and would soon drop back to the bottom. Mess stirred up from the seafloor by the cutters would be contained by the pipe sucking it up and by its own weight. If some of it did find its way up the water column, Yeats says, it would encounter a natural ceiling at about the 900-metre level, where an abrupt change in the character of the water forms a barrier that fences off the lower waters from the upper layers. Dr Charles Fisher, professor of biology at Pennsylvania State University and an expert in deep-sea ecosystems, who has advised several Pacific countries, says that the land-versus-sea argument has limited power because the people who make it “are not proposing to stop mining on land when they start mining in the sea – it’s not an either/or proposition. We won’t recover the bad effects of land mining if we start mining the deep sea.

“I’m pretty familiar with Nautilus’ plans. I think in general these guys are trying hard ... but in the end they are there to make money, and there is a lot we don’t know yet. We need some really careful monitoring, and for a really long time. That isn’t very palatable to mining companies because it is going to be expensive, and it is going to require a commitment long after they’ve left. “The fact is deep-sea mining has never been done. The best-laid plans go awry. We don’t know what the effects will be.” Fisher, who has studied deep-sea vent communities for 30 years, says, “if you increase the frequency of disturbance you are going to favour some groups over other groups, and you can upset ecological balances. “When they mine they will wipe out the population at that site,” says Fisher. In Solwara 1’s case there are other sites nearby with similar communities that could provide larvae to repopulate the damaged area. But “mining companies aren’t going to just mine one site – once they have the infrastructure they will mine site after site. “We need to plan more than just recuperation of a single site ... we need to make sure that we’ve got sites in every region that are preserved for the full diversity and the life histories of all the different animals, that can really provide viable source populations for extended periods of time. So we need to think about protected areas.”

As for the anxieties of coastal communities about the safety of their fishing, Fisher has some qualified reassurance. There is little evidence of extensive or direct connections between the

fish in the upper pelagic realm and the very deep ocean. “But there is a tonne we don’t know. We are not [down] there very often. There are certainly indirect connections ... larval species that originate at the vents and go into the water column. The ocean is one connected ecosystem. I’m not anti-mining. But I’m very much pro moving slowly and methodically, being aware of our uncertainty and acting on it. “Mining is important to small island countries in the region, and I think it would be ludicrous for scientists from rich countries to try to dictate not to mine because of the unknowns. But I do urge the people of those countries to be aware there are unknowns, and to move forward slowly, to monitor as we go.” Questions about PNG’s capacity for oversight of such ventures presents a stumbling block even for seabed mining supporters.



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“I think the issue of monitoring is a real concern,” says Jeff Kinch, head of the PNG National Fisheries College in Kavieng. “PNG does have a poor history” in that area, he says, most notably with the environmental fallout from the Ok Tedi mine. That aside, he’s supportive of the mining concept. “The reality is that we all have our gizmos and gadgets,” he says, waving at the collection of phones, cameras and microphones on his desk. “We all drive around in our tin cars. We all in our way are supporting mining, and this is the new frontier.” Kinch, whose college provides training and education on fishing and seafood handling, believes mining won’t interfere with commercial or community catches. But there are many other pressures on Pacific fisheries, he says, and seabed mining would provide alternative revenue for states that presently have fish and not much else by way of resources, places like Tonga and the Cook Islands.

Nautilus Minerals has staked out tenements that cover 500,000 square kilometres of the waters of PNG, Tonga, Solomon Islands, Fiji, Vanuatu and New Zealand.

The Cook Islands anticipates that seabed mining in its waters could grow its GDP one-hundredfold, and transform it into one of the world’s richest nations within a decade. It’s negotiating with several nations and companies, and expects that it will get a substantial stake in any venture for free, in return for access to the resources. Tongan Deputy Prime Minister Samiu Vaipulu is an enthusiastic champion of the industry, with little time for some of its critics. “We need to develop our economy so our people can benefit. Will the [anti-mining] NGOs help our people? I say no, they do nothing.” Nautilus has already identified 19 mineralised seabed systems within its exploration tenements in Tonga’s waters. The Secretariat of

the Pacific Community (SPC) has also identified seabed potential in Fiji, Micronesia, Kiribati, Tuvalu, Timor Leste, Marshall Islands, the Solomon Islands, Vanuatu and Niue.

At least 1.5 million square kilometres of the South Pacific floor are already under exploration leasehold, according to a year-old estimate of known sites by the Deep Sea Mining Campaign. Meanwhile there is mounting resistance to the push in some quarters. In June Australia's Northern Territory government banned seabed mining in the Gulf of Carpentaria and around Groote Eylandt, while in New Zealand proposals have sparked an energetic push for a moratorium. On November 11 a coalition of lawyers, students, academics and activists from New Ireland Province announced plans to sue the PNG Government – likely in Port Moresby, but possibly in Canada – challenging the legality of the Solwara 1 license on the grounds that the risk-assessment and consultation processes were flawed and inadequate.

“...the changes in material culture have caused only very small changes in, for instance, the traditional and economically important shark-fishing at Mesi. Contact with European civilization has shown no better methods in catching sharks than the old ones.” Tambu-Stones of New Ireland, Bismarck Archipelago, by Sofus Christiansen (1962 Noona Dan Expedition)

Today many of the clan haus bois lined up in the scrub on the shoreline at Mesi are neglected. The elaborate gates, tall splayed posts of wind-polished or painted timber through which young men would carry a pig on their wedding day, remain in place, but the surrounding graveyards are overgrown and the low stone walls are crumbling. Relics they once housed – magical stones and shark fins – have been sold, stolen or hidden away.



VLAD SOKHIN; A boy near the grave of a shark caller, who died a decade ago.

Eanock Tovalaun, massa of one of the local clans, clicks his tongue at the condition of his clan's compound. By morning he will have dispatched a detail of women with hand brooms and men with bush-knives and instructions to clean it up. “Younger generations are misusing the haus bois,” complains Tovalaun. They sneak down with home-brewed jungle juice “just to get drunk, causing a lot of problems”. It's quiet now because the elders still have enough clout for the occasional crackdown, and they've just exercised it. There are few shark callers left in Mesi, or in Tembin or Kontu, the other nearby villages where the tradition endures as observed by the late documentary film-maker Dennis O'Rourke in the classic Sharkcallers of Kontu. Eliuda Toxok is passing the knowledge to his son Amos, but other young men are not much interested. Education and modern expectations have changed their thinking.

Shark-calling traditionally had status and mystique, it was a kind of raw South Pacific incarnation of the matador – the brave loner setting out to beguile and conquer a wild creature, winning en route the respect of men and the adoration of women. Ladies would likely be fighting over him on the beach even as he paddled back with his catch, says Tovalaun. But the practice also demands discipline and sacrifice. For several days before he goes to sea the shark caller must leave his wife and sleep in his clan's *haus boi*. The shark caller must abstain from sex. Some of the younger men admit the “no pus pus” rule, combined with the other hazards of the job and fading *kastam* (custom) has something to do with the diminishing allure of the vocation. The shark caller must also abstain from certain foods, and can only eat food made and served by certain people. “We can only take food from our old mama, or we cook the food ourselves ... until we complete the mission we are prepared for,” explains Tovalaun, translating the old man's Mandak-tongue commentary, and elaborating with some of his own.

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The shark, he says, is very sensitive. “It can hear you from far away,” hence it responds to the clatter of the *larung* when it is shaken in the water. “It can smell you from far away.” One of the core concerns in Mesi and other villages is that the noise from the Solwara 1 project will disturb sharks, dolphins and other fish the communities depend on. Eliuda Toxok is convinced that it already has. He echoes the claims of several local men who regularly skin-dive for fish, who tell stories of encountering strange noise and “dust” under the water during the exploratory phase of the project. “When the seabed drillers came around, they started reducing our lifestyle, our way of catching sharks, because it disturbs the sea,” says Toxok. “We are not agreeing with the project.” The Nautilus EIS states that due to the project's distant location, it couldn't interfere with subsistence fishing and there would be no impact from mining on “near-shore coral reefs, including traditional reef fishing and shark calling”. But Toxok's assertion finds some sympathy in Professor Steiner's report, which says the EIS doesn't adequately consider factors like underwater noise including traffic from vessels. “This noise may represent a significant impact to reef sharks, and shark-calling conducted by coastal peoples of the region.”

It may be, given the cultural, social and economic changes already washing across New Ireland – including initiatives that strive to improve health, education, communications and opportunity – that the era of the shark caller, of traditional life attuned to and reliant on merciless natural systems, is already largely gone. Shark calling is fading fast as a subsistence activity, and soon it may only endure as a curiosity, a performance piece revived for festivals and tourists. Toxok and Tovalaun recognise this and seem resigned to it. Their campaign is not to save the shark callers, but to preserve for their descendants the sharks and other fish that sustained their ancestors. Tovalaun himself isn't a shark caller – his father, a missionary, forbade his participation (not least because of the associated “women trouble”), and sent him away to be educated. He's cannily applied the lessons he learned; he sells some trees to the Malaysian loggers whose ships loom perpetually just off the coast, plants a little oil palm.

He lives mostly up near Kavieng, but loves to come home to Mesi. If he lost everything tomorrow, he could come back here and sleep in his *haus boi* and live for nothing. “When we have a little bit of *kaukau*, taro and banana, it doesn't cost me anything. If I don't have money, I can still eat.” Tovalaun is 58 years old and, like many of his generation, he moves with apparent ease between the modern and traditional, contrived and natural realms, enjoying the

best of both. The pre-whites world of his grandparents is vivid in his storytelling, delivered as he sits cross-legged on the sand under a giant *Calophyllum* tree – the trunk 10-strides wide – upon which, he says in passing, his ancestors once hoisted the heads of their enemies. Sometimes they would cook them. Cultures evolve and change, Tovalaun observes, and that’s as it should be.



VLAD SOKHIN; A local fisherman transfers Eliuda and his canoe far from the coast.

In his lifetime he’s seen law and order, roads, bridges and aid posts appear and then rot away. “Today, we should be advancing. We’ve got copra and cocoa to sell, but our infrastructure is eroding, and we can’t get it out.” The champions of seabed mining argue that exploiting the treasure buried at the bottom of the Bismarck Sea is the solution, not the problem. They say it will provide a lucrative revenue stream, one that doesn’t scar the landscape or displace communities, and which, on the advice of many experts, is unlikely to impact human dimensions. But the sense of communities on the coast right now is that it’s a double-or-nothing bet. Some people “want money for nothing”, Tovalaun says. But such money never lasts. His father taught him that the only providers that might be relied upon are God, sweat and nature. Today his concern is for the last, and most potent, of these.

Source: <http://www.theglobalmail.org/feature/mining-the-abyss/760/>

Illegal miners fall, die in pit

The National, December 6th, 2013

By JEFFREY ELAPA in Mendi

TWO illegal miners died when they fell into a pit on Tuesday at the Porgera gold mine site, it has been confirmed. Tony Mark Ekepa, chairman of the Porgera Landowners Association, confirmed last night that the two illegal miners had fallen into a pit. Deputy Police Commissioner Simon Kauba also told the Australia Broadcasting Corporation yesterday that at least three other miners could have been killed after police had gone to the site in Enga to investigate the two illegal miners’ deaths. “There was this confrontation from the illegal miners, those who were with those two who were deceased,” he said. “They were dispersing them and in the process may have been hurt and later we found out one or two other people died from the confrontation.” Ekepa said three groups of illegal miners had an argument and started fighting among themselves. Kauba said police reinforcements had been deployed to the mine, which remained temporarily closed. BarrickNiugini Ltd, the Canadian company that owns the mine, told the ABC its security staff were not involved in the incident. It said in a statement that in

separate incidents, two mine personnel were attacked by groups of illegal miners. Spokesman Greg Walker said before the incident, the company asked for police help to remove illegal miners at the mine's open pit area.

Mt. Kare: Landowners back developer

Post-Courier 6.12.2013



Mt Kare Project showing high grade zones
By PHILIP KEPSON

The developer of Mt Kare gold mine in Enga, Indochine of Australia, has received crushing support from the genuine landowners to develop the project into a full-scale mining operation. Representatives of major tribes from both Enga and Hela provinces that own the Mt Kare exploration and surrounding sites said they have had enough of problems for the last 25 years and want to see the project get off the ground and bring benefits into their lives. They gave the undertaking during an awareness meeting on the land ownership identification process at three different locations including Andita, Paijaka and Mt Kare where representatives from Mineral Resources Authority (MRA), Enga and Hela Provincial Governments, police and other parties attended last week. Team leader for Nareya, Lambia and Umbia clans of Paiela who own major portions of the mine site, Eka Mariejaka, said his people were happy with the exploration work that Indochine has done since it started exploration in 2011. He said they wanted to ensure that it (the same company) was going for a full operation soon.

“In the last 25 years, we have seen more than seven different exploration companies. “They left us with nothing but problems. At the same time, we have seen our old people dying without seeing the benefits of the project because people were using Mt Kare as a playing field. “Therefore, we are all for Indochine who have done more than half of the exploration work already to turn the project into reality,” he said. Another landowner and chief in Paiela, Anjepe Kombone, said it would be in the best interest of the true landowners on both sides (of Enga and Hela) to prevent outsiders from influencing opportunities to make negative comments against the developer and those who supported the current exploration process. He said his group was prepared to support and work with government officials and independent consultants that were currently involved in the land identification process towards assisting the developer to get the mining license without any problem. “We want a full mine operation no later than 2015. That is the prime reason why we are supporting Indochine to ensure that we see the true benefits of this project,” he said.

Newcrest: K133m spent on villages

The National, December 6th, 2013

NEWCREST Mining Ltd has spent A\$61 million (K133.45 million) on Lihir communities from 2011-12, general manager operations Karl Spaleck said. Speaking at the mining seminar in Port Moresby yesterday, Spaleck said the figure was an improvement from the A\$43 million (K94 million) spent in 2010-11. While presenting on Lihir gold operations, Spaleck stressed that the miner had been contributing to PNG economy. He said last year, the national government received K218 million in royalty payments, while the New Ireland provincial government and Nimamar local-level government got K33 million. Spaleck said Lihir received a direct payment of K91 million. He said Newcrest was committed to pursue local employment and training and to make sure the impacted community benefited from the mining operations. Spaleck said the Lihir agreement review included the integrated benefit package, which covered the compensation and relocation agreement (CRA) memorandum of agreement (MoA).

The deal aimed to provide for health and education services, infrastructure and substantial business opportunities. "Mine closure plan is part of the Lihir agreements review," Spaleck said. Spaleck said schools within the Newcrest mine district at Lihir were given school buildings. "Namatanai, Mongop and Utu High Schools had been completed while the Lihir and Tanir High school building projects would follow suit. All these projects cost about K18 million under the Lihir Gold Ltd tax credit scheme. The Namatanai High School power project has been commissioned as part of the MoU with the New Ireland provincial government. Newcrest on Wednesday confirmed the appointment of two executives to the company's board. Peter Hay has been appointed board chairman to replace Don Mercer, who is retiring from the board end of this month. Sandeep Biswas was named executive director and chief operating officer, to succeed Greg Robinson as chief executive middle of next year.

OTML has contributed K26billion to PNG since 1982

Post-Courier 6.12.2013

THE Ok Tedi Mining Limited has contributed immensely towards the nation's coffers with over K26 billion in direct benefits to Papua New Guinea since 1982. OTML general manager Employee and External Relations, Mr Musje Werror said those benefits started from during the BHP time when it was operating the mine. The benefits were through the form of taxation to the government, goods and services purchased from PNG suppliers, salaries and wages, tax credit scheme projects, royalty to Western Province landowners and others. Mr Werror said the key challenges for the miner this year included the low metal prices which were below budget, major repairs of the Mill crusher, and foreign exchange variances. Also, the mine was affected by one of their largest customer Pasar in the Philippines affected by the typhoon. Regarding the mine life extension issue, he said all nine Community Mine Continuation Agreement (CMCA) have agreed for the mine to continue and have held over 500 meetings with the villagers. He said the mine life extension (MLE) package is at K1.3 billion. He said the 11th Supplemental Agreement will be passed in Parliament in February 2014.

Mining sector overhaul

The National, December 6th, 2013

THE government is overhauling the country's mining laws and policies to streamline the industry's business structure. Mining Minister Byron Chan said the move would reshape Papua

New Guinea's mining sector for the better. Speaking at a seminar yesterday, Chan said PNG was no exception to the recent effects of adverse global financial climate. Chan told major players the government was very well aware of the issues affecting the mining industry and had taken steps to rectify past mistakes. "PNG's potential in the mining sector is demonstrated by existence of some world class projects. "Many of these mines such as Ok Tedi, Porgera, Lihir, Hidden Valley, Tolukuma, Sinivit, Simberi and Ramu have their own unique challenges. "Apart from the operating mines, we have a number of exploration projects in advanced stages.

"The government is committed to ensure these projects are brought on stream to be the next pipeline of mining projects over the next five years. "With the renewed interest in the country's mining activities, PNG has the potential to become a well-developed nation if only we could properly and effectively harness these projects and maximise benefits ...this calls for better management of issues affecting industry." Chan said major challenges initiated by the national government included introduction of the Kumul Trust and establishment of Sovereign Wealth Fund, among others. He said the ministry had undertaken to continue the mineral policy and legislation review exercise. Main challenges that were now facing the government, which were predominant throughout the mining provinces were issues concerning:

- Mineral ownership;
- Greater national participation;
- Increased and better distribution of mine derived benefits;
- Tangible infrastructure developments;
- Relocation and resettlement planning;
- Mine closure and rehabilitation;
- Sustainability of communities impacted by mining projects; and
- Improved monitoring and regulating by the state.

Chan urged stakeholders involved in the sector to take heed and contribute meaningful to address the issues. He announced that presentations on the proposed changes to the Mining Act would be passed in parliament next year.

Geologist: PNG has potential to export iron ore
By IMELDA WAVIK

Post-Courier 6.12.2013

PAPUA New Guinea could be the next iron producing country in the world, says Mayur Resources head of exploration geologist Tom Charlton. PNG continues to amaze developers and exploration companies with its diverse resources, especially minerals. During the petroleum seminar Mr Charlton stated that Ironsand, (sand with heavy concentration of iron) has the potential to make a change in the country's export for the better. Mr Charlton described Ironsand explored in some parts of the country as having large amount of iron concentration, and low impurities including low deposits of slime. He said the exploration has identified that export of ironsands may contribute enormously into the economy of the country. Mr Charlton added that completed exploration programs indicate that there are opportunities or that there may be low cost onshore and offshore (dredge) mining.

The company has identified that there has been high grade extensive ironsands deposits in the southern part of PNG in which more than 17 000 km² is under exploration. Ironsands mining was found to be inexpensive with simple mining and dredging with basic magnetic separation processes. Mr Charlton said the resource has the potential to produce billions of tonnes in a

period of time. Mr Charlton said mining of Ironsands would have a contributing factor to the economy of the country in terms of exports. He added that the resource had a revenue generation within two to three years at the most in which it would bring in more revenue than spend. "The resource has the potential to bring in more investors into the country", he said. Ironsands may be Asia's new low cost iron precinct. Apart from Ironsands the company also initiates exploration for coal, copper and gold in which coal has also been found to have a consistent global growth and low development cost similar to iron sands.

Petroleum authority to regulate industry

Post-Courier 6.12.2013

PETROLEUM and Energy Minister William Duma in response to yesterday's *Post-Courier* report said the new entity to be formed was the proposed petroleum and energy authority from the current Department of Petroleum and Energy. Mr Duma said the petroleum and energy authority would be a statutory authority to replace the existing Department of Petroleum and Energy. "The principal objective of this purpose is to make this new entity become a very robust regulator of our country's expanding energy sector, including the hydro carbon sector. He said the aim of the authority was to become efficient and effective in the promotion, management and regulation of private sector exploration and development of the country's energy resources. Mr Duma said the government had fully endorsed and supported the creation of the new authority.

"Investment in PNG's energy sector must be recognised and appreciated but the host state through efficient and effective regulation. This is one way to increase PNG's international investor competitiveness, particularly amongst the petroleum rich countries. "In terms of progress so far in implementing the establishment of the authority, the state solicitor approved and provided the certificate of necessity in March 2013. "Subsequently in May 2013, the National Executive Council approved the establishment of the petroleum and energy authority. My Ministry and the DPE have developed a work program and a budget formal work in terms of undertaking core or milestone activities to establish the authority and this will commence in early 2014.

"I expect the new authority to be fully operational by early 2015," Mr Duma said. In terms of structure for the proposed authority, the Minister for Petroleum and Energy will be the political head of the organisation. Below the minister, there will be four major entities. The board of directors and the chairman of the authority will govern the operations of the authority. The petroleum advisory council and the energy advisory council will govern the regulatory and policy affairs of the petroleum and energy sectors respectively. The administration and operational functions of the authority will be headed by the office of the managing director.

Illegal miners killed in confrontation at Porgera gold mine in Papua New Guinea ABC Radio Australia, 5 December 2013

Police reinforcements have been sent to Papua New Guinea's northern highlands after illegal miners were killed during a confrontation at the Porgera mine. Police in Papua New Guinea say illegal miners have been killed after a disturbance at the Porgera gold mine site in Enga province. The mine's operator, Barrick Niugini, says its staff requested police assistance to deal with a group of around 300 illegal miners on the site late Tuesday. PNG's Deputy Commissioner of Police Operations Simon Kauba says at least one person was killed in the confrontation. "There was this confrontation from the illegal miners, those who were with those

two who were deceased, and so they were dispersing them, and in the process may have been hurt, and later we found out one or two other people died from the confrontation," he said. Porgera Joint Venture Executive General Manager Greg Walker says two others were reported injured during the clash, and a search the next day located the body of a deceased trespasser.

"What we know at the moment is during an incident on the evening of [December] 3rd, one person was injured and deceased - I'm not aware at this point of the cause of death," he said. "There are rumours and speculation that a second person was injured but we have not been able to locate any person at this time." Barrick Niugini Limited, the Canadian company that owns the mine, says "no security staff were reported to have taken part in the incident resulting in the fatality". Greg Walker says mine security were in the area, but removing the trespassers was a police operation. "There's often trespassers in the mine area, and at that point there were 300 aggressive trespassers - they come into the mine area seeking gold. "We would regard them as illegal miners...the main concern that we have is that these people come into the active mining lease and they're interacting with heavy mine equipment [and] they're not fully aware of the hazards in the mining area."

Mr Kauba says extra police were sent to the mine. "[The] situation is not looking good but it is brought under control," he said. "We are sending in extra reinforcements so that we can allow the normal situation to come back and also allow the mine to operate at the normal rate." Mr Walker says there have been tensions at the mine, but operations have resumed. "There was a lot of protesting in the community - directed mainly at the police, but also directed at...Barrick personnel - yesterday was very tense and last night we suspended operations for the safety of our employees," he said. "We suspended operations for 12 hours, operations commenced this morning...as per normal and it's very calm at the moment. The company says it is investigating the incident and its causes. Enga Province Governor Peter Ipatas says illegal mining is becoming an increasing problem at the site.

Nautilus Minerals PNG Holds Consultations In New Ireland

Solwara 1 will have 'minimum' environmental impact: manager

PORT MORESBY, Papua New Guinea (The National, Dec. 5, 2013) – Nautilus Minerals PNG says it takes the management of the environment seriously and is consulting the people on what it is doing. Company officials visited seven villages along the western coast of Namatanai, in New Ireland, as part of its community consultation programme. Country manager Mel Togolo said: "It is important that villagers understand the commitments we have made to ensure the Solwara 1 project has a minimum impact on the marine environment. "We want the people, especially the communities nearest to Solwara 1 to be excited about the project. "Nautilus Minerals takes environmental management and monitoring very seriously. "To ensure the Solwara 1 project has minimum impact on the marine environment, Nautilus has made certain commitments. "There will be no blasting, there will be no tailings, a fully enclosed pipe and pump system to be used to ensure no mixing of mined materials with water columns, and only biodegradable fluids be used on all subsea equipment."

They were joined by officials from the Department of Environment and Conservation, and Mineral Resource Authority using a multi-stakeholder approach to conduct awareness and meetings. Nautilus Minerals is the forerunner in seafloor resource production and developer of the Solwara 1 project. Its community consultation programme began in 2007 focusing on

areas closest to the Solwara 1 site in New Ireland and East New Britain. Villagers were shown maps and diagrams and the exact location of the Solwara 1 site. It is 30km from land and at depths of 1600 metres. The company claimed it was well below fish stocks and away from coral reefs and shallow water. Togolo reiterated that Nautilus Minerals' goals were aligned with those of the Government. Nautilus Minerals is committed to helping develop an economic base for PNG, the company said. It said it was committed to employing Papua New Guineans where ever possible and bringing world leading experts to PNG and nurture the next generation of scientists and leaders in PNG.

Traditional law used to exclude Nautilus from proposed mine site

Dennis A. Kosam, PNG Mine Watch 5.12.2013

Last week, a man from Messi village, in the Central West Coast Namatanai of New Ireland province put up a "gorgor" at the proposed Solwara 1 experimental seabed mining project site. In New Ireland society, the "gorgor protocol" is our traditional law. Ships or vessels by Nautilus MUST NOT venture into this area prohibited by the "gorgor". If Nautilus breaches this area and enters illegally, we have ALL the right under kastom to destroy the vessels or ship. Elders and villagers from adjoining villages have caution the National Government to critically address the issue from the bottom up. Traditional law over the environment must be respected by foreigners.

Forum paves way for agreement on Woodlark project

Post-Courier

5.12.2013

THE first consultative forum for the Woodlark Island Mining project held last month in A-lotau was completed with all stakeholders agreeing to start preparing a memorandum of agreement within six months. The forum, organised by the Mineral Resources Authority, included stakeholders from the provincial government, the project developer, landowners of the project area and national department agencies like the Departments of Mineral Policy and Geo-hazards, Industrial Relations, State Solicitor, Environment and Conservation, Treasury and National Planning and Monitoring. Mining Minister Byron Chan was on hand to deliver the opening address at the forum. Mr Chan pointed out the need for an open and consultative approach between the parties.

Under the Mining Act, the mining minister is obliged to convene a forum where parties consult with each other on benefit sharing arrangements and the structure of the MoA to be drawn up based on discussions emanating from the meeting. The MoA is expected to contain amongst other things, issues like beneficiaries identification, royalties, special support grant, tax credit scheme, equity, business development plan, supply and procurement, employment and training, mine closure and rehabilitation and financial reporting. Mr Chan also told the forum that since the Woodlark project is a small one with a mine life of 10 years, the level of benefits for landowners, local level government, provincial government and national government would be reflective of its size and productivity output.

Kas praises new Ramu deal

By ROSALYN ALBANIEL-EVARA, Post-Courier 5.12.2013

MADANG Governor Jim Kas says there is a "missing piece in the jigsaw" that is the revised memorandum of agreement (MOA) for the Ramu Nickel project which has just been signed approved. Mr Kas said the missing piece involve the masses living along the Ramu River who had been directly impacted and would continue to be so as a result of the mine operations at Kurumbukari. In his address to the dignitaries from government, Chinese developer and landowners who had packed the conference room at Jais Aben Resort, Mr Kas said the population living along this river system to be affected by the heavy buildup in sedimentation. He said this may be a result of the activities of the mine which was happening upstream of the Ramu River but said that this is something that the experts must confirm. Mr Kas said he was raising this issue and at this occasion so that all be informed and the issue be addressed to avoid possible litigation. But Mr Kas, out of respect to the agreement, hailed it as an achievement for all stakeholders and acknowledged the efforts of all who had been involved in the work leading up to the signing.

He said he has been among those who had been vocal on issues relating to the project, including the deep sea tailing placement system, as the interest of his people remained of paramount importance to him. He thanked the Chinese developer for taking on the challenge he had issued with regards to tests on the system. He said was pleased that samples had been sent to Australia for further tests to be carried out and that the results would be out soon and made available to all concerned groups. There were other issues Mr Kas had raised during the signing that needed government attention relating to the mining activities in the province. The first was in relation to the operations of Marengo Mining Limited, the developers of the Yandera mines. He said the Ramu Nickel project must be reflected under the old Mining Act, adding that with the review to the existing laws that the mine which is set to come on line soon must be reflected in the new Act.

Mr Kas also issued a strong challenge to the national Government and departments to ensure that going forward they do not by-pass the Madang Provincial Government in any discussions relating to any project in the province. He said this has been happening for too long and the Madang Provincial Government has been taken for granted, resulting in a lot of problems which it (Madang Government) had to clean up. He said this would must not be allowed and urged that this need be taken heed of. Usino/Bundi MP Anton Yagama during the signing also acknowledged and commended all parties involved, including those who had died, for making the signing possible. He said the project had come with a lot of challenges but had thanked everyone, including the developer, for their persistence. He said as the leader of the area where the resources were being extracted, he would on behalf of his people like to thank the Ramu NiCo Management (MCC) Limited personally for not packing up and leaving in light of the many challenges that they had faced since arriving. "You could have quit and left but you are still here. You are a friend and a partner and I welcome you," he said.

Ramu NiCo committed to project

By ROSALYN ALBANIEL-EVARA, Post-Courier 5.12.2013

WHILE the Ramu Nickel has launched into production, it is still faced with huge challenges. According to the chairman of the Ramu NiCo Management Mao Zeming, among these challenges is the drop in the nickel market price from \$28,000 to \$14,000 per tonne. Mr Zeming said this during the signing of the revised memorandum of agreement for the project. He said

a lot of peer mines have either cut down on staff or have shut down production. He said the project is still in its starting stage of operations but is suffering from huge losses with the huge consumption cost and low production. However, he said despite all these difficulties and challenges the company deemed the project to be one of a symbol of friendship between China and PNG and the company remained committed and determined in its cause to develop, construct and operate it for the mutual benefit of all. "People from both nations are working together and for one goal," he said. "However, without the support of the governments of both countries, state agencies, the Madang government and local level governments, and classes of society none of this would happen. "For that and on behalf of the company I would like to thank you for the great support you have accorded the project for such a long time."

