Press review:
Mining in the South Pacific

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

Australia lashes neglect over oil spill 'disaster' near Solomon Islands

David Wroe, Sydney Morning Herald, February 27, 2019

The MV Solomon Trader aground at Rennell Island in the Solomon Islands which has become an environmental disaster. CREDIT: AUSTRALIAN HIGH COMMISSION, SOLOMON ISLANDS

Australia is helping to pressure a Hong Kong shipping company and several other firms to take responsibility for cleaning up a major oil spill close to a World Heritage-listed coral reef off the Solomon Islands. *The Sydney Morning Herald* and *The Age* understands there is deep frustration within the Australian government over the refusal by the Hong Kong firm, its South Korean insurer and a Solomons mining firm to stem the flow of oil out of the large cargo ship, which ran aground more than three weeks ago. About 75 tonnes of fuel oil are understood to have leaked out of the stricken vessel already, creating a large slick that is creeping towards the UNESCO-listed southern stretch of Rennell Island, the world's largest raised coral atoll. Yet the companies responsible for the mess are showing scant signs of stopping the leak, much less cleaning up what is fast becoming an environmental disaster, an informed source said. "More than three weeks on from February 5, there's been little evidence of any action of the companies involved to avert a disaster," the source said. "Those companies involved have had very little professional engagement with the Solomon government."
A desperate Solomon Islands government asked Australia for help.

The MV Solomon Trader aground at Rennell Island. CREDIT: AUSTRALIAN HIGH COMMISSION / SOLOMON ISLANDS.

Pressure is now being put on the companies to "hold those responsible companies and their owners and insurers to account to meet both their commercial and their moral obligations". Australia has lately been on a push to consolidate its diplomatic relationships in its near Pacific neighbourhood amid concerns of growing Chinese influence and the worrying strategic implications that carries. The Australian Maritime Safety Authority flew surveillance flights over the area that showed heavy fuel oil leakage into the water. That has begun to spread over the sea and shoreline. The ship is believed to have about 600 tonnes of fuel still in its tanks. The MV Solomon Trader, a 225-metre bulk carrier, was loading bauxite, the main rock used to make aluminium, off Rennell Island when Cyclone Oma drove it onto a reef on February 5. The ship is owned by South Express Ltd, a Hong Kong-based shipping and charter firm. The vessel is Hong Kong-flagged. It has been contracted to Bintan Mining, which is a Solomons-based firm registered in the British Virgin Islands.

The ownership is murky, however. It is reportedly a subsidiary of Asia Pacific Investment Development Ltd. The *Solomon Star* and *Island Sun* newspapers have both reported in the past on allegations of questionable relationships between the former government in the Solomon Islands and APID. The insurer is South Korean firm Korea P&I. An Australian law firm, Thynne Macartney, is understood to be acting for Korea P&I but a woman answering the phone at the firm's Brisbane offices declined to comment. Australia is providing the Solomons government with technical expertise. An AMSA technical adviser was posted to Honiara, the Solomons capital. The Australian government has also readied equipment in the Solomons to stop the spill and clean it up if the companies don't act. It is understood the companies responsible have generally not even been responding to Honiara's requests for help. Korea P&I appears to have deployed a salvage crew but they haven't formally told the Solomons government the extent of anything they are doing.

Tribal fighting has caused much damage: Undialu

February 27, 2019, The National

Tribal fighting has caused much damage, destruction and claimed many lives in Hela, says Governor Philip Undialu. He said fighting unlike the earthquake which hit a year ago, fighting is continueing on a daily basis. "Every day homes are burnt, people killed and it is an obstacle that we face every day," Undialu said. "There is no actual figures, but I can say that there has been too many lives lost in tribal fights." Undialu said they had started holding peace mediation talks and called for the surrender of firearms but it would take a while. "We have started introducing poultry farming, growing food crops, including cash crops like coffee. "We will also be providing materials to build homes for those who willingly surrender their firearms."

Undialu said they were working on helping their people become independent and also provide some stability in their lives so that people would have something to protect and lay down their arms for. "If these people have permanent homes and jobs, they will lay down their arms because they would not want a tribal fight that will probably end with their homes being burnt. "At the moment the homes are made of bush materials so they have no care, they can easily rebuild them, but if we give them a stable home, they will want to protect it knowing it would not be easy to rebuild if it gets burnt down." Undialu said they were doing their best to address issues within the province in the context of their society. Meanwhile, local government officers requesting anonymity said that a tribal fight has been raging around Lake Kopiago Station for two weeks.

Mismanagement of IDG funds rife in Hela Province

By KEVIN TEME, Post-Courier, February 27, 2019

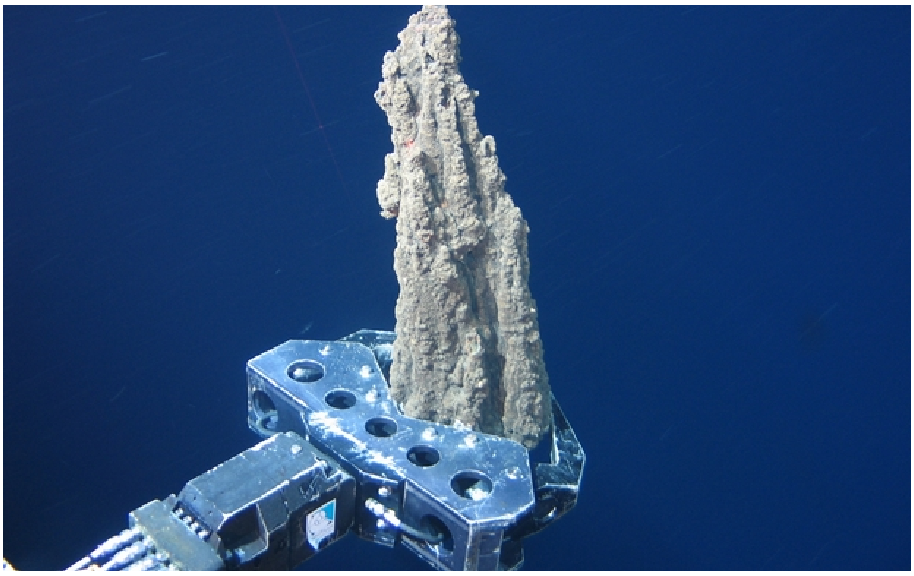
Mismanagement and misuse of Infrastructure Development Grants is rife in Hela Province. A public servant from Hela Province Max Ekeya revealed this in an email sent to this paper. "Especially in the new Hela Province, there seem to be huge mismanagement of funds especially the Business Development Grants (BDG) and IDG by landowners and the Provincial Government," Ekeya said. "Since the intervention of Exxon Mobile through its partnership with Oil Search PNG Limited in operations of PNG LNG Project, we the landowners and the provincial government have been funded millions through those projects and business funds we do not have anything to show," Ekeya said. Ekeya said regarding assets and wealth that the provincial government has no solid infrastructure that signifies such expenditure.

Ekeya said despite their own weakness they tend to disrupt the projects unnecessarily in demanding for more money from the developer causing the developer millions in damages which he said was wrong. "Despite all these millions of kina through project funds have been allocated to the land owners and the provincial Government as per the UBBSA and LBBSA agreement, we all are losers and yet we are demanding for more, while the rest of the land owners, and entire Hela is in Darkness," Ekeya said. Ekeya said now that all the IDG grants pipped into Hela Provincial Government's account which is by law are the responsible authority to take charge of, there's hardly any development that has come out from the IDG funds. "We were given Hela Province on a golden plate, thanks to the Somare Government and our Late Governor Anderson Agiru but we are still living in the dark caves while few rich are getting richer while the rest are poor and marginalized and living with hunger, tribal warfare, chaos and anarchy in our own communities,"

Ekeya said. Ekeya said Hela Provincial Government must strategise; plan out by establishing a monitoring and compliance team in collaboration with the Provincial Administration, national government, department of Petroleum and Energy, the developers and other parties concerned on how best they can utilise the landowners by giving them their IDG funds. "We appeal for the Hela Provincial Government to revisit its expenditure plan for the IDG and establish a strategy how they can fit the landowners who are crying and have missed out on opportunities," Ekeya said. Ekeya said the landowners are humans and not barbarians and criminals. They are the owners of the resource (Noko, Apa, Tindi and Apa) and how can the Provincial Government and leaders of our new province continue to suppress them (LOs). Ekeya said greater landowner participation, greater autonomy and Hela will prosper.

Seabed mining project in PNG moves to sell assets

A troubled deep sea mining project in Papua New Guinea is selling its assets while it fends off creditors. Radio New Zealand, February 26, 2019



Mining for copper under the sea Photo: Nautilus Minerals

Nautilus Minerals was to mine the sea floor between New Ireland and New Britain but has run into financial trouble and local landowner opposition. Last week, the company obtained a court order from the Supreme Court of British Columbia protecting it from its creditors. Nautilus said the protection will enable it to "restructure its business and financial affairs". One of its lenders, Deep Sea Mining Finance, has agreed to loan it a further $US4 million. To date, Nautilus has been loaned $US18 million by the financier. But the company is also being advertised for sale, including its Solwara 1 project in PNG. PwC are acting as solicitors. If sold, investors would also have access to its mining licenses elsewhere in PNG and in Tonga.

There's money in hydrocarbon projects

February 26, 2019, The National Business

New hydrocarbon projects will bring much-needed revenue for the country, says the acting secretary for the Department of Petroleum, Lohial Nuau. "On the government's radar, just like any other country, hydrocarbon projects are important because they make much-needed revenue for the economy," he said. Nuau said other projects on the Government's radar were the;

- Papua LNG;
- Pasca A offshore gas condensate; and,
- Ketu-Elevala gas condensate.

He said the first key performance indicator (KPI) for this year was the landowner beneficiaries' identification (Lobid) project for Hides PDL 1 and PDL 7, which was completed last month and this month. The ministerial determination will be signed early next month, which will also see the opening of accounts by the Mineral Resources Development Company (MRDC). "The second KPI was the office relocation," Nuau said. "An agreement is in place now. I would like to tell the staff of the Government's office allocation committee (GOAC) decision for the department to relocate to the former ExxonMobil office. "The release agreement has been signed already with the landlord, Nasfund, and also the director for GOAC." Nuau said the third KPI was the signing of the Papua LNG project gas agreement on March 31. "There are certain regulatory and legal requirements that are still outstanding and the Department of Petroleum and Energy (DPE) will work with Total SA, the operator of the Papua LNG project, to resolve this. Outstanding items are;

- Applications for petroleum development licence;
- environmental approvals from Conservation and Environment Protection Authority (Cepa);
- final Lobid and ministerial determination;
- three front-end engineering design (Feed); and,
- Final field development plan.

"I need your support," Nuau said. "We will together work towards completing these outstanding items and look towards signing the gas agreement at the end of March 2019." Nuau said work on the proposed National Petroleum Authority was in progress, with consultations with key stakeholders like PNG Chamber of Mines and Petroleum, State Solicitor's Office, Department of Personnel Management and Central Agencies Coordinating Committee (CACC).

Oil spill disaster unfolds in Solomons marine reserve

An environmental disaster is unfolding in Solomon Islands, on the island of Rennell, with tonnes of oil spilling into an internationally-significant marine reserve.

Jamie Tahana, RNZ Pacific Journalist, Radio New Zealand, February 26, 2019

In Kangava Bay, the azure waters have been blackened by oil, the reef thick with sludge. Metres away, where the rich rainforest barrels down to the coast, the white sand gets coated by a heavy goop with each wave that rolls in. The air is thick with the stench of heavy chemicals, residents say. Each day for the past three weeks, locals have looked out to a giant ship, the *MV Solomon Trader*, as it sits wedged on a reef, a gash on its side leaking as much as 60 tonnes of oil into a marine sanctuary. The spill is still not contained, and experts have scrambled from as far away as Australia and the United States to try and stem the flow in what authorities now say could be the Solomon Islands' worst environmental disaster. As the Solomon Islands government confirmed it cannot cope with the scale of the leak, containment supplies are being flown from Australia.

Efforts to refloat the ship, chartered by bauxite miner Bintang Pacific, have been hampered by poor weather and Rennell's remoteness. Meanwhile, the spill could taint a Unesco world heritage area already threatened by climate change, mining and logging. And for locals, it's poisoning their food sources and livelihoods. Willie Kaitu'u, who hails from the Tehakatu'u tribe in Kangava Bay, said the beaches were covered with oil, the air was pungent, and fishing grounds that his people have long relied on ruined. "There's very black oil that's spread everywhere," he said via a crackly cellphone. "The oil has started to go over and cover the beaches and also the deep sea. It's covered the protected area. There's a clear sign of worry," he said.

Washed ashore

The Hong Kong-flagged Solomon Trader had arrived in Rennell from the Chinese port city of Longkou to collect a load of bauxite, the main ore used in the production of aluminium, when it was washed onto the reef by Cyclone Oma, according to the ship's owners. Since 4 February, it's sat where it was grounded. Cyclone Oma lingered for more than a week, stirring heavy swells and preventing tugboats from attempting to salvage the ship, from where it's proved stubborn to remove.

The reef it sits on is part of a World Heritage Area, recognised by the United Nations as a global site of ecological significance that's already under threat. Rennell is the largest raised coral atoll in the world, and contains diverse and unmodified forests, coral and species. In a statement, Unesco said it was concerned about the spill and was "working with the national authorities to ascertain the status of the situation and the best mitigation measures to be taken". But it could still get worse, according to the premier of Rennell province, Colin Singamoana. Initial reports by the Australian experts suggested about 60 tonnes of oil had already leaked from the ship.

But more than 600 tonnes remained on board. The reef had been acting as a sort of plug, Mr Singamoana said, and if the ship shifted, the remaining oil could be unleashed much more quickly. Mr Singamoana said the currents had already started spreading oil down much of the Rennell coast, and he warned it could reach as far as the neighbouring island, Bellona. "The content of the oil on board is highly poisonous," Mr Singamoana said. "We use the sea for most of our support, especially in terms of food." A member of the Rennell community in the capital Honiara, Derek Pongi, said his relatives had told him that the oil had already poisoned their fishing grounds. "The people rely on the sea but now it's all contaminated and polluted," he said. "Things are not looking good for my people."

Frustrations mount

Mr Pongi said people were growing increasingly frustrated with the pace of the response, and that anger was mounting particularly towards the bauxite miner, Bintang Pacific. Many are asking why the company was loading bauxite when there were cyclone warnings for the entire country, and how there were so few safeguards in place in a world heritage area. The Solomon Islands government has described the spill as an emergency and has committed several agencies to the response. But word from Honiara has been muted, and disaster officials have said it doesn't have the capacity to cope. It's activated an agreement with Australia that has seen its Maritime Safety Authority committed to the response, and experts and equipment were deployed on a special military flight late last week. The Australian High Commission, in a statement, said it was exploring all options to contain the spill.

The ship's owners, Hong Kong-based King Trading Ltd, said it had also sent a team to help with the salvage operations and was doing everything it could. But the bauxite miner, Bintang Pacific, had a different response through its parent company. It published statements in local newspapers seeking to absolve itself of responsibility, critics claim, pushing it onto King Trading Ltd. "[Bintang Mining Corporation], as the voyage charterer, have no legal responsibility … for the ship," the statement read. "BMC is just using the ship to carry its good from the point of loading to the point of discharge." "In the case of Solomon Trader, BMC as charterers of the ship, have no liability for this incident," it said, adding that the outlook for a successful operation was promising.

That position met with frustration from Premier Singamoana. "To me I think the responsibility really in regard to that issue is the mining company." Mr Singamoana said he planned to seek advice from the attorney general, while the Australian High Commissioner, Roderick Brazier, said Australia would help the Solomon Islands government to hold the company, owners and insurers to account for the damage. Meanwhile, oil's still leaking, and Mr Kaitu'u said the people of Kangava Bay were fearful about their food sources, their income and their environment. "It's not looking good," he lamented. "It's not looking good."

Over 600 tonnes of fuel onboard mining shipwreck leaking oil into Solomons' ocean

"Australia is exploring all options to assist the Solomon Islands Government to hold the responsible company, owners and insurers to account for this maritime incident"

Radio New Zealand, February 26, 2019

The Australian Maritime Safety Authority says more than 600 tonnes of fuel remains on board a ship that is leaking oil into the ocean in Solomon Islands. Three weeks ago the bulk carrier MV Solomon Trader ran aground on a reef at Lavangu Bay in East Rennell, while trying to load bauxite from a foreign owned mine on the island. A team from the Australian authority, which is assisting the Solomon Islands, conducted an aerial survey over the weekend and confirmed oil has been spilling from the ship and has begun to spread to the surrounding sea and shoreline, contaminating the ecologically delicate area. It estimates up to 60 tonnes of fresh heavy fuel oil has been spilled so far with more than 600 tonnes still onboard the stricken vessel, which could continue to leak.