He said the journey of the project to have been a long road starting with the signing of the MoA in 2000 which had depicted the grand prospect of what the project can bring to the local economy and social development. In 2004 in an event which had been witnessed by heads of government of both countries, the Chinese Metallurgical Group of Companies had entered the framework agreement with the State. In doing so it turned a new page. In March 2005, MCC had signed the master agreement with all parties and in October that same year the joint venture agreement was signed with Ramu NiCo Management (MCC) Limited who became the manager, and hence, also the party of the MOA. Mr Zeming said in 2007 the construction and operation environment permit of the project was granted, in 2008 project construction completed, in December of 2012 the construction completion and commissioning success ceremony staged while in October 2013 the project realised 50 percent of design capacity and yet again in November.

He said during the construction and operation period the developer has brought a lot of development and progress to the four impact areas. It has upgraded infrastructure of relevant areas, stimulated the local economy through local procurement which had in 2012 amounted to K600million, provided a lot of business opportunities to landowner companies which he said to have reached close to K61.6m, constructed and maintained medical aidposts, provided medical services and school fee assistance amounting to K270,000. Other assistance has been in the agriculture and livestock sector through aid projects, technical and management training, provision of fertiliser and seeds. It also provided 3,000 direct employment opportunities during construction phase and 1,100 when enters production. "After several years of hard work by all parties the revised MoA is finally to be signed today and I would like to congratulate all stakeholders. I sincerely hope and urge all parties to honour and perform all obligations under the MoA to push social and economic development.

Exxon: Lancos got K2billion

The National, December 4th, 2013

EXXONMOBIL has spent K2.26 billion on PNG landowner companies, as a result of the LNG project, PNG LNG project executive Decie Autin said. Speaking at the Chamber of Mines and Petroleum conference yesterday, Autin said local businesses had benefited from their involvement in the project. "We continue to invest in PNG businesses and have so far spent just under K10 billion with these local firms," she said. Autin also said the developer of the LNG project was also providing training to local businesses for their initial start-up. "Businesses are lining up at the door of the project-established enterprise centre to receive training and mentoring services and the centre has seen more than 16,000 Papua New Guinean entrepreneurs to date. "The centre has provided the equivalent of more than 9,000 training days and 1,200 mentoring days to PNG-owned businesses," Autin added. She said that

ExxonMobil was looking at providing management training to PNG women soon so they could be equal participants in the development and benefits of the project.

“Next year, we would be hosting the “global women in management programme”. This programme was usually held in world capitals such as Jakarta or Washington DC and brought together inspiring women from around the developing world to learn management and networking skills and then take those skills back to their home countries to establish or expand community support programmes”. “The PNG LNG project has supported 17 Papua New Guinean women to attend this programme so far, and we’re thrilled that this initiative will be held here in Port Moresby next year”. “It’s no secret that when women are economically empowered, the entire communities benefit. “This is why we invest in programmes that expand the skills and experience of women that work for the project, who live in project area communities and are leaders from around the country. “Women are a resource that should be empowered to lead and make positive change,” Autin added.

Post-Courier via PNG Mine Watch 4.12.2013

Leaders sign revised nickel project deal

By ROSALYN ALBANIEL-EVARA

THE revised memorandum of agreement (MoA) for the Ramu nickel project was signed in Madang yesterday.

The event was hailed as a milestone achievement for the Ramu nickel project, the people of Madang and the national Government.

The revised agreement was signed before a huge crowd at Jais Aben Resort by Minister for Mining Byron Chan, Madang Governor Jim Kas, Usino-Bundi MP Anton Yagama, chairman of Ramu nickel project Zao Zeming and the landowner chairmen of the four project impact areas.

Mr Chan said in light of the ailing market prices on minerals including nickel, the project was a success story, adding the signing was part of that success.

He said the MoA had been signed in 2006 and was due for review in 2009 but that did not happen until yesterday to the delight of all parties involved.

He said the revised MoA would effectively manage the benefit sharing arrangements and development aspirations of all stakeholders for the next five years.

He said the revised MoA captured the updated, current and future

socio-economic, cultural and infrastructure aspirations of all the beneficiaries including the mine impact communities.

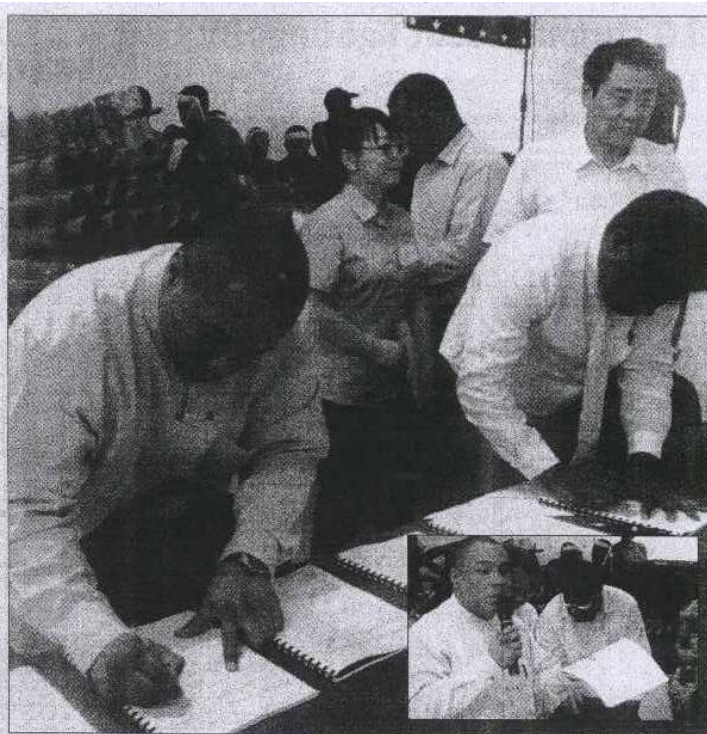
The minister had also said it would be imperative that the MoA was reviewed in the shortest time possible so that changes could be promptly captured and accommodated.

It would also be imperative that all parties were satisfied with the review process and outcomes as only then would they all move forward and participate meaningfully in this important project.

In extending Prime Minister Peter O'Neill's congratulations to all parties involved in success story, Mr Chan also given the assurance and government's full commitment to fulfill the various undertakings in the revised agreement.

“Your government through the National Executive Council had recognised the significance of the Ramu project and has endorsed the upfront funding of the infrastructure grants or SSG to be made available to the Madang Government through the national budget process.

“Likewise, the state's undertakings will continue to be funded through the National Government's annual development budget going forward,” he said.



BYRON Chan and Jim Kas signing the revised MoA and (insert) Mr Chan giving a speech.

Treasury boss: EITI Initiative backs investments

By ANCILLA WRAKUALE, Post-Courier 4.12.2013

THE establishment of the extractive industries transparency initiative (EITI) will help PNG strengthen accountability, good governance and reduces corruption says Treasury's acting secretary Dairi Vele. He said the initiative will help promote conflict resolution, social and economic stability. Mr Vele said another key benefit of EITI to PNG is that it will support maintenance of a strong investment climate. Initial discussions on EITI started in 2006 as result to the PNG to Australia gas project. In March this year, the National Executive Council (NEC) endorsed the implementation of EITI after the recommendation by the informal multi stake-

holder group (MSG) through the Department of Treasury which was championed by the Treasury Minister Don Polye. Mr Vele said it was also pleasing to note the involvement of various people from wide range of stakeholders represented on the MSG, the primary body responsible to oversee and coordinate the successful implementation of the global EITI standards in PNG.

He said the PNGEITI will report on the payments made to Government and likewise Government report on revenues received, thus making it more transparent and accountable. He said to overcome challenges in implementing the PNG EITI; it will need government leadership and commitment. He said availability of information from government agencies and lack of capacity would also be another key challenge. Me Vele said the next step on working on EITI is to complete the EITI work plan and submit application to International Secretariat for candidacy status. Others included the establishment of the National Secretariat within the Department of Treasury and implementation of EITI in PNG when application for candidacy is approved. He said in future there is possibility of embedding "Transparency Initiative Publication" into the revised Oil and Gas Act.

New group formed to fight experimental seabed mining

PNG Mine Watch 3.12.2013

Another new group to stop experimental seabed mining has been formed in PNG, bringing together Provincial governments, politicians, public servants and senior lawyers with non government and community organisations. The PNG Group Against Seabed Experimental Mining is led by its newly elected Chairperson, prominent lawyer Moses Murray. The formation of the group, which was also witnessed by another senior lawyer, Thomas Elizah, and representatives from the Madang and Oro Provincial governments, reflects the growing opposition to the experimental seabed mining plans of Nautilus minerals not only from communities and students but also in the professional ranks and among business people and public servants and politicians. Other members of the group include the Centre for Environmental Law and Community Rights (CELCOR), Partners with Melanesian, Madang Provincial Government, Yariyari Lawyers, Hon Gary Juffa MP, Oro Provincial Government, and representatives from Manus, Milne Bay and Madang. The group has been formed to stop any experimental seabed mining in PNG including the proposed Solwara 1 mine.

Worker At Papua Copper Mine Killed In Accident

One dead, another injured after rock fell onto vehicle

WELLINGTON, New Zealand (Radio New Zealand International, Dec. 2, 2013) – A worker has been killed after an incident at the giant Grasberg copper mine in the Indonesian province of Papua. Freeport McMoRan says early on Sunday morning a worker was killed and another injured after a rock fell from an ore chute onto a light vehicle in an underground section of the mine. A union official says operations and production at the world's second-biggest copper mine have not been affected. It is at least the third deadly incident at the remote complex this year, including a tunnel collapse in May which killed 28 people. The mine produces about 220,000 tonnes of copper ore a day under normal conditions, but output has been below that level for most of the year after several fatal incidents.

Canadian Police Probe On Bougainville Completed

RCMP investigating violations of Canadian law by mining companies

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Dec. 2, 2013) – The four-man investigation team sent to Buka by the Royal Canadian Mounted Police left Bougainville over the weekend. They were in Buka to investigate possible breaches of a Canadian law by Canadian companies who have been operating in Bougainville. Acting Bougainville President Albert Punghau said the investigation concerns the "activities of two Canadian companies in Bougainville – Invincible Resources Inc. and Morumbi Resources Inc". Acting Chief Administrator Chris Siriosi, said all officers in the administration have been directed to cooperate with the probe team. "Bougainville's mineral resources are one of its main sources of wealth. It is very wrong for foreigners to access that wealth unfairly by corrupt practices," he said.

Papua New Guinea mining industry faces downturn after 10 years of growth

ABC Radio Australia, 2 December 2013, by Jemima Garrett

The Papua New Guinea Chamber of Mines and Petroleum says the country's mining industry is experiencing its first downturn in a decade. The Papua New Guinea Chamber of Mines and Petroleum says the country's mining industry is experiencing its first downturn in a decade. The Chamber says while the gas industry is booming, mining is facing difficult times in the wake of decreasing commodity prices and pressures on production. Executive Director Greg Anderson had told Pacific Beat after 10 years of growth, it's a significant downturn. "We had a magnificent cross-section of explorers including a very decent suite of majors in joint ventures," he said. "Unfortunately many of those have now opted to pull out because of international pressures so it is definitely a challenge. "We have...a very significant junior sector, but a lot of them are facing great pressures and I am afraid to say some of them will probably disappear." Mining has formed a significant part of the PNG Government's revenue.

Mr Anderson says while the downturn hasn't hit the government's bottom line yet, it will definitely have an impact. "We've got some growth in production, thank goodness, because we have some new projects but they are new and they are not significant tax contributors for some years," he said. "So it will certainly affect the government's bottom line, particularly in the Ok Tedi situation because the commodity prices for both Ok Tedi products - copper and gold - were very high and they have both slumped." Mr Anderson says despite the mining gloom, the country's LNG development is a bright spot. "The two sectors have diverged quite considerably in the last 18 months because we had solid growth in both of them for nearly a decade," he said. "Definitely oil and gas is fortunately doing extremely well still and we have got a very buoyant situation there, particularly for further LNG developments. "We have got as we say the potential for further extensions and other developments and other gas developments as well so this is a very good story for such a small country."

Letter to the editor

Nationals, not expats, should be running Ok Tedi

The National, December 2nd, 2013

IT is with great sadness that I write on behalf of the silent majority that have been forced to leave Ok Tedi Mining Ltd (OTML) against their will by year's end. Prime Minister Peter O'Neill promised that his government would listen to the petition submitted by the

2,000-plus skilled workers and that no national employee would lose his/her job, but instead create more jobs. This is not happening. In the name of cost-cutting and a smaller mine operation going forward, the company has laid off 40% of its national workforce, but no expatriate positions have been made redundant. The company is recruiting a lot of expatriates, mostly to fill managerial and senior positions vacated by nationals. Many consultants are flooding in and a lot of contracts worth millions of US dollars are being raised to bring in more consultants and contract companies to drain the wealth from Ok Tedi. Is the prime minister aware of what is going on and is he concerned for his fellow countrymen and women? Does he have plans to secure their welfare and their jobs?

Ok Tedi is 100% PNG-owned and every Papua New Guinean should be happily working and benefitting from this great mine. The government needs to intervene immediately and sack managing director Nigel Parker and his senior management. I write this in hope that the prime minister and his office will take immediate action to save our national employees' jobs. We have been running this mine for over 30 years and it is time we manage our own affairs and be truly independent. We have enough qualified technical people from engineers, designers, miners, operators, welders, fitters as well as managers. Let Ok Tedi be run by Papua New Guineans from 2014. We can do it and we are prepared to take Ok Tedi forward. Patriotic Mine Slave, OTML Tabubil

International miners line up to plot the destruction of our oceans

PNG Mine Watch 29.11.2013

As we move into an era of mining the deep-ocean floor, the world's most remote and least understood environment, mining companies are working on overcoming the perceived challenges and island nations are watching with interest. As the demand for base metals and minerals surges ever beyond what our land is able to provide, new technological and technical developments are helping to drive forward this new industry. The Deep Sea Mining Summit 2014 will bring together a large array of solution providers, upcoming deep sea miners, members from the scientific community, and those within allied industries wanting to learn more about the opportunities within this emerging marketplace. Following the huge success of the previous Deep Sea Mining Summit, this year's objective is to build on and identify new and innovative technology developments, technical know-how's, and to focus on the real challenges which face a new breed of deep sea miners and industry providers. Case studies and real results will address the issues. The Deep Sea Mining Summit is seeking presentations that are focused on the following topics:

- New developments in deep sea mining, a resources future
- Achieving sustainable seabed mining projects
- Regional studies of Seafloor Massive Sulphide deposits and Manganese Nodules
- Prospecting and Exploration, Methods and Results
- Deep sea mining equipment, lessons learned and future developments
- Future of technologies for seabed mining and robotic innovations

A rise in the demand for metals and minerals has led to an inflation of prices never seen before in history, particularly of many base metals that are found in seabed deposits. Both private and government-sponsored marine mineral exploration projects are on-going in efforts to respond to this ever increasing demand. To date, the International Seabed Authority has awarded 17 applications for seabed exploration licenses. As new technological solutions are being utilised for deep sea mining explorations we anticipate new commercial operations to develop

further in the near term. The Deep Sea Mining Summit will be an opportunity for professionals engaged in relevant disciplines to report on their accomplishments and to exchange views. Presentations that focus on the challenges facing the deep sea mining sector, in particular, an update on recent technological and technical developments are most welcomed, along with other relevant topics of timely interest.

Nautilus exploration due soon: Togolo

THE NATIONAL/PACNEWS, 29/11/2013

Nautilus Minerals, the Canadian deep-sea mining company, will start sea floor mining exploration in the waters of Papua New Guinea and Solomon Islands soon. Company country manager Mel Togolo disclosed this recently to the Madang provincial government. Exploration activities are expected to be completed in December. Nautilus has licences around Bismarck Sea and the Woodlark areas and parts of the Solomon Islands. The operation will explore for deposits and will do “target testing” using remote operated vehicle (ROV) to test for metal content. The company’s exploration vessel mv Fugro Solstic was due to call at Madang port yesterday. Company manager for environment Dr Samantha Smith said the vessel was 70m long and had the capacity to carry 51 people at one time including 33 crew members. The vessel was fitted with latest technology required for such a big operation, she said.

Mine Watch and PNGExposed wrong says AusAID advisor to Bougainville

PNG Mine Watch 29.11.2013

Yesterday we published Part 1 of a debate between Australian National University researcher, Anthony Regan, and University of Ulster Lecturer, Kristian Lasslett. Today we publish Part 2, where Regan takes aim at two prominent PNG blogs - PNGExposed and PNG Mine Watch. Regan is currently legal advisor to the Autonomous Bougainville Government, paid for by AusAID. Regan is overseeing the drafting of legislation that will see Rio Tinto return to the island as early as next year. Parts of this legislation has been heavily criticized by landowners and commentators, including this blog, as has the money Regan earns in his AusAID role. In the extract below, featured on Facebook’s Bougainville Forum, Regan responds to his critics, and Lasslett provides a response.

PNG Mine Watch & PNGExposed Oppose Democracy, Regan Claims



AusAID man, Anthony Regan

"Friends, I'm in Bougainville now, working with the ABG. This is the first time I've been able to connect since Sunday. I don't have much time, as we are very busy. So I'll not even try to comment on the various interesting points different people have been making. But I do note, briefly that a couple of comments seem to be based on misunderstandings about the kind of work I do." "I should therefore clarify: As a lawyer, I work for the ABG. I act on the instructions of the ABG. I do what the ABG asks me to do. Of course, like any lawyer, I am also often asked to advise on particular issues, but that is usually restricted to legal issues. But because the Peace Agreement is the basis for complicated constitutional arrangements, where there is a lot of room for interpretation - and argument - and as a result very often a great deal of negotiation needed. The things I have been working on this year have been, as always, many and varied. They have included a role in development of the draft Bougainville Mining Law - work that I have been doing with Bougainvillean lawyers, officers of the Bougainville Mining Department and many others. The draft Mining Act is still the subject of awareness and consultation."

"In much of the comment on it there's been many quite serious misunderstandings - so much so that sometimes it looks like people commenting have not read or understood it. While some commenting on *PNG Mine Watch* and on *PNG Exposed* blogs have attacked what President Momis has said about it involving a radical new approach (or words to that effect)," "I disagree with them. The ABG is really trying to give a great deal of protection to landowners. For example, the current draft provides that customary owners of minerals will have a right of veto over exploration licences. Those critics attack the idea of landowners being represented in decision-making by democratically established associations of landowners. Perhaps there might be better ways of ensuring landowners have valid spokespersons, but the ABG is not yet aware of them." "The Administration is trying very hard to do this properly. Another important aspect of the draft law which no-one comments on is the fact that it aims to legalise almost all the small-scale mining that under PNG law is now illegal - for at present the only legal small scale mining is alluvial mining by a citizen on his or her own land, but only if its in or within 30m metres of a river bed (wet or dry). Mining on anyone else's land is illegal, as is mining with any kind of machinery."

"So the draft Act makes it legal to mine on any land of your own (river bed or not, machinery or not) and on anyone else's land with agreement of the landowners, provided its on land less than 0.5 hectares. (And by the way, in relation to the research grant I'm involved in to study illegal mining, because of this push - in which I've been heavily involved - to ensure almost all small-scale mining is legal, the title of the project has been changed to 'Small-scale and illegal mining'. The project is in no way directed to trying to shut down small-scale mining - rather the opposite. The main aim with small-scale is to get a better understanding of the needs and problems of the people doing that kind of mining, particularly because its become such an important industry in Bougainville, with many, many people relying on it for their main income." "And while on the subject, the implication - intended or not - of some comments on that research project has been that somehow the money for that project comes direct as income to me and my co-researcher. That is absolutely untrue - research grants of this kind can only be spent on the approved research budget, and accountability for the expenditure is very tight indeed.)"

"But I also need to emphasise that the work I do for the ABG does not involve only mining related work. In fact, that's a fairly new area for me. This year, for example, I've also been involved in much other work. That's included work (together with many other officers) on aspects of development of a separate Bougainville public service (including issues on both the

draft Bougainville Public Service Act and the Bougainville Public Finance Management Act. A major area of work has been on funding for the ABG from the National Government, including issues about calculation of some of the grants to the ABG. These are just some of the examples, amongst many. But I realise that what was going to be a brief post has got long. And I need to get back to some work in relation to the draft Bougainville Public Service Act."

Lasslett Responds



Kristian Lasslett

"Anthony just a few points of clarification. I have read the critiques made by *PNG Mine Watch* and I think your summary perhaps does not quite do their position full justice (in the interests of transparency I should note that I have written on the blog before)." "For example, you note: "Those critics attack the idea of landowners being represented in decision-making by democratically established associations of landowners". "Quite the opposite in fact. *PNG Mine Watch* raised concerns that the legislation would empower the Bougainville Executive Council to ordain certain landowner associations as legitimate while marginalising others (<http://www.islandsbusiness.com/.../landowner-revolution.../>). This has the potential – without adequate safeguards – to lead to politicised decision making where small, unrepresentative landowner bodies who happen to tow the state-corporate line, are given formal recognition, while those democratically elected bodies, more critical of existing policy, are marginalised."

"Indeed, this almost happened in 1987/88. Francis Ona and Perpetua Serero were democratically elected the Secretary and Chairwoman respectively of the PLA. When it became apparent that the latter two won on an anti-mining platform, BCL refused to recognise the election, which caused all sorts of problems. In this case Joseph Kabui stood firm behind the landowners and their democratic decision. But in the future this may not always be the case. Safeguards are thus possibly needed." "Also you criticise *PNG Mine Watch* for taking issue with the ABG's controversial press release, which announced the handing back of mineral ownership to customary landowners (<http://www.abc.net.au/.../bougainville-mining-law.../4559170>). You note the draft legislation "provides that customary owners of minerals will have a right of veto over exploration licences'. What *PNG Mine Watch* argued was that after this preliminary stage – exploration being the earliest stage of the mining process – ABG are legislatively empowered to overrule landowner decisions." "Fair enough perhaps. Governments need to create certainty for investors. On the other hand, overruling landowner wishes can have fairly significant impacts. So clearly there are important issues here, in need of debate."

"If you could possibly upload the current draft legislation, on this forum, that might help generate more informed views (assuming, of course, it is a public document). Its important to remember the PNG Mine Watch critique related to a previous version of the mine legislation, I believe as a result of landowner concerns it has now gone through two redrafts." "On the other hand it is good to hear about the AusAID small mining project you are working on. The problem with large-scale mines seems to be that communities become spectators to the destruction of their environment, as profits are largely distributed overseas, or consumed irresponsibly by governments. Small-scale mining provides a community-centred method for earning income, with less radical environmental consequences. Though the latter seems to be the challenge, ensuring communities are assisted to do alluvial mining so their own health, and the environment's health is not a risk. I wish you the best of luck on this important endeavour."

"On the funding front, I think the criticisms have been largely limited to the advisory fees paid by AusAID to foreign advisors. For example, in addition to fixed daily travel rates, advisors working on law/mining can earn K2,500 per day (<http://aid.dfat.gov.au/.../adviser-remuneration-framework...>); given local salaries, these significant amounts, on occasions, rightly or wrongly cause frustration. The critiques I have read argue that some of this advisory work could be done locally – I have no idea if this is true. While I have met some formidable Bougainvillean lawyers, I accept perhaps Bougainville lacks skills in discrete legal area?" "However, I think what upsets people most (I could be wrong, my evidence is anecdotal) – the money is an issue, not the main one – is the perceived connection AusAID advisors have with Rio Tinto, a company many communities view as criminal, and responsible for death and destruction on a major scale (added to that, many landowning communities simply cannot understand why the proposed mining legislation protects BCL/ Rio's historical claims over Panguna, given the latter's unapologetic stance, without also enshrining the community's right to reparations for damage suffered. In short it seemingly violates basic principles of balance)."

"Sam Kauona argued this in The National and pointed to links between ABG advisors and Rio Tinto/BCL. Perhaps he has an agenda, I don't know, Axel Sturm and others allege this is the case – but he deserves the presumption of innocence. That aside, Sam made this argument because he knows it resonates with many on the ground." "For example, your Co-Investigator on the AusAID illegal mining project, who also acts as an AusAID mining adviser on Bougainville, obtains "substantial financial assistance" from Rio Tinto to conduct research (<https://newmatilda.com/.../ausaid-fuels-bougainville...>). Given the role the latter organisation played in the violence and destruction on Bougainville, at the very least, this would seem a poor choice of funder; at worse it create a potential conflict of interest, given Rio Tinto's significant financial interests on Bougainville. There are also important ethical issues here. For example, many researchers would not take funding from, or do consultancy work for BCL/Rio, in light of its human rights record (though to my knowledge, no scholar does consultancy work for BCL, perhaps for this reason)."

"The attack on you in The National may have been unfair, and perhaps the more limited critiques on this forum, including my own, are also unfair. But at the same time, when discussing the nefarious role BCL/Rio played in the military operations on Bougainville, you have claimed that there is no credible evidence to support this allegation. You appear to be aware (please correct me if I am wrong) that senior BCL managers have acknowledged this role, a fact that has been corroborated by numerous PNG government officials, and internal company records (minutes, memorandums, letters). Yet you maintain this evidence is not credible. You

may not agree with your critics, but at the very least Anthony can you appreciate their concern in light of your unmoved position on BCL's conduct?"

Strong mining laws needed in Bougainville

Post-Courier 29.11.2013



Mining on Bougainville can only be considered if strong mining laws are in place, says Central Bougainville MP and Minister for Information and Communication Jimmy Miringtoro. Mr Miringtoro said such laws must ensure that resource owners are shareholders and that there is minimal damage to the environment through better waste management and mining methods that will not cause so much pollution and degradation of arable land. "Having heard what my people had to say regarding resumption of mining in Panguna and the establishment of another large scale mine on the island, I have decided there are a whole lot of issues to be resolved before mining can take place on Bougainville," Mr Miringtoro said. The MP said there are basic grievances of the people of Bougainville in terms of compensation for loss of land and environmental damage done in the past that need to be addressed before the resumption of mining can be considered. "There must be greater involvement by resource owners and community leaders throughout Bougainville in the creation of this laws and this must have a same hearing as the Bougainville constitution received," he said.

"Above all, these laws must also ensure equitable distribution of wealth from the mine so that no one group in Bougainville becomes rich while the rest are poor." Mr Miringtoro said at this point in time it is highly unlikely that ABG will be able to manage the impact of mining in Bougainville because it simply lacks the resources and the capacity to do so. He expressed disappointment at the way the ABG conducted its mining forums which he said were not as inclusive as they should have been. "Only certain chosen people with name tags hanging around their necks were accorded more time to talk at the forum and many people felt unwelcomed by the forums which were staged inside a building instead of out in the open in view of the general public," he said. "These chosen people were of course none other than the ones who supported the return of Bougainville Copper Limited to Panguna." He said these forums were rushed to justify that the people of Bougainville had been informed. "We all know that

the reopening of Panguna mine was always high on ABG's agenda," he said. Mr Miringtoto said the people were ignored by the ABG when it was carrying out its mining forums which were brief and not extensive enough to give leaders and key community members and rural Bougainville opportunity to register their input on the mining agenda.

Western welcomes new aircraft

Post-Courier 29.11.2013

By Gloria Bauai, UPNG Journalism student

"Together, we are going to turn our from the last to the first province" were the words directed to an airline company from Western Province Governor Ati Wobiro. Mr Wobiro said these words during the welcoming and washing-down of a new PAC-750 aircraft which arrived from New Zealand on Wednesday afternoon. The new single engine will be the second PAC-750 belonging to the Niugini Aviation Airlines to service the people of Western Province under a three-year contract between the airline and the Western Provincial Government. Mr Wobiro said this addition will make it possible for services to reach the people of Western Province, especially those in the most remote places. According to the Chief Executive Officer of the company, Mr Roxon Undi, P2RNB will be assisting its other sister plane P2RNA to service the people of Western Province. "One PAC will be covering the South Fly and the Lower Middle Fly operating out of Daru and the other PAC will be operating out of North Fly covering the Upper Middle Fly," said Mr Undi.

Undi thanked the governor and the people of Western Province for the opportunity of the contract and pledged their service to the province and the country. "We've been fortunate — the governor and the people of Western Province have given us this opportunity to bring these two aircrafts in and we will continue to serve them." "We will do our utmost; make sure we have safety as our paramount principle and continue flying to bring services into Western Province." Governor Wobiro said he was a firm believer of private-partnership and was confident in the partnership his province has with the airline company. He said that this partnership will last as long as he remains the governor and is looking towards adding two more aircrafts once the airline company upgrades its license with CASA. Paul Gueme, a pilot with the airlines company said the aircraft registered as P2RNB can carry a weight of 11-12 000 kilograms and is good for high altitudes. Mr Gueme said this aircraft has a fast and powerful engine fit for PNG conditions where the rural strips are shorter in length and sometimes busy.

PNG: Mining works boosts construction

Post-Courier 28.11.2013

THERE was a strong rise in construction work done figures for the September quarter but recent positive housing data does not seem to be translating into more homes being built. Completed construction projects in Australia rose 2.7 per cent in the September quarter, the Australian Bureau of Statistics said, better than expectations of a 0.5 per cent rise. The amount of residential building work done was unchanged in the quarter, while non-residential building rose 3.7 per cent and engineering work grew 3.5 per cent. "Although today's outcome is a positive for the economy in general, it is most likely not an accurate reflection of activity at the consumer level," JP Morgan economist Tom Kennedy said.

"We have seen an uptick in building approvals and the housing sector in general but at this stage it has failed to translate to a higher level of construction activity." Because of the substantial lag time between commencement and completion of dwelling construction, an in-

crease in the number of building approvals will likely be reflected in construction data over the coming quarters, he said. Commonwealth Bank economist Gareth Aird said there are signs the peak in mining investment had been reached. According to a report by the Bureau of Resources and Energy Economics published on Wednesday, the transition of the mining boom from investment to production phase is now happening. It said there were 63 resources projects with a combined value of \$240 billion at the committed stage, compared with 73 projects with a combined value of \$268 billion six months earlier.

LNG reduces workforce By ANCILLA WRAKUALE

Post-Courier 28.11.2013

THE number of people currently employed at the PNG LNG Project is expected to be just less than a thousand as the project goes into production next year. Esso Highlands Limited managing director Peter Graham said the workforce around production period is expected to be around 1200. Mr Graham said the project would see a significant reduction from foreign skilled workers. "At peak, we had about 21,000 people working on the project, it has now come down and some of these contracts have finished, we have about 17,000 people at about this stage. "We still got about over 7,000 Papua New Guineans," he said. ExxonMobil in its second quarter report said the numbers of foreign nationals remain temporarily higher than that of Papua New Guineans because of the need for specialist technical skills for the current construction and commissioning stage. Mr Graham said the project invested about 2 million training hours. "I think this is quite extra ordinary and the legacy of that investment is going to be with PNG for generations," he said. "On any project, there's a start and finish to a project by definition, so those people will finish with us, will move on to other opportunities. It was pleasing to see that a good number of those people who are finishing with us are getting excellent jobs elsewhere. Mr Graham said they are helping the government to get started on some of the infrastructure projects in PNG as part of the benefit sharing agreement so that those who finished from the project with excellent construction skills could be moved there.

Komo airport to get air surveillance unit

Post-Courier 28.11.2013



A defence Force air wing base will be set up at the Komo Airport in Hela Province following discussions between the State, ExxonMobil and the Royal Australian Air Force. Prime Minister Peter O'Neill, responding to a question asked in Parliament on Tuesday by Koroba-Kopiago MP Philip Undialu on the future use of the airport, said the proposed defence air base will serve as a training facility and coordinate air surveillance operations for the country. "We are now planning to see if we can move a training facility for the defence force flying unit to be based there so we can utilise this big asset which cost well over US\$1 billion," Mr O'Neill said. The Prime Minister said surveillance was very much needed to curb the increase in the level of illegal fishing in the country's waters. "We need surveillance work along the border and we will need surveillance work up on the north where the fishing grounds of tuna are and where all the illegal fishing is taking place."

The Prime Minister said the liquefied natural gas project developer, Exxon Mobil had used the airport as a gateway to transport its equipment during the project's construction phase and the government was now in discussion with the company to further utilise the facility. "The project has utilised the airport for its own purposes already and it is now available for the government to take over. "We are now talking with Exxon on how we can best utilise the airport," Mr O'Neill said. Mr O'Neill said the airport will also be used for commercial purposes to provide air transport for the people of Hela province. He expressed his gratitude towards the members of the province for their support and constructive engagement to ensure that the airport is operational as soon as possible. "I want to thank the honourable member for Komo-Magarima, member for Tari-Pori and the Governor for their constructive engagement with the national government," Mr O'Neill said. "We are now all agreeing that we will try and utilise Komo Airport as the airport where all our people from Hela Province can use to travel through carriers such as Air Niugini."

Vale faces compensation demand in New Caledonia acid spill appeal case

Radio New Zealand, 27.11.2013

Five New Caledonian environmental groups have demanded that the Vale nickel company pay 7.8 million US dollars for the damage caused by an acid spill four years ago. The demand was made in the appeal court in Noumea, which heard the case brought by the prosecution after a lower court had fined Vale 5,000 US dollars last year. A lawyer acting for the environmentalists says Vale has to be hit in the pocket, adding that the demanded sum equals to one Pacific franc for every square centimetre affected by the spill. Vale's lawyer says the demanded compensation is pharaonic in size and should be rejected because the damage was extremely modest. Environmentalists say tens of thousands of fish died because of the spill. The appeal court ruling is expected on February the 24th. Over the years, there have been several incidents at the Vale plant, which suspended operations two weeks ago after an effluent pipe through a World Heritage lagoon burst.

Groups Call For Safe Operations At New Caledonia Mine

Company reportedly fixing pipe, claims no damage to environment

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 27, 2013) – The head of New Caledonia's Rheebeu Nuu environmental group, Raphael Mapou, says it will only condone to restart of the Vale nickel plant if it can guarantee its safety. The US\$6 billion plant was shut down nearly two weeks ago after it became public that an effluent pipe going through a World Heritage lagoon had burst. Mary Baines reports.

Raphael Mapou says after all the incidents of the past, the bursting of the pipe is one accident too many. His words are translated.

"RAPHAEL MAPOU (TRANSLATED): We will assess the developments next December and then we will say yes or no to the restart of the construction. The ball is now in the camp in the company and in the camp of the government of the southern province."

Previous incidents include a 670,000 litre spill of a solution containing acid in 2010. The WWF New Caledonia manager, Hubert Geraux, says the burst pipe shows Vale is incapable of preventing major faults.

"HUBERT GERAUX: Behind the pipe there are many other problems, and we must ensure that the other risks are better managed than the pipe. Vale showed us its incapacity to detect and react to problems."

[PIR editor's note: Radio New Zealand International reports that five New Caledonian environmental groups are demanding Vale pay US\$7.8 million for damages caused by the previous acid spill four years ago. Vale was fined US\$5,000 by a lower court last year, but the new demand was heard in the Noumea appeal court. Vale's lawyer says the demanded amount is too high in comparison to the "extremely modest" damage, although environmentalists insist tens of thousands of fish dies as a result.]

Mr Geraux says the pipe is just one example of Vale causing environmental damage. He says Vale's residue storage basins are leaking and polluting ground water, high concentrations of sulphur dioxide are killing nearby forests and chemicals are polluting streams.

"HUBERT GERAUX: The forest close to the plant is dying quietly but surely because of sulphur dioxide. The silt and chemical pollution in the different creeks around the industrial site is enormous."

But Vale's delegate director, Yves Roussel, says since it found trees were being exposed to sulphur dioxide through the burning of stock piles nearby, it has changed its procedures. And he says the company is working to fix problems with the lining of the residue storage basins.

"YVES ROUSSEL: The truth is that we have an issue in the liner that we are fixing now. And there was no spill. And all the water that may have been contaminated has been pumped. It's not a big volume. I can assure you that there are no chemicals in the river."

Vale says an initial investigation shows the pipe burst because too much air was in it, and a broken detection system meant the leak wasn't picked up. But it insists the fracture was discovered less than two weeks after it occurred and there has been no environmental damage. It plans to resume operation at the end of the year. Mr Roussel says because it is all new technology, it is not unusual for some issues to occur.

"YVES ROUSSEL: We may discover some issues. We are, in our view, near the end of this process. And we have had some incidents inside the plant that we are fixing. We have had only one spill."

The southern provincial government has been criticised for not checking the pipe in almost two and a half years, when it was supposed to do so every six months. But its general secretary, Marilyne Arcaini, says it is Vale's obligation to check the pipe, which it did in 2012. She says while the company is responsible for the equipment it owns, it has to comply with regulation - and Vale's equipment will be checked by independent experts to ensure it is up to standard.

Canadian Mounties Investigating on Bougainville

By Jo Chandler, The Global Mail, November 27, 2013

Foreign treasure hunters have descended on the battle-scarred and economically bereft Pacific island of Bougainville, as jockeying for its natural riches intensifies. Hot on their trail: The Royal Canadian Mounted Police. Detectives from the Royal Canadian Mounted Police are on

the Pacific island of Bougainville to investigate deals by Canadian-based miners positioning for a stake in the war-torn territory's vast gold and copper riches. Three Mounties, members of a specialist unit briefed to investigate allegations of corruption of public foreign officials, flew to the Papua New Guinea capital of Port Moresby on Sunday, November 24, en route to Buka in Bougainville, where they are expected to spend a week gathering evidence and testimony and probing the miners' interactions with the internecine workings of the island's powerbrokers.



VLAD SOKHIN; The Panguna mine in Central Bougainville was once one of the world's largest open-pit copper mines.

Though economically bereft, Bougainville has immense minerals wealth. Its Panguna site was once one of the world's largest copper mines and underwrote PNG's economy when it gained independence from Australia in 1975. Jockeying for access to, and income from, its buried treasure has become fierce ahead of the now autonomous island's decree of new mining laws and the easing of a decades-long exploration moratorium. "The Canadian police investigators have informed the Autonomous Bougainville Government [ABG] that they wish to undertake interviews with certain people who have interests in companies called Morumbi [Resources] and Invincible [Resources], both companies who are pursuing mining-related activities in Bougainville," the region's acting chief administrator, Chris Siriosi, has confirmed.



AAP; Current Bougainville People's Congress President John Momis, pictured here (centre), between former President Joseph Kabui and his war-time enemy, Joel Banam, in 2001.

Invincible Resources gained local prominence back in 2006 when it paid Kina 20 million (\$AU8 million) to the skint ABG in a deal for a 70 per cent share of the island's future mineral resources. It also secured a smelter royalty recently estimated to be worth US\$19.5 million. Then-president Joseph Kabui was facing a vote of no confidence in his parliament over fallout from the still-unstamped deal when he died of a heart attack in 2008. Invincible subsequently changed directors; had a falling out with the principal of its Bougainville operation, Australian-born mining entrepreneur Lindsay Semple (unsuccessfully suing him); changed its corporate identity; and faded from the scene in Bougainville. But a couple of its key figures – Semple and his longtime PNG highlander associate Philip Rali – reappeared in 2011-12 in association with a new player, Morumbi Resources, which set out to distinguish itself from traditional Big Mining by cultivating grassroots relationships and goodwill with several communities, including investing in health clinics and training student teachers, and preaching a sustainable-mining model. It today claims to have negotiated deals with half-a-dozen landowner groups “in anticipation of the [exploration] moratorium being lifted”.

At a press conference in Bougainville this morning, Acting President Albert Punghau told local media “the visiting group are conducting an investigation only. I believe decisions about whether or not criminal charges should be laid will only be made when the investigation is complete. Until then all involved are presumed innocent”. The present Bougainville Government has been co-operating fully with the Canadian inquiry since learning of its existence several months ago, Siriosi says. He stressed that the ABG had not laid any complaint with Canada, but that the Mounties had initiated their investigation independently three years ago. A Canadian police liaison officer told *The Global Mail* the unit could not comment on ongoing inquiries. The island's infrastructure and economy have profoundly decayed in the years since the war and many people rely on scavenging scrap metal from abandoned sites and on artisanal mining to survive.

The serving Bougainville President, Dr John Momis, has been outspoken against what he labels “back-door mining deals” as landowner groups, local militias, and international prospectors – small and large – jostle in anticipation of new mining laws and the re-opening of the war-ravaged island to exploitation of its mineral wealth. Momis has slammed deals being brokered between individual communities and smaller companies as unfair to the wider population – most recently in a two-page paid spread in *The National* newspaper on Monday, November 25. He has foreshadowed world-first legislation which would see Bougainville landowners share mineral rights with the state; gain veto over exploration; and rights to object to developments when they are already underway. But his government is under attack from powerful opponents who accuse the President and his AusAID-funded advisor (lawyer and long-time Bougainville scholar Anthony Regan) of crafting laws that sympathise with Australian interests and favour the return of Rio Tinto subsidiary Bougainville Copper Ltd (BCL).

Regan has strenuously denied such claims. These opponents include the ABG's former finance and mining minister Mathias Salas, and local hero and former Bougainville Revolutionary Army (BRA) leader Sam Kauona, the latter an enthusiastic advocate for the Canadian operators now being scrutinised by the Mounties. Kauona is an old colleague of one of the original directors of Invincible, Philip Rali (the pair were in the PNG military together before Kauona defected to the BRA). Rali introduced Kauona to his friend and business partner Lindsay Semple. The BRA warrior and the Australian businessman developed a strong rapport, as Kauona explained to ABC correspondent Steve Marshall in 2008: “Lindsay Semple, out of hundreds of interested investors that came into Bougainville, turns out to be that person, that special person, who is genuine, who is able to listen to the way people think ... I have chosen Lindsay because in my heart I feel that he's the person Bougainville needs.”

VLAD SOKHIN: Workers for Chinese company Wang Enterprises Limited cut mining machines for scrap metal at the Panguna mine.







Contacted by phone yesterday, Rali told *The Global Mail* that he didn't believe the claims about the Canadian investigation. He said Semple and Kauona were out of telephone range. Morumbi's Toronto spokesman said last night the company had no knowledge of the investigation and that the company had "no dealings with government officials in Bougainville or PNG". Attempts to locate Invincible Resources for comment were unsuccessful. LIFE EXPECTANCY on Bougainville is just 60 years for women, 59 for men – that's eight and five years behind the PNG national average, which itself rates right near the bottom among international indicators. The island's infrastructure and economy have profoundly decayed in the years since the war, and many people rely on scavenging scrap metal from abandoned sites and on artisanal (small-scale) mining to survive. The island's mostly subsistence society is mired in deep poverty and social division, according to a just-published report by the Australian Strategic Policy Institute (ASPI). "The Papua New Guinea Government, donors, neighbours and officials on Bougainville have failed to build the capacity needed by the Autonomous Bougainville Government to remediate the causes of the 1990s conflict."

Many leaders and communities on the deeply disadvantaged island support some level of mining activity to secure their future as either an autonomous region or a fully independent nation. Under the peace deal they are due to vote on that issue between 2015 and 2020. But the clashes over mining policy are testimony to the deep divisions and enduring anxieties about the region's prospects and the revival of the minerals industry. Antipathy toward mining interests generally, and BCL particularly, remains high, as is concern about a descent back into conflict. Bougainville President Dr John Momis has been outspoken against what he labels "back-door mining deals". Rumbings about such a threat – "The Second Bougainville Crisis" was the headline on another paid newspaper statement published by Momis opponents back in March – reverberate widely. "The truth is that few Bougainvilleans have opposed BCL longer or harder than me," Momis responded in his paid newspaper statement this week. "When I became President, I explored other [non-BCL] possibilities for ... re-opening of Panguna. But the Panguna landowner communities said they wanted the 'devil they knew' and not a 'new devil'. "So I respected their wishes. As a result the ABG is consulting them about how to handle possible negotiations."



VLAD SOKHIN; Abandoned petrol station in the centre of Arawa, Bougainville.

It's now 25 years since a cauldron of disputes – local clashes over the distribution of mining royalties; fighting between rebel separatists and PNG forces; and fallout overclaims of substantial environmental damage – erupted in the 1988 uprising that shut down BCL's massive Panguna mine, then one of the largest copper mines in the world, in 1989, and ignited a decade of civil war in which thousands of people died. Figures are hard to confirm and the subject of expert dispute, however, upwards of 10,000 are believed to have perished from direct action and as a consequence of a long blockade, which stymied food and medical supplies. A UN estimate put the figure at 15,000, other reports go higher. Thousands of women and girls were raped, one third of the population lost their homes, and a generation of children missed out on an education. The recent ASPI paper warns that Bougainville's fragile peace is at risk of collapse unless the Australian Government invests soon, and substantially, in a new development effort. The report, co-authored by ASPI executive director Peter Jennings and institute analyst Dr Karl Claxton, urges Australia's new Coalition government under Prime Minister Tony Abbott to engage in active diplomacy, together with a tripling of aid to the island to \$100 million a year.

Bougainvilleans do not yet have realistic options to choose either autonomy or independence, the pair argue. "Misunderstandings between Port Moresby and the ABG persist, while Bougainville remains a deeply divided society. Economic imperatives to resume mining add new pressures. "The most likely referendum outcome at the moment – Papua New Guinea refusing to ratify a clear but far from unanimous vote for an independence Bougainville is utterly unprepared for – would be destabilising." They argue that a prompt, resourced and focused engagement by Australia with Bougainville could mitigate the risk of another collapse. "The Bougainville situation presents an early test case for the Abbott government's credentials for focusing Australian foreign policy more on our immediate region," the paper argues. "More than anything, Bougainville needs its economy and infrastructure developed to help sustain peace. A new international effort to assist Bougainville could be thought of as a preventive development initiative to forestall the need for another peacekeeping mission." (source: <http://www.theglobalmail.org/feature/canadian-mounties-investigating-on-bougainville/753/>)

Developers Apparently Abandon Half-Finished PNG Casino

2007 project by South Korean company allegedly out of money

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 27, 2013) – Landowners from Papua New Guinea's Southern Highlands are reportedly among investors in what seems to be a doomed hotel project in Port Moresby. The planned five-star hotel and casino has been under construction since 2007 after the site was controversially leased to a South Korean developer by the government. The government also amended gambling laws to allow for the casino and gave the company major tax concessions. However work has stopped at the site in the city centre, with the company apparently running out of money. Our correspondent, Todagia Kelola, says he understands the company's PNG representatives are in hiding, with the landowner investors searching for them. "They are basically looking for them, yes. And they are also looking for answers as to what is going to happen to their investment now that work has completely come to a halt." Port Moresby authorities say if there is no progress in the next three weeks the half-finished building will be demolished.

New Caledonia leaders call for international nickel cartel

Radio New Zealand International 26.11.2013

New Caledonian political leaders say they would like to create a nickel cartel with Indonesia and the Philippines similar to the oil producing countries' OPEC. New Caledonia's vice-president, Gilbert Tyuienon, and its Congress president, Roch Wamytan, discussed the issue with Indonesian leaders in Jakarta amid concern over the drop in the nickel price. The two countries reportedly hold about 80 percent of the world's ore supply, with Indonesia supplying Chinese smelters whose growing output has lowered the nickel price way below the production costs in New Caledonia. The New Caledonian leaders say there was interest in Jakarta in suggestions to regulate the nickel market along the lines of the rubber and tin market.

K1.4billion spent on Ok Tedi extension work

The National, November 26th, 2013

By SHIRLEY MAULUDU

OK Tedi Mining Ltd work on the mine life extension has already cost the miner US\$604 million (K1.4 billion) until last month, managing director and chief executive Nigel Parker said. Parker said: "The mine life is expected up to 2025, with final extension approval expected to be come soon." According to the mining company's website, OTML management viewed the gold and copper mine life to extend with a combination of two underground mines and one open pit operation. The website said the mine life extension would produce an estimated 90 million tonnes of ore with close to 700,000 tonnes of copper and 2.3 million ounces of gold during its extended life. The mine would be a lot smaller compared with the current operations. Ok Tedi's current annual copper and gold production is 160,000 tonnes and 540,000oz gold respectively. It was expected that the mine extension would generate K3 billion in state revenues (dividends, taxes, royalties). Other benefits included extended lease payments, a level of on-going compensation and tax credit infrastructure and maintenance of social services for the people of North Fly and the rest of Western. Meanwhile, Parker said OTML had begun the export of about 80 tonnes per month of recycled rubber tyres in the form of rubber crumbs to a buyer in Australia.

WWF Slams 'Major Faults' At New Caledonia Nickel Plant

World Wildlife Fund says Vale's equipment not up to standards

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 25, 2013) – The World Wildlife Fund (WWF) in New Caledonia says a burst effluent pipe at Vale's nickel plant is just one example of its faulty equipment causing environmental damage to the area. Vale suspended operations in mid-November after it became known that the pipe, leading through a lagoon of a World Heritage Site, was broken. The WWF New Caledonia manager, Hubert Geraux, says the burst pipe shows Vale is incapable of preventing major faults. He says other equipment owned by Vale is not up to standard, including residue storage basins which are leaking and above the authorised upper safety limit. He says lethal concentrations of sulphur dioxide are destroying the forest around the works site, and silt and acid leaks are affecting streams in North Bay and West Kue. Mr Geraux is also calling on the role of Environment New Caledonia, or L'OEIL, to more actively assess the impact Vale might be having on the region. [*PIR editor's note: Radio New Zealand International reports that the head of local environmental group Rheebeu Nuu, Raphael Mapou, says the group will only condone the plant restarting operations if it can guarantee safety.*]

New Caledonia environmentalists insist on Vale safety before restart

Radio New Zealand international, 25.11.2013

The head of New Caledonia's Rheebeu Nuu environmental group, Raphael Mapou, says it will only condone a restart at the Vale nickel plant if it can guarantee its safety. The six-billion US dollar plant was shut down nearly two weeks ago after it became public that an effluent pipe going through a World Heritage lagoon had burst. Mr Mapou says after all the past incidents, the pipe rupture is an accident too many. His words are translated. "We will assess the developments next December and then we will say yes or no to the restart of the construction. The ball is now in the camp of the company and in the camp of the government of the southern province." Vale has said the pipe burst because too much air was in it. It plans to resume operation at the end of the year.

LNG operator: Project on schedule for export

Post-Courier 25.11.2013

By *ANCILLA WRAKUALE*

OPERATOR of the US\$19 million PNG LNG Project, Esso Highlands Limited, an Exxon Mobil subsidiary, says they are very confident of exporting the first gas in the second half of 2014. Speaking to the media last Friday, managing director Peter Graham said the project is 90 percent complete and they are confident for the first gas shipment later next year. "As we get to first cargo, which will be in the second half of next year, we are very confident of that happening and it will be a very exciting time for us and PNG as well as the first vessel sail out through the harbour to the first customers," Mr Graham said. He said the first of the two wells for the project are now ready to produce gas. He described that as fantastic milestone for the project. He said the completion of the 3.2km Komo airfield "in the middle of nowhere" was another milestone for the project this year with the Russian cargo plane, Antonov delivering 88 loads of big equipment pieces to the site. He said it was a huge challenging task given the rugged terrains and high rainfall experienced in that part of the country. Mr Graham said businesses had a great time with the project this year. "We have spent almost K10 billion in Papua New Guinea and quite a bit of that money was spent with landowner companies.

He said it was very pleasing to see some of those local companies prosper and develop in their own capabilities to survive and not depend on them. He said landowner issues for this year was good compared to last year which was very challenging for them. According to Exxon Mobil, more than 250 billion cubic meters of gas are expected to be produced and sold during the life of the project. PNG LNG will provide a long-term supply of liquefied natural gas to four major LNG customers in the Asia region including: China Petroleum and Chemical Corporation (Sinopec), Osaka Gas Company Limited, The Tokyo Electric Power Company Inc., and Chinese Petroleum Corporation, Taiwan. Meanwhile, Treasurer Don Polye last week told Parliament when handing down the budget that 2014 looks exciting as the economy is anticipated to grow very strongly with the first shipment of gas to overseas customers. Mr Polye said the PNG economy is expected to grow at the strong rate of 6.2 per cent in 2014 and was mainly attributed to the anticipated rebound in growth in agriculture, forestry and the fisheries sector and the very sharp increase in the oil and gas sector with the commencement of the gas production.

Government moves to save Oil Search shares

Post-Courier 25.11.2013

By ISAAC NICHOLAS

THE national Government is moving towards saving its shares in Oil Search as well as all its State owned enterprises that was mortgaged in a loan deal with the Arabs to fund its equity in the PNG LNG project. Papua New Guinea entered into the loan deal with the Independent Public Investment Corporation (IPIC) to secure A\$1.5 billion to fund the 18.5 per cent stake in the LNG project. Prime Minister Peter O'Neill told Parliament during Question Time on Friday that a committee had been set up to review bids from international finance institutions to refinance the IPIC deal. He said the PNG Government did not have the money at that time to fund its 19.5 per cent equity and so mortgaged its 17 per cent share in Oil Search and the SOEs as part of the fundraising to secure its equity in the LNG project. "What has happened was that when we got the IPIC loan, we mortgaged almost everything, on top of the Oil Search shares, we mortgage all of the SOEs as well. What we are trying to do is to get all the other SOEs out of that mortgage so we are not held to ransom.

For example, every time we want to buy a new plane for Air Niugini, we have to get the Arabs permission to do so." Mr O'Neill said the deal had been done and the Government was now trying to correct it. "The LNG project is now almost 99 per cent certainty, we will deliver the project on time, on schedule. First gas will be delivered to our customers in June/July next year, so there is a greater certainty in the project," he said. He said what the government had done was to go out to public tender inviting financial institutions to bid to refinance the IPIC deal. "We have together with a committee headed by Chief Secretary, Treasury secretary, managing director for IPIC and State Solicitor to review the bids that have come in which has been completed and ready for Cabinet." Mr O'Neill said the Cabinet would examine the conditions on each of those bids and make a decision. "Our aim is very simple, all analysts tells us that Oil Search with the LNG production now a certainty, the Oil Search shares is likely to increase to \$20 dollars by year 2020, from the current \$8.50 cents per share."

Deep sea oil protesters crowd iconic beach

By Patrice Dougan, New Zealand Herald, 22 November 2013



A haka is performed at the Piha protest against deep sea oil drilling. Photo / Greenpeace

More than 1000 people turned up at one of Auckland's famous west coast beaches to protest against deep sea oil drilling in New Zealand waters today. Protesters turned up in their droves,

waving and carrying banners, to show their support for the Oil Free Seas flotilla, which is protesting where oil giant Anadarko intends to begin drilling off the coast of Raglan. Popular beach, Piha, hosted the main event, with speeches and a haka, which saw over 1000 people attend. Around 400 people joined the protest at Muriwai, 500 at Bethells Beach, and almost 750 at Raglan. Figures for the more than 34 other beaches taking part up and down the country were not yet available. Protesters - who were asked to bring their own homemade banners - carried signs reading: "we love our beaches", "deep sea drilling is not worth the risk", and "Anadarko go home". One of the more inventive ones likened Anadarko to anaconda snake oil. Steve Abel, Greenpeace climate campaigner, said the protest, which began at midday, was "amazing". "There's been an incredible turnout," he said. "The creativity of some of the banners - humorous, pointed, and totally inspiring." He said people felt "very strongly" against deep sea drilling. "We have this incredible potential for clean energy [in New Zealand], we are actually a power house on clean energy, so it's just a no-brainer for people," he said.

Letter to the editor

Help us PM, we're losing our jobs at Ok Tedi mine

Post-Courier 22.11.2013

IT is with great sorrow that I write on behalf of the silent majority of whom have been forced to leave Ok Tedi Mining Ltd against their will by end of this year. Prime Minister Peter O'Neil when responding to the petition by the 2000 plus skilled work force on 2nd August 2013 promised that his government will listen to their petition. He further stated that no national employee will lose his/her job, instead create more jobs. However, it is very sad for me to state that it is not happening as the PM as said. The OTML management is running the company contrary to the expectation of the PM's and the country's wish. A lot of the national work forces, more than 40%, have been forced to resign. In the name of cost cutting and a smaller mine operation going forward OT2025 (Ok Tedi 2025), the company has laid off or made redundant more than 40% of its national workforce.

No expatriate position has been made redundant. The company at the moment is recruiting a lot of expatriates, mostly managers and senior positions to fill the posts vacated by the nationals. A lot of consultants are flooding in. A lot of contracts worth millions of US Dollars are being raised to bring in more consultants and contract companies to drain the wealth from Ok Tedi. Is the Prime Minister aware of what's going on in Ok Tedi right now? Does he have concern for his fellow country men & women? Does he have plans to secure their welfare and their jobs? Ok Tedi is 100% Papua New Guinea owned. Every Papua New Guinean should be happily working and benefiting from this great mine. Not the so-called managers. The government needs to intervene immediately. Mine slave of OTML

Talisman signs EITI agreement

Post-Courier 22.11.2013

TALISMAN Energy, one of the most active petroleum explorers in Papua New Guinea, yesterday signed the extractive industries transparency initiative memorandum of understanding in Port Moresby yesterday. The petroleum company signed the MoU as one of seven industry representatives of this newly established tripartite relationship. Treasury Minister Don Polye has championed PNG's application to join this important global Extractive Industries Transparency Initiative (EITI) movement where the national government will make a commitment to declare revenue receipts received from the extractive industries, and all producers agree to declare what they pay in gross taxation to the Government. The Treasurer

when handing down the 2014 National Budget on Tuesday reiterated the government's commitment to greater transparency and accountability in government revenues from the extractive sector of mining and petroleum. Talisman's Government Relations Manager Richard Kassman said Talisman was pleased to support PNG's application to EITI.

"Talisman-energy, a Canadian based petroleum company was one of the first corporations to sign up as a "corporate member" to EITI, and now that the Papua New Guinea government has taken steps to apply for membership, Talisman is very encouraged and is pleased to support this move. Mr Kassman who is also the Vice President of the Papua New Guinea Chamber of Mines and Petroleum and has been a member of the interim multi-stakeholder group said that it is important that PNG's major industry players such as Oil Search PNG Ltd, Esso Highlands Ltd, Newcrest Mining Ltd, Barrick Niugini Mining Ltd, Morobe Mining JV and the Chamber have signed the MOU. "Papua New Guineans must be encouraged that all major mining and petroleum companies are right behind the Government's implementation of EITI and of course are looking forward to engaging closely with civil society representatives on the multi-stakeholder group, to ensure good disclosure and transparency when PNG's first EITI report is produced, following full membership.