The Australian High Commissioner to Solomon Islands Rod Brazier said they are extremely concerned at the scale of the disaster and the devastating impact it will have on the surrounding environment. "As a close partner of Solomon Islands, Australia is exploring all options to assist the Solomon Islands Government to hold the responsible company, owners and insurers to account for this maritime incident," Rod Brazier said. "We are very concerned about the circumstances that have led to this disaster. Our friends in the Pacific, including the Solomon Islands Government, do not tolerate reckless behaviour by companies."

Environmental group blames Solomon govt's negligence for shipwreck

Radio New Zealand, 25 February 2019

The Nature Conservancy Solomon Islands, is blaming government negligence for a shipwreck that authorities are calling the worst man-made environmental disaster in the country's history. Three weeks ago, the bulk carrier, MV Solomon Trader ran aground on a reef at Lavangu Bay in East Rennell, while trying to load bauxite from a foreign owned mine on the island. Bad weather from Cyclone Oma over the past fortnight has complicated salvage operations and the vessel is now reportedly leaking oil into the ocean. The conservancy's project manager Willie Atu said this would never have happened if the government had followed important regulatory processes, such as conducting a proper Environmental Impact Assessment (EIA), before granting the mine its licence.

"Before a company can be issued a development consent it has to go through EIA so it means like this, every possible thing that you envisage or think that will happen you put it in that paper. That process it gives the public the opportunity to ask questions," said Willie Atu. "If all this does not happen...the consequences will be with us and it will not only be for one or two days but it will stay here for some time." Mr Atu also questioned why the mining company saw it fit to try and load bauxite during the cyclone season in Solomon Islands. Local communities on Rennell have been calling on the government and the company to quickly get the ship off their reef before it causes more damage to the environment. The Solomon Islands Permanent Secretary and Director of Mines were approached for this story but declined to comment.

MRA monitoring Solwara 1 project

BY MATTHEW VARI, Post-Courier, February 25, 2019

As regulator of the mining industry, the Mineral Resources Authority has its procedures and requirements that have to be met if it has to make a decision on the viability of the Solwara 1 project. MRA made the comments when asked by this paper on what actions it can take if the investment fails to come to fruition in the said timeframe set in place under its current lease, granted in 2011. MRA managing director, Jerry Garry, stated whilst giving the developer ample time and leniency to recover from its current financial upheavals reported within its current jurisdiction in Canada, amongst the options, MRA could make, the termination of its licence would only take place it does not meet a number of requirements set between it and the State.

MRA managing director, Jerry Garry, explained the mining industry being very volatile can never be certain, despite having all the best plans in the world, is beyond anyone's control. He said one such factor can be metal prices, where if the metal prices fall below the threshold value then the business automatically becomes unviable. Garry pointed out that, on face value, with the case of Nautilus' financial issues is purely commercial in nature. "It is a purely commercial arrangement and not within our jurisdiction. "As a regulator we do allow for some leniency on the part of proponent who delays development time, if they provide reasonable and acceptable reasons for the cause in the delay," Gary explained. He added, however, if they do not provide reasonable reasons, that it does also have regulatory timeframes which come into effect that can forfeit the licence. "If they have a joint venture partnership arrangement in place and if there is a fallout, for commercial reasons, is something beyond our control, but that may also lead to failure of meeting the deadline in the proposed development schedule. "We have our minimum requirements.

"In terms of expenditure requirement, we do monitor that and from time to time when they fall below those agreed programs, we do ask them to show cause as to why they did not fulfill those work programs that were approved by MRA. "And if they don't give reasonable answers we then consider our options and one of those is basically to terminate the licence. He said while the project continues to lag, the regulator will continue its function to monitor its progress. "We do have our own requirements that they have to fulfill and if they do not meet our requirements in terms of the work programs and technical financial commitments to the program then we do hold them accountable," Garry maintained Nautilus is the first company to explore the ocean floor for polymetallic seafloor massive sulphide deposits. Nautilus was granted the first mining lease for such deposits at the prospect known as Solwara 1, in territorial waters in the country, just off the coast of New Ireland province, where it aims to produce copper, gold and silver.

All Panguna mine landowners united in opposing BMA

Post-Courier, February 25, 2019

The customary landowners from all mine affected areas in and around Panguna – not just the pit area – are 100% united in opposing the controversial draft Bills to change the Bougainville Mining Act (BMA). The draft Bills would see their rights been stripped, leaving them to try and negotiate with their own Government many years down the track, after they have given up all their rights and ownership of minerals. Special Mining Lease Osikaiyang Landowners Association Inc chairman Philip Miriori said: “All we are vaguely promised is some form of compensation once mining activity commences. “Who would do that, give up everything with no deal to look after our people. “Can you imagine, at that point it will be like us negotiating with Bougainville Copper Limited (BCL) again. They will have all the power and we will have none.” He added that this is why they are all united against these changes to the BMA and the architect of this fraudulent attempt to steal from us. A formal Petition has been signed by all nine landowner associations representing all the land that was impacted in the original Rio Tinto – BCL – Panguna Mine, which operated from 1972-1989.

The mine halted production when Rio Tinto and its subsidiary BCL lost the support of the Panguna landowners and the community. “We all know what that led to. The Autonomous Bougainville Government is contemplating transferring the control of the Panguna Mine to an unknown Australian entrepreneur who claims he will raise $6 billion for Panguna, when he has never built or run a mine ever before,” Mr Miriori said. The petition draws the attention of the ABG to no fewer than nine what landowners alleged to be materially false claims of the proposal. Mr Miriori said the most fatal being the claim of a “permanent 60%” interest for the ABG. “It is ludicrous and simply impossible…he wants us to believe investors will put in 100% of the capital. They say US$6 billion for 40% of the profits, this is impossible, he added. SMLOLA special adviser Lawrence Daveona said Rio Tinto had to walk away from Panguna because they lost the support of the community. “This petition confirms every single member of the Panguna Landowner Association opposes the proposal,” Mr Daveona said. The signed resolution calls for the immediate withdrawal of the Bill to change the BMA and to try and stop further damage being done to their reputation internationally, Mr Daveona added.

New Caledonia's SLN accused of tax evasion

Radio New Zealand, 25 February 2019

Daniel Goa, a separatist politician, (L) Photo: AFP

Daniel Goa made the accusation at a weekend party meeting, where preparations were being made for provincial elections in May. He told delegates that SLN had evaded its duties for the past 35 years with the support of local tax authorities. SLN, which is a subsidiary of the French Eramet mining concern, is the territory's biggest private sector employer. Mr Goa said SLN kept blackmailing New Caledonia with threats of job losses or closure of its plant. The mining companies are there only for the money and leave nothing except pollution and a degraded environment, he said. SLN, which has been running at a loss, is embroiled in a dispute with employees at three of its mining sites over its planned restructure.

Porgera children ‘a generation without education’

Carmella Gware, Loop PNG, February 23, 2019

While the Porgera Gold Mine has been in operation since 1990, locals claim they are yet to experience tangible benefits. The Justice Foundation for Porgera is campaigning against the renewal of the mine’s licence, claiming obvious breaches in agreement by Porgera Joint Venture. The Justice Foundation for Porgera labeled local children “a generation without education”. The Foundation said over the years, the mine had done catastrophic damages to the people and the environment, but the company and the government had failed to address those issues. It was claimed that while there are over 4,000 children in the Special Mining Lease area, none of them go to school. The Foundation blames Porgera Joint Venture for destroying the only school in the area – the Apalaka Community School – with mine tailings. “The Porgera landowners gave up their land in exchange for benefits, such as education,” said the Foundation.

“The Porgera Gold Mine has two massive waste dumps: Anawe and Anjoleke. The Anjoleke waste dump acted like a slow-moving rock avalanche. In 2007 it swallowed up the only school in the SML area – the Apalaka Community School.” Locals say PJV promised to rebuild it 10 years ago, and they are still waiting. In response, PJV says it is now in the process of identifying an ideal location for the re-establishment of the Apalaka Community School in Enga Province. “Continuous community issues together with the increasing lawlessness in the area had prevented PJV from re-establishing the school more than two years ago,” PJV responded to *Loop PNG*. “The school, initially at Apalaka village within the Special Mine Lease area, was relocated to Yarik village due to unstable ground movements at its initial location.

“Then at Yarik, also within the SML, continuous rain in the area caused a sinkhole at PJV’s underground portal, following which the remedial works had further prevented the normal operation of the relocated school. “PJV understands that since then students have been attending schools at the nearby Mungulep and Porgera station, as well as to other areas. “There have been 18 schools in Porgera that PJV has had some engagement through community development projects over the years. Of these, there are at least 14 government-run schools ranging from the elementary level to the secondary school. “PJV understands that there are more than 18 schools in Porgera valley. “Over the years, PJV has spent over K51 million on school infrastructure and resources through the

Government-owned Tax Credit Scheme (TCS) in Enga Province. Of this, over K13 million has been for schools within the Porgera and Paiela areas."

Fears mount as ship still lodged on Solomons reef

Radio New Zealand, 22 February 2019

The MV Solomon Trader Photo: Supplied

The *MV Solomon Trader* was servicing a bauxite mine when it hit a reef a week ago. Bad weather since has hampered efforts to get the ship off the reef, while the ship's owners and the government had squabbled about whether the ship was leaking oil as locals demanded action. On Wednesday, the Prime Minister asked Australia and other partners to be on standby to help, acknowledging the country's lack of capacity to deal with a major environmental disaster, should one eventuate. But the chairperson of the National Disaster Committee, Melchior Mataki, said the ship's owner has to take the lead in dealing with the ship. "The primary responsibility to deal with this rests firstly on the ship owners and our immediate objective is to ensure that the spill is contained and that the ship is salvaged and that is the responsibility of the ship owners," said Mr Mataki.

Deep sea mining firm seeks creditor protection

Peter Kennedy, Resource World, February 22, 2019

Nautilus Minerals Inc. a company that was hoping to become the world's first deep sea mining firm, has sought protection against bankruptcy. Nautilus said Friday February 22 that it has obtained an order from the British Columbia Supreme Court that provides the company with protection from its creditors under the Companies Creditors Arrangement Act. (CCAA). The move is to enable Nautilus to restructure its business and financial affairs. Nautilus has said it is the first company to explore the ocean floor for polymetallic seafloor massive sulphide deposits. To achieve its production goals, Nautilus planned to use existing technologies adapted from the offshore oil and gas industry, dredging and mining industries to facilitate the extraction of high-grade seafloor massive sulphide systems, containing copper and gold, on a commercial scale

In January, 2011, the company was granted the first mining lease for such deposits at a prospect known as Solwara 1, in the territorial waters of Papua New Guinea, where it was aiming to produce copper, gold and silver. The Solwara Seabed Massive Sulphide deposit sits on the seabed at a depth of 1,600 metres and contains a copper grade of 7% as well as gold grades of over 20 grams per tonne. The company hoped to grow its holdings in the exclusive economic zones and territorial waters of Papua New Guinea, Fiji, Tonga and the Solomon Islands, and others. In April, 2017, the company issued a press release stating that its Seafloor Production Tools had arrived in Papua New Guinea, and would shortly commence submerged trials. It said the submerged trials would occur in an existing facility on Motukea Island, near Port Moresby in PNG.

Aside from its ocean mining aspirations, Nautilus is also known for its powerful shareholders. Major shareholders include Russian iron ore giant, Metallionvest, (19%) and the MB Holding group (30%), which is controlled by Nautilus director Dr. Mohammed Ali Al Barwani. MB Holding is the parent of a number of companies with wide ranging interests in the oil and gas, mining, marine and engineering services. MB Group has operations in over 20 countries and employs over 6,000 employees. Metallionvest is controlled by Alisher Usmanov, Russia's richest man with a net worth estimated at $15.1 billion.

Nautilus said Friday it is not bankrupt and remains in possession and control of its business, while continuing to receive support in the form of loans from a lender. On Friday, the shares were trading at 5 cents, leaving the company with a market cap of $34.15 million based on 683.03 million shares outstanding. The 52-week range is 39 cents and 4.5 cents.
Shortly prior to the company's application for protection under CCAA, the company said it received a US$750,000 loan from Deep Sea Mining Finance Ltd. The loan was made available under a loan agreement between the company, two of its subsidiaries, and the lender, which provides for a secured structured credit facility of up to US$34 million. Nautilus said the lender is a private company held equally by each of USM Finance Ltd., a wholly-owned subsidiary of USM Holdings Ltd., an affiliate of Metallionvest Holding (Cyprus) Ltd.; and Mawarid Offshore Mining Ltd., a unit of MB Holding Company LLC.

As the lender is indirectly controlled by affiliates of the company's two largest shareholders, the lender is a "related party" of the company and the loan transaction constitutes a "related party transaction." Therefore it is exempt from the formal evaluation of minority shareholder approval requirements. Nautilus said it has already received US$18.25 million in loans from the lender, which it said has agreed to advance the company up to $4 million to fund its ongoing operations and restructuring. These loans bear interest at 8% annually and are payable bi-annually in arrears. All loans have a maturity date of March 8, 2019. Nautilus said it continues to seek short and long term solutions while assessing its options, including various restructuring options. It said negotiations with various third parties continue. Meanwhile, the company said it can offer no assurances that it will be able to successfully negotiate and complete any funder or other transactions. It said any transactions will be subject to all necessary stock exchange, third party and government approvals, as well as compliance with all other regulatory requirements.

Letter to the editor

Barrick must be accountable for environment destruction

David Mandi, Post Courier, 21 February 2019

The Porgera River Alluvial Miners Association is responding to an article in Tuesday's edition of the Post-Courier titled 'Barrick confirms continuing commitment to PNG Government and Porgera community, which was reportedly released by the new president and chief executive officer of Barrick, Mark Bristow. First, we confirm our support and commend the Prime Minister, Hon Peter O'Neill's bold announcement recently that there will be no automatic renewal of the Porgera special mining lease (SML) once it expires in August this year. The Prime Minister's announcement is surely the best news in decades (30 years) for the poor and illiterate indigenous alluvial miners living along the Porgera river, who had been suppressed and marginalised by the world's mining powers including Barrick. Secondly, our response to Barrick's press release follows.

Barrick has deliberately failed to maintain a positive relationship with us (affected people) in the past, while being fully aware that their operations were physically and economically displacing more than 10,000 people of the Porgera river through their continuous discharge of mine waste (more than 1.5 billion cubic meters per year) directly into the Porgera River system. Further, to date, Barrick has intentionally failed to pay us compensation award made in our favour through the 1996 Ministerial Determination ("1996 MOil) to settle the six year (1990-1995) compensation dispute. Thus, Barrick has been illegally discharging waste using a flawed Environment Permit number WD-L3 (121). We pray that Barrick is held to account for the misery, pain and loss our people suffered. Thus, Barrick's continuous presence in Porgera is detrimental to the health, welfare and safety of the Porgera river alluvial miners. And we will continue to vigorously oppose and protest to Barrick's application to renew the Porgera SML and Exploration Licences 454 and 858.

Concerns over increasing slave trade in Pacific

Radio New Zealand, 21 February 2019

The Pacific Immigration Development Community says human trafficking to the point of slavery is increasingly common in industries like logging, mining and fishing. The immigration watchdog says island countries are now both a source and destination for human trafficking and people smuggling. The watchdog's head Ioane Alama said people smuggling occurs when migrants cross borders illegally but human trafficking is more sinister. "There is always an essence of exploitation. The person being trafficked, there is a form of exploitation, either be labour, forced labour, in some cases servitude, we've heard of sexual exploitation, in terms of prostitution. "And also more recently we're hearing references to slavery, of slavery, or practices similar to slavery." Ioane Alama said Pacific governments are improving how they detect and prevent human trafficking through better information sharing and increased vigilance.

New Barrick Gold boss visits PNG

Radio New Zealand, 21 February 2019

Chief Executive Officer Mark Bristow visited PNG for four days recently and met with central and provincial government representatives as well as the Porgera Landowners Association. Barrick and Zijin Mining Group each own a 47.5 percent interest in the Porgera Joint Venture, while Mineral Resources Enga owns a 5 percent interest in the mine. The firms involved in the project are currently negotiating an extension of the Special Mining Lease that will allow the mine to keep operating. Mr Bristow's visit to PNG comes after pressure by lobby groups for the mine owners to address serious human rights concerns outlined in a report into the mine's impact on the local community.

Villagers in Solomons say stranded ship spilling oil

Radio New Zealand, 20 February 2019

The *MV Solomon Trader* ran aground while loading bauxite from a nearby mine. Earlier this week the director of the National Disaster Management Office (NDMO), Loti Yates, said the vessel was not listing and there was no oil spill. But Rennell's Derek Pongi said islanders refuted reports by the ship's owner and the government that there is no oil spillage. "There's some spillage from the vessel. You can see changes in the oil content of the sea. But the company is saying that it's not oil, it's other things in the ship. But I can confirm that there are more fuel content in the sea area surrounding the vessel." Derek Pongi said the islanders understood Cyclone Oma has hampered the salvage operations. But he said they want the vessel removed from the bay before it suffers further damage.