Nautilus holding talks with government

The National, November 21st, 2013

By SHIRLEY MAULUDU

NAUTILUS Minerals is holding discussions with concerned Government officials in a bid to push the Solwara 1 project, country manager Mel Togolo said. Earlier, Mining Minister Byron Chan said that due to current legal matters that needed to be addressed, the project would be delayed. However, yesterday, Togolo said the ongoing negotiations between the miner and concerned Government officials seemed to be working well. "I don't think it has so much to do with the delay. We are having very positive discussions with the Government officials involved to move the project forward and those discussions are continuing. "We want to work with the Government to ensure that the project moves forward," Togolo said. He said Nautilus could also face cost effects should there be any delays in the project implementation. "When there are delays in projects, not only in mining but also in other projects, there is always cost implications. "That is the risk that any delay would impose in a project. That's a general statement to all projects," he added.

Meanwhile, Togolo told The National the Government had shown positive response to meet its 30% equity in time so that the project would not be delayed any further. "The Government has elected to exercise its option to take up 30% and I think that is a commitment that the Government has made. "I think the Government is very serious about its commitment and when the time is right, it would be able to fulfil that (commitment)," Togolo said. Nautilus Minerals was the first company to explore the ocean floor for polymetallic seafloor massive sulphide deposits. The company was granted first mining lease for such deposits at the prospect known as Solwara 1 in Bismarck Sea where it will extract copper, gold and silver. The Canadian company was granted environmental permit for this site with license granted under the previous government.

MRA rushing MoAs

The National, November 20th, 2013

THE Government is confident of delivering three mining project agreements (MoAs) this year. Mineral Resources Authority (MRA) had marked 2013 as the year to review all the nine mining projects' MoAs. Since then, the authority with the support of other relevant government agencies, has been meeting with stakeholders of the projects' agreements, to review the benefit packages. The nine mining projects are Ok Tedi, Porgera, Lihir, Simberi, Ramu, Hidden Valley, Sinivit, Tolukuma and Solwara1 Project. Acting MRA managing director Philip Samar (pictured left) said this was the first time in the mining history of Papua New Guinea that the Government had conducted this number of MoA reviews in one year. He said out of the nine projects' agreements, the government had at least reviewed seven, with three almost completed. The three MoAs were that of Ramu, Simberi and Tolukuma.

The rest of the MoA reviews were either at advanced stages and nearing completion or still in progress. Samar said he was confident that all MoAs would be signed off before the end of this year or in the first-half of next year. He said Ramu agreement had been approved by the National Executive Council (NEC) and that it would be officially signed in two weeks' time in Madang. He said Tolukuma and Simberi MoAs had been agreed upon by all parties and were going through the government process, especially legal clearance by the State Solicitor before it goes to the NEC for approval. These agreements are expected to be signed towards the end of the year. Parties to the Sinivit mining project agreement had agreed to the primary terms as contained in the revised draft of the MoA, with only the training and employment and the business development plan yet to be concluded.

Hundreds Protest Over New Caledonia Nickel Plant Breakdown

Group claims pipe that broke last week not inspected since 2011

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 19, 2013) – About 300 people in New Caledonia have been protesting near the Vale nickel plant whose operation has been suspended since last week after it became public that an effluent pipe had broken. The group outside the plant near Goro is made up of members of the environmentalist organisation, Rheebeu Nuu, and six local tribes who have called for a review of the terms for the running of the six-billion US dollar plant. The Rheebeu Nuu leader, Andre Vama, says since 2011 the authorities in the southern province haven't inspected the pipe, which carries effluent through a lagoon in a World Heritage site. It reportedly broke in at least two places, but the Vale leadership says the incident has had no impact on the environment. Women demonstrators have called for sanctions against Vale. In the last decade, Rheebeu Nuu resisted the construction of the plant and three years ago, the criminal court sentenced 32 members of Rheebeu Nuu to suspended jail terms for their role in clashes with police.

5 mines in Fiji

Ropate Valemei, The Fiji Times, November 19, 2013

WITH the issuance of a new mining permit to Viti Mining Limited, the number of productive mines in Fiji has now increased to five. The other four existing mines include the Vatukoula Gold Mines, Xinfa-Aurum Bauxite Mine, Wainivesi Zinc Mine and Amex Iron Sands Mine. According to the Ministry of Finance economic and fiscal supplement for the budget, there was huge potential for other new mines to come into operation in the near future as a number

of projects were in its advanced stages of exploration. The ministry said those included the Nabu manganese mine, the Tuvatu gold project, the Sigatoka/Nasivi delta iron mine and the Namosi Joint Venture copper project. "As of September 2013, a total of 74 exploration licences were issued compared to 60 licences in 2012," the ministry said. "This includes 16 exploration licences for deep sea mining. "A key development for the mining sector has been the inclusion of the right of landowners in the new Constitution to receive a fair share of royalties from the extraction of minerals." It said the provision would ensure equitable distribution of benefits from the extraction of mineral resources.

Bougainville To Gazette New Foreign Investment Laws

Bill focuses on responsible investing to meet Bougainville's needs

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 19, 2013) – The autonomous Bougainville government in Papua New Guinea is about to gazette new laws establishing controls on foreign investment. The Inward Investment Bill was passed by the ABG parliament on Wednesday last week and aims to ensure that any foreign investment is responsible and meets Bougainville's cultural, economic and social needs. A New Zealand company, Tuia International, has spent more than two years in Bougainville, preparing a policy on responsible investment which chief executive Tim Gibson says is incorporated into the new law. He says every inward investment proposal will have to meet six clear criteria. "And that is defined as being aligned with the values and culture of the people of Bougainville - ethical, moral and fair, recognises and protects land rights, is environmentally sustainable, involves maximum participation of the people and achieves social and cultural outcomes."

PNG PM rejects 'Mugabe' comparison and defends fund takeover

Radio New Zealand International, 18 November 2013

The Prime Minister of Papua New Guinea has defended the takeover of the Ok Tedi mine and rejected comparisons made between him and Zimbabwe's Robert Mugabe. Peter O'Neill says the Ok Tedi mine and the sustainable development fund has always been the property of the PNG people and he can't understand why he has been attacked for what the Government is doing. The chairman of the PNG Sustainable Development Program and former prime minister Sir Mekere Morauta denounced Peter O'Neill as comparable to the Zimbabwe dictator for what he called 'pure greed'. The media advisor of the SDP Mark Davis was deported from the country after a series of critical reports on the Government takeover. Mr O'Neill says he is not answerable to one or two individuals. "I think that is a far-fetched comparison but let me reiterate again, this mine has always been owned by the people of Papua New Guinea and of course the people of Western Province. All we have done is to put it in a different structure from that which held the shares on their behalf before."

Isabel Paramount Chief Speaks Out Against Mining In Solomons

Bishop says province 'too' small to support nickel mining

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 18, 2013) – The paramount chief of Isabel in Solomon Islands says his province is not big enough to support mining operations. The comment follows a mining forum in Buala, the capital of the province, which is rich in nickel deposits and has two companies vying for extraction rights. The forum's main resolution is that Isabel is not ready for mining, and delegates have returned to

their communities to discuss the issues involved. Bishop James Mason, who works for an Anglican diocese in Britain, says living outside of the country has reinforced for him how small Isabel is. "And we are vulnerable to many of these climate changes and if we were to mine these places then resettlement would be another disaster." Bishop James Mason says the land tenure system in Isabel would not allow for the relocation of those displaced by mining activity.

Four new mines in 10 years

The National, November 18th, 2013

FOUR large mining operations are soon to come on stream in the next 10 years, Mineral Resources Authority (MRA) acting managing director Philip Samar revealed in his presentation during a media workshop on Saturday. The new mining projects include Mt Kare (17km west of Pogera gold mine), Yandera in Madang, Frieda project at the border of East and West Sepik provinces and Wafi-Golpu project in Morobe. Mt Kare project is owned and operated by Indochine. Samar said Mt Kare was undergoing feasibility study, which was expected to be completed by middle of next year. "The projected mine life of Mt Kare project was between five and eight years with commercial production to commence in 2016. Marengo Mining Ltd is the developer of the Yandera project. Samar said the feasibility study had been completed for submission to MRA. The mine had an expected life more than 20 years and it would be producing copper and molybdenum by 2017. Frieda River copper-gold project's owner Glencore Xstrata had indicated opting to sell Frieda.

The project was on the market and PanAust was in discussions to finalise a deal. Brisbane-based PanAust, a company with mining interests in Laos, Thailand and Chile, had agreed to acquire an 80% stake in the project for US\$79 million (K205 million). PanAust had planned to develop a mid-sized operation unlike Xstrata, that was planning large scale. PanAust feasibility study was expected to be completed in 2015 with production anticipated in 2018 or 2019. Frieda project was projected to have a mine life expectancy of more than 20 years. Samar said Wafi-Golpu exploration project was a joint venture of Harmony Gold of South Africa and Newcrest of Australia with 50% stake each. The Wafi-Golpu project had current resource estimate of nine million tonnes of copper and 26.6 million ounces of gold with gold equivalent of 74 million ounces and forms one of the world's major gold deposits. Samar said: "Current indications are that this project has the potential to be another Ok Tedi or Panguna-sized operation with an expected mine life of 20 plus years."

NZ: Seabed mining proposal defended

Radio New Zealand, 17 November 2013

A proposal to mine the seabed off the west coast of the North Island is being defended by Trans-Tasman Resources. About 300 people met in Raglan this weekend to oppose an application for a 20 year permit to mine iron ore from 65 square km of seabed, 22km off the coast of Patea. Chief executive Tim Crossley said the company's research suggests the environment will recover in a matter of years. He also said the mining will generate 250 jobs in New Zealand. But the Kiwis Against Seabed Mining group said most of the work happens aboard ships. Chairperson Phil McCabe also said not enough is known about the effects of iron-sand mining.

Mori: Back mine project in Simbu

The National, November 15th, 2013

By ADAM MERA

CHUAVE MP Wera Mori has urged two landowner clans to support a limestone project planned for the district. He said the two landowner clans are Duma and Mam of Goiri, Chuave, where a major limestone mine is to be located. Mori urged the clans to refrain from disturbing the project and allow for the smooth flow of the feasibility studies so that work could be completed on schedule. He said mining would soon start in an area with a 50-year mine life which had 57.2 million tonne lime resource. The Simbu Limestone office in Kundiawa said there was more than 95km of limestone deposit in the province and laboratory tests have shown the quality to be of more than 99% pure.

Limestone project coordinator Kohn Digan said: "Finally there is a breakthrough and the limestone is to be mined for cement and other products to be manufactured locally. "For cement to be produced, ingredients are limestone, sand, clay, iron ore and gypsum. Gypsum is the only ingredient that is not present at the mine. Gypsum will be sourced elsewhere." It will take three years to construct the plant which is expected to begin in the middle of next year.

Pundari: River will not be affected

The National, November 15th, 2013

ENVIRONMENT and Conservation Minister John Pundari has assured the people of Western that the Strickland River would not be affected by waste from the Pogera mine in Enga. Pundari was responding to a question from Western Governor Ati Wobiro in Parliament yesterday. Wobiro was concerned that the livelihood of the people who depended on the Strickland River would be affected from the pollution. They had experienced the same problem in the Fly River that was polluted by waste from the Ok Tedi mine. He asked the minister if his department was sufficiently and adequately monitoring the situation at the mine site and the river system.

Ramu landowners invite PM to agreement signing

Post-Courier 15.11.2013

THE Ramu Nickel Project memorandum of agreement (MoA) review signing scheduled for today in Madang will not take place because the Prime Minister Peter O'Neill is having other commitments and will not attend. However, the chairman of the Kurumbukari Landowners Association, Mathew Dengua is requesting the prime minister to make time available before the end of this year to attend to the MoA review signing because of the significance of this project. Mr Dengua, speaking for other three landowner chairmen from Maigari, coastal and Basamuk landowner associations said the Ramu Project is the first biggest nickel/cobalt project and the largest Chinese investment in the Pacific Islands region and must be given prominence. He said Ramu nickel project would bring in much economic benefits to Madang and PNG. It is also a project that will strengthen bilateral ties between the government of China and PNG. Mr Dengua also thanked the Madang provincial government, Mineral Resources Development Authority, Mineral Resources Development Company and the developer, Ramu NiCo Management including other stakeholders for their cooperation and commitment to making sure the review took place.

"We have been working very hard and look forward to the signing of the MoA and let's make it happen, and not delay it," Mr Dengua said. Mr Dengua, on behalf of other landowner

association chairmen also thanked the Madang Province members of parliament, including the governor, Jim Kas for their support and urged them to make time available to witness the signing of the significant project in the province and the country. He said the MoA was signed in 2000, and the review made earlier this year with the official signing yet to take place between the respective parties once the Prime Minister indicates his availability. Ramu NiCo project completed construction at the end of 2010 and officially launched in Dec 6, 2012. Production is currently underway with exports done so far. The project is currently aiming at achieving 50 per cent nameplate production with 80 per cent next year and full 100 per cent production in 2015 once all the technical bottleneck are solved.

Tolukuma parties agree on MoA

Post-Courier 15.11.2013

PARTIES to the Tolukuma gold mining project revised Memorandum of Agreement (MoA) have endorsed the draft agreement on Tuesday in Port Moresby. The parties, State, Central Provincial Government, Woitape Local Level Government and the Yulai Landowners Association signed the draft agreement signifying that they have all agreed on the various undertakings each party is committed to in the agreement. These undertakings include business development, infrastructure development, training and tax credit scheme among others. The original MoA was signed in the 90s. It was last reviewed and signed in 2007 and could not be successfully reviewed until this year due to issues between the parties. Leaders of all parties expressed satisfaction on the achievement adding that they were happy that all parties could see the importance of delivering much need benefits especially to the landowners of the project site and impacted communities.

Chairman of Yulai Landowners Association George Gusi said he was happy that his people negotiated a better deal. He said one of the commitments made by Tolukuma Gold Mines (TGM) which he is particularly happy about is the development of its (TGM's) business plan which would create business spin offs for landowners. Tolukuma gold mine representative John Kuga said the company was satisfied with the outcome of the negotiations. He said this is because the MoA would benefit all parties, especially landowners. Mr Kuga said the company's business development plan would enable them to offload business spin-off activities such as the provision of catering and security services to landowners. Central Provincial Government (CPG) representative Fidelis Angoea said the provincial government was a proud party to the MoA. He said the CPG under the leadership of Governor Kila Haoda was committed to its obligations in the MoA. Mr Angoea said the CPG was looking forward to implementing infrastructural and other projects identified in the MoA.

The State team leader John Ipidari said the State team was happy that all parties could come to compromises on the various provisions although it was difficult to do so at times. He acknowledged the contributions from all parties including the state team member agencies for their support and advice on the various issues that concerned their departments. Mr Ipidari said the draft MoA would go to the State Solicitor's Office for legal clearance and advice and then to the National Executive Council for the final endorsement. MRA acting managing director Philip Samar is confident of delivering beyond expectations this year by delivering 3 project MOAs – Ramu, Tolukuma and Simberi. "Apart from Ramu, Tolukuma and Simberi, the other project MOAs are in various advanced stages of completion and we are confident that if they are not ready this year then they will by first quarter of 2014".

Mt Kare locals urged to support mine

Post-Courier 15.11.2013

By *ANCILLA WRAKUALE*

LANDOWNERS from Mt Kare gold mine have been urged to cooperate with the developer for the progress of the project. Minister for Mining Byron Chan said this in Parliament on Wednesday when answering questions from Member for Laigaip- Porgera Nixon Mangape over Mt Kare gold mine issue. Recently, an entity named Ipaita Limited made threats against the exploration licence holder of tenement exploration license (EL) 1093 at Mt Kare and forced eviction of Summit Development Ltd. Minister Chan said it has taken so long to develop Mt Kare and has asked the local landowners and communities to co-operate with Summit Development Ltd to see the project get off the ground. Chan said with the current market climate where gold and copper prices have declined, it has made it difficult for some explorers to work on their projects. He said the company has best intentions to develop the mine. He said the company intends to invest up to K60 million in the next two years to go into mining and “hopefully the market prices for gold and copper will come good”. Chan said all mining and exploration companies go through thorough scrutinising processes before they are granted mining or exploration licences. He has also encouraged PNG companies to venture into mining.

Australian mining, oil firms face hurdles

The National, November 14th, 2013

THE vast majority of Australian mining, oil and gas companies have no clear public commitment to gain the consent of Indigenous peoples before starting projects on their land, according to Oxfam’s report. The Right to Decide: Company commitments and community consent report revealed that only one Australian company had policies and a position to consider Indigenous peoples’ rights, including their ability to participate in decisions that affect them, their land and natural resources. Oxfam Australia’s chief executive Dr Helen Szoke said while some companies were improving their policies and disclosure on approaches towards Indigenous peoples’ rights, the report findings revealed much more was needed. “This is a critical issue for the Australian mining industry,” Dr Szoke said. “Australian companies are not only trying to access minerals on Indigenous peoples’ land here in Australia, but are increasingly venturing overseas to do the same.” Dr Szoke said the Australian mining sector – like the global mining sector – was facing growing calls from Indigenous peoples to respect their rights to land and their right to determine how it was used.

“Without the consent of affected people, mining companies will find it more and more difficult to access land for mine development and operation,” Dr Szoke said. “Projects risk being delayed or shut down if communities directly affected are not involved in decision-making, do not give their consent, or are denied the opportunity to share in the benefits from these projects.” Mining projects in developing countries can cause harm in a number of ways, including environmental degradation – leading to devastating effects on peoples’ ability to feed themselves and make a living – contamination of water sources for drinking, farming and fishing, deterioration of health including malnutrition, declining social cohesion, and destruction of places of cultural and spiritual significance. According to investor research group Corporate Analysis Enhanced Responsibility (CAER), which worked with Oxfam to develop the report, companies needed to understand the potential legal, reputational and financial risks of attempting to operate without this consent. CAER chief executive Duncan Paterson said: “They also increasingly run the risk of losing investor support, since investors know that without consent, projects may be delayed or disrupted, adding unforeseen costs.

Damaged Pipe Suspends New Caledonia Nickel Plant Work

Pipe discharges waste from mine 46 meters underwater

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 14, 2013) – The nickel company Vale in New Caledonia has suspended operations after an effluent pipe leading through a lagoon of a World Heritage site was damaged. This comes after Vale halved production at its five-billion US dollar plant yesterday, with the government of the territory's southern province giving the company until tomorrow to explain the extent of the damage. The pipe, which is less than a metre in diameter and 23 kilometres long, leads to the open sea to discharge mine effluent at a depth of 46 metres. In initial statement, Vale has said the incident has caused no damage to the environment.

Last year, Vale was fined over an acid spill at its plant four years ago. The spill of more than 40,000 litres of acid was not contained and about 2,000 litres ended up in Prony Bay, killing nearly 2,000 fish.

Solomons' Choiseul province says no to mining

Radio New Zealand International, 14 November 2013

The acting head of Solomon Islands' Choiseul province says people in his region are opposed to mining because of the environmental consequences. Alpha Kimata says the provincial population of about 30,000 depends on natural resources and is already having to manage the effects of logging. A forum on mining finished yesterday in the capital of the neighbouring Isabel province, where two companies are vying for the rights to mine nickel. Mr Kimata, who is Choiseul's deputy premier, says companies are also eyeing his province for nickel and bauxite but their operations would bring little local benefit. "Six feet below it belongs to the state. Therefore any rental of the land belongs to the Solomon Islands government, not the province. We only get money on licence, provincial licence." Alpha Kimata says fishing and tourism are lucrative alternatives to mining.

Momis accuses Kauona of selling out

The National, November 14th, 2013

AUTONOMOUS Bougainville Government president John Momis has accused former Bougainville Revolutionary Army (BRA) commander Sam Kauona of selling out to outsiders. He was responding to a two-page advertisement in The National last Friday in which Kauona accused Momis of pushing through the reading of the draft Bougainville mining policy on Oct 15. Momis, however, said he was in mourning for his daughter at the time and that Kauona had made those false allegations to help a small Canadian mining company, Morumbi Resources, to get a foothold on Bougainville. "I gave no such instruction," he said in a statement. "There was no vote. "I am deeply upset by Kauona's insulting and insensitive claim. "On Oct 15, I had intended only to table the draft mining law in the ABG parliament for consultation, not for a first reading. "I wanted wide public consultation about the draft law with all interested groups, not just Kauona. "In my absence, the acting deputy clerk got confused and tabled the draft mining law because two other laws were being tabled for first reading as well. "Before anyone could correct the mistake, the parliament adjourned to allowed members to join me at the haus krai."

Post-Courier via PNG Mine Watch 14.11.2013

Landowners oppose changes to mining laws

A LANDOWNER group within the special mining lease area on Misima Island has thrown its support behind Oro Governor Gary Juffa, who has urged other governors not to support the amendments to the Mining Act but throw it out of parliament.

Executive officer of Lobwa Gamwaola Landowners' Association, Rouben Elijah, says the amendments to the Mining Act is more foreigner-centric than indigenous people-centric.

"What the Oro Governor has stated about the Chamber of Mines having its interests supercede those of Papua New Guineans, is a true statement, Mr Elijah said.

"We the landowners on Misima

who have suffered a great deal from a suppressive Mining Law that left us high and dry, do not want this suppression to continue to our detriment and that of our future generation," he said.

Mr Elijah said Misima Island is being targeted to host another world class copper and gold project with current exploration advancing.

"The issue on resource ownership rights and benefits must be adequately addressed before any talks on a mine can proceed," he said.

Mr Elijah warned that negotiations for any future mining will be tough and the landowners will not be easily lured, nor will they tolerate coercion by the state.

"This time, we will put away our friendly nature and be outright frank and react according to what measures the State takes. How the investors, developers and state treated the people of Misima in the last mining era will not be the same next time around.

"Why should land owners get only 2 percent and foreigners take 98 percent? We fight and squabble over the meagre 2 percent and suffer, while 98 percent is enjoyed by foreign multinational corporations? This is outright robbery and criminal in essence.

"The Government must protect the interest of the people of Papua New Guinea. Simply throw the amendments out of parliament and into the rubbish bin."

Solwara I faces delay

The National, November 14th, 2013

By SHIRLEY MAULUDU

THERE will be a delay in implementing the Solwara 1 project, Mining Minister Byron Chan said. He said the seabed mining operation would be delayed because of the current legal matters that needed to be addressed. "PNG government gave Nautilus Minerals 38 months to deliver and to actually get all necessary equipment, ships and logistics. "That has been delayed because of the current legal issues that have gone on for almost eight months now," Chan said. He said the court made a ruling against the state in favour of Nautilus Minerals in relation to an obligation that the government had to pay 30% equity in the seabed mining project. However, he said the government, through the Treasury and other state departments, were working on to finance the equity. "But Nautilus was already issued a mining lease, and the company had the right to mine the area. "We had given them conditions and they had to fulfil those conditions, though there would be a delay," Chan said.

When reacting to the move by certain non governmentat organisations and concerned PNG citizens to take PNG government to court over the seabed mining by Nautilus, the mining minister said it was their right to take any issue to court. "The NGOs have their own rights to take matters to court, we don't deny that", Chan said. "The problem is that, the lease had already been given and this company (Nautilus Minerals) had already spent hundreds of millions of kina towards putting the project online -- all this had to be taken into consideration", he said. "But it is their right to take the matter to court and let the court decide.". Nautilus was granted first mining lease at the prospect known as Solwara 1, in PNG's Bismarck Sea where it is aiming to mine copper, gold and silver. The company was granted its environmental permit for this site under the Somare government.

Maru: Mining projects to boost Sepik

The National, November 14th, 2013

THE two mining projects in the Sepik provinces will bring maximum benefits, Minister for Trade, Commerce and Industry Richard Maru said. The Frieda River mine at the border of West Sepik and East Sepik and the recently explored Alexander Mine, East Sepik, had drawn excitement from among the people of the two provinces. Maru, who was in Wewak recently, said Alexander mine was now in its third phase of exploration. “We are just waiting for three drills to be put in the respective locations. “Two drills to be put at West-Yangoru and one at Ulupu, Marprik,” Maru said. “In Sepik, we are looking forward to one of those two major mines.” Alexander Mining Ltd, the PNG-registered Canadian-owned company, was issued an exploration licence early last year to work in the Prince Alexander range. Exploration licence (ELA 1857) was approved by Mining Minister Byron Chan and was presented to James Das, the managing director. The company was to begin exploration in the licence area extending from Wamaina in Yangoru to Nagipaim in Maprik. The site was known for its activities in alluvial mining and holds the potential to host some high grade gold and other minerals. Maru said he was informed that there may have already been a buyer for Frieda project. He said it is about time the Sepik provinces started to contribute to the country’s economy. “We can’t just be recipients and only contribute politically ... we have to give real economic contributions to this country as well,” Maru said.

InterOil close to finding partner

Post-Courier 14.11.2013

By *ANCILLA WRAKUALE*

INTEROIL is close to making a final announcement on the selection of a development partner for the Elk and Antelope resources in the Gulf Province. InterOil said negotiations with a number of super majors relating to the monetisation of the Elk and Antelope resource is in final stages, with announcement expected by year end. InterOil chief executive Dr Michael Hession said: “Negotiations with a number of super majors regarding the monetisation of our gas resources are in the final stages. We expect to be able to make an announcement on the selection of our development partner before year end”. The company has secured \$250 million loan facility from a consortium of banks led by Credit Suisse, including ANZ, BSP, Westpac and Commonwealth Bank of Australia. The capital facility was secured by the company’s existing upstream and corporate entities to fund the proposed exploration and drilling program. The company on Tuesday announced a net loss of \$6.3 million (K15.25 million) for the current third quarter, compared to a profit of \$5.3 million (K12.8 million) for the same period in 2012.

O’Neill: Davis involved in politics

The National, November 14th, 2013

PAPUA New Guinea Sustainable Development Program (PNGSDP) Ltd communications director Mark Davis was deported because he was becoming deeply involved in the politics of the country, Prime Minister Peter O’Neill says. O’Neill said Davis’ case should not be compared with that of Indonesia fugitive Tjoko Tjandra, who was a citizen of PNG and could not be deported. “You should go and ask Mark,” O’Neill said. “His work permit conditions are very, very specific that once he starts interfering with politics, you are not performing the tasks you are employed to do. “Of course, the immigration people and the work permit people have received complaints and they’ve acted on those complaints. “I don’t interfere with the

work of Immigration. Good luck to Mark.” O’Neill said Davis had been conducting a well-orchestrated campaign against the government. “He was involved in that and there’s sufficient information for him to be deported,” he said. “The difference between these two (Davis and Tjandra) is quite clear,” he said of Tjandra. “Tjandra was given citizenship. Any citizen is entitled to a legal process. “The government is going through the court process to see whether he is entitled to be given citizenship. I can’t deport a citizen. “I have not received a single correspondence from the president of Indonesia requesting that he be deported or charged. This is just a speculation.”

Cabinet appoints interim director for PNGSDP

The National, November 14th, 2013

THE National Executive Council has appointed Paul Yangen as the interim managing director of the Papua New Guinea Sustainable Development Program Ld. Prime Minister Peter O’Neill said Cabinet had made the appointment. “Following the recent termination of the PNGSDP Board headed by Sir Mekere (Morauta), Cabinet set up a transitional management team headed by the Chief Secretary to Government, Sir Manasupe Zurenuoc, to oversee the operations of PNGSDP until a suitable candidate is identified and appointed to the position,” O’Neill said. He said Cabinet had directed the team to identify and recommend a suitable candidate for the position. The team nominated and recommended Yangen to Cabinet, given his professional and educational credentials for the job, he said.

O’Neill said Yangen was a certified accountant by profession and was formerly the general manager (finance division) and acting managing director of Nambawan Super Ltd. He had extensive banking experience after working as a financial controller and manager for Westpac, he said. “The immediate appointment of the interim managing director is vital to restore confidence in the organisation and to ensure continuity of the operations of PNGSDP and its subsidiaries,” he said. He said Yangen’s appointment would ensure this was accomplished until a permanent appointment was made. O’Neill said the public was aware of the performance of PNGSDP and the Government’s aim to restructure it to serve the interest of the people of Western. “This restructure is fully supported by the Western provincial government, its Members of Parliament, landowners and people of the affected areas,” O’Neill said.

Landowner joins calls to close Ok Tedi

Post-Courier 14.11.2013

By Gloria Bauai UPNG journalism student

Alex Maun, the principal plaintiff in the Ok Tedi case in 1996, yesterday joined the chorus for the closure of the OK Tedi mine. Backing calls made by former mining ministers Chris Hainveta and Sam Akoitai and the Ok Tedi Mine Impacted Area Association (OTMIAA), Mr Maun said yesterday on a radio talkback show on FM100 that the mine should be shut down over reports of the environmental destructions in the area of Middle Fly, South Fly and OK Tedi in the Western Province as a result of tailings dumped from the mine. But in a statement yesterday, the Ok Tedi Mine Limited said that the decision to close or continue the mine would rest with the Community Mine Continuation Agreement communities (CMCA) and the Government of PNG.

“CMCA communities last year gave their consent for mine life to continue from 2015 to 2025 by signing the CMCA Extension Agreements and the State of PNG are in the process of reviewing the Mine Life Extension Feasibility Study,” said OTML. It said closing the mine now

is likely to result in a huge social impact on the people if the Government and the people, especially those from the CMCA and the Western Province, are not prepared for it. "The mine is now 100 per cent owned by the State and therefore all the benefits that are derived from the mine goes to the people of the CMCA, the mine villages and the rest of Western Province and Papua New Guinea either directly or indirectly through compensation, royalties, dividends, employment, goods and services purchased in PNG, spin off businesses, health, education and infrastructure support," OTML said.

Leader: O'Neill right to take over PNGSDP

Post-Courier 14.11.2013

By *TODAGIA KELOLA*

PRIME Minister Peter O'Neill has made the right decision to take over the PNG Sustainable Development Corporation, an Ok Tedi mine community leader and contractor says. Michael Pynnee, a leader from the Star Mountains, where the Ok Tedi mine is situated, and general manager of Star Mountains Engineering, said the PNGSDP has failed miserably to deliver basic services to the people of Western Province. "Prime Minister Peter O'Neill has made the right decision to take ownership of OTML," he said. "The elected members of Western Province have given their unanimous support to the Prime Minister for the change of ownership. The change is timely and the majority welcomes the change." Mr Pynnee said the recent saga of PNGSDP has brought to air some controversies with many more coming to light as the issue continues. "PNGSDP was established for service delivery to the people of Western Province but it was compromised by BHP's puppeteer type control on PNGSDP and OTML for over 10 years," Mr Pynnee said. "Large figures of money published in the media did not reflect the reality on the ground."

He cited as an example the Ok Tarim foot bridge which PNGSDP had "made a song and dance about". He described it as a sad story. He said the people of Ok Tarim needed a road. The PNGSDP did not lack funds, however most of the funds were spent on consultants and failed projects, he said. "The state has allowed BHP to mine at the expense of the people and established the PNGSDP as a Singaporean company to operate remotely," he said. "Singaporean law will continue to protect its companies from outside influence, while on the other hand BHP was in fact in control of PNGSDP and OTML. "BHP knew that any change of PNGSDP and OTML ownership will not affect the Singaporean company. "It is evident that the cronies are now depending on BHP in the name of the Western people." Mr Pynnee asked if the State will have access to the funds sitting in the overseas account and why the State allowed BHP to register PNGSDP as a Singaporean company. "The change placed the leaders in a better position to negotiate with the Prime Minister for greater benefits in its shareholdings and basic service delivery which the people missed out on over the years," he said. "The ninth supplementary agreement was passed unopposed through the floor of parliament and it is now law and it is about time the leaders of the CMCA stand behind their elected members for maximum shares and benefits.

"It is paramount that changes need to be made for smoother and amicable relationships, therefore the State, through its agencies, needs to identify the true principle landowners of the SML and fully compensate all benefits missed since the day of its operations. "Secondly, fairly distribute the shares with the people of Western Province and PNG. "Thirdly, amalgamate PNGSDP, the Ok Tedi Development Foundation and TCS to come under a single structure to minimise the duplication of work, cut administrative costs, and provide effective planning, budgeting, project management and co-ordination to improve service delivery. "All businesses under PNGSDP should come under a holding company. "Finally, revisit the OTML ma-

nagement policies to give greater spin off benefits from mine operations. “For far too long the mine has been operating as an illegal mine because the state had issued a Special Mining Lease to BHP without the consent of the true principle landowners. “The current beneficiaries are not the principle landowners as the State and BHP failed to identify the true landowners through its agencies and social mapping. “Also, it is of my view to question the operator of Ok Tedi Mine Ltd, BHP, whether it had any environmental plans for the operation. “The Ok Tarim waste dam collapse was a cover up, the world knows if there is no environmental plan there is no mine. “But for Western Province and its affected areas we believe this saga is a cloud with a silver lining.”

Akoitai’s ‘mine call’ shunned

Post-Courier 14.11.2013

CHIEF of staff to Prime Minister Isaac Lupari said yesterday that former MP Sam Akoitai should not speak on issues he knows very little about. “Obviously economics and monetary policy is not his forte so Akoitai should steer clear and just stick to what he does best,” Mr Lupari said. Mr Lupari was responding to an article in yesterday’s Post-Courier in which Mr Akoitai described a statement from the Central Bank on the kina slide as “total bulls***”. Mr Akoitai had instead blamed the fall of the kina on the government’s decision to take 100 percent ownership of the Ok Tedi mine. “On Monday, the Post-Courier published a report from the central bank which assured the country that the economy was stable, that the fall of the kina was only temporary and was due to a number of factors, which include our continued high demand for imports, import demand associated with the looming festive season, and the near-completion of the construction phase of the PNG LNG project,” Mr Lupari said.

“The Central Bank makes monetary policy interventions in the market when import/export imbalances affects our currency against our major trading currencies such as the US Dollar. “They therefore know what they are talking about when they give reasons for the appreciation or depreciation of the kina. It’s totally out of line to describe their statement as bullshit.” On Mr Akoitai’s call for the Ok Tedi Mine to be shut, Mr Lupari said Mr Akoitai had the opportunity as Mining Minister to do the right thing, but he failed. “The Government now is addressing the mess he left behind, and putting in place a structure for Ok Tedi that will be beneficial to everyone, and mitigate the environmental concerns that he (Akoitai) is so emotional about,” Mr Lupari said.

PNG Allegedly Looking To Buy Back Oil Search Shares

Sources claim Ok Tedi takeover linked to efforts to raise funds

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Nov. 14, 2013) – The O’Neill Government in Papua New Guinea is keen to buy back its Oil Search Ltd shares it offloaded to the Abu Dhabi-based International Petroleum Investment Company (IPIC) in 2008. And it is still in negotiations with potential financiers, according to the Independent Public Business Corporation (IPBC). The developments coincide with revelations by highly-placed sources that the move to take over the Ok Tedi Mine is allegedly connected to the hunt by the Government for collateral to enable it to raise \$AU1.8 billion to repurchase the shares. Prime Minister Peter O’Neill brushed aside the reports in a recent interview with the Post-Courier saying they were baseless as negotiations were still ongoing. “There is no truth in all this. Discussions are still going on. The final shareholding structure will be determined after the conclusion of these discussions,” he said. Former PM and sidelined PNG Sustainable Development Program (PNGSDP) chairman Sir Mekere Morauta refused to comment when approa-

ched, saying the matter (ownership of the mine) was in court in Singapore and the Washington DC.

IPBC acting managing director Wasantha Kumarasiri echoed similar sentiments to the PM saying negotiations were still underway, though he expressed concern with reports connecting investment bank UBS AG to a purported deal. A copy of a National Executive Council Decision (Decision No 117/2013) dated April 5, 2013 obtained by the Post-Courier showed that the cabinet had given approval for the Minister for State Enterprise to direct the IPBC management to seek funding that would be used to finance the State's component for train 3 of the PNG LNG Project expansion. The State's component is estimated to be \$AU1.2 billion, according to the NEC document. Cabinet also directed that the IPBC should minimise cost associated with raising funds through direct negotiations with potential financiers and the use of IPBC management. Appropriate security options to meet the financier's security requirements should also be provided.

According to highly placed Government sources, who spoke on condition of anonymity, the Government through IPBC had a shortlist of five overseas financiers who were interested in providing the funding. However, the Government's lack of collateral to guarantee the provision of the loan appears to be an obstacle to moving with the loan negotiations. "The Prime Minister has said for us to look at all options but we advised him to let it go because getting another loan would add more burden to the people and we need that kind of money to provide health and education services," said an official involved in the negotiations. The Government's takeover of the Ok Tedi Mine Ltd (OTML) and the sidelining of the PNG Sustainable Development Program (PNGSDP) opened up the potential of using revenue generated by the Western Province mine. However, its efforts were frustrated by landowners splitting over the Government's moves and litigation initiated in Singapore and America by the PNGSDP.

Solomons mining hopefuls questioned over environmental and social problems Radio New Zealand, 13 November, 2013

Companies wanting to mine Solomon Islands' Isabel province are being asked how they will manage the environmental and social problems that may result from their operations. Local people are raising the concerns at a mining forum ending today involving more than 150 delegates in the provincial capital, Buala. Anell Husband reports. "Two companies vying for the rights to extract nickel from Isabel - Sumitomo from Japan and Axiom from Australia - presented their mining plans for the province. The delegates all acknowledged mining's potential benefits - from new employment opportunities, greater financial security to new infrastructure such as schools, roads and medical clinics."

"But women representatives expressed grave concern about environmental pollution as well as social problems, such as alcohol abuse, prostitution, law and order issues and the breakdown of traditional land tenure systems. Isabel's paramount chief Bishop James Mason urged delegates to protect the land for future generations and the provincial diocesan bishop Richard Naramana emphasised the importance of including women and youth in decision-making. Bishop Naramana called for meaningful decisions looking at all options for development, saying economic growth could also come from agriculture and tourism."

Former PM and fund chairman likens PNG to Zimbabwe

Radio New Zealand, 13 November, 2013

A former prime minister of Papua New Guinea and the current chairman of the PNG Sustainable Development Programme says many in the country fear the government. Sir Mekere Morauta has referred the prime minister, Peter O'Neill, to the International Court for the Settlement of Investment Disputes because of the government's new laws to take over the Singapore-registered SDP fund. He says the fund pays almost half a billion US dollars in taxes each year, and the Ok Tedi people have 1.4 billion US dollars that will now go to government coffers. Sir Mekere's Australian media advisor Mark Davis was deported last week, and he says others around him are harassed. He compared the prime minister to Zimbabwe's President Robert Mugabe. "This is Mugabe in the making, Papua New Guineans are scared, ministers are scared, MPs are scared, everyone is scared. No one is saying anything, except for me. And of course people who work around me are now being victimised because of that. But I will continue to say what I am saying." Sir Mekere Morauta.

Akoitai: Shut Ok Tedi mine

Post-Courier 13.11.2013

Ex mining minister: Govt balked at recommendation to close mine despite damning report

FORMER Mining Minister Sam Akoitai says the Ok Tedi mine should be closed by now if the previous agreements were adhered to. He said the Government should shut the mine now so that the Western Province people will can benefit from the funding that is parked with the PNG Sustainable Development Program. Mr Akoitai said when he was mining minister in the previous government, a report was put to the Government that recommended a complete shutdown of OK Tedi but he was one of a few people, including government ministers, who insisted the mine continued because 26 per cent of the country's revenue was coming from that mine and it would affect the economy if it was closed down. He said based on that, agreements were signed and PNGSDP was born. "There was a process that started after the findings. The findings recommended the closure of the mine before my time. OK Tedi/BHP basically wanted to shut the mine because of the report that detailed that the river system was damaged beyond what we could indicate - the river would recover after more than 200 years," Mr Akoitai said.

"On the insistence of the State – the country would lose 26 per cent of GDP – the mine remained open. The company then also had its arguments that if the mine continued and there were any disputes in the future (like what is happening now) they would be the ones facing the consequences. "But the Government insisted that the mine must continue because the Bougainville copper mine closed and the economy was not looking good. "Then we came up with the agreement where PNGSDP came about. This is where we reached an agreement that all dividends would go into PNG by PNGSDP. When that happened, the Central Bank had its own agreements on that 53 per cent, and that is the reason why BPNG is represented. "This is where the agreement was signed – one third of dividends would go back to the country for development projects and from that one third, which was further split – a third of that one third would go to the Western Province people and the rest to PNG. "That money has to look after Western Province after the mine closes. What's the reason? The people who will feel the pain of the mine closure and because of the damages will be compensated. Not the people of Papua New Guinea."

“Now Chris Haiveta has come out. If I was in Government now I would close the mine so that it would give the river system time to recover. “It is good to shut the mine now so that the Western Province people will now benefit from the two thirds of funds parked in PNGSDP. That’s their money. “I had a look at the study. I opposed the 9th Supplemental Report. Why? Because the report basically indicated total damage to the river system and I didn’t agree with the arrangement with basically BHP walking out. “I opposed the idea too because BHP (walking off) approved of State and also State as equity partner to the program. “The State has an equal responsibility to the damage to the river system as an equity partner.” “But my authority as minister for mining then, I had no option and I had to comply with it. But it is a very serious case that the State has betrayed its partner – BHP – bulldozing the agreement for the takeover of Ok Tedi without looking at the 9th Supplemental where it gave rise to PNGSDP.”

Solomons environment minister has no plans to drink 'safe' mine water

Radio New Zealand International, 12 November 2013

Solomon Islands' environment minister says he will not drink the water released from the Gold Ridge Mine's tailings dam - despite his ministry declaring it safe for consumption by downstream communities. Bradley Tovosia recently opened the new tailings storage facility at Gold Ridge, which releases treated water into the Tinahula River in central Guadalcanal. The opening of the facility follows ongoing accusations from communities downstream of the tailings dam that the company is poisoning the river. But Mr Tovosia says as far as the ministry is concerned, the water is safe to drink. Anell Husband spoke to him.

BRADLEY TOVOSIA: From our point of view as the Ministry of Environment, we are convinced that the water is safe drinking water.

ANNELL HUSBAND: Have you drunk it yourself?

BT: Sorry?

AH: Have you drunk it yourself?

BT: No. I did not, no.

AH: Do you know if the local communities are drinking it and they're OK?

BT: Uh, well... I'm not sure. After I did the launch I left on an overseas trip. But from my ministry I haven't heard anything so I'm assuming that things are OK.

AH: So the water quality is being monitored, isn't it? Isn't there testing taking place every day?

BT: Yes, that's our obligation as a Ministry of Environment. We do the best thing every day to ensure that water is safe. And I think the people that consume it are happy with the ministry, currently what we're doing.

AH: OK. So that testing is taking place every day, is it?

BT: It's supposed to be taking place every day, yes.

AH: And how will you know if it actually is? Do you have any oversight over that or is that someone well below you?

BT: No, that's someone well, well, well below me, but before that when we had an issue with a company some months ago we had the locals who actually did an investigation and they have come with a very satisfied report. The company was really unhappy about it so they brought in an independent group who came in to do the same investigation, and they confirmed our report. So I'm sure our locals are doing work here comfortably.

AH: So as far as you're concerned, the water is safe to drink and you haven't drunk it yourself, but presumably you would?

BT: No, no. I'm not intending to drink the water. I think, while it's safe, I'm not going to drink it. I don't want to take the risk of drinking the water that is used by chemicals now.

AH: Oh, I see. So if you wouldn't be prepared to drink it, how would you expect the people who actually live downstream of the tailings dam to drink it?

BT: Well, of course it can be OK. That doesn't mean it isn't safe for the people. But I'm not going to drink it myself. I don't think it's a good thing for me to do.

Solomon Islands: People must decide about mining, delegates told

Solomon Star, 12 November 2013

“Why do we need to base our economy on mining,” asked the Premier of Isabel, the Honorable James Habu, of more than 150 delegates gathered for the opening of the Isabel Forum on Mining in Buala yesterday. Premier Habu said he could not answer the question, but that it was up to forum members to make up their own minds. “We are not here because we share the same opinions. If we did, we would not need this forum,” he said. Premier Habu told the forum that logging in the Solomon Islands has been one of the most significant contributors to the economy and that mining could become a future economic cornerstone. “You may agree with this or not. At the end of the day, all of the decisions must come from the people themselves,” he said. Premier Habu was the opening speaker of the Isabel forum on mining, a public meeting called by the Isabel council of chiefs, the Church of Melanesia and the Isabel provincial government to learn about and discuss plans to mine large areas of Isabel Province. The forum was organized with assistance from The Nature Conservancy (TNC), Solomon Islands Bishop James Mason, the paramount chief of Isabel and first Bishop of Hanuato’o Diocese, told delegates that the Council of Chiefs constitution demanded that they protect and look after the people’s land.

He added that he anticipated that the national government would also make resolutions to protect the resources of the Solomon Islands. “We have lived on Isabel for thousands of years and will live here for years to come. Australia, Japan, China and Europe will never be ours. You and I, and our children, will always live in Isabel. Whatever we can do to protect our lands for future generations must be considered.” Bishop Richard Naramana, the Diocesan Bishop of Isabel, told delegates that this is a pivotal time for the Solomon Islands as the national government looks to mining for development. He said multi-national logging companies had been invited to Isabel, but the Church had been powerless in this process because they companies were invited in by landowners. “Future decisions have to be made with all the people included, especially women and youth. The Church calls meaningful decisions that look at all the options for development. Economic growth may also come from agriculture and tourism,” he said.

During day one of the three-day forum, delegates were given an overview of what mining is by Dr Simon Albert from the University of Queensland. Dr Albert has extensive experience of mining in Melanesia. He explained what types of mining will likely occur in Isabel, that it will last for up to 50 years at each mine site and discussed what possible environmental impacts could occur. He also outlined the positive economic benefits communities might see from mine operations. Mining companies, Sumitomo from Japan and Axiom from Australia – two companies vying for mining rights in Isabel – also talked to the gathering about their aspirations for mining in the province. Later, Jennifer Radford, an environmental lawyer from LALSU, a section of the Public Defenders Office, gave delegates an explanation of landowner rights under current domestic mining law. Forum members had ample opportunity to speak to fellow delegates during open sessions scheduled throughout the day. This was an opportunity to raise particular issues they felt would affect their communities, to question speakers and to clarify issues. TNC Solomon Islands program manager Willie Atu told the gathering during

the opening session that the forum needed to hear opinions for and against mining. “Like the lights shining in this meeting hall that require both a positive and negative charge, the forum also needs both positive and negative views to shine a light on all the issues that mining may bring to Isabel.” The Nature Conservancy is a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. The Conservancy and its more than 1 million members have protected nearly 120 million acres worldwide. Visit The Nature Conservancy on the Web at www.nature.org.

Sheik seen to keep PNG gas interest

The National, November 12th, 2013

THE Government’s move to buy back a convertible debt involving the PNG LNG project before it becomes an equity for an Abu Dhabi billionaire has sparked the interest of the powerful tycoon, who may be keen to maintain an interest in PNG. The convertible debt deal was struck during the 2008 financial crisis with Abu Dhabi billionaire Sheik Mansour bin Zayed Al Nahyan and is forecast to trigger a contest for a slice of a US\$19 billion (K46.34 billion) natural gas project. Sheik Mansour, a member of the Abu Dhabi ruling family, owns International Petroleum Investment Co (IPIC), the company, which loaned A\$1.6 billion (K3.63 billion) to the PNG Government in 2008 for an equity in the PNG LNG project. The Government secured this loan by putting up its 14.7% shares in Oil Search Ltd for the cash. There is a condition in the agreement that the government could buy back the shares before the maturity period, which is March next year.

The March conversion date was sparking speculation that producers including ExxonMobil, the world’s biggest energy company, may also seek the holding. Oil Search is viewed by many global financial analysts as a strategic 20/20 company, meaning its shares will rise to A\$20 (K45.40) per share by 2020. The PNG headquartered company has become the envy of many, and many believed the IPIC deal was a smart scheme engineered by Oil Search itself for the PNG Government to take up equity in the LNG project, and then retain the option of maintaining its shareholding in Oil Search through the buy back. The Government, through the IPBC, believed it can buy back the Oil Search shares at A\$8.55 (K19.41) per share, the strike price which it was thought the company shares would trade at during the swap.

It is understood that a number of investment banks had made presentations to a government team, outlining financing proposals for the buy back. The government, led by IPBC and Treasury officials, was yet to decide on which financing option to utilise. But financial markets monitor Bloomberg said last week that the transaction was now attracting interest from the Sheikh himself, and ExxonMobil, which owned project operator Esso Highlands as well as Total, the French global energy giant. The Sheikh used a similar debt and equity arrangement to take control of Manchester City Football Club in 2010.

PM O’Neill: Davies was playing politics

Post-Courier 12.11.2013

By *ISAAC NICHOLAS*

PRIME Minister Peter O’Neill has stated that the deportation of Australian Mark Davies was done because of his interference with PNG politics. Mr O’Neill when asked during a media conference at his Parliament office yesterday asked the media to ask Mr Davies, who was the media adviser to the PNG Sustainable Development Program (PNGSDP). “You should have asked Mark, his work permit conditions are very specific that once he starts interfering with

politics in the country, then you are not performing the task that you are employed to do," Mr O'Neill said. "Of course the immigration people and the work permit people have received complaints and they have acted on those complaints, I do not interfere with the workings of immigration, so good luck to Mark." The Prime Minister said Mr Davies was orchestrating campaign against government that has resulted in his deportation. "That is politics if he wants to reclassify his work permit conditions we are happy to do so but he has to put in the necessary applications," he said.

"He was involved in formulating (press releases) and there is sufficient evidence for him to be deported and of course we don't make those decisions lightly. We make it with the concern that it is also going to portray the image of our country and the work of the immigration and our people have gone through the issues and are reasonably comfortable with the decision that they have taken and we (government) support it." Mr O'Neill said it was not his job to do public servants' work. "Its not my job to do public servants' work , that's the way they have been operating and this is not the first time they have carried out the process of implementing government decisions and you have to ask the immigration." Mr O'Neill said. The Prime Minister made the comments in light of the deportation of Mr Davies last week. Mr Davies, told the Post-Courier he had a valid and current work permit but the government wanted him out because of press releases he has been putting on for PNGSDP.

Civil society groups take PNG government to court over Nautilus seabed mining project Australia Network News, 11.11.2013

A coalition of NGOs is mounting a legal challenge to the world's first license to operate a deep sea mine in Papua New Guinea. The license was granted under the former Somare government to the Canadian company Nautilus for its Solwara 1 mine. One of the NGOs which is taking the government to court over the seabed mining project is Stop Experimental Seabed Mining in the Pacific. Its spokesman Wenceslas Magun has told Radio Australia's Pacific Beat that the current government has been "arrogant and ignorant", despite its appeal to stop the project. "Just this fear that it's going to threaten our marine environment, our marine ecological system and affecting the livelihood of the people that benefit off our marine resources," he said. Mr Magun says the move to block the project is a precautionary measure. "The majority of Papua New Guineans that live off the marine resources do not know what the threats of seabed mining is going to cost to the marine environment," he said.

Mr Magun says the group's advisors - which include scientists and lawyers - have "clearly indicated that there is going to be damage to the ecological system". "Nobody knows what the impact of the damage is going to be to the marine ecosystem because no one has ever done seabed mining in the world," he said. "It's only based on assumptions... we cannot learn from lessons learnt in the past and mitigate any effect that does happen should the seabed mining take place." Mr Magun says the group has been told "there is sufficient grounds to take the matter to court." "Based on these information from our experts, we are going to strategise how we are going to address the issue," he said, adding that a working committee has been formed to take the matter forward," he said. "We know that other countries like in Australia, the... people have banned attempts to mine their sea floor. "And the government of Australia, the state of Queensland had adhered to their appeal. "The (PNG) government has not heard our appeal, that is why we are taking this matter to court."

Subtribe landowners claim K800m for outstanding royalty

The National, November 11th, 2013

By JEFFREY ELAPA

A TRIBE in Western claims it is owed K800 million by the Government and is urging Prime Minister Peter O'Neill, pictured, to pay up. The Kimka Sepiyan sub-tribe members are landowners of the giant Ok Tedi gold and copper mine pit in the province. They said through lawyer Philip Wariniki that the K800 million was for outstanding royalty and other benefits. No comment could be obtained from O'Neill yesterday. Spokesman Clement John said they were forced to go public about their claim because of the lack of response from the PM's office despite the many letters sent there. John said a court order dated Sept 20 directed that all payments due and owing to Kimka be processed and paid by the appropriate state agencies and Ok Tedi Mining Ltd within 30 days from the date of the order. He said the landowners were still waiting. John said the non-payment of royalties and benefits were caused by:

- No proper landowner identification studies by BHP Billiton in the 1980s;
- the State's rushed acceptance of other people as landowners of the Ok Tedi Mining pit, while the real landowners were around but not consulted; and,
- The non-communication by BHP Billiton and State as to the royalties and benefits due and owing to the real landowners.

"Ok Tedi Mining Ltd has denied the rights of the real landowners to their true benefits," John said. "Ok Tedi Mining Ltd is only a developer but in the past, has interfered with landowner issues. Ok Tedi should not be interfering with landownership issues." Chairman David Al-lolim said last Thursday they were the real landowners of the mine pit at Mt Fubilan, unlike the Community Mine Continuation Agreement villages.

Prime Minister invites China to invest in PNG

The National, November 11th, 2013

By BEATRICE BONAKOYA

PRIME Minister Peter O'Neill has welcomed Chinese investors interested in the development of oil and gas projects and the resource sector in the country. He told the China-Pacific Island Countries forum in Guangzhou city, China last Friday that the country received substantial concessional loan funding from China for major development projects and was ready to welcome interests by Chinese investors in PNG. "This concessional funding means we are able to do even more in meeting the growing infrastructure demands of a growing population and a growing economy," he said.

He commended the Chinese government's grant-in-aid committed to Pacific Island countries including PNG under its Economic Development Cooperation. "This generous assistance supports the national development and community development agendas of our countries – and contributes to improving the living standards of our people," he said. O'Neill said investment links between the two countries had grown significantly in recent years through major projects such as the Ramu nickel project in Madang, in which China Corporation remained the major shareholder. He said China was a major player in the first liquefied natural gas project, which would begin exporting in 12 to 15 months. "In turn, we hope we can diversify our exports to China," O'Neill said.

Juffa urges governors to block Mining Act amendment

By *DAISY PAKAWA DWU Journalism student*

Post-Courier, 11. Nov. 2013

ORO Province Governor Gary Juffa has advised all governors not to support any amendments to the Mining Act. He claimed that the review is being managed by the Chamber of Mines and represented corporate interests and not the interests of Papua New Guineans. The Oro Governor had instead suggested that Papua New Guineans should conduct a review and come up with amendments that suited them instead of the current cosmetic efforts proposed by the Chamber of Mines and the mineral resource sector. Mr Juffa said currently for resource development projects, PNG was receiving only two per cent from the extractive industry. He said this was the lowest in the world and the amendment did not improve the situation. "I want this figure changed. Let us say 10 per cent like in Poland, 18 per cent like in Canada or 8-20 per cent like the US. I do not believe we are getting a fair deal in these arrangements."

He also said the current policy which allowed companies to purchase a mining lease for K5000 and a license for K6000 and if anything viable was found to sell 30 per cent of the stake back to PNG, was insulting and condescending to the resource owner. He said as leaders they would be failing the people if they allowed this to continue as has happened in the last 38 years of PNG's independence. Mr Juffa said he did not support the current bill for this reason and he advised all Members of Parliament to boycott the bill until it was reviewed by Papua New Guineans for their own interest. He added that the Governors of Papua New Guinea would be meeting to discuss and block the bill at the next sitting and also propose a new set of tangible amendments.

Bougainville Peace In Jeopardy, Australia Think Tank Claims

Strategic Policy Institute says Canberra must 'lead development effort'

MELBOURNE, Australia (Radio Australia, Nov. 11, 2013) – There are warnings peace in Bougainville will collapse if the Australian Government doesn't lead a new development effort. The Australian Strategic Policy Institute says economic investment is required to prevent further civil unrest. ASPI's Peter Jennings says Bougainville remains a deeply divided society with the risk of substantial violence continuing. "In an economic sense, it's very parlous," he said. "The Island has really seen little or no economic development in the decade since the peace agreement came into effect." Thousands of people were killed during civil conflict in Bougainville in the late 1980s and the 1990s. Australia led a peacekeeping mission to the Island in 1998 and stayed there for five years. A new ASPI report says another peacekeeping mission will be needed unless Canberra helps get Bougainville back on a sustainable path. "The island is in deep poverty," Mr Jennings said. "A bit of active diplomacy now and a significant increase in development assistance could actually help to lay the foundations to stop that violence resuming."

The ASPI report is proposing a tripling in aid to the Island, taking the total assistance to just over \$AU100 million. But with Australia scaling back its aid budget that appears unlikely. "Bougainville has gone off the radar over the last few years, but it is something the Australian Government needs to bring back onto the agenda," Mr Jennings said. Bougainville is situated between Papua New Guinea and Solomon Islands, and is run by the Autonomous Bougainville Government. A referendum on the independence of Bougainville is due between 2015 and 2020. Mr Jennings says there's wildly varying opinions on which way the referendum will go. "There's a very risky difference of expectation on the part of Port Moresby and the Islanders about what's likely to happen in the referendum on independence," he said. "I think

Port Moresby expects that the Island will choose to stay with PNG. "It's more than likely that a majority of Islanders might choose for independence. "Managing that mismatch of expectations is one of the big challenges we face in coming years."

Former PNG Mining Minister Regrets Promoting Ok Tedi

Haiveta has 'grave concerns' over impacts; mine should close

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Nov. 11, 2013) – Former deputy Prime Minister and minister responsible for enacting the Ok Tedi and PNGSDP Act has voiced grave concerns about the mine effects of Ok Tedi. Chris Haiveta was responding to reports published last week. "I was minister for mining in 2002 under Sir Mekere Morauta who as prime minister tasked me to put together the 9th Supplemental Act which set up PNGSDP and the CMCA agreements that allowed BHP to exit and be indemnified against any environmental damage and allowed Ok Tedi Mine to continue dumping mine waste tailings and rock into the Ok Tedi and Fly River systems," he said. "As minister responsible I specifically queried and was advised by principal state advisers on Ok Tedi Dr Jacob Weisse and Robert Igara, then Chief Secretary, that there would not be any environmental damage to the Gulf of Papua and the Torres Straits in Australia.

"I now totally and completely regret putting through cabinet and Parliament the 9th Supplemental Agreement and the CMCA's in light of the new scientific baseline information available that the Gulf of Papua and the Torres Straits is now badly affected by Ok Tedi's pollution. Had this information been available to me at that time, I would not have put through the arrangements." Ok Tedi Mining Limited was to provide a response yesterday but the paper did not receive any update when it went to press. Meanwhile, Mr Haiveta said the people of Gulf and Central provinces and the Torres Straits have this pollution problem at their doorstep and face the same consequences. "This is an unmitigated environmental disaster of gargantuan proportions in my view," he said. "It is therefore critically necessary for the government to immediately consider closing the mine and order a thorough scientific review from independent, reputable scientific communities such as UPNG, James Cook University, CSIRO, Great Barrier Reef marine park authority and others to carry out significant studies of heavy metals effects on human beings and the animals, mammals, fish, sago, bananas and other tradition crops that we grow and eat on the Papuan coastline and Torres Straits.