A picture provided by Mr Pongi which he claims shows the ship is leaking oil into the bay. Photo: Supplied/ Derek Pongi

Deep sea mining threatens indigenous culture in Papua New Guinea

John Childs, The Conversation, February 19, 2019

These are the words of a clan chief of the Duke of York Islands – a small archipelago in the Bismarck Sea of Papua New Guinea which lies 30km from the world's first commercial deep sea mine site, known as "Solwara 1". The project, which has been delayed due to funding difficulties, is operated by Canadian company Nautilus Minerals and is poised to extract copper from the seabed, 1600m below the surface. Valuable minerals are created as rapidly cooling gases emerge from volcanic vents on the seafloor. Mining the seabed for these minerals could supply the metals and rare earth elements essential to building electric vehicles, solar panels and other green energy infrastructure. But deep sea mining could also damage and contaminate these unique environments, where researchers have only begun to explore.

The industry's environmental impact isn't the only concern. It's been assumed by the corporate sector that there is limited human impact from mining in the deep sea. It is a notion that is persuasive especially when compared with the socio-ecological impacts of land-based mining. But such thinking is a fallacy – insights from my research with communities in Papua New Guinea over the past three years highlight that the deep sea and its seabed should be thought of as intimately connected to humanity, despite the geographical distances involved. For the people of the Duke of York Islands, deep sea mining disturbs a sense of who they are, including the spirits that inhabit their culture and beliefs.

Young people on Duke of York Islands. Paul Hearne, Author provided

Out of sight, out of mined

In Western thought, the sea has not only been considered to be marginal to politics, but also as entirely distinct from the land. Separating nature from humanity has proved useful in enabling exploitation of the natural world for human means. Deep sea mining, with all its material connections between a dynamic seabed and sites of consumption on land, provokes new questions. If humanity can't physically encounter the deep seabed, then how are we to treat it ethically?. By conceptually "distancing" the deep ocean, who is being marginalised? For the people who live close to Solwara 1, the answer is pointed. These communities have long understood the world as a connection between "nature", "spirits" and "beings". Central within this cosmology are the spirits – masalai – some of which are understood as guardians of the seabed and its resources.

The people of Duke of York Islands are tied spiritually to events in the deep sea. John Childs, Author provided

Masalai are a fundamental part of the islanders' world. Thus, the prospect of deep sea mining means not just social and economic disruption, but spiritual turmoil. The digging up of the seabed and the extraction of its resources cuts through the very fabric of their spiritual world and its sacred links to the sea and land. As the historian Neil Macgregor put it in the Radio 4 series "Living with the Gods", masalai are not out there… [like] tourists in the human realm, from somewhere else … but in a world in which we co-inhabit. The political implication for island communities here is clear. The copper which might be mined from the seabed is effectively constituted by these spirits. Thus, as copper "resurfaces" in the objects and technologies of the future – in batteries and wiring – it also carries a spirituality from the region where it originated.

Spirits infuse the traditions and everyday practises of the people on the Duke of York Islands.

"Shark calling" is one such example which is practised along parts of the west coast of New Ireland Province – the closest point on land to Solwara 1. Every few weeks, when the sea conditions allow, "shark callers" attempt to attract sharks to their hand-carved wooden canoes by rattling a mesh of coconut shells in the water, before capturing them by hand. Shark meat is a key part of local diets that generally lack protein. Shark callers communicate with spirits which are "resident" in stones found on local beaches prior to their expeditions. It's no surprise then, that these communities fear noise pollution generated by deep sea mining and the physical disturbance of the seabed which could sever the cultural connections they have with the ocean. Deep sea mining companies should consider the spirituality of the people their work affects and other kinds of environmental knowledge as important in their own right. As this new industry collides with cultural belief systems in different parts of the world, it will be essential to understand the complex ways in which deep sea mining does have "human" impacts after all. Culture is a key part of any understanding of environmental politics, no matter how extreme the environment in question.

Call for removal of Solomons caretaker minister of mines

Radio New Zealand on 19 February 2019

The *Island Sun* reports Aoke MP Langalanga Matthew Wale calling for Bradley Tovosia's removal after accusations he granted prospecting licenses to a foreign company in return overseas trips. The allegations were in relation to a licence granted to Bintan Mining Solomon Ltd to prospect for nickel on Isabel Island. Mr Wale has demanded Mr Tovosia be sacked immediately and a full investigation launched into the allegations. He also called for all bauxite mining in the province of Rennell and Bellona to be halted after a cargo ship servicing the mine there ran aground on a reef. Mr Wale, who is the parliamentary leader of the Solomon Islands Development Party, says authorities cannot just watch and allow the country's laws to be continuously flaunted.

NGO warns about Bougainville govt's 'land grab'

Radio New Zealand, 18 February 2019

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

The government is planning to set up a company to control all new mining on the island. 60 percent of Bougainville Advanced Mining would be owned by the government, while 40 percent would be in the hands of a foreign partner. In order to do this, the government is seeking to pass amendments to the Mining Act. Luke Fletcher, the executive director of the NGO Jubilee Australia, said the changes would cut out Bougainville landowners from having a say in mining. "The principle of free, prior and informed consent is just totally denied to the landowners. Their say is just completely irrelevent. The executive can now essentially be responsible for all parts of the island that are not under lease," Dr Fletcher said. Following a public outcry over the plan, the proposed amendments have been referred to a parliamentary committee for further discussion. Earlier, a number of landowner and community groups voiced alarm that Bougainville's government was trying to rush through the changes without adequate public consultation. "It is not clear to us that this legislation is even constitutional," said Dr Fletcher, who described the government's proposed changes as a "startling and dangerous move".

"Given the disastrous history of the Panguna mine in Bougainville, which has caused irreparable environmental damage to the Jaba river and was the major cause of the Pacific region's worst ever civil war, forcing through such enormous changes with very little consultation is a reckless and desperate ploy." Speaking to RNZ Pacific two weeks ago, Bougainville's President John Momis described the mining deal as the best on the table for his people. He also suggested the deal was a way to solve Bougainville's lack of funding for its independence referendum later this year. But Dr Fletcher said it was unlikely the proposed deal would create revenue through taxes and dividends for Bougainville for a number of years. "So even if there was some sort of capital investment, that can't go to the government for general revenue," he explained. "That has to be spent by the company on its own needs. So it just doesn't really make any sense that all this could be useful for the referendum."

PIANGO pans seabed mining

Radio New Zealand on 15 February 2019

The call comes as Pacific governments met in Tonga this week to discuss their hopes of exploiting minerals on the ocean floor. PIANGO executive director Emele Duituturaga said seabed mining threatened fisheries, marine environments and ocean livelihoods. As well as calling for a ban, Ms Duituturaga asked governments not make hasty decisions about taking up seabed mining. "This workshop is pedalling deep sea mining to our governments but who will benefit? "If mining was the panacea to the economic issues of the Pacific, we'd have solved all our problems long ago. Instead the environmental and social impacts of mining have made our peoples poorer," Ms Duituturaga said.

Norway to allow new mine waste dumping in national salmon fjord

Aled Dilwyn Fisher, Naturvernforbundet, 14 February 2019

2,500 Norwegians have signed up for civil disobedience against the mine waste dumping

"ONE OF THE MOST ENVIRONMENTALLY DAMAGING INDUSTRIAL PROJECTS IN NORWEGIAN HISTORY"

The Norwegian government has granted a permit for a new copper mine at Repparfjord, Finnmark, that will dump its waste into a protected national salmon fjord. “This is one of the most environmentally damaging industrial projects in Norwegian history,” commented Silje Ask Lundberg, leader of Friends of the Earth Norway. Two million tonnes of heavy metal waste will be dumped every year by the company Nussir – the equivalent of 17 lorry loads every hour – into a fjord given special protection to conserve the salmon population. Populations of cod, pollock, Atlantic herring, haddock, halibut, and flatfish will also be affected. “Dumping of mining waste will kill every living thing on the ocean floor in the immediate area and disturb spawning grounds over a much greater distance. Scientists have repeatedly warned against dumping.

This decision shows conclusively that the government does not take the fight to conserve ocean life seriously, and would rather prioritise short-term profit over conservation and sustainability,” added Ask Lundberg. Earlier mine waste dumping in the same fjord, at a lower level than planned in the project approved today, led to a large drop in the salmon populations that took 13 years to recover. Cod populations have still not returned to their former spawning grounds. 2,500 Norwegians have signed up for civil disobedience against the project should it go ahead, including members of Nature and Youth (Young Friends of the Earth Norway). The Sami Parliament, representing the indigenous Sami people, has also opposed the plans. The Norwegian government itself has agreed a four-year moratorium on new projects planning to dump mine waste in other fjords. Norway is one of only five countries in the world that still allows mine waste dumping in its seas.

Talks in Tonga on future of seabed mining in Pacific

Pacific countries are gathering in Tonga this week for a series of talks about the future of seabed mining in the region. Radio New Zealand on 14 February 2019

Collecting machine. Photo: Nautilus Minerals

A number of countries - including Papua New Guinea, Nauru and Cook Islands - are looking to exploit minerals on the sea floor, and some exploratory projects have already begun. But to do this, they need to meet the regulations set by the International Seabed Authority, the multinational organisation that governs the ocean floor. Its secretary general, Michael Lodge, said countries looking to seabed mining have to meet a number of criteria. "For example, before you can even think of exploiting a resource you need to take two critical steps. That is you need to (a), understand what the resource is and then, secondly, you have to characterise and understand the marine environment to understand what is there and what is the potential environmental impact. And that's what we're encouraging countries to do now."

Papua LNG deal seen as significant milestone for country

February 13, 2019, The National Business

The Papua liquefied natural gas agreement is expected to be signed at the conclusion of the PNG Petroleum and Energy Summit in Port Moresby next month. This was announced by Petro-leum Minister Dr Fabian Pok. Noting this would be a significant milestone for the country with a projected doubling in LNG exports to 18 million tonnes annually, Pok said the Government hoped to conclude detailed terms for the proposed agreement by mid-March. Other key points made by Pok included:

- All future gas projects will include a domestic market obligation with 2 per cent to 15 per cent of total resources targeted for domestic use with the proportion dependent on the level of gas and condensate reserves;
- there will be provision for third-party access to gas pipelines;
- terms will also be set for national content for domestic supply of goods and services;
- a National Petroleum Authority bill will be tabled in Parliament; and,
- A gas hub should be created in Western with the P'nyang gas field playing a lynchpin role.

On the Petroleum Authority bill, Pok said benefits it would bring in terms of management of the hydrocarbons sector included a conducive regulatory regime for issues of exploration, production and marketing licences. Pok said ExxonMobil had accepted a separate gas agreement for P'nyang with new fiscal terms for upstream and downstream development. Plans are being finalised for additional gas-fired power generation for Port Moresby with a study underway for additional electricity generation at Hides in Hela. Noting that plans were in hand to finalise the clan-vetting exercise for PNG LNG Project landowners by the end of the first quarter of this year. Pok said future landowner identification would need to be completed prior to construction of any future gas project.

Second Wave Due Diligence: The Case for Incorporating Free, Prior, and Informed Consent into the Deep Sea Mining Regulatory Regime

PNG Mine Watch, 13 February 2019

A new article, Second Wave Due Diligence, published in the Stanford Environmental Law Journal calls for the norm of free, prior, and informed consent (FPIC) for indigenous peoples to be applied to deep sea mining (DSM) projects carried out in the international seabed, particularly in the Pacific region, where numerous indigenous communities stand to be directly and disproportionately impacted by this new extractive industry. Authors Julian Aguon and Julie Hunter's argument, while novel, relies on core prescriptions of Part XI of the United Nations Convention on the Law of the Sea (UNCLOS) requiring compliance with international law in general, including pertinent rules of international environmental and indigenous rights law.

UNCLOS's clear parameters on the prevention of harm to the marine environment, expounded upon by the International Tribunal for the Law of the Sea in a series of key decisions, have created a due diligence standard that is imposing ever higher duties on an increasingly wide range of actors, including in areas beyond national jurisdiction. This standard is evolving alongside a robust norm requiring the FPIC of indigenous peoples threatened by large-scale extractive activities, even if those activities are not directly carried out on indigenous land.

When applied to DSM, whose exploratory stage has already resulted in an array of adverse impacts to Pacific indigenous peoples, these normative legal developments coalesce into a compelling argument for placing impacted indigenous peoples into key decision-making roles.
Such an approach, which is called a "second wave" of due diligence, represents a decisive break from a destructive history in which the Pacific served as a proving ground for the experiments of others, and a concrete step toward sustainable, rights-based development in the twenty-first century and beyond. Download: Second Wave Due Diligence

Landowners in line to get K300m royalty

BY ISAAC NICHOLAS, Post-Courier, February 12, 2019

The long wait is over for the thousands of landowners of the two anchor Petroleum Development License 1 and 7 who will receive more than K300 million in royalties and equity after their clan vetting was completed yesterday. Minister for Petroleum Dr Fabian Pok, Gulf Governor Chris Haiveta, Hela Governor Philip Undialu, Komo LLG president Thomas Potape, MRDC managing director Augustine Mano, Kumul Petroluem Holdings managing director Wapu Sonk and ExxonMobil officials were at PDL 7 in Hela for the closing ceremony of the clan vetting exercise. The delegation thanked Prime Minister Peter O'Neill for his commitment to ensuring landowners receive their benefits and Mr Pok for his leadership in delivering the LOBID exercise for PDL 1 and PDL 7. "Thank you all for your cooperation from the bottom of my heart. I came with clean hands and a clean heart."

Dr Pok told more than 500 landowners with their leaders at Pere Primary school yesterday. Dr Pok was given the list of landowners which he took back to Port Moresby and will return in two weeks time to sign a Ministerial Determination in front of the people in Hides, Hela Province. “I do not want to see one landowner leader coming to Port Moresby to amend the list that was given to me. If they want to see the Ministerial Determination list, the landowners must wait in Hides,” he said.. “If they want to take the matter to court, they have to face the people and give their reasons, why, because the court will deny the benefits to the people for another 10 years.” The Mineral Resource Development Company that manages landowner funding was represented in full led by Mr Mano who thanked the people of Hides PDL1 and 7 for their patience to wait for 10 years until now.

“Even the first to benefit were the pipeline landowners and the plant site landowners in Central Province although you are the owners of the pig you still share the benefits.” He said that after the Ministerial Determination, there will be a 28-day period, to raise dispute or issues, and if there was no issue, the MRDC, Kumul Petroleum and Department of Petroleum will return to open the accounts. “When we open the accounts, we will conduct an election on leaders who will become directors to the MRDC board. They will know how much is in the account.” Mr Mano said the break up will be 40 per cent in cash, 30 per cent on community project for schools, aid post, water supplies and 30 per cent will be for the future generation. The team returned to Port Moresby yesterday afternoon and will return to Komo in two weeks time with the Ministerial Determination and also will be ready yo open the accounts for the landowners.

Proposed Bougainville mining laws a ‘reckless land grab’, says Jubilee Australia

Jubilee Australia, February 12, 2019

Panguna mine in operation, circa 1971 (Photo: Robert Owen Winkler/Wikimedia Commons)

Over the last two weeks, the Autonomous Bougainville Government (ABG), led by its president the Reverend Dr John Momis, has announced its intention to amend Bougainville mining laws. The proposed amendments to the 2015 Bougainville Mining Act, along with accompanying legislation, will give the ABG the power to hand over mining leases to all parts of the island not under existing leases to Bougainville Advanced Mining, a new entity created for this purpose. The ABG would have 60% ownership of Bougainville Advanced Mining, while 40% would be owned by a foreign partner. Statements made by the President last week suggest that Caballus mining, a Perth-based company headed by Jeff McGlinn, will be the foreign partner involved. ‘These are radical changes and appear to be nothing more than a reckless land grab,’ said Dr Luke Fletcher, Executive

Director of Jubilee Australia. 'First, this would hand over control of the majority of the island to the President and his foreign partner, Mr McGlinn.

'Second, the President would have the power to unilaterally distribute leases without any consultation or permission from landowners. As a result, landowners will be cut out of the process. These amendments undermine the principal of Free, Prior and Informed Consent, said Dr Fletcher. 'Doing so is both anathema to Melanesian culture and vitally important in the Bougainville context.' 'It is not clear to us that this legislation is even constitutional,' said Dr Fletcher. 'It is a startling and dangerous move. Given the disastrous history of the Panguna mine in Bougainville, which has caused irreparable environmental damage to the Jaba river and was the major cause of the Pacific region's worst ever civil war, forcing through such enormous changes with very little consultation is a reckless and desperate ploy.'

Comments made by the President to Radio New Zealand justified the move based on the need to hold the Bougainville independence referendum: 'The people of Bougainville are determined to have the referendum and they must find the money to fund the referendum,' the President said. 'One way of doing it would be if we started our own company and generated the revenue to enable us to conduct the referendum. We cannot sit on our hands.' 'As our recent study of the question demonstrates, we are highly dubious that mines like Panguna could ever raise enough revenues to satisfy both foreign investors and the people of Bougainville,' said Dr Fletcher. 'It is certainly impossible that the mine will raise any revenues before the independence vote. It will take years for the building/repair of infrastructure, the completion of environmental studies and other importance processes that need to take place before the mine can generate revenue.'

Background—Mining on Bougainville
The Panguna Mine was one of the world's biggest copper-gold mines until a civil war forced its closure in 1989. The war took up to 20 000 lives and displaced an additional ten thousand people. The Panguna Mine was a leading cause of the war. The communities have not been offered redress for the damage. Since 2009, there has been a push to re-open the mine, with proponents claiming that Bougainville needs the mine to be economically independent. President Momis has been at the forefront of this fight, under the auspices of former operator Bougainville Copper Limited (BCL), claiming that it would be the best and quickest option to generate revenue. In December 2017, however, the president announced a moratorium of mining at Panguna and revoked BCL's mining license, after a meeting of landowner meetings voted against such an extension.
See here for more information about the history of mining in Bougainville.

Half of the world's biggest miners do not keep track of their tailings risk management measures –report

Valentina Ruiz Leotaud, Mining.com, 11 February 2018

Following last month's tailings dam disaster at Vale's Córrego do Feijão mining complex, which left at least 140 dead, Amsterdam-based Responsible Mining Foundation issued a statement highlighting the findings of its 2018 Responsible Mining Index report related to miners' tailing dams. According to the report, many of the world's largest mining companies are not able to 'know and show' how effectively they are addressing the risks of tailings dam failure and seepage. "The 30 mining companies assessed in RMI 2018 scored an average of only 22% on tracking, reviewing and acting to improve their tailings risk management, with Vale scoring slightly above average. Fifteen of the 30 companies showed no evidence of keeping track of how effectively they are addressing these risks. And while 17 companies showed some sign of reviewing the effectiveness of their tailings risk management measures, no evidence was found of any of these companies publicly disclosing the extent to which they have taken systematic action on the basis of these reviews, to improve how they address tailings-related risks," the document reads.

The RMF states that the deficiencies many miners show when it comes to sharing information is not limited to their tailings dams. In general, the organization's study found that most companies fail to adequately share information on how they are managing social and environmental risks. In particular, they fail to provide meaningful site-level performance information. “Too often, workers, mining-affected communities, governments and investors are kept in the dark about the risks involved and how well companies are addressing these risks. Companies may be reticent to publicly reveal this potentially detrimental and sensitive information, yet it is workers and communities whose lives and livelihoods depend on adequate protection measures being in place,” the report reads.


Brumadinho, where Vale SA's dam collapsed. Photo Jeso Carneiro | Flickr.

The Responsible Mining Foundation is convinced that public disclosure would not only save thousands of lives but would also improve the safety of mining projects by allowing for the expert advice of the community which, in turn, would result in improved knowledge of the terrain. Based on a 2001 report by the International Commission on Large Dams which found that 221 tailings dam failures could have been prevented, the RMF states that by really incorporating the input of all stakeholders in the design, planning and building phases of their projects, miners can learn to refrain from mining in areas where tailings dam failures are most likely to happen and achieve a shared zero-failure objective to tailings storage facilities.

The foundation's research, on the other hand, has shown that failure risks are greatest for large, steep and old tailings dams in tropical zones where seismic activity and extreme weather events can precipitate dam collapses. In the case of Vale's facility, the RMF explained that it was built as part of a series of dams constructed upstream from the original dyke, which makes it the most likely type of tailings dam to fail. “Vale has now committed to decommissioning all dams built by the upstream method and other companies can clearly follow suit,” the NGO suggested.

Frieda River mine expands into Sepik Development Project

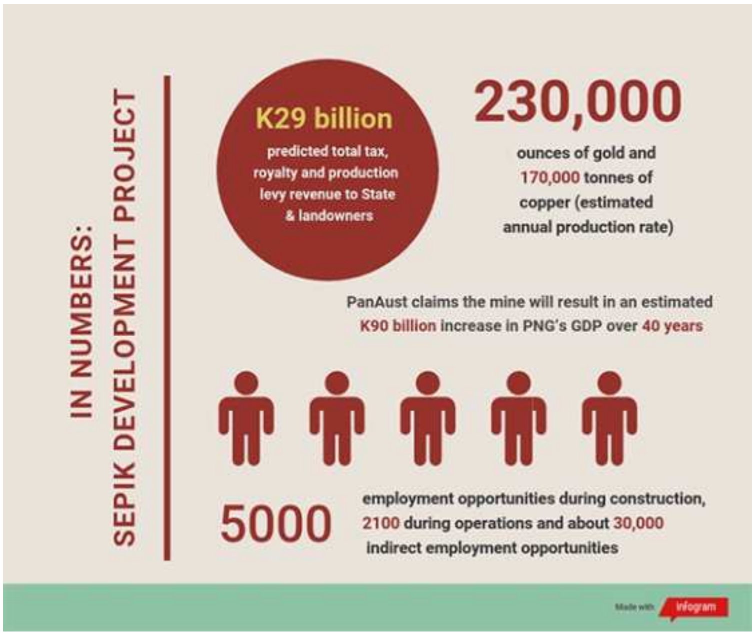
David James, Business Advantage, 11 February 2019

The US$8 billion (K26.5 billion) Sepik Development Project at Frieda River will create ‘a new economic corridor’ in one of PNG's northwest. Developer PanAust is suggesting it could give employment to about 5000 people during construction and increase Papua New Guinea's GDP by K90 billion over 40 years. The Frieda River gold deposit in West Sepik (Sandaun) Province is one of the world's largest and has been under the control of Frieda River Limited, a subsidiary of PanAust, since 2013. Chinese-owned PanAust holds an 80 per cent interest in the project. Establishing a gold and copper mine was always going to be a daunting prospect, given the area's remoteness and lack of infrastructure, which is why PanAust recently announced a major shift in its plans for the project. Its proposed solution is to turn it into a large scale development project that involves much more than mining.

Artist's impression of the proposed Sepik Development Project at Frieda River. Credit: PanAust

Hydroelectric

The aim is also to establish a hydroelectric power facility with a generation capacity of up to 490 megawatts of renewable energy to supply both the mine and external customers. 'It will be PNG's largest single power generation facility and could operate for more than 100 years—well beyond the mine life of the project,' Peter Trout, then-Executive General Manager Technical Support and Studies for PanAust, told a mining event late last year.



The installation of a regional power transmission line from the hydroelectric facility is also planned, which could potentially supply Indonesia. There will also be a major investment in road and port infrastructure, including:

- an upgrade and expansion of the Port of Vanimo, on the northern coast of PNG
- an upgrade of a 188km road south from the Port of Vanimo to Green River, and

- construction of a further 221km road from Green River to Telefomin, including a 350-metre bridge over the Sepik River.

This will enable access to the mine site and the hydropower station. The cost of this critical enabling infrastructure is estimated to be US$500 million (K1.7 billion) and PanAust expects it to be funded by third parties and shared with other users in the region. Peter Trout described it as a 'complex undertaking by virtue of the various dependencies'. 'The project will require an estimated initial capital investment of US$8 billion (K26.5 billion).' 'We have adopted an inclusive development approach with broader nation building concepts that align with the government's long term objectives and aspirations.' Trout said the expanded project will create 'a new economic corridor' in the region adjacent to PNG's border with Indonesia.

Capital investment
The project will require an estimated initial capital investment of US$8 billion (K26.5 billion). That would make it the second largest investment in Papua New Guinea after the PNG LNG project. There is a projected mine life of 33 years (revised up in 2018 from 17 years), and a pathway to extend this to 45 years, with average annual production rates of 170,000 tonnes of copper and 230,000 ounces of gold. 'It will be PNG's largest single power generation facility and could operate for more than 100 years—well beyond the mine life of the project.' Trout said the proposed 45-year mine life 'takes advantage of the facilities that have been established for the initial mine development'.

The project is structured to attract funding from equity investors, financiers and export credit agencies, according to PanAust. 'The enabling shared-use infrastructure is well suited to public-private partnerships, state-owned enterprises and sovereign funding in the form of grants, concessional loans and infrastructure funds.' PanAust claims the mine will result in an estimated K90 billion increase in Papua New Guinea's GDP over 40 years. It estimates total tax, royalty and production levy revenue to the State and landowners at K29 billion.

Ringing the changes
The change in the project's scope has already seen some major changes to senior management at PanAust, including the departure of Managing Director Fred Hess, Chief Financial Officer Andrew Price and Peter Trout himself. PanAust's minority partner in the project looks also set to depart. The remaining 20 per cent stake in Frieda River is held by Highlands Pacific, recently acquired by Canada's Cobalt 27. Cobalt 27 has flagged that it will be making its 'best endeavours' to enter into a buy-back agreement with PanAust, would allow PanAust become Frieda River's 100% owner.

Ramu: Terms of mine extension to be renegotiated
Post-Courier, February 11, 2019

Prime Minister Peter O'Neill, has announced there will be no extension of the Memorandum of Agreement (MoA) for the Ramu Nico in Madang province. The initial MoA was signed in 2000 and expired in March 2018. It is now due for a review, however the Prime Minister announced last Friday that there will be no agreement until government is sure there is a fair benefit for the people and the State. "The mine agreement has expired and we will renegotiate so that our people benefit most. Bai yumi stap na lukluk tasol ah? Nogat! Nogat! Em blong yumi. Yumi mas gat sampla share stap insait. Bai yumi stretim, Governor bai yumi stretim, mark my words. Yumi mas lukautim ol pipol blong yumi pastaim," Mr O'Neill said. He told Mr Yama they had a big task ahead to negotiate the terms and conditions of the new agreement.

Mr Yama said the Ramu Nico mine was the worst state-negotiated mine, with no benefits to the locals in Kurumbukari and Basamuk. Concerns have also been raised that minerals, apart from nickel and cobalt, have been extracted and exported. “The people of Basamuk must have spin-off businesses. They must have good roads, good housing, health centers, schools, water supply and electricity. Right now, Rai Coast and Usino-Bundi are the least developed districts in the country despite being hosts of the Ramu Nico mine and the Ramu Agro Industry,” he said. National planning minister Richard Maru visited Basamuk on Thursday last week and met with the mine operator, MCC, and encouraged all stakeholders to now focus on a way forward that will benefit the firm, province, landowners and the state.

At the moment, the state is not an equity partner in the mine project. There has not been any corporate tax and no goods and services tax paid by the firm since production started in 2012. Furthermore, there is no benefit sharing agreement for the landowners in the project. Mr Maru said in the future, MoAs must have benefit-sharing agreements where landowners, the host province and the state must have shares in the project. This will be the case for Wafi-Golpu mine, the Frieda Copper mine and any other new mines.

Miriori fires broadside at ‘rogue’ Bougainville mining rights bid
Asia Pacific Report, Pacific Media Centre, February 9, 2019

The Bougainville Civil War caused incredible devastation and loss, including this picture taken at the ruins of Arawa Hospital in 1997. Photo: AFP

A highly controversial proposal by an unknown and newly registered company, Caballus Mining, is attempting to grab a monopoly over all large scale mines in Bougainville, reports PNG Mine Watch. It is alleged that the Caballus plan is to override the fundamental principle of the Bougainville Mining Act – Customary Landowner ownership of the minerals in Bougainville and confer ownership on a McGlinn entity, Bougainville Advance Mining (BAM). “Are Caballus the next rogue that is trying to take advantage of us, the customary owners and steal our minerals?” asked Philip Miriori, chairman of the Special Mining Lease Osikaiyang Landowners Association (SMLOLA). Miriori claimed Caballus had no relevant mine development experience. “Caballus has no assets, and yet is demanding a monopoly on all major large scale mining projects in Bougainville. “They are demanding an initial 40 percent interest, which will increase further over time, without any upfront cash and only a shallow promise of future money if he is granted those rights first.” Miriori said that when Caballus was presented to representatives of SMLOLA earlier last year, they were officially rejected in writing.

Clear position

“This is where it gets confusing as despite that clear position from the owners of the minerals at Panguna, Caballus is now demanding that the most fundamental principle of the Bougainville Mining Act (BMA) – customary ownership will now be stripped from the BMA.” SMLOLA special adviser Lawrence Daveona said that by avoiding all the protection afforded to them under the BMA, which is fundamental to the Peace Agreement and the Bougainville constitution – “in fact the very grant of autonomy”, they would be stripped of their rights. “The central tenant of our Peace Agreement is good governance. “We will fight this to the end and hope our ABG will step in first and protect all customary owners in Bougainville.” Miriori said it appeared some people were trying to take advantage of a severe funding crisis which their government faced in the lead up to the referendum on Bougainville this year. They were promising money but only if they were first given the keys to every large scale mine in Bougainville with zero up-front investment – “unbelievable”. “Whoever puts up the money will ultimately control BAM, and all of Bougainville’s mines.”

Bougainville govt’s mining deal meets widespread opposition

Radio New Zealand, 8 February 2019

Local residents hold banners and placards during a 2018 protest at the former Bougainville Copper Limited's Panguna mine. | Photo: Reuters

There's been community outrage in Papua New Guinea's Bougainville region at the local government's new mining plan. The autonomous government of Bougainville is planning to re-open the long shut Panguna copper mine and operate it with a company majority owned by Bougainville. It is expected to pass amendments to the Mining Act to accommodate the Australian investor who will jointly own Bougainville Advance Mining. Johnny Blades has been following the reaction to this development in Bougainville.

JOHNNY BLADES: The plan comes after squabbling over who should get the licence for the Panguna mine, which of course has been mothballed for a long time. There's been a government moratorium on any Panguna development because it's all so sensitive around this impending the referendum on independence coming up this year. But the Bougainville President John Momis has described this deal with the Australian investor as the best deal for landowners, also saying that existing companies already mining in Bougainville would not be affected by this new deal. But this company, Caballus Mining, owned by West Australian businessman Jeff McGlinn, has no public profile to speak of in the industry.

DG: So the president of the autonomous Bougainville government, John Momis, he earlier told RNZ Pacific that PNG's central government is not stumping up with funding for the independence

referendum, and they in turn have been on the urgent look-out for funds. Is he just turning to this investor or this deal to fund the referendum?
JB: He seems to be saying that, that this is something they have to take up because of this urgent need for money. But one of the principal landowner groups in this area, the Osikaiyang Landowners Association has said that Caballus has no assets but is demanding a monopoly on all major large scale mining projects in Bougainville. There are questions over the viability of finance for these mining plans. They suspect this is a con job, that Momis and his government are being taken for a ride here. Lawrence Daveona, one of the association's people, he said some of the ex-combatants on Bougainville had met with this investor Jeff McGlinn and asked him 'are you able to give the government money?' and he reportedly said to them no, he has no money. So it seems a bit fanciful to think that the investor or this deal might fund the referendum.
DG: There was a public forum to dicscuss this issue in Arawa. What was the general feedback?
JB: The community is upset that local parliamentarians seem to be rushing changes to the Mining Act through without proper public consultation. They says that you have to have proper public consultation before any social license is granted, so to speak. There's a group called the Bougainville Hardliners Group. They have warned that sort of foreign control of mining on Bougainville is what caused the island's civil war in the first place. So they and others are certainly opposed to diving headlong into this deal as Monmis and his government seem to be doing.
DG: Historically of course, Bougainville Copper Limited has been behind the scenes of the Panguna mine, What's been their reaction to this?
JB: Unsurprisingly, BCL have come out very strongly against this deal. They've got their own agenda to push, of course. Let's not forget that the moratorium on mining at Panguna was centrally because landowners oppose the return of BCL. But in this case, both landowners and community groups appear to agree with BCL that this deal seems to be risky. There are constitutional and ethical questions around it. And more widely, these bills are being interpreted as both anti-competitive and anti-investment which BCL and others are saying is the last thing Bougainville needs.

Barker warns of need for steady growth to offset fluctuations

February 8, 2019, The National Business

PAPUA New Guinea’s revenue growth in the non-resource sector is very much dependent on global fluctuations, therefore, stability and steady growth are important, says Institute of National Affairs director Paul Barker. “Papua New Guinea benefits from other people’s problems, sorry to say that,” he said. “When there is a drought in Brazil, we actually get a boost in the coffee price. “If you get a civil war in Sierra Leone, you get a boost in the cocoa price. “Whenever the Middle East goes into conflict, which is periodic, the oil price goes up. “We benefit all because of these fluctuations. “What we need to do is have stability and a steady growth, particularly in the non-resource sector, and make sure that the resource sector actually translates into something that we are benefiting from.” Barker said Papua New Guinea was in the ironic situation of being a resource-rich country but drawing income from personal income tax and business tax.