"The study may include the effects on the Gulf of Papua's prawns and inland fisheries, Western Province's lobster, barramundi, and all coastal and reef fishery to determine the extent of the pollution which all lead back to the populations consuming these food. "The compensation, waste mitigation and the future and equity and operational arrangements of the mine require urgent review whilst the mine must remain shut. Paramount consideration is the health, welfare and the lives of the people of western Province and now the Gulf, Central and Torres Straits peoples. All their outstanding compensation must be paid immediately and unconditionally without any strings attached. "I thank the Prime Minister Mr Peter O'Neill and his government for taking the first step in highlighting the serious problems. I call on him to continue to be steadfast and follow through and right the wrongs of the past government and to the right thing by the people of Western, Gulf, Central Provinces and the Torres Strait."

PNG Sustainable Development Plan's Media Advisor Deported

Australian has been critical of government's handling of Ok Tedi

WELLINGTON, New Zealand (Radio New Zealand International, Nov. 9, 2013) – The media advisor for Papua New Guinea's Sustainable Development Program has been deported. Mark Davis, who is Australian, was given his deportation notice on Thursday, which said he was living in the country unlawfully. The Post Courier newspaper reports the orders were signed by the foreign minister, Rimbink Pato. Mr Davis, who is married to a Papua New Guinean, says he has a valid work permit but his position was becoming uncomfortable as his press releases for the Fund were critical of the government.

[PIR editor's note: [RNZI also reported](#) that other journalist in PNG "are feeling the pressure from members of Parliament as controversial stories break in the media. ... on Friday the Prime Minister, Peter O'Neil, warned journalists not to defame the Government, after the national broadcaster demoted three veteran editors and producers whose reports were referred to as imbalanced." Reporters without Borders is [also concerned](#) about the deteriorating media situation in PNG as media freedom seems to be in jeopardy.]

He was put on a plane to Brisbane late on Thursday, after having his credit cards and personal possessions taken. "Surrounded by four or five policemen and told that I was under arrest and put into a twin-cab ute with tinted windows and accompanied by three or four heavily-armed policemen and I was driven around Port Moresby for four or five hours and I was then put on a plane and delivered to Brisbane with my sole possessions being my passport and the clothes I stood up in, everything else having being confiscated," said Mark Davis.

Momis and Rio Tinto accused of trying to hijack Bougainville mining law

PNG Mine Watch 8.11.2013

In a stringing public attack, Bougainville President John Momis has been accused of colluding with mining giant Rio Tinto to bulldoze into law a new Mining Act that would pave the way for the re-opening of the Panguna mine. Twenty five years ago the environmental damage caused by the mine led to a civil war in which as many as fifteen thousand people lost their lives. Rio Tinto has never apologized or paid any compensation for the pollution or the terrible human costs of its mine. Bougainville leader Sam Kauona has today published a two page article in the national press presenting his stinging criticism of Momis and Rio Tinto - [The Regan/BCL political assault on Bougainville emerges from the shadows](#). Kauona says Momis has acted unconstitutionally in trying to bulldoze a new mining law, drafted by Rio Tinto subsidiary Bougainville Copper and Australian academic Anthony Regan, through the Bougainville Parliament without public consultation.

This is the third draft of the Mining law. Two earlier versions were rejected by the public because they gave too much control of mineral rights and mining decisions to Momis and the politicians. Kauona says there is now a tidal wave of public opposition on Bougainville to the reopening of the Panguna mine and Momis, Rio Tinto and Regan are desperately trying to swim against the current by seizing control of decision making. Kauona says many Bougainvillians are puzzled as to why the man they elected President and "who for 40 years jumped up and down and led the opposition to the Bougainville Copper Act" is now the "key sponsor, apologist, supporter and cheerleader for BCL". Kauona says the latest draft of the Mining law allows Rio Tinto through BCL to retain its lease over Panguna "as if nothing happened". "Nothing happened? Bougainville knows that a war happened and up to 15,000 people died

including PNG Defence Force Members. The Bougainville Copper Act was a direct cause of the war”.

Kauona asks what rewards Momis and Regan might have been promised in the future for their assistance to Rio Tinto over the new law? As a possible answer, he points a finger at the way BHP has provided for ex-PNG Prime Minister Mekere Morauta since he left office after providing the company with immunity for the environmental damage its Ok Tedi mine caused in Western Province. Some murky links between Regan, ANU, AusAID and Rio Tinto have already been revealed. The first draft Mining law was rejected by the public after it was exposed that Momis’s claims the law was a world first in the rights it gave to local people to decide whether to allow mining on their land were untrue and the law vested final decision making powers with the government.

However promises that the law would be redrafted to take account of the public views have proved to be false and, says Kauona, the latest draft law (which has not been made public) is just a reiteration of the first draft – which is why it has been brought in to Parliament via the back door. Kauona says the new draft, which has been written by “rich white lawyers” would drag Bougainville back to the Colonial era by denying landowners any rights in relation to mining, effectively stealing the ground out from under their feet. Kauona’s article comes on the same day an Australian think-tank has warned the Australian government it could have to provide a new military intervention on Bougainville in a few years as the island could again descend into violence.

Special Report - A stitch in time: Preserving peace on Bougainville

Australian Strategic Policy Institute, 8 November 2013

By: Karl Claxton and Peter Jennings

A decade after the successful peacekeeping mission, and a year and a half before the window opens for a referendum on Bougainville’s political status, the peace process is dangerously adrift. In this paper, Peter Jennings and Karl Claxton set out a plan to help deliver a sustainable solution for next steps in the peace process. An Australian-led preventive development effort, conducted in close cooperation with our regional partners, is needed to avoid the future requirement for a larger, costlier, riskier, and more intrusive peacekeeping mission than the limited intervention appropriate in 1997-2003. The new Government’s decision to link aid more directly to our strategic interests could assist. While the initiative would require a significant initial investment, it could create a substantial longer-term cost saving and avoid serious military, diplomatic and reputational risks.

Editorial

Ok Tedi case: Explain deportation orders, please

Post-Courier 8.11.2013

PAPUA New Guinea’s Foreign Affairs Minister has powers under the PNG Migration Act to cancel a foreigner’s visa or entry permit and deport him or her. But those powers are only used in circumstances when the State has evidence on hand that the foreigner engaged in conduct that is not in the interest of the people of Papua New Guinea. Section 6 of the law gives the Minister the power to cancel the entry permit and Section 7 on “unlawful presence in the country” basically states that that person has now become persona non grata and consequently cannot continue to remain in PNG. The Minister then invokes Section 12 to remove

the person. Consequently, our report today on the deportation of Australian citizen Mark Davis who works as a communications manager with the under siege PNG Sustainable Development Program (PNGSDP) is an embarrassment to the O'Neill Government.

Officials from the PNG Office of Immigration told the Post-Courier last night that the Australian was deported for "unlawfully living in Papua New Guinea", though it would be obvious that Papua New Guineans that Mr Davis was coincidentally working for the PNGSDP. Speaking to this newspaper last night from Brisbane, Mr Davis said he believed he was deported "because of the press releases he has been putting out on PNGSDP". Looking back over the past month it is obvious that the press releases he has been distributing relate directly to the battle that the O'Neill Government is currently embroiled in with the PNGSDP over the ownership of the Ok Tedi Mine. We believe the Foreign Affairs Minister Rimbink Pato, a lawyer by profession, owes an explanation to the people of Papua New Guinea over the deportation of Mr Davis. How was Mr Davis living unlawfully in Papua New Guinea? Did he break any PNG laws whilst being a resident of Papua New Guinea? Or was he deported because the Government did not like the press releases he was distributing on behalf of the PNGSDP?

The risk that the O'Neill Government is now taking with this particular case is it is sending mixed signals to the international community on how deportations are done and whether or not the process is watertight and not open to abuse. We understand the PNG Migration Act has a seven-day notice clause that makes it mandatory for authorities to give the foreigner a seven-day time-frame in which to appeal his or her deportation. It appears that officials from the PNG Office of Migration did not give Mr Davis that right to appeal his deportation. Also any cancellation of a foreigner's work permit by the Minister concerned will require the vetting of a three-member ministerial committee, who will either confirm the cancellation or revoke it – based on the evidence submitted by the Minister for Foreign Affairs, in this case Mr Pato. Can Mr Pato advise Papua New Guineans on whether that process was undertaken before he went ahead with his decision to cancel the entry permit of the Australian? This Government's use of deportation orders is becoming too frequent, consequently putting itself under scrutiny that is at times unnecessary.

Australian man deported from PNG

Newscom.au, November 08, 2013

THE government of Papua New Guinea has deported an Australian man it accuses of interfering in local politics. The communications director of the PNG Sustainable Development Program (PNGSDP), Mark Davis, was deported to Brisbane after being picked up by fraud squad officers in Port Moresby on Thursday. Mr Davis had been in a war of words with PNG Prime Minister Peter O'Neill's government after it took over ownership of the Ok Tedi gold and copper mine in the Star Mountains in the country's Western Province two months ago. Mr Davis says he was driven around the PNG capital for four hours before being flown to Brisbane. "(I was) told to get in a dark Hilux twin cab with tinted windows, squeezed between a policeman with a pump-action shotgun and another with an M16," he told AAP. "I was read my rights, given a deportation order and told I would be on the next plane out of the country. "They took all my personal possessions."

The PNGSDP was created by former mine owner BHP Billiton to manage the profits of the mine on behalf of the people of Western Province, after the mining giant withdrew from the country following environmental damage from the mine. Mr Davis has extended family links in PNG and says his elderly mother-in-law relies on him for her care. The PNG government

awoke to a scathing editorial from the Post-Courier newspaper that said Mr Davis' ejection was an embarrassment and called on Immigration Minister Rimbink Pato to explain the decision. "How was Mr Davis living unlawfully in Papua New Guinea?" the editorial asked. "Did he break any PNG laws whilst being a resident of Papua New Guinea? Or was he deported because the government did not like the press releases he was distributing on behalf of the PNGSDP?" Mr Pato told journalists in Port Moresby Mr Davis had his visa cancelled after he breached visa conditions and became involved in politics, the ABC reports.

New project for women in mine affected areas

Post-Courier 8.11.2013

By *IMELDA WAVIK*

THE World Bank in partnership with PNG Chamber of Mines and Petroleum yesterday launched its women in mining and petroleum program. The project, which was implemented by PNG Chamber of Mines and Petroleum, is funded by the Japanese Development Social Fund (JDSF) grant. More than K2 million has been injected into the project, which aims at empowering women in petroleum mine affected communities. PNG Chamber of Mines and Petroleum executive director Greg Anderson said it was staggering to see what the project has done to women in the impacted areas. He said the project has made it possible for some or more women realise they can start small businesses with what they have. He said that the project was funded by Japan through a grant to the government and will be implemented by them and managed by the World Bank. The project's program manager Lesley Bennet said this scheme will empower women and pilot programs to assist them develop businesses as well as empowerment and leadership schemes. She said there should be more programs similar to this for the women to create small scale businesses to support themselves and their families.

The project will be reaching 15 impacted areas and has duration of four years. The program will focus mainly on vulnerable women including adolescent girls; women headed households; women without income and women who work in hazardous conditions as small scale miners. The project is a continuation of past programs also funded by JDSF which focused on social empowerment for women in the impacted communities. World Bank country manager Laura Bailey said women were often faced with negative impacts of mining and petroleum in their communities. She said negative impacts such as conflicts and violence or lack of services and lack of involvement in the benefits of more economic opportunities were huge issues faced by these women. She said the program seeks to improve the lives of women in tangible ways to benefit them, their families, and their communities. The communities targeted by the program will be Tolukuma, Kainantu, Lihir/Simberi, Samberigi, Kutubu, Kikori, Wau, Pogera, Maigari, Basamuk, Kurumbukari, Mt Bosavi, Koroba, Kiunga and Panguna.

Hidden Valley: Landowners snub political interference

Post-Courier 8.11.2013

By *SIMON KESLEP*

MEMBERS of Parliament must not interfere with what rightfully belongs to the landowners of any mineral extraction activities taking place on their land. This was the appeal made by Nakuwi Landowners Association president Rex Mauri yesterday at a press conference. He said there seems to be lack of understanding by some parliamentarians in dictating what is good and bad for them as landowners. Mr Mauri said media reports on issues being addressed by Bulolo MP and Deputy Opposition Leader Sam Basil clearly shows disrespect for them as landowners. "We, under the guidance of the court, have issued Mr Basil with a court order restraining him from going around using the media to interfere with any landowner issue in

relation to mining activities at Hidden valley,” said Mr Mauri. He said they as the association representing the landowners of the mine area, have seen that politicians have not shown respect in letting them do their task as associations to address landowners’ issues.

He urged Mr Basil “with due respect that, as their district leader,” they would like to have him to come and have a round table discussion with them on landowner issues before going to the media. He said they as the landowners have all the right to say what is to be done in relation to any commercial activities happening on their land. He said the association has enabled enemy tribes to come together and conscientiously agree on having developers work their land and that politicians must not create any disunity. One of the association’s former executive members, Ben Joseph also supported Mr Mauri by saying that the MoA review should now be made clear to them by the Morobe Provincial Government on its current stand so that they will know the specifics contained therein. “We do share our royalties with nearby communities along the mining area. “This is not seen with other landowner associations and MPs must not try to use their political powers to interfere with landowners,” said Mr Joseph.

Ok Tedi Mine wastes affect Australia

Post-Courier 8.11.2013

By *GORETHY KENNETH*

A continental shelf study published in 2008 shows that the extent of the pollution from Ok Tedi mine has also affected the Torres Strait islands. The scientific report, which was based on marine resources, biophysical processes and environmental management of a tropical shelf seaway, was funded by the Australian Government. A separate Australian-based Tingay research detailed that over one billion tonnes of tailings and waste rock have been discharged from the Ok Tedi mine into the Fly River and its tributaries over the past 20 years, extending east and west. It was also noted that approximately two million tonnes of waste are discharged into the river system each week, or about 100 million tonnes every year. This report was carried out in 2006 and since then there has never been any follow-up studies. THE study report however detailed that the whole of South Fly coast, westward of the mouth of the Fly River, including Daru, is badly affected, extending and including the Torres Strait Islands and the Gulf Province to the East.

The wastes also reached Parama Island on the mouth of the Fly River, westward along the coast of South Fly to Daru along past Oriomo River, Binaturi River, Pahoturi River westward towards the Indonesian Border and reaching the Torres Strait islands of Saibai, Boigu and Duan. And already, the delivery of large vast quantities of sediments from the Fly River to the north eastern section of the Torres Strait has raised concerns over the impact of heavy metals on marine life and the people of the region. Torres Strait islanders are now planning a visit to Papua New Guinea to address these issues. In this report, the Australian scientists have conducted a number of studies from 1996 to 2006 that showed most of the sediment from the Fly River is deposited in the coastal zone from Saibai Island in the west to Kerema in the Gulf Province. The impacts of heavy metals, such as copper and aluminum, on marine life has been well established however surprisingly there has been no long term study of the impact of heavy metals on the marine life and people of this area.

This is the blue print that the Ok Tedi Mine Impact Area Association (OTMIAA) has been basing their arguments on, demanding the Government, Ok Tedi Mining Limited and PNG Sustainable Development to settle their outstanding payments and address the issue amicably. A scientific environmental report prepared by Dr Alan Tingay, based on scientific data and research carried out by OTML, BHP and others on the impacts of the mine, especially in the

areas from the mine down to Everill Junction (the southern limit of the Middle Fly region) is also a blue print for the landowners to act on. Dr Tingay was engaged by OTML to undertake the report for the 2006/2007 CMCA review. “The impacts are extensive and severe and are progressively affecting areas and communities further downstream from the mine. “It is also clear from the scientific research that some major impacts of the mine such as increased flooding of the Fly River will continue for many years after mine closure,” the study details. “These wastes have caused profound changes to the river system. These changes will continue to get worse for a very long time into the future and are likely to affect the entire river from the mine to the coast near Daru.

The impacts of the river system include:

- * Deposition of sediments from the mine over much of the river system with deep deposits (in excess of three meters) in the Ok Tedi adjacent floodplains and in the upper Middle Fly;
- * A significant increase in the frequency, height and extent of flooding in the Middle Fly caused by the deposits of wastes and consequent raising of the level of the river bed;
- * A significant increase in copper levels throughout the river system down to the estuary;
- * Evidence of acid mine drainage on the levels that flank the river channels in the Middle Fly and on islands from Ok Tedi down to Suki creek in the south Fly;
- * Destruction of large areas of lowlands in the lower Ok Tedi and Middle Fly floodplains;
- * Very large decreases in the quantity and variety of fish and other aquatic animals in the river caused by continuous and very high levels of turbidity, the destruction of habitat; and
- * The destruction of large areas of sago.

Mekere ads bad, local says

The National, November 8th, 2013

By JOHN PANGKATANA

A SENIOR citizen and member of the Lae Chamber of Commerce believes potential international investors will be affected by the constant barrage of paid media advertisements by the recently sacked PNGSDP chairman Sir Mekere Morauta. Prominent Lae businessman Peter Honale said he did not have anything personal against the former prime minister as he had every right to express his views publicly, but felt the issue had gone on for too long and to an extent that he believed it was now painting a negative image of the country on investor confidence. Honale said since Sir Mekere was a member of the PNG Party, he should take the issue to his party leader Belden Namah to take it up in parliament.

He said the Government had terminated Sir Mekere’s services and the decision was final. “Let’s not drag our dirty laundry in the public. It’s a shameful act and for the benefit of the people of PNG, the good former Moresby North-West MP should consider the consequences it might have on our business community,” Honale said. He suggested if Sir Mekere wanted to gauge interest from the public on the issue, he should host a public forum to debate the issues or allegations he had raised. He said debating the issue on a public stage would clear matters once and for all. “I’m prepared to take the challenge up whether it be at the Unagi Oval in Port Moresby, Eriku in Lae or Andeye in Tari,” he added. He said it was a bad precedent that had been set to question the prime minister publicly.

Mine pit owners hit out at new claimants

The National, November 8th, 2013

THE Kimka Sepiyan sub-tribe of Western, which was recently awarded Ok Tedi mine pit royalties backdated to July 2004, is surprised that “paper landowners” have sprung up overnight in light of the ongoing saga between the Papua New Guinea Sustainable Development Program Ltd and the national government. Chairman David Allolim said yesterday they were the real landowners of the mine pit at Mt Fubilan, unlike the Community Mine Continuation Agreement villages and Ok Tedi Mine Impacted Area Association, but were not seeking to make headlines except to claim what was rightfully theirs. CMCA villages and OTMIAA have been grabbing the headlines since the PNGSDP and national government standoff. “Other ‘paper landowners’ come out in the newspapers,” he said. “For mine pit owners, this is our first time to come to the media.” Ok Tedi Mining Ltd has been ordered by the Kiunga provincial land court to pay mine pit royalties backdated to July 2004 to the Kimka Sepiyans. The decision was handed down on Sept 20 this year after a court battle that has been going on since 2006, however, the Kimka Sepiyans are now waiting for its implementation.

Subtribe claims Ok Tedi

The National, November 8th, 2013

By MALUM NALU

THE Kimka Sepiyan sub-tribe of the Star Mountains, of Western, wants the government to recognise it as legitimate landowners of the mine pit area of the giant Ok Tedi mine. Ok Tedi Mining Ltd has been ordered by the Kiunga provincial land court to pay mine pit royalties, backdated to July 2004, to the Kimka Sepiyans. The decision was handed down on Sept 20 after a court battle that has been going on since 2006. But the Kimka Sepiyans are now waiting for its implementation following the ongoing saga between the Papua New Guinea Sustainable Development Program Ltd and the national government. “We want the government to recognise that we are the real landowners of the mine pit,” chairman David Allolim said yesterday. The sequence of events started in 2006 when the Kiunga local land court ordered that OTML pay the Kimka Sepiyans 95% of royalties paid out every month while a Biul Kirokim would receive 5%. Following these orders, there have been several court proceedings, including appeals lodged by OTML and Kirokim at the Waigani provincial land court, leading up to the Sept 20 decision upholding the decisions of 2006. Allolim welcomed the national government taking full ownership of OTML and called for recognition of the Kimka Sepiyans. “Kimka Sepiyan sub-tribe land group is a true principal landowner of the Ok Tedi mine pit at Mt Fubilan.”

Vanuatu world leader on best practice Deep Sea Mining decision-making

Deep Sea Mining Campaign via PNG Mine Watch 7.11.2013

Around the Pacific the feverish interest in deep sea mining has given rise to an equally intense opposition to this unprecedented extractive industry. Dr. Helen Rosenbaum, coordinator, Deep Sea Mining campaign said “With over 1.5 million square kilometres of Pacific Ocean floor under exploration leasehold around the Pacific, communities fear their governments will rush into granting licences before there has been open debate and before scientific studies have been able to assess the risks to livelihoods, health and ecosystems.” The world’s first licence to operate a deep sea mine has been granted in PNG by the former Somare Government to Canadian company Nautilus Inc for its Solwara 1 mine. “The fact that this license was granted

without the Free Prior and Informed Consent of the communities that will be affected has created a storm of public protest. This was undoubtedly a significant factor in Nautilus' decision to suspend operations a year ago," stated Ms Rosenbaum.

Community leaders are now pressuring PNG PM O'Neill to not allow Nautilus to resume its operations or pay the company the money a recent arbitration hearing ruled it should. Oigen Schultz, Director of Zero Inc, a community organisation in New Ireland Province said, "Local communities have NOT sanctioned the Solwara 1 project. No one knows what the impacts of this form of mining will be." "We are calling for our PNG National Government to place a moratorium on sea bed mining until New Ireland Province communities have provided their consent to the mine's go-ahead." In stark contrast to the PNG Government, the Vanuatu Government is embarking on a national deep sea mining consultation process. Under the oversight of the Hon. Ralph Regenvanu, Minister for Land and Natural Resources, the Vanuatu national consultations aim to model best practice Public Participation in Deep Sea Mining Decision-Making."

The process will draw on the principles and approaches embedded in Free Prior and Informed Consent and the Precautionary Principle. It will be open and transparent and will ensure that if any licences are awarded it is with the consent of Vanuatu's civil society and on the basis of independently verified science-based risk assessments. Wence Magun, National Coordinator for the Madang based Mas Kagin Tapani said "We call on PM O'Neil and the PNG Government to WAKE UP and to now commit to a National PNG consultation similar to Vanuatu's." "Vanuatu is showing PNG how a Government who truly respects the concerns of its citizens should go about decision making for this experimental form of mining."

Simberi mine to axe 150 workers

The National, November 7th, 2013

By GYNNIE KERO

THE Simberi operation in New Ireland will cut 150 jobs after it failed to reach production quarter, gold miner St Barbara Ltd said. According to its quarterly report, factors impacting the shortfall in production were a combination of lack of access to drill and blast ore, equipment availability and reliability issues. Higher sulphide content of ore from open pit material also reduced gold recovery and lifted the processing costs. During first quarter to the end of September, Simberi mine produced 11,741 ounces of gold compared with the 12,927oz in the previous three months. Its cash position on Sept 30 was A\$106 million (K244 million). The gold miner said yesterday that the fall of gold price by 25% in the past 12 months had significantly reduced its operating margins. In addition, St Barbara said delays in commissioning the new mill and plant expansion at Simberi had resulted in the operations not achieving its operating targets.

"This has led to a detailed review of the Simberi operations and its cost structures by an expert mining productivity group," the company said. "However, it is necessary to significantly reduce the operating cost structure, and regrettably it had been necessary to reduce the on-site workforce by about 135 employees of the current 535." As an outcome of the review, St Barbara had confirmed its commitment to invest in the Simberi project and complete the commissioning of the new mill and plant expansion. Managing director and chief executive Tim Lehany said: "While this has been a difficult decision to make, our focus is to ensure the viability of the business. Improving the performance of Simberi enables us to remain a long term investor and employer in Papua New Guinea". St Barbara remains committed to gold mining

in the region and we will continue to advance the expansion of the Simberi mine and its production capabilities.”

Seabed mining still an issue

Post-Courier 7.11.2013

By ROSALYN ALBANIEL-EVARA

WHILE the Government may be for seabed mining, there is still an air of skepticism hovering over this form of mining. This was evident in yesterday’s discussions by leaders of provinces who are attending the inaugural PNG maritime governors roundtable meeting in Madang. Oro Governor Garry Juffa was very vocal on the issue and made known in no uncertain terms that neither he nor his people would support this activity. Mr Juffa had revealed that his government had already engaged a lawyer to look into this matter because the unknown was far too great for the country to venture into compared to the returns. He said for a start there were no laws in place to govern the activities and its impact and that many learned persons, including scientists abroad, had stated that it would be hazardous and had already advised against it. He said many countries were not prepared to venture into this activity and questioned why PNG would even consider it. The former Customs boss said if anything, a stop must be put to this project given the return on it would only equate to about four per cent.

“There is no economic return on this and the people of Oro will not entertain it. If the people are consulted by government, they will find the people to be against this project,” Mr Juffa said. New Ireland Governor Sir Julius Chan was unable to attend the meeting but his government’s chief adviser Dr Bruce Harris had also raised some concerns over this issue. Dr Harris said for them marine governance was critical as the province housed one of the largest and richest areas for fisheries. He said for them the issue was very critical because not only did the country host 50 per cent of the world’s tuna stock but more importantly that being a maritime province its populace livelihood depended heavily on the sea and its marine life. He said it was in this regard that the governor, who was unable to make it to the meeting, was not only concerned of the possible threats this activity may have and was supportive of the initiative undertaken by authorities to host this meeting.

Dr Harris said if the project was allowed by the government to go forward, proper checks and safeguards must be in place, so that it could be stopped if any threat was detected. He also expressed grave concerns over the tendency by the government to rail-road projects without giving provinces the opportunity to respond, adding that seabed mining was one such case in point. He said exploration and mining licenses had been given despite objections and this must stop and provinces must be given more say. He said while all provinces may have some things in common there were also some differences which must be respected.

Seabed lawsuit likely

Post-Courier 7.11.2013

By ROSALYN ALBANIEL-EVARA

A CIVIL lawsuit may be imminent in a bid to stop seabed mining. This was revealed by the chairman of the Madang People’s Forum John Simoi yesterday prior to his departure to Port Moresby. While details regarding this proposed action were scarce, it is understood this will be done with outside assistance from civil society organisations including from neighbouring island nations who were reportedly equally concerned about this activity and its possible effects. It is understood a reputable law firm from a first world country has been engaged for this legal challenge. Mr Simoi said it was unfortunate that he had to leave at a time when an

important meeting, the inaugural PNG maritime roundtable talks, was being convened as he would have personally welcomed the opportunity to hear what maritime governors had to say about sea-bed mining and on the deep sea tailings placement system allowed by government and which was being trialled in Madang by the developer of the multi-million kina Ramu Nickel project. He said it would have been interesting to hear how the governors intended to address this issue, especially its effects.

He said it was not a good sign that this project was being allowed to go ahead when there were no laws in place governing the operation and impacts of sea bed mining and the deep sea tailings system. Mr Simoi questioned how government leaders could talk about conservation of the seas and the marine life when they were allowing these activities and lacked necessary laws to minimise the impacts. “The toxic wastes will no doubt destroy the seas and adversely affect our environment and I would like to urge the governors attending this meeting and government to think seriously and constructively about these issues,” Mr Simoi said. “They need not look far as they have the experiences of OK Tedi, Tolokuma and even Misima to draw on. We have no proper laws and policies in place yet government is approving and giving licenses to mining companies to come in and operate.” Mr Simoi said he was worried that despite advice against sea bed mining the government would allow this project to go ahead. “Many people including my people on Bagabag Island depend heavily on the seas for our livelihood and we are concerned of the effects these activities will have on it,” he said.

Mine row rages

Landowners: Honour 2007 deal before any new agreement

Post-Courier 7.11.2013

PARTIES should not rush into any new agreements regarding the Ok Tedi mine because the 2006/2007 memorandum of agreement is still binding – although not satisfactory – says landowners. Executives of the Ok Tedi Mine Impacted Area Association (OTMIAA) said this MoA was signed by all parties, the Community Mine Continuation Agreement (CMCA), OK Tedi Mining Limited, the Government and the PNG Sustainable Development Program on June 29, 2007, where substantive decisions were made. Executives of OTMIAA and the 90-kilometre section of the Fly River border area yesterday said the OTML, the Government and the PNGSDP deliberately ignored all compensation payments to the tune of K400 million to the CMCA communities as promised in NEC decision no 272/2006 of 29th November 2006 (copy obtained) and as promised on CMCA MoU signed by all parties on June 29, 2007. They are now calling on the Government to address the outstanding agreement from 2006/2007 before entering into any new agreements.

Yesterday, Tarcy Balagaize, the chairman of the 90-kilometre section of the Fly River border area, also representing six villages (Katawin, Kakeaiko, Jod, Kuyu, Bandika and Dum), supported OTMIAA, saying they have not received anything in terms of development from the stakeholders as agreed to under the 2007 agreement. THE Post Courier is in receipt of copies of the documents from the 2006/2007 agreement, the NEC decision and letters from then Mining Minister Sam Akoitai and even a copy of the Letter of Endorsement including the summary by an independent scientist, Dr Alan Tingay of A & SR Tingay PTY Ltd, a private Australian company that was engaged by OTML to carry out an environment research on impacts of the mine. The Post-Courier also has copies of the PNGSDP’s final response to the CMCA in 2007 and independent legal adviser Sir Arnold Amet’s paper on the issue. Because of these agreement, the landowners insisted that the O’Neill-Dion Government should not enter into any agreement of any sort until they honour the agreement and what was detailed in it.