Call for transparency on awarding contracts

By PETER ESILA, February 8, 2019, The National Business

There must be transparency of contracts in the resource sector, says Institute of National Affairs director Paul Barker, pictured. He said during the World Bank Papua New Guinea Economic Update in Port Moresby yesterday that there must be transparency in the awarding of contracts. “I know that some of the resources companies do not want that,” Barker said. “We do need to make sure that we know all of government, and the affected communities as well, knows all about what is in those contracts.” Barker said Papua New Guinea, which was resource-rich, was now depending on personal income tax and business tax to drive the economy. “In the last few years, we have seen something like 40 per cent of revenue coming from the extractive sector,” he said. “In the last couple of years, it was down to one per cent. “The revenue has been coming from personal income tax and from the rest of the business community.

“We are a resource-rich country but not getting the key benefits that we need.” Barker said there were so many mining, oil and gas agreements “and it really is pretty fundamental that all key players in Government, but also the public, has a good understanding of what is in those agreements”. He said resource companies did not want to share a lot of those information because of competition. “Some information is confidential, but nevertheless it is important and it is one of the requirements that into the future of the extractive industry, transparency initiatives are a must,” Barker said. “If we are a resource rich country, the main benefit is from revenue. “We are not getting revenue. “Maybe we are not negotiating those agreements to the best interest. “Maybe if there was more transparency, there would be greater strength for our negotiating team on the Government part and to negotiate more rigorously.”

Lihir parties get draft of new compo deal

Post-Courier, February 8, 2019

Parties to Lihir’s Compensation and Relocation Agreements (CRA) have received term sheets or summaries of the draft CRA on December 19 last year. The term sheets outline terms of the package that Lihir Gold Limited (LGL) is offering. This is a significant milestone for the business, as it moves towards the final stages of the CRA review process. The CRA and the memorandum of agreement are part of the revised integrated benefits package agreement (IBP2) reviewed in 2007. In addressing the stakeholders at the Meri Divelopmen Senta in Lihir, independent chairman for the Lihir Agreements Review (LAR) Sir Paul Songo, thanked all stakeholders for pushing through time to see the delivery of the term sheets. He acknowledged the LAR independent advisory team; Tanorama, Newcrest executive general manager for Lihir & Cadia Craig Jetson and the Lihir business leadership team for working with the stakeholders to achieve this milestone. These stakeholders are Nimamar local level government (including all ward members), Lihir Mine Area Landowners Associations (LMALA) and the Tenement Landowners.

“We celebrate the collective efforts you put in to see these term sheets handed to all parties,” he said. Sir Paul said the signing of the agreement may take place in March this year as captured in the revised schedule, and endorsed on 14 December 2018. All parties have six weeks to review the terms in consultation with their legal representatives. Tanorama’s technical team have been on site since last month to provide technical advice upon request. Meanwhile, a series of 30 negotiation meetings have been scheduled for this month to mid-March. “We also plan for additional meetings to discuss any issues between you and the company. However, I expect you all to agree on more than 80 per cent of the agreement components before you come to the negotiation meetings. I will chair short negotiation meetings to deal with specific outstanding issues,” said Sir Paul.

“We should review these term sheets with one objective in mind; to improve the quality of life for the present and the future generations of Lihir. This is my humble plea to all groups.” In delivering the term sheets on behalf of LGL, Kipalan said the company is committed in maintaining a direct relationship with all its stakeholders. “That is essentially how the agreements are done because we want to talk directly with you, understand issues, and address them accordingly. The company will do its best to address majority of the issues by taking this approach. This is because we value ‘Working Together’ and we are committed to it,” he said. Kipalan said the agreements have been structured in tiers or levels. Tier 1 captures the termination deeds, allowing stakeholders to decide whether to use the agreements or not. Tier 2 captures the principal agreements; compensation, relocation and resettlement, and community developments, that act as guidelines on how much each stakeholder will receive and why they are receiving the amount.

Letter to the editor

Govt not learning from experience

Post Courier, February 8, 2019

The current government along with its responsible agencies are still not learning from the damaging experiences of mining activities in the country. The experiences of Panguna, Ok Tedi, Tolukuma, and others are all there for the responsible authorities to learn and do things properly. The environmental pollution and damages caused by these mines have exceeded the monetary and other benefits put together. The evidence are overwhelming but the government is still somewhat ignorant thus placing short term revenue gains ahead of long term gains and sustainability and dependence of our small people on the natural resources such as river systems, forests, seas, etc. The recent MoU signed by the O'Neill government with the developers of the multi-billion kina Wafi-Golpu mining project in Morobe province is another clear indication that it does not care about the local peoples welfare and long term survival.

The Morobe Governor and Huon Gulf MP Ross Seymour with the concerned landowners must be commended for voicing their concerns against the signed MoU. The MoU is rushed and is sinister because there is no clear indication of the where the mine tailings will be properly stored and disposed. At present, it is apparent that the tailings will no doubt be dumped into the sea on the Morobe coast. The environmental damages that the tailings disposal pose are unimaginable. Although Bulolo MP and Energy Minister Sam Basil and former Morobe Governor Kelly Naru have said that the MoU is only a guide to pave the way forward, the concerns of the Morobe people and leaders who will be directly affected must be respected and considered. It is very surprising to see the minister responsible for mining and Kainantu MP Johnson Tuke silent on this very important issue.

Also on a close look of the electoral boundaries, eighty percent of the Wafi-Golpu project is in the Huon Gulf electorate and not in Bulolo-Wau so Basil's heavy involvement and not Ross Seymour as the Huon Gulf MP with Governor Saonu is a concern as well. The natural resources and assets of this country must not be taken for a ride by a few privileged individuals. The MPs are voted into parliament to make decisions in the best interest of the people as their first priority and not for themselves and the developers who after all are short terms profit-oriented visitors who only care to bring the best returns to their shareholders only. Freddy Gigmai

Pacific small island developing states capacity building on deep seabed mining

International Seabed Mining, 7 February 2019

The International Seabed Authority (ISA) and the UN Department of Economic and Social Affairs (UNDESA) will hold a regional training and capacity building workshop for Pacific Small Island Developing States (P-SIDS) on deep seabed mining in Nuku'alofa, Kingdom of Tonga, from 12 to 14 February 2019. The workshop is being held as part of the joint ISA-UNDESA 'Abyssal initiative for Blue Growth,' one of the seven Voluntary Commitments made by ISA at the UN Ocean Conference in 2017 to advance implementation of Sustainable Development Goal 14 (SDG 14) to **conserve and sustainably use the oceans, seas and marine resources** (#OceanAction16538).

High-level representatives from P-SIDS and experts in deep seabed mining and marine science will gather at the workshop to discuss the potential benefits [but not the potential impacts] of increased participation of P-SIDS in deep-sea related activities, and how to ensure that the people in the region will fully benefit from such activities. Held over three-days, the workshop will feature sessions on: the status of deep seabed mining activities in the Pacific; the roles and responsibilities of sponsoring States; the legal regime for marine scientific research and environmental management of resources. It is also envisaged that through this workshop, it will be possible to identify better the specific capacity-building needs of P-SIDS in regards to deep seabed mineral related activities.

Nautilus stays afloat for another 28 days

GlobeNewswire, February 07, 2019

Nautilus Minerals Inc. and Deep Sea Mining Finance Ltd. have agreed to extend the maturity date of the existing secured loan facility which is currently due on February 8, 2019, for 28 days ending on March 8, 2019. The Company continues to seek short and long term funding solutions while assessing its options, including various restructuring options. Negotiations with various third parties continue. There can be no assurances that the Company will be able to successfully negotiate and complete any funding or other transactions. Any transactions will be subject to all necessary stock exchange, third party and government approvals, as well as compliance with all other regulatory requirements. The Company will provide further updates as circumstances warrant.

Landowners of Frieda Mine want holistic approach

BY FRANKLIN KOLMA, Post-Courier, February 7, 2019

A clan leader representing the three main tribes in the immediate Frieda Mine area of operation has refuted recent proposed views against the mine. Veteran forester and spokesman of the Frieda River folk Bob Onengim told the *Post-Courier* yesterday that recent statements made by bureaucrats against the Frieda Mine did not in any way represent the views of the river people living along the tributaries and streams that comprise the Frieda River. Speaking with a heavy heart yesterday, Mr Onengim said that he was saddened that some influential entities operating outside of the immediate area of the proposed Frieda Mine, were acting against the idea instead of helping to develop it. “On behalf of the three tribes of Telefol, Mian and Paiamu and the seven villages they constitute, I am here to clear up that we support the current developments being undertaken by PanAust to gradually develop the much anticipated copper and gold mine,” said Mr Onengim.

He said that he had travelled a long way from the rural Frieda area to ensure that the river people’s voices were heard. Mr Onengim said that the Frieda Mine undertaking was no ordinary task and that the issues surrounding it were not the same as any other identified mine in country at the moment, adding that as such, a lot more thought and effort needed to be put into it from a wider group of entities. “Frieda is a complicated project that needs to be tackled collaboratively. “That means PanAust, shareholders, the government and LOs and riverfolk,” said Mr Onengim. He stressed that the people of the Sepik River and Frieda remained relatively undeveloped as opposed to other parts of the country and that a project of this magnitude had the potential or at least bring some “light to these dark spots of development”. He said that the people from the immediate impact area of the mine were now ready to have discussions with the national government, provincial government and local level governments to chart a way forward through a development forum process

PDL 1 clan vetting done

BY ISAAC NICHOLAS, Post-Courier, February 7, 2019

Petroleum Minister Dr Fabian Pok has announced that clan vetting for PDL 1 (Petroleum Development Licence 1) has been completed and PDL 7 is about end to clear the main hurdles blocking landowners from receiving their rightful benefits. He said work is halfway through the second PDL 7 and is expected to be completed by the end of this week. "I am determined to bring that matter to conclusion especially as far as PDL 1 and PDL 7 is concerned because they are two primary contributors to the current existing gas into the PNG LNG project. "These are two important anchor PDLs and I want to bring that to conclusion so for those of you who belong to PDL 7 or PDL 1 we're encouraging you to go back because the process of assessing what has been done already and the process of input is not going to be convened at any hotel rooms in Port Moresby," he said.

Dr Pok said he was very happy with the cooperation by the landowners who have worked closely with the Department of Petroleum officers on the ground for the exercise to be completed. "This is one of the many legacy issues that will be solved by this government and I am determined to ensure all the processes are completed for landowners to start receiving their long awaited benefits like royalties that is stuck at the Bank of Papua New Guinea," he said. "Your benefits are parked in the central bank and I feel very guilty when I see fathers and mothers and elderly dying without receiving benefits and the young ones whether at political level, and landowner leadership level fighting for power and holding back benefits that supposedly flow through to our people so we are encouraging everyone to go back.

"PDL 7 is about to be completed and I encourage all landowners and their leaders to return to Hides for them to agree and I signed the Ministerial Determination that will open the doors for them to access their money." Dr Pok said he will be personally on the ground in Hides to put the landowner listing for public display and everyone landowner will be given an opportunity to look through to verify and clear all issues relating to ownership and then the he will sign the Ministerial Determination. "We do not want people running to the courts again so let us do it properly for the good of everyone," he said. He said the government has also decided to rotate the chairmanship of groups to maximum three years so no landowner chairman can claim chairmanship forever.

PM O'Neill concerned over ABG law on mining

BY GORETHY KENNETH, Post-Courier, February 7, 2019

A LOT of criticisms have been raised expressing concerns over the new mining amendment bills that will be further debated by Bougainville's House of Representatives on Feb 12, 2019. Leaders from across PNG and Bougainville have expressed their disappointment and concerns on three amendment Bills introduced in the ABG parliament last week. Yesterday, the *Post-Courier* received reports that the Prime Minister Peter O'Neill has written to Bougainville President John Momis and his ABG leaders expressing concerns over these mining amendment bills. A formal statement from the Prime Minister will be released when the report becomes available. National ABG leaders from both the opposition and the government benches have also stated their concerns.

Central Bougainville MP Sam Akoitai, also former Mining Minister in the national government, was quick to respond expressing that he was not happy especially in the manner in which ABG leaders rushed into this. The three bills that were introduced to parliament last Wednesday are alleged to lack insufficient stakeholder consultation and are divisive at a time when unity is required in the lead-up to the referendum. Landowner executives in Bougainville–SMOLA, also released a statement yesterday claiming that if passed, one of the bills seeks to amend the Bougainville Mining Act 2015 to allow a new company, Bougainville Advance Mining Limited, to be issued with a special mining licence granting “large-scale mining leases over all land in Bougainville available for reconnaissance, exploration and mining that are not subject to an existing exploration licence or mining lease”.

Pressure at PNG's Porgera mine to act on human rights redress

Radio New Zealand on 6 February 2019

A demonstration at the Porgera gold mine Photo: Supplied

A September 2018 report into the mine's impact on the local community found 920 alleged violations including rape, sexual assault, drownings and shootings. A community lobbyist McDiyan Robert Yapari said the report showed a path for victims to have their concerns heard and receive compensation in line with international human rights principles. But he said it had fallen on deaf ears, as talks with the company, Barrick Niugini Limited, appear to be at a stalemate. Mr Yapari said his group, the Porgera United Human Rights Advocacy Group, is considering appealing internationally for redress. "We will try to file law suits in Canada, with Barrick in Canada. But first of all, all we'll be doing is to cry out for help through the United Nations Commissioner for Human Rights." Late last year, a separate lobby group began legal proceedings through PNG courts against the O'Neill government over the Porgera mine, which Canada's Barrick Gold and China's Zijin Mining Group each have a 47.5 percent stake in.


Porgera mine. Photo: wikicommons / Richard Farbellini

PNG's prime minister Peter O'Neill told parliament last week the mining lease expired this August and he was seeking greater benefits for locals. "I want to put it on record that this is not a foregone conclusion that because the operator is operating on that particular mine, that they have the automatic right to this renewal, should we not agree we have every right of option to find other means that our people can have a greater benefit for their mine and the resource that they own," he is quoted as saying in the *Post Courier*. The mine's operators, Barrick Niugini Limited, commissioned the September report, 'In Search of Justice', from an independent agency which found the open cut mine had been negatively impacting the local community over several years. It outlines a comprehensive 10-point action plan and time line for the mining company to address current harm, strengthen existing remedy mechanisms, and prevent future violations.

It stresses urgency on behalf of the victims and thoroughness in the mining company's response, independent of the outcome of the pending lease renewal. "The Porgera mine operates in one of the world's most challenging environments. The mine is in close proximity to residents, often without clear delineation between company and community property. Violent tribal conflicts are endemic to the region. Poverty levels are staggering. Illegal mining is becoming increasingly common and violent. Weak governance is pervasive," the report stated. Barrick said the challenges associated with addressing the allegations of harm at Porgera are substantial and that significant barriers exist for those in local communities seeking redress. It noted the social and technical complexity underpinning the resolution of grievances at Porgera. A spokesperson for Barrick said it was working on a response to the report and hoped to start talks with community and government groups early this year.

More in store for Porgera mine stakeholders, says PM O'Neill

BY ISAAC NICHOLAS, Post-Courier, February 5, 2019

Prime Minister Peter O'Neill has assured all stakeholders in the Porgera mine of 'greater benefits sharing' when re-negotiations starts with PJV when the mining lease expires this year. "In terms of Porgera Joint Venture, the SML (special mining lease) will come to an end in August. I have received correspondences from all stakeholders about the renegotiations that we need to do with the developers of that project," Mr O'Neill said. "I am certain that they are well aware of the intentions of government and intentions of the stakeholders especially the provincial government and the landowners, that is, we want to share much 'greater benefits sharing' out of this mine if it does continue to operate." Mr O'Neill said this during Question Time last Friday when replying to questions from Lagaip-Porgera MP Tomait Kapili on the future of the PJV at Porgera mine as the mining lease ends in August. Mr O'Neill said it was fair to say that the developers had a good return on their initial investment.

"Their initial investment has been fully recovered as far as I am concern with the number of years they have been able to operate the mine," he said. "The renegotiations will certainly be different, and I am very keen on making sure that this government provides the leadership that is required from us to ensure that our people have greater benefit from this particular mine. "I want to put it on record that this is not a foregone conclusion that because the operator is operating on that particular mine, that they have the automatic right to this renewal, should we not agree we have every right of option to find other means that our people can have a greater benefit for their mine and the resource that they own." Mr O'Neill assured the MP that the government will be putting up a team to renegotiate this particular deal.

O’Neill clarifies Papua LNG, Wafi-Golpu MoUs

BY MATTHEW VARI, Post-Courier, February 5, 2019

Prime Minister Peter O’Neill has given updates on the much talked about MoUs between the State and developers of both the Papua LNG and the Wafi-Golpu projects. Mr O’Neill defended the government’s cause behind the signing, reporting high levels of understandings taking place before the actual agreements will be signed that will see all stakeholders in the country reap the benefits of a much greater share in their resources. He said both MoUs were not the mining development agreement, but they detail what could be described as a much higher expectations to developers, then what has been the case in the past, to progress projects ahead of further consultations with the stakeholders. “The MoU has set out a high level of understanding on fiscal terms and in particular benefit sharing,’’ he said. “Through this process the government has established the requirement for 20 per cent of the equity for Papua New Guineans that includes 5 per cent free carry to landowners and provincial governments.

“We are entitled to up to 30 per cent of equity; I have made it plainly clear to other stakeholders that that is available on commercial terms.’’ He said the State’s participation in the Wafi-Golpu project has an understanding of where cost and equity will be carried until first production, thus cancelling out the need to source rushed financing for the State’s stake in the project. “This simply means that we are not going to set out expensive loans and structures to pay for our participation as it has been done in the past,” Mr O’Neill said. He said with the focus on local spinoff participation, all leaders from Morobe are being directly involved through every aspect of consultation led by our deputy prime minister and his minerial committee.

Mr O’Neill said with the the Papua LNG Project expected to conclude by the end of March this year, which will be reaching a similar deal to benefit the country much greatly than its predecessor. “We have reached an understanding on fiscal terms and benefit sharing which is groundbreaking,’’ he said. “This includes our participation of 22.5 per cent equity, increased royalty, better participation by local companies and stakeholders. “There is a serious and strong commitment to domestic market obligations and more so deferred payment of our participation until the first gas. “Again this is a model that is going to be applied in future projects and we believe that it is going to be of the greatest benefit to Papua New Guinea and all the other stakeholders.”

Bougainville mining plan meets with outrage

Landowners near the Panguna mine in Papua New Guinea's Bougainville region have voiced outrage at the local government's new mining plan.

Radio New Zealand on 5 February 2019

The autonomous government of Bougainville is planning to re-open the long shut Panguna copper mine and operate it with a company majority owned by Bougainville. It is expected to pass amendments to the Mining Act to accommodate the Australian investor who will jointly own Bougainville Advance Mining. The plan comes after squabbling over who should get the licence for the Panguna mine, followed by a government moratorium on any Panguna development because it could undermine the referendum on independence from Papua New Guinea, planned for June of this year. Describing the deal as the best for landowners, Bougainville President John Momis said existing companies already mining in Bougainville doing were "not affected by this new deal". He explained that with PNG's central government failing to fund Bougainville ahead of the referendum, the government decided to take urgent action to find money.

Caballus Mining, owned by West Australian businessman Jeff McGlinn, has no public profile in the industry. This is of concern to the Osikaiyang Landowners Association, whose chairman, Philip

Miriori, raised questions over the viability of finance for Caballus' plans. "Caballus has no assets, and yet is demanding a monopoly on all major large scale mining projects in Bougainville. McGlinn is demanding an initial 40% percent interest, which will increase further over time, without any up-front cash and only a shallow promise of future money if he is granted those rights first. "This is just a con job," Mr Miriori said, adding that Mr McGlinn's track record with indigenous people, and stand on customary rights, made him ill-equipped to gain a social license for his Bougainville plans.

Bougainville's President, John Momis Photo: supplied

Public disapproval

The new plan has thrown a cat amongst the pigeons in Bougainville public discourse in this important year. A public forum to discuss the issue washeld in Arawa on Sunday highlighted general community outrage over a move to change Bougainville's laws in order to expedite the new mining development. The Bougainville Advance Mining Holdings Trust Authorisation Bill, the Bougainville Advance Mining Holdings Limited Authorisation Bill, and a Bill to amend the Bougainville Mining Act 2015, have all gone through first reading. At the forum, the Chairman of the Bougainville Hardliners Group which is opposed to any form of large scale mining, called on the Bougainville government and general public to fund the referendum from their own pockets by donating twenty kina each meet referendum expenses. "Lets show Papua New Guinea that we are independent by funding our referendum", he said. At the end of the meeting a resolution was passed to lobby to block the bills from being finally passed in by the government.

A lake in the pit of the long defunct Panguna mine in Bougainville. Photo: www.travelinspired.co.nz

Former mine operator worried

In a statement, Bougainville Copper Limited said the new developments raised "very legitimate legal, constitutional and ethical questions". "Not only by BCL and its shareholders, but also by landowners in Bougainville and others in the community. More widely these bills could also be interpreted as both anti-competitive and anti-investment which is the last thing Bougainville needs." BCL ran Panguna until the outbreak of civil war in 1989 in which grievances caused by the mine were central to the 10 year conflict that cost over 20,000 lives. Mr Momis had placed an indefinite moratorium on mining at Panguna after landowners opposed the return of BCL. The landowners said BCL would not take responsibility for the environmental and social impacts of its previous operation. However BCL said the Bougainville Mining Act 2015 did not need to be modified. "Bougainville introduced good laws and regulations in 2015 designed to rebalance Bougainville's mineral rights after a long period of consultation with all stakeholders. Now those rights are being undermined in haste by these proposed changes. Any genuine investor worth its mettle should be able to work within the existing laws." The bills are to be further read by the local parliament on 12 February.

Consultation or slick sales pitch?

June Hosking, Cook Island News, February 4, 2019

The deep seabed minerals consultation on the northern group island of Penrhyn.

The deep seabed minerals consultation held in Mauke last week leaves me asking, yet again, ‘what should a consultation look like?’ The dictionary says, in short, ‘A consultation is a meeting to deliberate a matter. Deliberate means to weigh up both sides.’ Therefore, for a real consultation we need to hear both sides. It would have been great, for example, to have heard from a Maori speaking scientist like Dr Teina Rongo on what could go wrong. From where I sat all we got was a slick sales pitch with some question and answer time tacked on the end. But if people don’t really know the issue they don’t have real questions to ask. Throw in talk of money and the conversation is nicely side-tracked. The majority of time was given to selling the idea of seabed mining and how much money it’ll bring in. It is a sales pitch when one starts talking about what mining will buy for the island. Besides mentioning the possible amount of income, I don’t believe they should be allowed to talk about specific spending, as that is basically bribing for a vote.

Health and education are a required part of government budgeting, whether there is mining or not! Had it not been for one frustrated person asking for the meeting to head to its advertised purpose -

the bill, we may never have touched on it at all. When we did, Paul produced what he hands out at Parliament- a double sided A4 page summary of the 57 page Seabed Minerals Bill. Apparently many politicians don't get around to reading the whole document. It angers me that we're paying politicians to read just two pages and frightens me that they could, without having really checked out the whole bill, make critical decisions affecting our future.

I wouldn't be surprised if no more than five people on Mauke read the whole bill, so after a whizz through the two pages, the MC decided it was time to say grace for the kai manga. He asked for a shout out on who agreed (no specifics) and wasn't impressed when I stood up to bring attention to the screen noting 'questions and answers time'. As you can imagine, that time was extremely brief and then it was all over. I did make use of Q&A opportunities and was told others had expressed similar concerns, but they weren't the sorts of things to be in a bill. They would be in the licensing process. I realise that at this stage we're talking about exploration, but no one in their right mind is going to pour money into exploration without expecting to gain a mining license if they request it. So I'm looking long-term. The following are my concerns on environmental aspects:

1. The precautionary approach has a loophole. It suggests to me that if warning bells ring and it's not cost-effective to avoid disaster, then you can go ahead anyway. It should say if it's not cost-effective, then you stop altogether.
2. What happens if there is a leak? How long will it take to discover a plume of sediment that could be devastating to ocean life higher up the column? Even if the pumps are immediately stopped there will be something like 10km of sediment in the pipe leaking out until the break is found and fixed.
3. Biodiversity preservation areas must be compulsory so that for every mined area (which will become a desert) an equivalent area is zoned untouchable.
4. Part 5 of the Bill talks about liability, but what do we do if a big company refuses to accept responsibility or to fix damages, as has happened with TMV's leaky joints in Raro? Is it possible to require some massive bond up front?
5. Schedule 2:5 says you have to get additional consent for high-risk activities. If evidence arises that to proceed is likely to cause serious harm to - (a) marine env. (b) safety, health or welfare of persons (c)other existing sea uses. Does it make sense to give consent for serious harm?
6. Schedule 2:6 discusses dumping. We need to state clearly in black and white that 'sediment must be returned to its place of origin'.
7. Point 23 describes the composition of the Committee. There have to be at least seven members. Four of these are politically appointed. Is this right?

Finally, meitaki nui to Gerald McCormack for producing such an easy to read and interesting small book on seabed minerals. I hope this book is compulsory reading for every politician. Our future depends upon your decisions.

New mining company the best deal for Bougainvilleans - Momis

An amended Mining Act will mean a new mining company in Bougainville can offer the best deal to landowners, the president of the autonomous Papua New Guinea region says.
Radio New Zealand on 4 February 2019

Bougainville is forming a company to open the controversial Panguna mine. It will be called Bougainville Advance Mining (BAM) and a be joint venture with a newly established Australian entity, Caballus Mining, headed by West Australian Jeff McGlinn. The president, John Momis, had placed an indefinite moratorium on mining at Panguna after landowners opposed the return of miner Bougainville Copper Limited (BCL). The landowners said BCL would not take responsibility for the environmental and social impacts of its previous operation. BCL ran Panguna until the outbreak of civil war in 1989 in which grievances caused by the mine were central to the 10 year conflict that cost over 20,000 lives. Mr Momis said the Autonomous Bougainville Government (ABG) and landowners would be permanent majority owners of the new company. "Under the new, the amended law, the people and the ABG will automatically own 60 percent," he said. "It's certainly the best deal for the landowners."

Arawa Forum Rejects Controversial New Mining Law for Bougainville

Chris Baria, February 4, 2019

The Bills were introduced by ABG at the request of Caballus Mining

A forum was held on Sunday afternoon, 3rd February, at Arawa Town Market by ABG Parliamentary Committee Comprising of all-male committee namely, RODNEY OSIOCO and member for Kokoda, Chairman. JOHN VIANNE KEPAS and member for Makis, member, CHRISTOPHER KENA and member for Lato, member, THOMAS KERIRI and member for Rau, member, and EZEKIEL MASSAT and member for Tonsu and Chairman of the Public Accounts Committee. The bills in question which have already gone through the first reading are the Bougainville Advance Mining Holdings Trust Authorization Bill, Bougainville Advance Mining Holdings Limited Authorization Bill, and a Bill to amend the Bougainville Mining Act 2015. All bills were introduced by the Autonomous Bougainville Government at the request of Jeffery McGlinn of Caballus Mining who is has also proposed to ABG to grant him and his company the authority over all mining interests on the island.

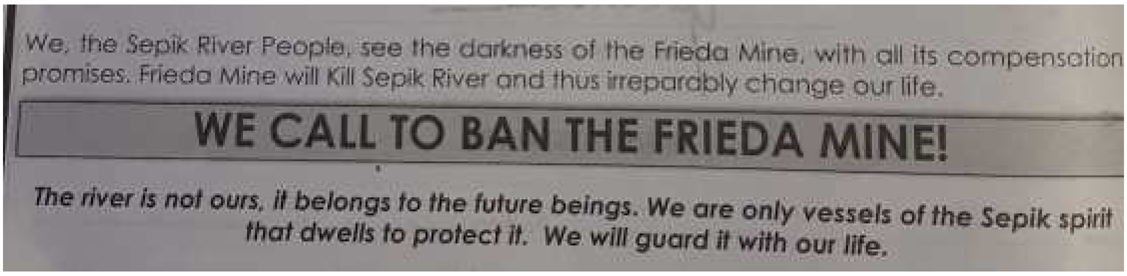
According to New Dawn FM, The legislation committee in the Bougainville House of Representatives took ownership of the three government bills after they were referred to it by the House on Wednesday 30th January 2019. Speaking earlier on New Dawn FM, Chairman OSIOCO said, the Legislation Committee shall exercise its functions and powers to ensure that the parliamentary procedures and practices are exercised independently which will also provide an opportunity to citizens and public and private organizations to have a say on the proposed laws being proposed by the Executive Government. He said, the two weeks, work plan for the legislation committee will be published once endorsed by the legislation committee.This will include dates and venues where the committee will visit and make it-self available for people to submit their views on the proposed laws sponsored by the executive Government several ABG Ministers and Members of the Members of the ABG House of Representatives namely led by the Chairman and Member for Kokoda Constituency Rodney Osioko.

This is the first of the series of to gauge the views of the general public on the passing of three controversial bills by the Autonomous Government. The forum at Arawa drew a very strong opposition from members of the civil society to the 3 mining bills that have already gone through the first reading at the ABG Parliament. All community governments, women and youth and those opposed to large scale mining on Bougainville requested that the bills not be entertain and be thrown away. The reaction from the crowd who attended the meeting was one of disbelief and anger and some of them could be heard shouting in support of calls to stop the bills by the speakers at the forum. Former banker and ABG Member Mathias Salas told the forum to be wary of the situation because if they were not careful, under expropriation laws the government and the President can steal the land from land and resources owners. He said that the introduction of the bills was an example of what can happen.

Lawrence Daveona of Special Mining Lease OsiKaiyang Landowners Association drew forum's attention to the how much of the ABG Bougainville Mining Law had been affected by draft the amendment done by lawyers in Australia already for Jeffery McGlinn of 'Caballus Mining' on whose request ABG had introduced the bills. Chairman of the Bougainville Hardliners Group which is opposed to any form of large scale mining call on the ABG and general public to fund the referendum from own pockets by donating twenty kina each meet referendum expenses. "Lets show Papua New Guinea that we are independent by funding our referendum", he said. His call was supported by CLC Pastor Munau who said that those who are oppose to Bougainville's independence are trying to cause confusion so the right thing to do is put any amount of money from heart towards referendum. A the end of the meeting a resolution was passed to block the bills from being passed in by ABG.

Who benefits from the exploitation of our natural resources?

Lester Seri via PNG Mine Watch, February 4, 2019



Last week the Sepik River People published a Public Announcement Advertisement, making clear their stand, "Ban Frieda River Mine". This is a repeat of their previous announcements to ban the mine. Interesting to note that the Governor of the East Sepik Province rightly seem to be responsible and cautious by allowing for proper consultation and hearing everyone out in order to take a collective decision, but there are other MPs that seem to want the process fast tracked and give the green light for the mine development to take place quickly. One wonders why the rush considering the enormity of the mining tasks involved of the planned project, the rugged geographical setting, and the likely social and environmental implications that might arise out of it affecting the multitude of the people in the area, as we have seen in the other mines such as, Ok Tedi, Pogera, and Bougainville to name a few? It seems like we have never learnt any lessons from these other mine projects to do a better job in order to minimize social and environmental impacts while improving on just and equitable sharing and distribution of the benefits from the proceeds of the mineral exports?

For whatever number of years that Ok Tedi and Pogera Mines have been in operation and the billions of revenue these mines have generated, it is beyond belief that little if any has change in the lives of the landowners and the surrounding communities, I mean basic necessities such as improved income, electricity, water supply, hausik and medicines, schools, and better constructed road network, and business opportunities for the people in the region. How does one explain this real hard reality situation that we are experiencing in Papua New Guinea, after 42 years of political independence and billions of dollars of revenue generated? The same could be said about our people on Bougainville Island, after how many years of the Panguna Mine and the many many millions of Kina that it generated, and after the mine closed due to civil war, what is there to show for, in terms of "development", in real terms? The same could be said of the Misima mine and the people too?

I guess the question that needs answering is, who has and is actually benefiting out of the exploitation of our precious natural resources? More precisely, how are our own people, especially in the rural areas of these multi-billion dollar project areas, really benefiting? The fact that as citizens, we barely scrape through every year despite billions of Kina annual budget being handed down, and effectively there is nothing to show for, is quite troubling to live with. May be, as a People and a Nation, we should acknowledge the stand taken and the call made by the Sepik River People, this time, and take a step back and critically look at our natural resources extraction policies, laws and strategies again by identifying those serious issues and problems that we have had and faced in the last 42 years, and answer the question, why have we not done well and made any real progress in our development endeavour, in order to do what might be the right thing or way to do to realize that collective desired progressive difference? This challenge should not be that difficult to do as there have been and continue to be scores of scholarly papers / books that have been written about PNG experience over the years relating to our developmental challenges that should guide us to do the right thing, for once!

One problem for sure, in my humble view, is that, in the course of the 42 years of our independence, we have had all the time and opportunity to take a bold stance and make major policy shift to make a big and better difference but we just did not have that, bold, strong, honest and responsible leadership to do it, and our situation and sufferings today is a testament, that we had quality leadership failure. We need good, strong, bold, determined and responsible leadership with moral authority committed to doing the right thing by their people for now and into the future. It is my greatest hope that the Governor of East Sepik and the Leaders responsible for this major mine development will take heed of the our peoples' call and do what is proper and right by all and guide the nation along a more prosperous developmental path into the future, a better one than what we have been through thus far?