They claimed that nothing detailed in that agreement had been honoured. The agreement outcomes of the 2006/2007 CMCA review signed on June 29, 2007, states, among other things, that:

* OTML, with the support of the State and PNGSDP and the Transition Group, will help the communities set up a new CMCA entity (Ok Tedi Fly River Development Foundation or OTFRDF) to give the communities within the CMCA regions a high level of ownership and decision-making power over resources, programs and projects arising from this review and this may take two years or more to implement. The landowners are complaining that this has never been set up.

* Eventually, Ok Tedi Fly River Development Foundation (or OTFRDF) will replace the role of Ok Tedi Development Foundation (OTDF), which is currently operated by OTML to deliver sustainable development programs in the Western Province and deliver on OTML's commitments under the CMCA. They said this was never done.

* The OTFRDF's board of directors will include at least three women leaders, one each from North, Middle and South of the impact area. This has also not happened, the landowners said.

* The distribution and allocation of the Ok Tedi Fly River Development Foundation or OTFRDF funds – 50 per cent of the 2006 one-time allocation from the Western Province People's Trust Fund – will be allocated specifically for projects in the South Fly region. The balance will be shared equally among remaining regions.

* A K45 million from the 2006 5 per cent dividend will be spent on projects for south Fly communities. The other K45 million will be shared equally among remaining regions.

Ramu: Survey complied with permit

Post-Courier 7.11.2013

Ramu Nico recently initiated a marine survey required under its operational environment management plan project. The survey is now in its second phase at Basamuk along the Astrolabe bay, Madang province. The project was initiated to determine if and whether there are impacts on marine lives from the deep sea tailing placements (DSTP) disposal method currently being used. The survey was jointly conducted by environment consultants from overseas and Ramu Nico's health, safety and environment (HSE) management department. The survey has three phases; the first was conducted in March this year covering shallow marine and fishing components, while the second phase which ended on November 6, covered deep oceans sampling investigations, deep sea tailing placement and other marine materials. The third and last phase of the survey will be conducted at the end of November and will assess acoustic seabed classifications. Samples collected during the survey will be sent to the Australian Lab Services (ALS) and presented to the government with findings. After a year of DSTP operation at Basamuk, a daily six hourly tailings samples taken at the mixing tank for monitoring purposes shows that the lab quality control results meet the standards of the environment permit standards, prior to discharge and monthly results.

Anglo American to axe 200 jobs at Queensland mine

Post-Courier 6.11.2013

BRISBANE: A central Queensland mine will slash 200 jobs, blaming a coal price slump. British-based Anglo American's Dawson mine, near Moura, has announced it will cut contractors and make permanent staff redundant, with only a portion to be voluntary. The mine's general manager, Aaron Puna, says their employment would end by the end of the month. "The continuing low coal prices have placed considerable pressure on profitability," he said. Despite the restructure, the Dawson mine will still be one of the largest mines in Queensland, with a

workforce of about 1200 people, Mr Pura said. The miners' union Queensland district president, Stephen Smyth, said workers helped boost productivity to a \$4.7 billion profit and they deserved security.

He said Anglo was gearing up for its Bowen Basin operations to become very profitable long-term, and stability for its workforce should be part of its long-term strategy. "Anglo has demanded more from its mine workers to make up for management allowing production costs to get out of control at the height of the boom," he said. "If a multinational in any other industry hired and fired on such a short-term basis from operations in a capital city, there would be a public outcry." Queensland's coal industry has been hit hard by continuing low coal prices. BHP Billiton Mitsubishi Alliance has closed Gregory and Norwich mines within about a year, and the Queensland Resources Council estimates 8000 jobs have been lost since May last year. "That's when the price started its downward spiral," spokesman Jim Devine told AAP. "The overall figure of job losses in the state has been somewhat offset by significant increase in the gas industry."

Papua New Guinea sued in Singapore over mining asset dispute

Reuters, Nov 6 2013, By Rujun Shen and Sonali Paul

SINGAPORE/MELBOURNE, Nov 6 (Reuters) - A charity funding social projects in Papua New Guinea is fighting the government for the return of the Ok Tedi copper mine, after the state took full ownership of the mine that BHP Billiton handed over more than a decade ago. Papua New Guinea's parliament passed laws in September for the government to take 100 percent ownership of the giant mine, and also to remove a 12-year old deal that gave BHP Billiton immunity from environmental claims. BHP was granted immunity after agreeing to transfer its 52 percent stake in the mine to the PNG Sustainable Development Program Ltd (PNG SDP), a not-for-profit company incorporated in Singapore. The Ok Tedi mine, in a mountainous region in PNG's west, has been operating since the 1980s. It has been blamed for substantial environmental damage caused by dumping millions of tonnes of toxic mine waste into the river systems.

PNG SDP holds \$1.4 billion in trust to be used in the Western Province when the mine eventually closes, according to its 2012 annual report. The government in 2001 made a "very bad" decision in granting immunity to BHP by preventing its own people to sue for permanent environmental, Prime Minister Peter O'Neill told parliament in September. Michael Sullivan, a partner at Leahy Lewin Nutley Sullivan Lawyers in Papua New Guinea's capital Port Moresby, said PNG SDP's litigation against the government stood a chance of being successful as it was being pursued outside the country. Mekere Morauta, who is the chairman of PNG SDP and was prime minister when the immunity deal was struck, told Australian television that the firm had been structured the way it was and incorporated in Singapore because "I feared in the future that sticky, gluey hands would try to penetrate it." Papua New Guinea has struggled to attract foreign investment to exploit its abundant natural resources due to unclear regulations and endemic graft. BHP is not involved in the legal action, but said it was confident there was no risk of future claims.

"In relation to the protections that the PNG government has said it would remove from BHP Billiton, we remain confident that we have other indemnities in place and that our shareholders are not exposed to potential claims," BHP said in an e-mail. PNG SDP is taking legal action to challenge the government on two fronts, with a case in the High Court in Singapore and before an international arbitration tribunal in Washington DC. PNG SDP wants the Sin-

gapore court to block the Papua New Guinea government's removal of its board members and chief executive and declare that the government has no authority over its affairs, case files obtained by Reuters showed. Through the arbitration, PNG SDP is seeking the return of its share in Ok Tedi, or adequate compensation for the stake, said Nish Shetty, a partner at Clifford Chance Asia who is leading the arbitration effort. PNG SDP has said it is can no longer fund nearly 100 social and economic development projects. A government spokesman did not respond to phone calls for comment on the High Court and arbitration claims.

Letter to the editor

Ok Tedi mine people's funds exposed to risks

Post-Courier 6.11.2013

OK TEDI mine's future is at stake and the PNG Sustainable's Development Pogram's continuation is crumbled. But most of all the future generation benefit funds is exposed to the most vulnerable circumstance at the moment. I am wondering where in the world is the MP for North Fly, Boka Kondra, when he is needed most. I can remember him as being an activist advocating for the rights of the mine affected community and their welfare before being elected to Parliament. Now that his services are required most he is mute and numb on the issue. I am also surprised to see in the media that the landowners are together with the PM at the conference showing their support for the government taking ownership of the OK Tedi mine. Let me make an analogy here and I invite anyone who knows something about it to correct me. The government has an Exim Bank loan arrangement still in the pipeline.

While at the same time the government has awarded a number of major contracts worth millions of kina to Chinese owned companies in the country at the moment. Along the same line the government is vigorously battling to take over the Ok Tedi mine ownership. We all know that the future generation funds of Ok Tedi has K2 billion in its trust account. So at the end of the equation: Is the government, after taking ownership of the mine, trying to produce the K2 billion as collateral or surety for the K6 billion Exim Bank loan? And is the awarding of several questionable contracts to Chinese owned companies an inducement? What's all the logic in all these restless media baffles between stakeholders of Ok Tedi, PNGSDP and the government? MP Kondra and the people of Ok Tedi, are you sure you know what you are doing and where your future prospect lies in this whole saga? Eragairmayal, Moromaule

Lupari: Mekere derailing talks

Post-Courier 6.11.2013

By ISAAC NICHOLAS

THE national Government has accused PNGSDP Chairman Sir Mekere Morauta of attempting to derail the current negotiations between all parties in the OK Tedi saga. This came about after Sir Mekere took out an advertisement in the media to critics Prime Minister Peter O'Neill. In this advert, Sir Mekere accuses the Prime Minister of double-talk, of saying one thing about the Daru Port, Purari Hydro and Cloudy Bay Timber projects at home, and saying another thing about these projects to an Australian audience. Prime Minister's spokesman and chief of staff Mr Isaac Lupari said there is no doubt the potential benefit the Daru Port and Purari Hydro projects would bring for the people of Western province and PNG is huge. "But these should not be priority projects for PNG Sustainable Development Fund. "These projects are for the national Government to carry out, to fund at the national level, supported by the national budget.

PNGSDP funds spent on these projects would have been better utilised to deliver better health and TB facilities in Daru and along the Fly River communities, build more classrooms and teachers houses for schools in the province, build new roads to parts of the province that are still inaccessible, and fund small to medium business initiatives for the people there." Mr Lupari said. "Pouring millions of kina into feasibility studies for Purari Hydro and Daru port, for which Sir Mekere is now claiming intellectual property rights, are not the kind of projects the PNGSDP should be pursuing. "That is what the Prime Minister meant when he said on October 21 that funding to these projects by PNGSDP should be discontinued." Mr Lupari said these projects should be pursued by the Independent Public Business Corporation (IPBC) on behalf of the National Government.

PNG PM Allegedly Met With False Ok Tedi Landowners

OTMIAA group claims it legitimately represents affected areas

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Nov. 6, 2013) – The Ok Tedi Mine Ltd. "landowners" who met with Papua New Guinea Prime Minister Peter O'Neill last week are not legitimate, says the Ok Tedi Mine Impacted Area Association (OTMIAA) president Nick Bunn. In a new twist to the long running saga over the ownership of the Western Province mine, the president said his group should not be overlooked by the Government in its negotiations with the various groups. Mr. Bunn wants a 2006 agreement signed between them, the Government and the Ok Tedi Mine Ltd. (OTML) to be reviewed and all outstanding compensation monies paid before new agreements can be penned with the various landowner groups. "OTMIAA is the legitimate umbrella organisation representing all 156 mine affected areas along the Fly River and as such must be involved in any proceedings regarding the people before decisions for the people are made for the people to benefit," Mr. Bunn said.

"OTMIAA should not be overlooked when it was established by OTML and the government themselves as the rightful umbrella organisation representing the people of the affected areas. "There are two groups of landowners, being the 12 mine lease area villagers unaffected by environmental damages discharged from the Ok Tedi mine (the mine landowners) and the CMCA landowners (those people who have been affected by the mine along the Fly River) comprised of 156 villagers, more than 100,000 living along the Ok Tedi and Fly river systems directly affected by the pollution from the mine." The decision by the Government to transfer the shares in the gold and copper mine company to the people is also a step in the right direction, he said while emphasising that consultation with the various groups was paramount in order to reach an amicable solution.

The statement was further supported by the OTMIAA vice president and the University of PNG's Fly River Student Association. Affected communities that will give their consent for the mine to continue to discharge pollution into the river system must be fairly compensated as more villages are impacted who must be included. "The organisation understands the issues and cries of its people since the Ok Tedi Agreement 30 years ago since the Mine commenced operations. There is a process of negotiation that will come towards the end of the year when the people can negotiate on how shares will be given to them," he added and appealed for calm. "We must not repeat the failures of the 2006/07 MoA but negotiate that all the promises and undertakings given by the State and OTML must be reviewed first before we start talking about distribution of the new shares."

Kiunga roads neglected

Post-Courier 6.11.2013

People in the remote parts of Kiunga in the Western Province have been neglected from basic services due to bad road conditions. Kiunga Local Level Government president James Donald raised this concern in a statement that decried the deteriorating Kiunga Nomad Road, which he said has greatly affected the people for the past 20 years. He said the people of East Awin, Pari and Noma, including the refugees who settled along the road corridor mainly at Iowara Station and Komokpin Camp, continue to face problems in accessing basic services due to the poor road condition. "How long should my people continue to suffer and be denied from basic goods and services?" Mr Donald asked. "My people of Nomad and Pari are everyday risking their lives walking to Kiunga for basic goods and services because of no transportation due to poor road conditions." Mr Donald said, "The villagers had to walk by foot and sleep along the road for three to four nights before reaching Kiunga." He said service delivery to Iowara station has come to a standstill due to the very bad road conditions and vehicles cannot travel through.

"I am calling on the Works Department of Western Province to explain to my simple people of Nomad, Pari, Iowara and East Awin what has happened with the huge sum of money allocated to upgrade the road. Where is the K9 million allocated for machineries and K4 million for actual road works," Mr Donald asked. He also said that a K1 million allocated by the Eagle Wood Company for feasibility studies and other works to upgrade the road has never been done. "All I see are lots of new flashy vehicles for the Works Department running on the Kiunga roads. Don't tell my people that the money went into pockets of some people who are quietly hiding and building empires somewhere," Mr Donald said. "I am very disappointed to see only minor works being done without any full scale work". He said the machines worth millions of kina are sitting idle in the bush rusting away. Mr Donald called on the Task Force Sweep team to investigate the funds allocated for the Kiunga Nomad Road in years 2010 and 2011. He said road maintenance had taken ages with nothing tangible on the ground. He also called on Western Governor Ati Wabiro and North Fly MP Boka Kondra to seriously look into the matter and take immediate action for the good of the people.

Eastern Highlands clan seek help on 'oil find'

Post-Courier 6.11.2013

By AUGUSTINE CHASLON DWU journalism student

THE Tinofi clan of Goroka is in Port Moresby to meet with government authorities and to seek investors for what they believe is a major oil find which will boost the Eastern Highlands economy. The chairman of the clan, Bruce Amate, told the Post-Courier yesterday that a major oil slick had been discovered by local villagers on a forested mountain at Dunantina. He said the landowners took samples of the oil to the PNG University of Technology laboratories for confirmation. The samples were found to contain crude oil and grease, copper, iron, lead and molybdenum, nickel, silver and zinc.

"With these results we are now here to negotiate with the Government for assistance to further develop the discovery," Mr Amate said. The clansman have approached government authorities with their report and are also calling on developers to come and help establish what may be a major economic boom. The Department of Petroleum and Energy told the Post-Courier yesterday that they have been approached by the executives, but could not provide detail because they claimed it would involve a complex process that included the deployment of resources. The department said it needed to establish the report and verify a lot of things before they could comment.

PNG: Journalists fired for critical reporting about Prime Minister

The Pacific Media Centre, 5.11.2013

AUCKLAND (*Pacific Media Watch/Post-Courier/ABC Radio Australia*): Senior journalists of Papua New Guinea's government-run radio and television stations National Broadcasting Corporation (NBC) and Kundu 2 have been penalised, some removed from their positions, for allegedly reporting against the government. Editor of Radio News Michael Asagoni, and executive producers of Kundu 2 Dick Sorariba and Mulai Robby, have been relieved of their positions and told to resume duties in NBC's archive section, the *Post-Courier* reported. Experienced journalists Jerry Ginua and Wesley Manuai have also been questioned over the same issues. The journalists wrote critical stories about Prime Minister Peter O'Neill and the Papua New Guinean government after a bill was passed in September nationalising the controversial Ok Tedi copper and gold mine in Western Province.

They also ran stories about an on-going corruption case where the Prime Minister and the government have been accused of illegally paying 70 million kina (NZ\$ 32.5 million) to a law firm. The government argued that the journalists reported biased stories favouring the opposition's viewpoints. According to the *Post-Courier*, Asagoni, Sorariba and Robby each received a letter from the managing director of NBC, Memafu Kapera last week, informing them that they were relieved of their positions effective from November 1. Neither the journalists, the NBC management nor the Ministry of Communication were available for comment.

Ok Tedi background

The government takeover of the Ok Tedi mine has been a major story in the Papua New Guinean news media over the past few months. The mine first made the headlines in 1984 when two billion tonnes of untreated mining waste were discharged into the Ok Tedi and Fly Rivers in the extreme west of Papua New Guinea, causing grave environmental damages that is still evident in the area. By 2001, the owner of the mine, BHP Billiton, wanted to shut it down because of bad publicity. The Papua New Guinean government, however, wanted to continue the mining operations because it needed the tax revenue. BHP agreed to give away its ownership of the mine in return for a guarantee that it would not be sued for environmental damage, Professor Stephen Howes, director of the Development Policy Centre at Australia National University, explained on devpolicy.org.

The solution was to create the Papua New Guinea Sustainable Development Program (PNGSDP), a charitable trust registered in Singapore established in 2002. The PNGSDP was left with 63 percent of the shares at the Ok Tedi mine, while the government owned the remaining 37 percent. Two thirds of the development programme's dividends were invested in a long-term fund promoting development in communities affected by the 1984 mining disaster, with one third spent on development projects throughout the country.

O'Neill takeover

After Peter O'Neill took over as Prime Minister of Papua New Guinea in 2012, tensions arose between the government and the PNGSDP, according to Professor Howes. It seemed to culminate in late September when legislation was passed in Parliament that expropriated the mine without compensation to PNGSDP or local landowners, according to *The Australian*. Parliament also removed the immunity of BHP Billiton and gave the government power to restructure the PNGSDP. Former Prime Minister Mekere Morauta was sacked as the chairman of the PNGSDP. In an interview with ABC, Professor Howes called the new bill an "enormous policy shift done in an enormous hurry". "What has happened here is an expropriation of the shares in the country's largest company by the government.

On the same day, legislation was passed to try to give the government control of SDP as well. It's enormously wealthy. It's got 1.4 billion US dollars in its long-term fund," Professor Howes said. He suggested the reputation of Papua New Guinea with foreign companies would be tarnished as a result of the government's actions. "The signal that this sends is that if you reach an agreement and you have a major falling out, that agreement may not be honoured, and your assets may be expropriated. "You don't want to be known as a country that goes about expropriating and trying to take over foreign companies," the professor said in the ABC interview.

Corruption allegations

Professor Howes warned of possible government corruption resulting from the takeover, saying corruption was a "serious and widely acknowledged problem in the country" and that it was "implausible" the Papua New Guinean government would make better use of the Ok Tedi dividends than the PNGSDP. Martyn Namorong, a Papua New Guinean political commentator, told Radio Australia's *Pacific Beat* programme he believed the same as Professor Howes. "There is the concern that money which has been kept in the long term fund for the benefit of the future generation of Western Province, will now be exposed to political manipulation," Namorong said. Richard Zumoi, spokesman for the Ok Tedi affected landowners, said the legislation was like a slap in the face. "It's just like stealing from the people of Western Province," Zumoi told *Pacific Beat*.

Former Prime Ministers Michael Somare and Mekere Morauta, fierce rivals of current Prime Minister Peter O'Neill, have been scathing of the government takeover. Somare said the country's reputation would be damaged, while Morauta sent a letter to O'Neill while still chairman of the PNGSDP, warning of "devastating social and economic consequences caused by the actions of the O'Neill government". The letter included a list of several charitable projects that had been closed because of the government takeover. Among those were a village power and water supply project, a church-based health and education programme, and a scholarship scheme for "promising" students in Western Province. The remarkable story of the nationalisation of PNG's largest mine.

Owners want government to address LNG land issues

The National, November 5th, 2013

LANDOWNERS are calling on the government to address land issues on the proposed site of the second liquefied natural gas (LNG) project that is being developed by InterOil. The company announced last week it was confident of delivering the second LNG on time, saying negotiations with parties were almost complete. Landowner spokesman Moses Guntu said there was a conflict about who the real owners of the land were where a feeder road would be built, at the Lese-Aro village, and into the proposed site. He said InterOil chief executive officer Michael Hession should liaise with the Malalaua district administration, the Lands Department and local mediation team to identify the real landowners and award ownership of the concerned land. "The ownership of the land has been disputed in the courts since the late 1990s," Guntu said. "And the courts are yet to identify the rightful landowners. These issues have resulted in many lives lost and resources wasted over prolonged court battles." Guntu said all landowners concerned welcomed the new LNG project but land issues should be sorted out. "The project will create employment opportunities and spin-off business activities for the local communities," he said. "However, we will appreciate all issues resolved prior to any new developments so that it is a win-win situation for all."

Small gold miners face big risk from mercury

The National, November 5th, 2013

SMALL-scale gold miners in the country still need to learn a lot on the safe use of mercury in gold recovery, Mineral Resources Authority said. Mercury has posed a big threat to the health of miners using it improperly, MRA said. This became evident when several miners in Milne Bay showed interest to know more during an awareness drive on alluvial mining, especially mercury use. MRA conducted the seminar in the province recently, where it circulated information on small-scale mining, landowner issues and other aspects about alluvial gold mining. Small-scale mining trainer Sam Leonhard said many of the miners asked about the safe use of mercury and the process to acquire an alluvial mining licence (AML). He said they also asked how they could attend courses on small-scale mining at the MRA's Wau small-scale mining training centre. Most of the miners were from Sudest, Misima, Normanbi and Goodenough islands.

Miner Ambros James, who is also a community leader in Rehuo ward in southcoast of Sudest Island, said the distance of Sudest from the provincial administration in Alotau, coupled with lack of means of communication made it difficult for his people to access information such as those that were being circulated by MRA. James said there were about three to five groups of miners in each of the seven wards on Sudest island. He said he would collect the mining brochures, booklets and maps available from the MRA display booth and distribute them to these groups so that they would learn the better ways to mine gold. Misima Islander Steven John said there were more than 1,000 miners on Misima who needed similar information. John stressed that some miners did not know how to handle mercury safely when using it to recover gold. The miners praised MRA for providing the information service to them.

Frieda River project gets new partner , Glencore out

Post-Courier 5.11.2013

THE Frieda River gold-copper project now has a new joint venture partner to develop one of the world's underdeveloped gold and copper deposits. Highlands Pacific Limited, announced this week a new joint venture partnership for the Frieda River Project which will see Glencore Xstrata plc (Glencore) exit the project and PanAust Limited emerge as an 80% partner with a new vision to develop Frieda. PanAust will take up to a A\$10 million (K24.78 million) placement in Highlands and will also relinquish any claw back rights regarding exploration licence EL 1312 in the Star Mountains. PanAust has entered into a share sale agreement with Glencore under which PanAust will acquire Glencore's interest in the Frieda River joint venture by acquiring all of the shares held by Glencore in Xstrata Frieda River Limited (XFRL). PanAust and Highlands Frieda Limited have agreed that the two parties will hold interests of 80 per cent and 20 per cent respectively in the Frieda River joint venture on completion of PanAust's acquisition of the shares in XFRL and that any previous disagreement between XFRL and Highlands Frieda relating to earn-in percentages in the Frieda River joint venture will be settled upon completion.

The terms of Highlands' agreement with PanAust provide that should the Government of PNG elect to take up its right under PNG law to 30 per cent of the project, PanAust (XFRL) will sell down the first 20 per cent of its joint venture interest and thereafter the parties will sell down in equal amounts. Under a scenario where the Government of PNG elects to take up its maximum 30 per cent of the project, the respective joint venture interests would be PanAust 55 per cent, the Government of PNG 30 per cent, and Highlands Frieda 15 per cent. PanAust is responsible for 100 per cent of the costs incurred by the Frieda River joint venture to

finalise a definitive feasibility study for PanAust's development concept and will appoint and fund the cost of an independent expert to provide peer review. PanAust will also be responsible for 100 per cent of the costs to maintain the Frieda River project site, assets and community relations programs up to the point in time of lodgement of the Mining Lease or Special Mining Lease application.

As part of PanAust's due diligence work, it completed a scoping study based on a smaller circa 24 million tonne per annum conventional open pit and flotation operation producing a copper-gold concentrate for export to custom smelters. Highlands Pacific managing director John Gooding welcomed the new partnership: "Frieda can be a great copper project for PNG, but developing it as a mega project as first envisaged 5-6 years ago by Xstrata would face a number of challenges given the current market environment. PanAust's own reviews and studies on a project at approximately half the plant scale, but approximately a third of the costs proposed by Glencore, accords with our own long held views. "We are very pleased to have PanAust as a substantial and supportive investor in Highlands and the placement means that Highlands' funding position is robust going forward. We know the PanAust team well and have great respect for their skills in South East Asia and believe they can make a positive contribution to the Frieda River Project and to PNG." "With Highlands now holding 100 per cent of its Star Mountains exploration licences we can also look to develop new work programmes and collaborate with potential joint venture partners on these important exploration assets," he said.

Ok Tedi: Landowners keen to work with government Post-Courier 5.11.2013
By ISAAC NICHOLAS

OK Tedi landowner Joel Dankim has appealed to other landowner factions that the group which met with the Prime Minister on the weekend be the only recognised team that will be negotiating with the government. Mr Dankim and Mr Richard Zumoi, the principle spokesmen for the community mine continuation agreement (CMCA) and mine villages said the group looked forward to coming to the table to negotiate on behalf of their people. "We appeal to the people that we have been recognised and we are the team that will be talking to the government for what we are pursuing. I appeal to others to join this team to find a way forward," Mr Zumoi said. Mr Dankim on behalf of the people and mine villages along the CMCA corridor said the landowner team would be working together with the government to see changes in the OK Tedi agreement for the best interest of the people of Western province and Papua New Guinea. "This is a way forward now that's in our best interest. At least the government has recognised us and wants us to have direct shareholding," MR Dankim said.

He said the initial reaction from the landowners after the passage of the OK Tedi Bill by parliament was because the people believed there was no better understanding between the landowners and government and that there was no consultation. Prime Minister Peter O'Neill in a media conference after meeting with the landowners on Saturday said the landowners and government had a common interest - better benefits to the people of Western province, especially the landowners. "Better services, particularly health, education and infrastructure, and of course direct shareholding and others, are the issues that are open for discussion," Mr O'Neill said. "The misunderstanding was that they thought we had already concluded those discussions when in fact we are now setting up a team that will now start negotiating with the landowners, leaders and the provincial government on behalf of the people of Western province; and we have now agreed to move forward. "Forget about all our small differences, we

will start on a clean sheet of paper and rebuild the trust and confidence of the landowners and the people of Western province.”

More substance abuse in Solomon Islands due to rising wealth

Australia Network News, 4 Nov 2013



Photo: Rising wealth in Solomon Islands is also leading to a rise in substance abuse. (Reuters)

A World Bank report has found that substance abuse in Solomon Islands is becoming more pervasive due to wealth created by the resources sector. Solomon Islands' Country Coordinator for the World Bank Daniel Evans told Pacific Beat substance abuse is creating many social problems in the country. "It's having a dire effect in many places across the country to the extent that in some places, it's endemic," he said. "It's leading to health problems naturally and criminal offending as well. "Where you have high levels of substance abuse, you have domestic violence, you have fighting, you have stealing, you have all those other elements that come with endemic drinking and consuming of drugsn in particular marijuana." Mr Evans says despite increasing wealth, women are being marginalized. "It's having an influx of money within communities that isn't necessarily shared and is kept by generally senior male men that creates the conflict in the first place," he said.

"So you have certain individuals who might have a tenuous connection to land benefitting while the rest of the community in fact benefits little." The report also found that a lack of access to state and local justice systems in the country, such as chiefs, church and community leaders, is leading to conflict in rural areas. "In places that are experiencing natural resource development, and in particular, logging, you generally see a breakdown of all types of (justice) systems so one of the root of the problems is local level development particularly in the form of logging and more recently mining," Mr Evans said. Mr Evans says part of the problem is that the government is not able to reach rural areas. "The state justice system is largely confined to Honiara, it has only a very tenuous connection outside of the capital," he said.

"Since independence, we've seen a retreat of the state from the rural areas. "We've seen the demise of what were local level governments in the form of area councils in 1989 and we've just seen a concentration of assets, resources and people in the capital... the services just do not reach the rural communities." The World Bank's research shows that the government alone cannot deliver justice services to people in the rural areas. "We need to have an engagement with an array of different actors... not only in the justice sector but also there needs to be engagment with local level systems and actors," he said. "There needs to be engagement with

those who are actually delivering the services now and they need to be supported in their role and that in particular, is the churches and the kastom system."

New Caledonia Documentary To Show Environmental Issues

Environmentalist hopes film will make 'Kanak struggle' known

By Daniel Drageset

AUCKLAND, New Zealand (Pacific Scoop, Nov. 4, 2013) – The main participant in Jim Marbrook's upcoming Cap Bocage documentary says he thinks the film will help in creating awareness around environmental challenges in New Caledonia. Florent Eurisouké was the president of the environmental group Mee Rhaari, which protested against nickel mining on the east coast of New Caledonia's main island Grande Terre. "It's important for people to understand that to fight on environmental issues like New Caledonia is very, very difficult. "There is no structure of environmental values," Eurisouké told Pacific Scoop in an exclusive interview. Eurisouké came to Auckland last week together with his uncle Jean "Jojo" Neporo, who is an elder and chief of the Neporo clan of the Warai District, located close to the Cap Bocage mine. In 2008, a landslide spilled considerable amounts of nickel, cobalt and enriched ore onto the coral reef adjacent to Cap Bocage. The documentary Cap Bocage, which is due for release mid-2014, revolves around the tensions between the mining company and local protestors in the wake of the landslide.

Unique opportunity

Eurisouké and Marbrook met incidentally when Marbrook was touring New Caledonia in 2007. Confronted with the chance to feature in a documentary film about New Caledonia's environmental issues, Eurisouké did not hesitate to agree to participate. "Immediately, I understood that this was a good opportunity, because it is important for people from small islands to communicate with the outside world and tell our stories," Eurisouké said in French. Steve Woodward, the soundman of the Cap Bocage documentary, helped out as a translator during the interview. Eurisouké said the documentary was a way for the "Kanak struggle to be known." The Kanaks are the indigenous Melanesian inhabitants of New Caledonia, and make up just over 40 percent of the population – roughly 100,000 of the 250,000 people living there. Europeans, mainly French citizens, make up 29 percent of the population – a total of 71,000 people.

The filmmaker role

The Kanak environmentalist said it was extremely important to have filmmakers like Jim Marbrook to interpret and communicate the issues of New Caledonia. "I can't draw, I can't write, I can't sing," Eurisouké said, explaining that he could not have hoped to reach out to a wide audience if it had not been for Marbrook's documentary. In 2007, the Pacific Media Centre awarded Marbrook a \$10,000 dollar grant to get his documentary underway. Since then, he has also received a considerable grant from Creative New Zealand. During Eurisouké's visit to Auckland, Marbrook showed him and his uncle a rough cut of the film, in which the environmentalist got to see some of his old friends again. "When I saw the film, I saw a lot of the militants that have passed away. "To see them again was quite emotional. People like Sami, who had a very passionate and strong voice within environmental issues, is not here anymore. "We have torches that we have to carry for these people," Eurisouké said.

The environmental fight

Florent Eurisouké's campaigning against mining companies has arguably been closely linked to the French rule over New Caledonia. The Ballande family, originally from Bordeaux, own

the Cap Bocage mine. They were accused of being responsible for the landslide in 2008 resulting in grave environmental damages. According to Eurisouké, the damages caused by mining in New Caledonia can be compared to the nuclear bombs that France tested in French Polynesia, which did not end before 1996. "When you go into a restaurant to eat, a group of French people are making noise. The English are very quiet. When you say shut up to the French, they stop. Unless you say that they will just continue making noise," Eurisouké said with clear references to the political situation in New Caledonia. "We have a proverb in French that I'm not sure you can translate well into English: 'When you throw a rock in a pond the toads stop croaking'." "The film is like a stone that will make ripples in the water," Eurisouké said. About France's rule of New Caledonia, the environmental campaigner said Kanaks "are forced to be French," and that they were "not French by choice".

Kanak independence

New Caledonia plans to hold a referendum on independence in the period 2014-2018. Since the Nouméa Accord was signed in 1998, more power has been transferred from France to New Caledonia – or Kanaky as the Kanaks call the country. The elections in Fiji next year will not be the only interesting Pacific election to follow, as the Congressional election in New Caledonia will be very important in deciding New Caledonia's short-term future. If three-fifths – 33 of the 54 representatives – support independence, Congress can decide to proceed with a referendum on full independence. Fearing an unfair election, the pro-independence alliance of political parties in New Caledonia, the Front de Libération Nationale Kanak et Socialiste (FLNKS), recently called on the UN to send observers to the election, Radio New Zealand International reported. The FLNKS questioned 3000 voters on the list, who it said were not born in New Caledonia. The alliance also claimed 1900 Kanak voters had been excluded from the election.

Independent people

Eurisouké said the Kanaks were an independent people and thus should have their own nation. Pacific Scoop asked him his view on independence and whether it was viable for New Caledonia to become a fully sovereign country. "I want to be very clear on my answer. I'm going to send the question back to you," Eurisouké said firmly. "Have you ever seen an independent people disappear from the surface of the world? Did the independence of New Zealand make that the Maori have not disappeared? "We're changing the status quo. Do you not think that New Zealanders will be strong enough if the dairy industry disappeared suddenly? It is the people that matter," Eurisouké concluded. Jean "Jojo" Neporo said he was a strong supporter of full independence. "I've been an independence fighter since the very early days of the struggle. I'm not afraid of it. I believe it's viable. We can be successful in other ways even if nickel wasn't there," Neporo said. "Next time I go through the customs at an airport, I'd love to write New Caledonia," Eurisouké said. "Do you think that will happen in the next few years? "Yes, if God's willing."

Serious allegations of corruption come at a bad time for Nautilus

via Facebook, PNG Mine Watch 4.11.2013

Revelations from a former Nautilus PR Officer (Kavieng, New Ireland province office), Mr. Robin Kamkam exposing the inner workings of Nautilus and its scandalous dealings in PNG: "Nautilus has been paying airfares and hotel accommodations including meals for MRA and DEC officers while on community awareness in New Ireland province and East New Britain province to mislead the people on the project. This is a fact. Nautilus has been telling communities in NIP and ENB that the project is a small print (3 to 5 years) but the government

granted it a 25 years mining license. The math does not equate”..... “What Nautilus is doing in PNG is pushing the country (PNG) against the wall and demanding it to pay up its 30 per cent share – evidence that the company (Nautilus) does not have funds for the completion of its untested deep sea mining technology. The Environmental Impact Study is a cut and paste document as a lot of money went (I believe) under the table to secure information as well as support from external scientific institutions for positive support for the EIS so that government can grant its approval. This is evidenced by the fact that VP Community and Social Responsibility Dr. Samantha Smith was an academic with no prior experience in deep sea science. The company does not possess technical and practical experience in sea bed mining and they are banking their on computer models. They do not have the financial resources to complete the project. Nautilus is an arrogant company. The CEO Mike Johnston is a land mining geologist (ex Porgera).....”

Government sets up teams to deal with Ok Tedi
By ISAAC NICHOLAS

Post-Courier 4.11.2013

THE National Executive Council has appointed a mediation team to start negotiations with BHP and PNG Sustainable Development Program to resolve the current OK Tedi mining issue. Prime Minister Peter O’Neill announced this on Saturday after meeting with the leaders of the landowner group from the mine site areas and affected villages (CMCA) along the Fly River and surrounding areas of Western Province. The government team included Finance Minister James Marape and Fisheries Minister Mao Zeming, East New Britain Governor Ereman ToBaining Jr and Chief Secretary Sir Manasupe Zurenuoc, who met with the landowner leaders. He thanked the leaders for coming forward and opening up discussions with the Government regarding the continued operations of OK Tedi mine and issues surrounding the PNGSDP, which is described as very fruitful, open and cordial in that both parties agree that the way forward is to continue discussion on the issues surrounding the benefits and shareholding of the OK Tedi mine.

“We agreed that landowners must have direct shareholding in OK Tedi mine because the benefits must go directly to them and not through any other agency and we agreed that the PNGSDP will now be set up to directly benefit the landowners and people of Western Province.” Mr O’Neill said. He announced that Cabinet has appointed a mediation team to be headed by former Prime Minister Sir Rabbie Namaliu, Bart Philemon and Sir Puka Temu to start discussions with BHP and directors of PNGSDP based in Singapore headed by Sir Mekere Morauta to find a way forward in restructuring PNGSDP. “As I have stated all along, the PNG government has no interest in taking over, owning or managing PNGSDP. We have no interest whatsoever. Our interest is very simple. As the mandated government of the people, we wish to structure the PNGSDP as agreed 10 years ago when the program was established, to structure it so that it can be managed by the people of Western Province and managed through their leaders for the benefit of Western Province.”

During the meeting at Crowne Plaza Hotel between OK Tedi landowners and the government in Port Moresby over the weekend, the Prime Minister also announced another government team to be headed by Chief Secretary Sir Manasupe Zurenuoc, Treasury Secretary and the Western provincial administrator to negotiate with landowners relating to the shareholding of OK Tedi and PNGSDP. “Landowners and the Government have a common interest and that is for better benefits to the people of Western Province especially to landowners, better services particularly health and education and infrastructure and of course direct shareholding and those are the issues that are open for discussion,” Mr O’Neill said. OK Tedi landowners leaders

Richard Zuomoi and Joel Dankin, representing 162 landowner villages, thanked the Prime Minister for involving landowners in bringing their issues to the negotiation table to negotiate a fair and just deal for the people of Western Province and the nation as a whole.

Ok Tedi communities declare support for PM O'Neill

CMCA Media Release via PNG Mine Watch 4.11.2013



OTMIAA Executives & Members (from L to R): Edwin Yara, Elijah Anato, Nick Bunn, Toti Sapera.

We, the undersigned legitimate duly 16 elected representatives of the Community Mine Continuation Agreement Communities in the Western Province which includes the Mine Villages, North Ok Tedi, Lower Ok Tedi, Highway, Middle Fly, Suki Fly Gogo, Manavete, Kiwaba, Dudi of which 15 of our member representatives are currently in Port Moresby and intend to meet with the Prime Minister and Chief Secretary to advise them that the over 100,000 people which we represent are fully in support of OTMIAA as their representative entity to negotiate with the Government on any issue concerning OTML and or PNGSDP.

WHAT IS OTMIAA

Ok Tedi Mine Impact Area Association (OTMIAA) was an outcome of the 9th Supplemental Agreement together with the 2006/2007 Community Mine Continuation Agreements (CMCA) as the independent corporate entity to represent the 9 CMCA areas. OTMIAA is now also recognized by the Western Province Community Mine Continuation Agreement Region Peoples Dividend Trust Deed of 4th February 2013. OTMIAA has been recognised since 2009 up till now for over 5 years and the next elections of OTMIAA are to be conducted in 2017. OTMIAA's 16 member representatives are also the advisory committee to the OTDF Board and they elect 4 members as associate directors representing the CMCA Communities & Women and Children in the OTDF Board. OTDF (Ok Tedi Development Foundation) is the entity that carries out OTML's community development responsibilities. OTMIAA was created to represent the impacted communities from each of the nine (9) Community Mine Continuation Agreement areas which are divided into the 9 Trust regions.

The main purpose of creating this association was to ensure that there is a collective voice and one representation to ensure that the promises and obligations made in the CMCA agreement of 2006/07 were achieved. OTMIAA has been advocating social issues since 2009 and the government decision to expropriate the shareholding to the people is welcome by the President and OTMIAA members. Mr Nick Bunn the President said that the decision by the Prime

Minister to expropriate the 64.3% shares from PNGSDP to the Government is fully supported by the CMCA communities and the people. The statement was further supported by the Vice President of OTMIAA and the Fly River Student Association of the University of PNG. OTMIAA has conducted extensive awareness to the affected CMCA regions and have been given consent by the affected communities to negotiate ON THEIR BEHALF.

OTMIAA's SUPPORT

The CMCA communities appreciated OTMIAA's drive for the changes to take place within OTML and PNGSDP and support the Governments take-over of Ok Tedi Mine and restructuring of PNGSDP.

WAY FORWARD

The President says he wants a new order in the Ok Tedi Mine management and the PNGSDP structure before the mine can continue in 2014 and beyond. The President says the mine impacted people who will give the social license for the mine to continue must be fairly rewarded. The President says only OTMIAA understands the issues and cries of its people since day one of the Ok Tedi Agreement for about 30 years of Ok Tedi mine operation. OTMIAA recognised the decision made by the Prime Minister and caution the Government to deal with the right legal entities that represent the people rather dealing with small interest groups. The OTMIAA members are appealing to the Prime Minister not to be misled by certain groups of leaders claiming to represent the affected people. Mr Nick Bunn appeal for calm from the people that the shares has been held in trust by the Government. There is a process of negotiations that will come towards the end of the year when the people can negotiate on how shares will be given to the people. He also stressed that we must not repeat the failures of the 2006/07 MOA but negotiate that all the promises and undertakings must be reviewed first before we start talking about shareholding.

Ok Tedi Workers end strike

The National, November 4th, 2013

By GYNNIE KERO

OK Tedi Mining Ltd (OTML) workers returned to their posts last Friday after a two-day strike over redundancy offer concerns, the miner said. Some of the mine's 6,000 workers went on strike last Wednesday night and Thursday because of concerns about redundancy packages. As part of plans to reduce production by a third, the Ok Tedi mine was making all staff redundant before rehiring a smaller workforce next year. Daniel Komba from the Mine Workers' Union told Radio Australia that some staff were worried they would get a smaller payout than those who accepted an earlier redundancy offer. The confusion had been heightened by the PNG Government's recent takeover of the mine.

The company said: "The stop work is over and everyone has returned to work. "The Ok Tedi Workers Union and its members had staged an illegal stop work over the redundancy and voluntary departure package offered by the company to the workers. "Management was holding discussions with the union and the workforce today (last Thursday) to resolve the issue and have employees on night shift return to work tonight." Employees illegally stayed away from their posts and mill employees refused to go to work last night (Wednesday) and this morning (Thursday)". Following the protest, production had been also been cut.

Glencore Sells Copper Project Stake as Mining Deals Hot up PanAust Buying Frieda River Deposit in Papua New Guinea

By Rhiannon Hoyle, Wall Street Journal, 1.11.2013

Glencore is selling its majority stake in one of Asia-Pacific's biggest unmined copper deposits, the latest in a flurry of asset sales across the industry.

SYDNEY—Glencore Xstrata PLC is selling its majority stake in one of the Asia-Pacific's biggest unmined copper deposits, the latest in a flurry of asset sales across the mining industry that suggests deal making may be picking up as some commodities rebound. Australian copper-and-gold miner PanAust Ltd. said Friday it would buy the Frieda River deposit in Papua New Guinea from Glencore for as much as US\$125 million, including an initial payment of US\$75 million and a royalty of up to US\$50 million once a mine is operating. A series of assets sales in recent months has followed a notable lull in deal making over the past year as miners struggled with falling commodity prices and rising costs.

Last week, Glencore and Japan's Sumitomo Corp. agreed to buy Rio Tinto PLC's stake in the Clermont coal mine in eastern Australia for around US\$1 billion. South African miner Gold Fields Ltd. recently agreed to buy three mines in Australia from Canadian peer Barrick Gold Corp. for about US\$300 million, while Rio Tinto agreed to sell its controlling stake in the Northparkes copper-and-gold mine in Australia to a Chinese company for US\$820 million. Also on Friday, BHP Billiton Ltd. confirmed it had signed an agreement to sell a coal mine in New Mexico to the Navajo Nation, a Native American community, for roughly US\$85 million, part of the mining giant's ongoing efforts to drive down costs and exit smaller operations around the world. According to a midyear report by Ernst & Young, there were only 350 merger-and-acquisition deals across the global mining sector in the first half of 2013, down 30% on-year. At the time, the consultancy said a sustained improvement in commodity prices was needed to trigger increased buying interest during a period when some of the world's biggest miners were starting to shop around for unwanted assets.

Since then, the value of many commodities, like iron ore and copper, have rebounded as Chinese imports climbed and fears of a sharp slowdown in the world's No. 2 economy abated. Copper is up 10% since its year-to-date low in June. Gold is about 7% higher. PanAust said it would take an 80% interest in the Frieda River project. The remaining 20% is controlled by joint-venture partner Highlands Pacific Ltd. PanAust has also agreed to take a 7.5% stake in Highlands for A\$5 million (US\$4.7 million). The Wall Street Journal reported in August that the company was in talks with Glencore to purchase its stake. PanAust is no stranger to operating mines in impoverished Southeast Asian nations lacking infrastructure and skilled workers. It has two active pits in Laos that produce copper and gold, and the Brisbane-based company accounts for about 30% of that country's exports.

"From a strategic point of view, Frieda River provides us with the basis for growing production beyond our current mine life in Laos," PanAust Managing Director Gary Stafford said in an interview. "It gives us another string to our bow." Glencore inherited the Frieda River project through its multibillion-dollar takeover of Xstrata PLC earlier this year, but has signaled a preference for owning active mines that produce commodities it can sell through its trading arm. It has been reviewing its assets since its acquisition of Xstrata. Xstrata had estimated a mine at the Frieda River site, near the border of the Sandaun and East Sepik Provinces of northwest Papua New Guinea, would cost more than US\$5 billion to build and could produce 204,000 metric tons of copper and 305,000 troy ounces of gold annually in an operation lasting around two decades. PanAust said it was targeting a smaller operation there, however.

The company said it intended to spend up to US\$1.8 billion to produce closer to 100,000 tons of copper and 160,000 ounces of gold a year, over a period of at least 18 years. It would export metal concentrate via barge down the winding Sepik River. “We thought the previous model was a bit too big and cumbersome,” said PanAust’s Mr. Stafford. “We think our approach will be viable.” He said he hoped to have approvals in place to begin construction at the site by the end of 2016. It would probably take two years to build the necessary infrastructure, before PanAust had an operational mine there, Mr. Stafford said. The Papua New Guinea government has the right to acquire a 30% stake in the project. If it were to exercise that right, PanAust would sell down to 55% and Highlands to 15%, PanAust said in a statement. Glencore confirmed the deal in a separate statement.

LNG: Hela landowners force shutdown

The National, November 1st, 2013

By JEFFREY ELAPA

LANDOWNERS from segment two of the liquefied natural gas project pipeline in Hela forced work to shut down yesterday. Reports from Tari said disgruntled landowners from segment two of the LNG pipeline converged and forced a halt to construction work there. The landowners’ action follows a 14-day petition given to the State to address their outstanding ministerial commitments of K6 million as per the Umbrella Benefit Sharing Agreement and the Landowner Benefit Sharing Agreement of 2009. The landowners were reportedly fed up of government promises and the delay in payments since 2009. Beneria pipeline segment 2 landowner association chairman George Hato and Pagale Builders and Suppliers Ltd chairman Samuel Mulungu said from Beneria they would not allow the pipeline work to continue unless the government bureaucracy paid them. “We will not be held responsible for the delay and cost blowout of the developer. The bureaucracy is to be blame,” they said yesterday in a phone interview.

Hidden Valley: Landowners make K4million

Post-Courier 1.11.2013

STRATEGIC business decisions by Hidden Valley Landowner Umbrella Company, NKW Holdings Ltd has returned K4million in dividends to its shareholders in less than six years of operation. This was revealed by NKW CEO, Mr Marlen Brunskill, when presenting dividend payments totalling K2.1 million for the 2012 financial year – K720,000 each to its three shareholding companies at a recent board meeting in Lae. NKW Holdings Ltd consists of three investment companies; Nauti Investments Ltd , Kwembu Investments Ltd and Winima Investments Ltd who in turn represent the three landowner villages of the Hidden Valley Gold project, Nauti, Kwembu and Winima. Mr Brunskill explained to shareholders that the 2012 payment brought the total dividends paid to shareholders up to K4 million in total, a remarkable 5 years after becoming fully operational in 2007. “This is an achievement that is quite rare for landowner businesses in PNG and is the result of implementing a strategic 5 year business plan, focused on sound investments. It also indicates the positive growth and strong, successive management of NKW Holdings Ltd with its vision to make a difference since day one,” he said.

During the presentation he challenged the investment companies to exercise prudence and invest this money wisely as the recent global downturn in the price of gold had painted a grim picture of the industry and prompted developers such as MMJV to initiate stiff measures to reduce costs. According to Mr Brunskill, the recent downturn had resulted in a decline in the

number of contracts from MMJV managed by NKW Holdings and reduced spending in areas where NKW and its Joint Venture contracts were concerned. He also strongly raised the importance of pursuing new investment opportunities that were non-mine related in order to further reduce the lanco's dependence on Hidden Valley. Under the current circumstances, the developer (MMJV) had yet to give any indication as to when they would renew the existing contracts that have expired. The three landowner directors thanked Mr Brunskill and his management team for their efforts and expressed confidence that NKW would continue to grow.

Government moves to buy Oil Search shares

Post-Courier 1.11.2013

THE O'Neill-Dion Cabinet has started the process to review the acquisition of Oil Search shares in the international petroleum investment bond. Oil Search shares are estimated at K3 billion (A\$ 1.8 billion). In April this year Cabinet made a decision (NEC decision No: 117/2013, meeting No: 03/2013 for the Independent Public Business Corporation (IPBC) and Minister for Public Enterprise Ben Micah to review the additional funding requirement for the PNG LNG project expansion. In the instruments signed by Prime Minister Peter O'Neill and NEC acting Secretary Ilagi Veali, although already six months, the IPBC and its successive organisations have been told to raise funds in the capital market (an estimated A\$1.8 billion) to repurchase Oil Search shares through redemption of IPIC bonds and negotiate the best interest rates with favourable conditions to PNG to the term of the loan/bond not to exceed 10 years but preferably at seven years. IPBC was also directed under that Cabinet decision to raise funds for train three of the PNG LNG project expansion, estimated to be A\$1.2 billion, and provide appropriate security options to meet financier's security requirements. Early last month, reports by Australian newspapers detailed that Citigroup Inc., UBS AG and Barclays Plc were among banks seeking to provide more than A\$1.5 billion (\$1.4 billion) in financing to help Papua New Guinea maintain its holding in Oil Search Ltd.

It was reported that lenders have been presenting options to the Government on how to fund the repurchase of exchangeable bonds backed by its Oil Search stake it sold in 2008. The Post-Courier understands that the PNG Government was already in the process of acquiring a loan for that purpose. PNG raised A\$1.68 billion from IPIC, an Abu Dhabi-owned investment fund, by selling bonds that can be exchanged for its 14.7 per cent stake in Port Moresby-based Oil Search. The proceeds were used to finance the Government's share of a liquefied natural gas project being developed by ExxonMobil Corp. The \$19 billion LNG venture is more than 90 per cent complete and is expected to start shipments to Asia next year, ExxonMobil said last month. The U.S. company owns 33 per cent of the project, while Oil Search holds 29 per cent and PNG owns about 17 percent. Santos Ltd, JX Nippon Oil and Gas Exploration and a local landowner group are also among partners in the venture.

The bonds are convertible into 196.6 million shares of Oil Search in March 2014, according to an IPIC filing in June. That means PNG receives the equivalent of A\$8.55 a share, company filings show. Oil Search managing director Peter Botten told analysts in August that PNG was preparing a plan to finance the repurchase of the convertible bonds and was in discussions with Abu Dhabi officials. A spokesman for the Prime Minister said last night that Oil Search share prices were now trading around the strike price range of (\$8.55 per share) and will continue to rise. This presents a window of opportunity for the Government to buy back the Oil Search shares at or near the strike price, at around the same price as the debt it raised to become an equity partner in the PNG LNG project. "Oil search shares are regarded as 20/20 shares, meaning they will rise to around \$20 by 2020," the official said. "That will represent a massive capital growth in this investment. "The government has decided to explore this op-

portunity, rather than let it slip by. “The debt for the buyback will be booked by IPBC, and will not affect the national budget.”

Ex MP: Leaders in Western misusing powers

Post-Courier 1.11.2013

By Gloria Bauai

A senior citizen and three time member of South Fly has expressed his concerns on the conduct of the Governor for Western Province Ati Wobiro, and the administrator, Dr Modoa Gumoi. Mr Perry Zeipi is concerned that both the governor and his administrator have been misusing the power vested in them and have been displaying serious contempt towards the people of Western Province. “It has come to my attention that since being elected, Mr Wobiro has not visited the districts and the people that voted him into Parliament,” said Mr Zeipi. Mr Zeipi said instead of attending to the serious health issues affecting the people of Western Province, Mr Wobiro chose to fly around the world to places such as Israel, Singapore, Fiji and Australia – all at the expense of the Western Province public funds. Mr Zeipi said the administrator is no better. “Since being appointed on an acting basis, he has established a permanent camp at the Holiday Inn since October last year and to date all his hotel living expenses are paid out of the Western Province development funds,” Mr Zeipi said. “As a senior citizen of the Western Province, I am really saddened by the conduct of Mr Wobiro and Dr Gumoi.” The Post-Courier’s efforts to get comments from Mr Wobiro were not successful, with his executive officer saying that they would not participate in a war of words with Mr Zeipi.

Senior NBC journos get demotion notices

Post-Courier 1.11.2013

VERY senior journalists from Government-run radio and television stations National Broadcasting Corporation and Kundu 2 TV have been penalised, some sidelined for allegedly reporting against the Government. Editor, Radio News, Michael Asagoni and executive producers of Kundu 2 Dick Sorariba and Mulai Robby have been sidelined and told to resume duties in NBC’s archive section. Senior and respected journalists Jerry Ginua and Wesley Manuai have also been summoned and questioned over the same issues. These are the stories pertaining to PNG Sustainable Development Program, OK Tedi and the on-going stories on the money paid to a law firm, which accuses the Prime Minister and the Government of being involved.

These journalists were allegedly accused of running biased stories and also regarding the Opposition’s conferences on the issue. The Post-Courier was alerted yesterday by officers of the media on the issue and could not reach the NBC management and Minister for Communication Jimmy Miringtoro on the matter. Journalists affected were also contacted but could not give any details of the penalty. But information supplied to the paper detailed that the three senior executives of the radio and television (Sorariba, Asagoni and Robby) each received a letter from the managing director Memafu Kapera yesterday to take effect today advising them that they were relieved from their respective duties and responsibilities and their substantive positions.

Cook Islands prepares for seabed mining but concerns abundant

Radio New Zealand, 1 November 2013

The Cook Islands government says the country is preparing well to benefit from the rich store of minerals on its seabed. And it says things are well in hand to ensure the country does not become a guinea pig in the frontier industry surrounding seabed mineral extraction. But there is concern it is being too pushy on the issue. Sally Round has been in Rarotonga and filed this report. Beyond the surf pounding the reefs which encircle the Cooks 15 far-flung islands lie huge and valuable mineral deposits. The small round lumps known as nodules lie on the sea-floor about 5 to 6 kilometres down. They contain base metals such as manganese, nickel, cobalt and titanium and they're being eyed by multinationals keen to supply a growing global market for high-tech devices. "MARK BROWN: Valuations on the amount of minerals on the sea floor range into the billions of dollars."

The Minister for Seabed Minerals, Mark Brown, says the government is in discussion with a number of international companies over exploration rights.

MARK BROWN: It's significant deposits that are down there, but we still have to get further information as to how much of this would be available to and is viable for exploitation. Even though the technology for commercial mining, or 'harvesting' as the industry prefers it to be called, is not expected to be on stream until after 2020, the Cook Islands already has legislation and an authority in place. I've come to the Seabed Minerals Authority to find out more about the nodules and their location. The Authority is tasked with ensuring the seabed minerals sector is developed in a steady and informed manner, maximising benefits to the people and taking into account economic and social impacts. The Minister Mark Brown says the Cooks is also setting up a Sovereign Wealth Fund and looking at a beneficial tax regime.

MARK BROWN: We've seen in the last few years in terrestrial mining in countries like Australia the attempts to put in a super tax to realise super profits, if you like, when the price of minerals spikes up. So all of these things we're looking at and taking into consideration to ensure that the country receives a fair share of any of the revenue that's derived from our minerals that are exploited from our waters.

But the leader of the opposition Democratic Party, Wilkie Rasmussen, says the government is driving through a message of the economic benefits seabed mining would bring and it's a way of diverting attention from more pressing issues like depopulation. He doesn't think much of the government's efforts at consultation.

WILKIE RASMUSSEN: If consultation is to be done, it needs to be taken to the people of the outer islands. You have a handful of people that go to several meetings that they hold here in Rarotonga and they take that to justify that that process has been done. I see it more as the government ticking off the boxes. It's not full consultation. I don't think it's representative at all of the Cook Islands people.

Wilkie Rasmussen's sentiments are echoed by some of the country's traditional leaders. Although the House of Ariki has given its blessing to the idea of exploring the potential for seabed mining, it wants to see the environment protected as the sea is the food basket for its people. The President of the House of Ariki, Tou Ariki, says people in the outer islands are waiting to hear from the Seabed Minerals Commissioner.

WILKIE RASMUSSEN: Outer island people, they don't know what really is happening. I know the commission has been overseas. It should be concentrating on going to our own people first and telling our own people what is happening now.

An environmental watchdog in the country, the Te Ipukarea Society, is working closely with the Seabed Minerals Authority to ensure the Cooks Islands takes a precautionary approach. One of its board members, Teina McKenzie, says more awareness needs to be raised in the Cooks around environmental concerns.

TEINA MCKENZIE: So far, the only consultation that has gone out has been about the money that can be earned from this industry. That has to be balanced with the realistic impacts on our environment. We have to be very careful about that as a large ocean state. An official from the island of Mangaia, Poroa Arokapiti, says the people there are fifty/fifty about the idea of mining, which they have learnt about during consultations on the marine reserve.

PORO AROKAPITI: 50% really agree and the other 50 don't know. They don't understand what seabed mining is. And I believe those who agree, they still don't know what seabed mining is. The rumour is there's more money - millions and millions of dollars are going to come to the Cook Islands, which is a good thing. But I believe if there's money coming, it should be shared among the islands. The Cook Islands whale sanctuary spans three million square kilometres of the country's waters and the Cooks is a centre for whale research. Sheryl John of the Cook Islands Whale and Wildlife Centre fears the lack of information about seabed mining and its possible effects on sea creatures.

SHERYL JOHN: It's the fear of the unknown, to a point, because I don't think anyone really know what result this is going to have. The bottom of the sea has always been untouched. It's a really important part of the whole of the marine life that happens in the deep ocean. If we go in there and rape and village everything from the bottom of the ocean, which is until now untouched, I'm really concerned about what that is going to mean. Opposition MP Sel Napa also worries about the unknown.

SEL NAPA: I would rather see someone else mine, and then let's wait and see what their result is, what effect it will have on their environment and the people and their food cupboard. Because us Pacific island people, we love our fish, and we like to see the fish still around in our ocean. The Cook Islands announced the setting up of its Marine Reserve the largest in the world last year. But the Minister for Seabed Minerals, Mark Brown, says it won't preclude the harvesting of seabed nodules. He says the government wants to ensure good environmental protection measures are in place to safeguard the Cook Islands pristine waters and its present number one earner, tourism, as well as other marine resources.

MARK BROWN: We don't see ourselves as a guinea pig, we see ourselves more as pioneers and leaders in this particular field. It's important that when we do get into any sort of negotiations we do have the best information possible so that we can make informed decisions. But it's important that we lead any future development in seabed mineral mining and that we're not being led. It's a learning process. A lot of what we know about the bottom of the sea at 5,000 metres... As somebody once told me, I think we know more about the dark side of the moon than we know about what's down 5,000 metres below us.

Mark Brown says exploration licenses are expected to be issued within six years.