Editorial

Wafi-Golpu And Frieda River Proposed Mines Are Nothing New To PNG
Post Courier Editorial, February 4, 2019

Papua New Guinea of all places in the world should know better than most other advancing, under developed and developing worlds what the price of new world class mines operations entail. The industry itself is so sophisticated and complex that for an infant resource based country like PNG, the understanding and economics of the business has yet to be fully understood and appreciated. That is not to say PNG has not had its say and experienced what it means because the country’s history itself has demonstrated to the world what can and cannot go wrong in such developments. It is a painful memory to give Bougainville as an example because that was the first ever manifestation of a culmination of events that took place because of the absence of modern day dialogue between developers and the local people of PNG.

Bougainville is too painful an experience to always delve on due to the that it was the first time ever that a civil war was fought on PNG soil. PNG's experience are the two World Wars where it was not spared the agony of witnessing human beings being slaughtered and killed at random at the behest of two or more foreign powers attempting to take control of the world. PNG was just caught up in the international quagmire of geo-political and militarily ambitious strategic to be the best in the world. The point here then is that PNG is not short of world or international experience and exposure that it has learnt or not from. In this case Wafi and Golpu plus Freida River proposed gold and copper mines are the perfect opportunity to showcase what PNG can do when it comes to benefit streams which is what all landowners are screaming murder about at the moment.

So with the unique experience that many of PNG's outstation and communication officers process, perhaps the two new mining projects should set the new standards and technical understanding of what new resources development projects should be realigned in relation to connections with local people. This is as opposed to the standard policies and principles contained within all mining and other resource projects agreements and understandings. This means where there is no clear clarification of how best landowners should be involved in progressive developments be they technical or project economics, they should be debriefed like all other stakeholders. It is about time where local landowners considered illiterate and uneducated are left out from the technical briefings provided and with the wishful thinking that community liaison officers can best do the job on behalf of developers and investors to explain basic project economics to curtail resentment. Landowners should be engaged from day one until project agreements are signed so as to avoid the prevailing misconceptions about who benefits most from the millions invested in projects.

Environmental audit set for mines: Pundari

Luke Kama, The National, February 4, 2019

Ok Tedi. Photo by Glen Barry/Greenpeace.

MINISTER for Environment Conservation and Climate Change John Pundari says an independent environmental audit on Ok Tedi mine in the Western, Porgera in Enga and Ramu Nickel in Madang will be undertaken this year. Pundari said this in Parliament on Thursday when responding to a series of questions raised by Gulf Governor Chris Haiveta on the new Ok Tedi Environment Management Bill (OTEMB) that was passed by Parliament on Wednesday, and pollution caused by the Ok Tedi Mine to Fly River and the surrounding environment. "The Ok Tedi Environment Management Bill was crucial to regulate the Ok Tedi mine, which is in its advanced state of operation, to protect the environment and the livelihood of local communities," he said. "The mine will be issued an environment permit under Section 13 of the Ok Tedi Environment Management Act (OTEMA). "That enables the Conservation and Environment Protection Authority (Cepa) to require the company to carry out periodic monitoring of the river systems to ensure that the environmental values defined in the permit are maintained."

Pundari said any new activity that would take place outside the areas covered under the would be regulated through the Environment Act 2000. "These activities are considered new activities and would require full environment impact assessment to be done on the proposed activity, before a decision is made under the Environment Act 2000," he said. Pundari said with respect to concerns on pollution in the Gulf of Papua, and other environmental concerns, Cepa would undertake an independent audit of Ok Tedi this year. "Cepa will undertake an independent audit of the Ok Tedi mine this year, as it is necessary to determine the state of the environment, particularly with respect to the defined environmental values," he said. "Cepa will also conduct an independent environmental audit into Porgera mine, as the mine life comes to a closure, and as well for the Ramu Nickel Mine with report made to the public." Pundari said the audit would also assist to determine the areas of focus and future areas of environmental management and monitoring.

Sepik people say no to Frieda River mine
PNG Mine Watch, February 3, 2019

PUBLIC ANNOUNCEMENT

We the people of the following villages: Iniok, Tauri, Oum 1, Oum 2, Houna, Sanapian, Kupkain, Biaga, Yamenembu, Swagap, Baku, Kumbawe, Yessan, Malo, Prukunawi, Mariwai, Wanjir, Yambun, Kamanjau, Apan, Ambunti Urban/Station, Avatip in the Ambunti Drekikir District including our respective hausman of East Sepik Province of Papua New Guinea bring to notice:

1. Governments of East and West Sepik Provinces
2. Politicians of East and West Sepik Provinces
3. Leaders of all Civic Institutions and Organisations
4. National Government of Papua New Guinea
5. Frieda River Project – Chinese Pan Aust and Highlands Pacific
6. Citizens of Papua New Guinea and the World
7. Investors, Back Donors and Insurance Companies
8. Other possible interested agencies or parties

We, the Sepik River People, are proud to acknowledge that our Governor, Honourable MP, Governor Allan Bird made these statements in his recent public media statement on January 13th 2019:

"HE HAS NO DOUBT THE RIVER PEOPLE ARE THE BEST PLACED TO TELL EVERYONE THEIR VIEWS OF THE FUTURE THEY SEE"

"THE SAFETY OF OUR RIVER IS NON-NEGOTIABLE."

We, the Sepik River People, have been consulted by the Frieda Mine
We have been consulted by the Government
We have been consulted by the NGOS
We have been consulted by the Researchers
We have been consulted by individuals
We have consulted ourselves, our ancestors, the innate eternal spirit of Sepik River and our unborn children.

We the river people have already participated in the ABELAM Principle, the very principle our Governor proudly beholds.

We, the Sepik River People, see the darkness of the Frieda Mine, with all its compensation promises. Frieda Mine will Kill Sepik River and thus irreparably change our life.

WE CALL TO BAN THE FRIEDA MINE!

The river is not ours, it belongs to the future beings. We are only vessels of the Sepik spirit that dwells to protect it. We will guard it with our life.

SIGNATURES AND SUPPORTS

- Link(s) to articles of actions, The National 22nd October 2018, Communities Reject Planned Frieda River Mine
- Link to objection notice in 2016, Post Courier, PNG Post, PNG
- Have in possession over 6000 individual Signatures (Free and Informed consent forms from Legal voting age populations from the villages mentioned above)

18 Post-Courier, Friday, February 1, 2019

SLN strike in New Caledonia enters second month

Radio New Zealand, 1 February 2019

A strike at New Caledonia's SLN nickel company is about to enter its second month. The stoppage, which began after the New Year's holiday, affects three of the company's four mines which supply ore to the smelter in Noumea. The two striking unions want SLN to rescind its restructure of the working week, which calls for more hours on working days but fewer days of work to increase productivity. The changes had been agreed to by the unions' umbrella organisations but are being rejected by the workers at the mine, with some saying they won't work on Sundays.

Last week, ore stocks at the smelter in Noumea have shrunk to a third of its usual supply which has forced the plant to cut nickel production. With its 2,000 staff SLN is New Caledonia's biggest private sector employer, but in the past six years it has run up losses of $US1 billion. Close to bankruptcy in 2016, the French state and SLN's parent company Eramet advanced almost $US600 million to keep SLN going. At the current rate of incurring losses, the loans are expected to be depleted by the end of this year.

Akoitai calls on govt to give back to resource provinces

February 1, 2019, The National Business

TAX credit scheme funds are specifically designed for project-impacted areas and not for Waigani, Central Bougainville MP Sam Akoitai says. He said this when debating the Ok Tedi Environment Bill in Parliament on Wednesday. He said many people did not understand the purpose and reason for creation of the tax credit scheme funds, which were now being pumped into Waigani while turning a blind eye on project areas. He said Western would be a forgotten province when the Ok Tedi mine was closed, with Government only interested in revenue and not considering the future of the people. Akoitai, a former mining minister, said while the Government was only interested in profit, the future of the people of Western was at stake with most funds like tax credit continuing to be used in Waigani.

He said the people of Western were also hugely impacted by pollution of the Fly River. “If the mine closes, I don’t think Waigani will know where Western is,” Akoitai said. “In my view, the resources of the resource provinces are pumped into Waigani but Waigani is not seen to be putting back into the resource provinces. “You must all be aware that the tax credit scheme came about in Papua New Guinea when Porgera (mine) stated operating. “That tax credit scheme came about when Bougainvilleans were fighting among themselves that resources or revenue were generated in Bougainville, but nothing was going back into Bougainville. “That is how the tax credit scheme was born.”

MP wants mines to learn from Ok Tedi’s history of pollution

February 1, 2019, The National National

NORTH Fly MP James Donald says the pollution of the Fly River by Ok Tedi mine should be a lesson for other mines in the country. He called for a review of the Porgera Gold Mine because the mine was contributing to pollution. Donald said with huge pollution issues facing the province, the experience of Ok Tedi and Fly River should be a lesson for other mines like the Frieda mine project whose operation can affect the Sepik River. Donald said to put his grievance on record, the Conversation Environment Protection Agency (formerly the Department of Environment and Conservation) had been “very weak”. He said record showed that issues of the people were never handled.

Donald said the people of Western were being affected by the activities of Ok Tedi and Porgera mines, therefore there was a need to review the Porgera mine operations because it was affecting the Fly River. “People are really affected and how can you allow us to be affected by two mines like these? We have to review Porgera also because we are feeling the pain of the damage caused by the two mines,” he said. NCD Governor Powes Parkop said dumping mine waste into the river system is only practised in PNG. “No other country practises them, not even in the US, in Europe or Australia but here we allow that to happen. Are we less human in allowing mining companies to dump their sediments and waste into the river systems? “We must continue to invest in tailing dams, we can‘t continue to dump tailings into the river.”

Meet looks at Wafi-Golpu deep sea tailing placement

February 1, 2019, The National National

A CONSULTATIVE meeting by Wafi-Golpu Joint Venture in Lae yesterday has given more insight into how it will manage its deep sea tailing placement (DSTP) in the Huon Gulf of Morobe. The meeting was attended by communities from Salamaua in Huon Gulf and Labuta in Nawaeb districts. According to the findings presented by Wafi-Golpu during the meeting, tailings that would be deposited into the sea 200m out would not pose any dangers to the marine eco system. The report said the tailings would not contain any chemicals. It said Wafi-Golpu could not build a tailings dam on the land because it would have severe impact once the dam was damaged. Salamaua LLG president and Morobe fisheries and marine resources chairman, Philemon Tomala, said since Wafi-Golpu started, the people had never had a chance for such a gathering.

“The national government should have informed us earlier on,” he said. “We will be affected and also our fishing ground.” Tomala said it was not only people from Salamaua and Labuta who would be affected, but also as far as Siassi islands and Morobe Patrol Post. He, however, supported the consultation meeting, saying Wafi-Golpu had to do more of such awareness throughout coastal Morobe to cast out doubts about tailings. Huon Gulf chief executive officer Moses Wanga said once the mining operations began, people would be affected. “Such consultation should be given to all coastal villages, and in a language that is best understood by the people,” he said. Wanga said once people were properly consulted with information they needed, they would be more eager to become part of the project.

Ok Tedi declares a final dividend payment for 2018

Post-Courier, February 1, 2019

OK Tedi Mining Limited announced a final 2018 dividend of K200 million will be paid to shareholders in February 2019. This payment is in addition to the interim 2018 dividend of K100 million paid in July 2018. Following the transfer of additional equity from the state to Western Province entities in April 2018, 67 per cent of these dividends are paid to the state, with the remaining 33 per cent paid to the Fly River provincial government, CMCA and mine communities. OTML chairman Sir Moi Avei said: “I want to thank employees, contract partners and mine impacted communities for their support throughout 2018 as it is their efforts that enabled the company to not only pay dividends but also make a K50 million donation to the earthquake appeal in March 2018.

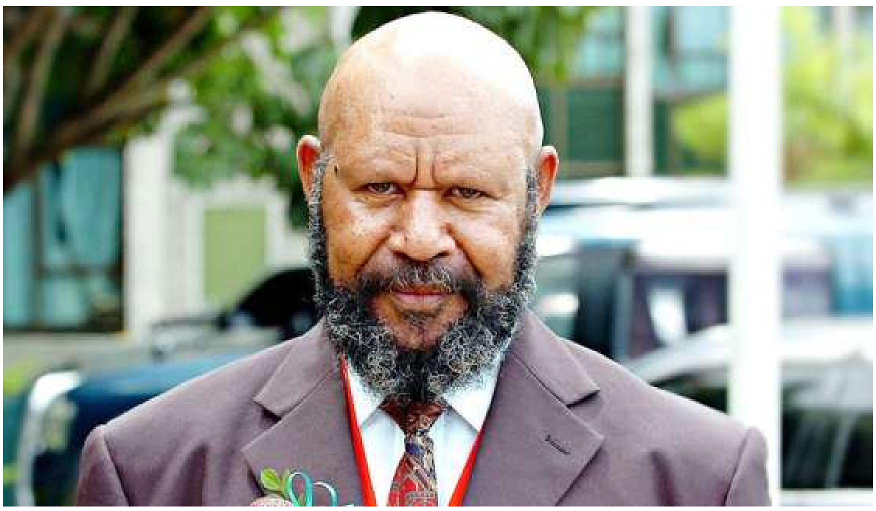
“Ok Tedi is proud of its performance and contribution to Papua New Guinea.” Managing director and CEO Peter Graham noted: “2018 was a particularly challenging year with an earthquake in February directly impacting production for more than three weeks, and extended dry weather in November and December preventing shipment of vital material in and copper concentrate product out for seven weeks.” “After payment of the final dividend Ok Tedi will retain adequate cash reserves to fund exploration and resource development investments, meet normal sustaining capital requirements, and complete the balance of the K700 million in-pit crusher replacement project whilst remaining debt free."

Bougainville govt to go mining to solve funding crisis
Radio New Zealand, 1 February 2019


Bougainville's Panguna Copper mine Photo: Supplied

Bougainville is due to hold a referendum on independence from PNG in June this year. However, it claimed that the national government had not yet provided the money it is constitutionally bound to provide. The Bougainville government had previously placed a moratorium on re-opening Panguna to ensure the vote was not disrupted, but President John Momis said the region is facing an emergency. He said this is why it is setting up Bougainville Advance Mining in which the government and people of Bougainville will hold a permanent majority ownership. "Time is running out on us. The people of Bougainville are determined to have the referendum and they must find the money to fund the referendum. One way of doing it would be if we started our own company and generated the revenue to enable us to conduct the referendum. We cannot sit on our hands."

Aussie Coal Use Impresses Tuke
Benny Geteng, Post Courier, February 1, 2019



MINING Minister Johnson Tuke is impressed with coal-powered technology used in Australia and has indicated strong backing of the Lae coal-powered plant project. Mr Tuke's trip to one of Australia's coal mines in January assured him that the similar technology that will be used by Mayur Resources for the K400 million proposed project for Lae will be beneficial. He said globally, coal is a resource of immense proportions and PNG has never mined coal, while neighbouring countries, especially Australia and Indonesia, continue to reap the rewards of this commodity by exporting and empowering their people with far higher living standards than what we have in PNG, while using inferior coal quality compared with our PNG coal. "This coal has remained in the ground and until recent years this was the same story for gas, which now is a thriving LNG sector," Mr Tuke said. "If you look at Australia, they are benefiting by creating large revenue from coal exports and domestically, coal still provides more than 60 per cent of all their electricity generation. Coal is forecast to be Australia's largest export earner at AUD$58.1 billion (K137.5bn) in 2018-19, this one commodity is two times PNG's GDP for the entire country per year.

"That's K138 billion and while we may not have this volume to export or use internally, even imagine if a coal industry could add K1-2 billion to government revenue. Gulf Province is endowed with extensive far cleaner coal seams than what Australia uses and you can even touch it at the surface. "I saw houses around the power plant, I saw clean water, I saw abundant fish life in the cooling water channel leading into Lake Macquarie, I saw trees and parks, and no black smoke, only very minor clean filtered steam from the power plant."

He said Vales Point (NSW, Australia) operating coal power plant produces 1330 megawatts, 2 two times bigger than PNG's total installed electricity and that is 26 times bigger than what is proposed in Lae. Mayur Resources managing director Paul Mulder said the proposed coal powered plant in Lae is similar and will rid Lae city of its blackout situation once given permission to supply power on the Ramu Grid. He said power supply will be on 24 hours — 7 days a week, 100 per cent continuous supply for Lae city. Mr Tuke said that people should not be blind to what is happening outside PNG in neighbouring countries.

Govt, BHP blamed for damage to Fly River

January 31, 2019, The National

THE Government and BHP should be equally responsible for the damage to the Fly River as the result of the Ok Tedi mine, a former mining minister says. Former mining minister and South Bougainville MP Sam Akotai thanked Minister for Environment and Conservation John Pundari for tabling a bill in respect to environment population. He said the Act would put Ok Tedi on par with all the environment protection laws and practices with other mines operating in the country. Akotai said the Act would also give confidence to other mines that the Government was not biased with its operations and conducts in respect to the environmental issues in Ok Tedi. Akotai said he had experience in the industry for well over 18 years and was qualified to make such statements while Ok Tedi mine brought a lot of revenue for the country. He said the developer, BHP Ltd, owned the mine but it was in partnership with the government and while there was a lot of talks on the damage in Western, both BHP and the national government needed to be squarely responsible for the damage.

He said damage done to the Fly River and its inhabitants was irreplaceable, with the river being described as a "dead river". "It is one of the biggest damages ever, and many times we are happy to receive revenues but we have a population who are faced with the situation where the river is already dead," he said. "A World Bank report says Fly River is a dead river. After the mine closes, the people of Western living along the Fly River will face the problem for more than 200 years. "However, the good news was that the new Act would at least control the operation of the mine and the deposit of the waste of the mine." Akotai said waste from the Porgera gold mine in Enga was also washed down to the Strickland River which eventually connects the Fly River that added more to the level of damage. "That is why I'm sorry for our citizens living along the Fly River in Western," he said.

Parlt passes Act for Ok Tedi

January 31, 2019, The National National

Parliament yesterday passed the Ok Tedi Environment Management Act by an absolute majority – 87 votes. The Bill will provide for and give effect to the national goals and directive principles in relation to the Ok Tedi mine and in particular to provide for the protection of the environment. It also intends to regulate environment impacts of development activities to promote sustainable development of the environment and the economic, social and physical well-being of people by safeguarding the life-supporting capacity of air, water, soil and ecosystems for present and future generations. The Bill will align the Ok Tedi to other mines in the issuance of clear environmental permit, protect state integrity and allowed the Conservation and Environment Protection Authority (Cepa) the right to charge operators. Minister for Environment and Conservation John Pundari said he was happy to table the environmental protection Bill. He said the Cepa had the capacity to offer its mandated roles and responsibilities to the people of this country, including managing the environmental aspects of the mine.

OTML and DPhL sign Tabubil hospital extension

Post-Courier, January 31, 2019

OK Tedi Mining Limited and Diwai Pharmaceutical Limited (DPhL) have signed a memorandum of agreement extending DPhL's contract to manage Tabubil Hospital for a further three years starting this month. The hospital provides a high standard of health services to OTML employees and dependents, contractors, and community members. Approximately 85 per cent of patients are non-OTML employees. Annual funding of K24 million for the hospital including cost of drugs and consumables is provided by OTML (76 per cent) and the Fly River provincial government (24 per cent paid from OTML royalties). OTML owns and maintains the facilities and medical equipment. In announcing the contract extension OTML CEO Peter Graham commended the management and staff of DPhL for their caring work during the last three years. Some notable achievements in 2018:

– Provided a range of quality health services including;
– Outpatient attendance = 78,300; admissions = 2467;
– Births = 1653;
– Dental treatment= 12,282; eye care attendance = 6474;
– Medical lab tests = 251,703; X-rays = 29,564;
– Operated a new standalone 8 bed TB ward and clinic;
– Provided 1395 children under 5 years of age with a polio oral booster dose and over 200 employees with polio vaccinations in response to the national public health emergency declaration of the polio outbreak in June 2018; and
– Became the first hospital in Western Province and one of 17 health facilities in PNG to undergo a National Health Service Standards (NHSS) role delineation assessment in July 2018 rating level 5 health facility, the same as a provincial hospital.

Under the agreement with DPhL, Divine Word University students completing rural health worker degrees complete their block release practical course component at modern residential and teaching facilities attached to the hospital. "We are very pleased to continue our relationship with DPhL a subsidiary of Divine Word University to provide quality health services and help prepare the next generation of rural health workers" said Mr Graham.

Western Province: Audit uncovers millions misused in CMCA trust

BY ISAAC NICHOLAS, January 31, 2019

AN audit into the Community Mine Continuation Agreement trust fund has revealed misuse and abuse of funds into millions of kina. Prime Minister Peter O'Neill told Parliament yesterday that he has received a final report of the audit report on those two funds CMCA and non-CMCA. "Particularly the non-CMCA trust account funds, how it was managed, it's quite alarming that claims of up to K244 million have been sent by different contractors and different individuals to these funds. "While some of the contractors have done the job that they were asked to do in Western Province, a lot had failed to deliver in many of those projects so it was timely that we put a stop to that misuse and abuse of this trust fund that was aimed at really trying to improve the standard of living for our people of Western Province," Mr O'Neill said. "I have received the report, I will refer the outcomes of that report to relevant agencies of government to continue to address some of those shortcomings but all in all. I will be putting up new guidelines and I will be allowing the funds to be used by Western Province and relevant stakeholders.

I would say by February I would be in a position to set up the new guidelines that will have much stricter control rather than individual giving hundreds of millions of kina worth of contracts to people who are not delivering to our people in Western Province. "I want to assure the member that we will be opening up the accounts so we can be able to attend to some of the real needs of our people in the Western Province." He assured the people of Western Province that they would have access to about K500 million sitting in the CMCA trust account – but with very strict guidelines. Mr O'Neill has last year put a stop on the account after allegations of misuse and abuse came to light about millions of kina being accessed by companies and individuals while the people of Western Province, especially the CMCA and non-CMCA areas, never really benefited. A moratorium was placed in the trust account where the Prime Minister ordered an audit into the fund established under the CMCA. North Fly MP James Donald had asked the Prime Minister to give an update on the audit, when a report can be made to parliament and when can Western Province have access to the fund to development purposes.

Ramu Nico makes US$93m in 2018

Post-Courier, January 31, 2019

The Ramu Nickel Colbalt mine made a net revenue of US$93 million (K304m) in 2018. This is according to Highlands Pacific's final quarter report for 2018 which stated the mine realised a net cash inflow (unaudited) of US$93 million for the year to December after capital expenditure of US$5 million. The cashflow was significantly impacted by no sales taking place in the September quarter, resulting in the second half of the year producing a small cash outflow. "As at 31 December the project holds over 11,000t of nickel contained in MHP as finished product available for sale. "A final cash distribution is not expected for the six months to December 2018 when the audited joint venture accounts are finalised at the end of March 2019. "The distribution received for the six months to June 2018 was received during the December quarter and was US$634,000 with US$3.9 million applied to the loan balances," Highlands reported.

Highlands Pacific holds an 8.56 per cent share in the Ramu Nickel and Cobalt mine, which continued to achieve excellent throughput and production rates in the December quarter, lifting annual nickel output to a record 35,355 tonnes, up from 34,666 tonnes in 2017. Cobalt production totalled

838 tonnes in the quarter, taking annual cobalt production to 3,275 tonnes, marginally lower than the prior year. Quarterly plant throughput increased to a record 963,000 tonnes, driven by strong mine production at the Kurumbukari mine and excellent plant operating performance at the Basamuk plant site. Total MHP (dry) production increased to 23,871 tonnes for the quarter, with nickel and cobalt grades held consistent with the prior quarter at 1.11 per cent Nickel and 0.10 per cent Cobalt. The high outputs confirm Ramu as one of the largest nickel and cobalt producers in Asia, and one of the most successful nickel laterite operations to have been brought into production.

Foreign miners to hold state's equity: O'Neill

Cedric Patjole, Loop PNG, January 30, 2019

Prime Minister Peter O'Neill says understandings have been reached with Papua LNG developer Total E&P PNG and the Wafi-Golpu Joint Venture (WGJV) to hold State's equity until the first export from both projects. This is to ensure the state does not borrow to purchase equity in a project. "The initial understanding we have with the second LNG and in particular Wafi-Golpu is that our participation in equity will be carried by the developer until the first export of either the gold and copper from Wafi-Golpu or in the second LNG Project, meaning we don't have to borrow large sums of money that we are unable to repay. "This is our resource, the developer has to carry us to a certain extent. I'm thankful that Total and Newcrest have agreed to those understanding and we are looking forward to our Ministerial committee finalising the development agreement that will make sure the resource owners are fully participating rather than waiting for loans to be paid and of course, the benefits rolling out to them," said O'Neill.

Letter to the editor

People are resource owners

Post-Courier, 30 January 2019

Resource owners in this country are PNG and its people. Of harvest sales, the country and the landowners get peanuts. Look at Dubai, and learn from this country. Look at East Timor with their 50-50 arrangement. East Timor has fearlessly made this work. Is it difficult for PNG? Do the resource developers own the resources? Absolutely not. Giving them the surveillance, leasing and harvesting rights does not give them the ownership right. If that has been the case then the country was sold long time ago. Before any continued setback appears, the fearless reverse of this decision must be done even ignoring the threat of harvesters plan on a pullout when this happens. Can PNG harvest its own resources? Yes, it can. Employ manpower from outside for those skilled workers that this country does not have and complement with what we have on the ground and start harvesting our own resources. That is what China and Japan did in the beginning of their formative years. The “we can't syndrome” is only a leading path and a gain for the foreign developers.

Landowners must have automatic equity in the resources development even if they don't contribute cash. Their cash is the resource they have. They should have 20-30 per cent ownership of the project. The PNG government and provincial governments can share the 30-40 per cent and the developer to get 40-50 per cent. Is the distribution wrong? No, it is not. We own the resource(s). And, why are resources owners crying every now and then? The answer is right in front of us, yet we feel it is complicated and undoable. The resource owners' pain, sufferings and cries will be reflected in the talk and actions, yet we are blind and dumb. Why is the Panguna mine closed? Why are roads being dug and big machines burned in Hela province? Misima mine has now become a huge made lake.

The rise of the Fly River and its upstream beds are rising which has led to avoidable floods in the low land province, and what have we done? Developers have only used dredges to make way for mining ships' passage only. Why are the landowners in New Ireland worrying about the first ever undersea mining in the world and its seabed used as a guinea pig? Our landowners will only tell you the answers because they have been the generational custodian of the resources in the land, on the land, on and underneath the sea and waters. And, today, have we measured our renewable and non-renewable resources that have left our shore, and how much have we actually made from the sales? If the details are there then it would translate to how this country has been doing in the last four decades. And, we can change it, surely we can. Our people must know these facts.

Traditionally, gifts are sowed to our visitors as a token of appreciation for a visit and as a sign of welcome. That is not corruption. In this day and age, foreigners come into the country by way of paying hefty money to government workers and people in politics. That is corruption. Inflated contracts are signed with the pretext of knowing that people in decision making in administration and politics will have a huge take home cut. That is corruption. Changing the laws and constitution of this country to suit a serving government and not the country and people is corruption.

Dr James Naipo, President, NATIONAL DOCTORS ASSOCIATION

PNG MP says opposition to coal development 'hypocritical'

Radio New Zealand, 30 January 2019

A Papua New Guinea MP has branded opposition from abroad to possible coal development in his electorate as hypocritical. Australian company Mayur Resources plans to build a coal-fired power plant in Lae. Lae MP John Rosso said his city had to look at alternative energy sources after years of blackouts due to an unreliable electricity system running on heavy fuel oil. However environmentalists, both in PNG and overseas, warn it will pollute and harm local communities, and add to the climate catastrophe. But Mr Rosso said PNG had been urged not to use coal when neighbouring developed countries relied heavily on coal to develop as nations. "It's a bit hypocritical, to be honest," he said.

"You have coal operations operating in Australia, Japan, China. "And there are ways with the new technology we have at the moment. It points to the fact that yeah you can use safe coal to power some of your cities." Mr Rosso says his primary interest is to ensure Lae gets a reliable, adequate and safe power supply. "If anyone lived in Lae they would understand that we have continuous blackouts. It's really affecting the whole city. "We've got kids that can't study and stuff like that," he said, adding that blackouts were also bad for the industry. Acknowledging the negative reputation around coal, Mr Rosso said he would love to have green clean energy in Lae. For now, he said coal was probably the best energy alternative to the current arrangement.

All companies must take up social responsibility: Maru

Post-Courier, January 29, 2019

National Planning Minister Richard Maru has put it bluntly to the operators of the Ramu Nickel mine that all development of infrastructure services for our communities within the special mining lease (SML) areas or petroleum development areas, are the responsibility of the resource companies. Operators of the mine, Ramu Nico Management (MCC) Limited company were reminded, to build, provide and serve the local communities in those areas such as the landowners from Kurumbukari in Madang under their community service obligations. "I want to make it very clear that as far as I am concerned under the Medium Term Development Plan III, any development for infrastructure, schools, health and other services within the SML area or petroleum development areas, is the responsibility of the companies. "They will have to foot the bill under their corporate social responsibility obligation to the State and to the communities. "This is our policy direction. "We are not going to live in the past." He said the government will only be responsible for services outside the SML areas or the petroleum development licence areas.

"We will not accept responsibility for services within. "That must be part of the company's responsibility under their community service obligation. "So roads and schools should be funded by the resource companies. "Gone are the days when all these responsibilities are given back to government especially for infrastructure. "Government will still assist especially in areas like paying for teachers. "Now that Ramu Nickel mine has been profitable, the company must now partner our government to deliver much needed services like roads, health, education and other sectors through the tax credit scheme of our government in the areas outside the SML." Mr Maru made it very clear that Ramu Nico must take on responsibility for services like water, power, and those other services within the SML areas in both Kurumbukari and Basamuk areas. He said the government would support Ramu Nico to look at funding projects outside the SML area through the Tax Credit Scheme and other arrangements. "That is where the government will come in for roads and bridges in Rai Coast and Usino Bundi districts," he added.

Western behind others in development: Yoto

January 28, 2019, The National National

Western Governor Taboi Awi Yoto says his province still lags behind other provinces in terms of development, despite 34 years of Ok Tedi mining operations. Yoto said this when he presented its K308 million 2019 appropriation budget to Treasurer Charles Abel in Port Moresby on Thursday. "There are no major road networks to connect rural areas to urban areas," he said. "My people are still walking long distances, paddling along rivers and swamps to reach the nearest service centres to get medical treatment, attend schools or sell their products at the local market." Yoto said the Western Province Development Strategy (2018-22) focused on healthy and educated people with food on the table and income in their pockets. The Western appropriation budget of K308,050,800 expects K210,831,100 million from National Government grant allocation.

Yoto said the provincial government, through its internal revenue collection, was expected to collect about K97,219,700. Provincial headquarters will get K171,049,100, South Fly K41,993,900, Middle Fly K49,435, 900, and North Fly K45,571,900. “The criteria for budget allocation was based on current development and service delivery issues and challenges that confront the lives of over 211,000 people living in rural areas and urban centres across Western,” Yoto said. Enabling infrastructure got the biggest slice of the budget with K50,764,100 (31 per cent) allocated. This was followed by education with K36,691,400 (22 per cent). The health sector was allocated K29,607,000 (18 per cent) while governance sector was allocated K23,372,200 million (14 per cent).

Latest mining waste dam failure was preventable, foreseen

Payal Sampat, Earthworks, January 26, 2019

Handout picture released by the Minas Gerais Fire Department showing an aerial view taken after the collapse of a dam near the town of Brumadinho in south-eastern Brazil, on Friday. Photograph: HO/AFP/Getty Images

Vale’s Brumadinho mining waste dam failure is all the more tragic because the mining industry knows how to prevent them, yet failed to act. 200 people are missing and some presumed dead because Vale and the rest of global mining industry haven’t adopted the Mount Polley Independent Expert Panel’s recommendations made in response to a similar catastrophic mining waste dam failure in 2014. These recommendations have been globally recognized, including by the United Nations Environment Programme’s 2017 assessment of tailings dams failures, and by the multi-sector Initiative for Responsible Mining Assurance standard. Until these recommendations are adopted and independently verified, preventable mining disasters will continue to occur wherever the mining industry operates. Independent research that analyzes mine waste dam failures since the turn of the 20th century reveals that these catastrophic failures are occurring more frequently. It also projects the trend will continue, driven by economic factors. After the 2015 Samarco mining waste dam disaster, the International Council on Mining Metals published mining waste impoundment guidance that ignored the globally recognized recommendations by the Mount Polley Panel.

Hundreds feared dead as Brazil dam collapse releases mud tide

Dom Phillips, The Observer, 26 January 2019

Hundreds of people are feared dead after a dam operated by the mining company Vale collapsed in the Brazilian state of Minas Gerais, releasing a wave of red iron ore waste and causing the worst environmental catastrophe in the country’s recent history. Authorities say that 40 people have died, and more than 300 people remain missing according to the company. The disaster comes only three years after a similar failure of the Fundão tailings dam near Mariana – co-owned by Vale – which killed 19 people. Speaking after the latest disaster, the local fire chief Col Edgar Estevão said 100 people had been rescued from the sea of mud released by the dam. However, Vale later released a list of 412 employees and contractors whom it had still been unable to contact, and the state governor, Romeu Zema, said he did not expect many more survivors.


Firemen search for people after the dam collapse unleashed a torrent of mud. Photograph: Douglas Magno/AFP/Getty Images

"We know now that the chances of having survivors are minimal and that we will probably rescue bodies," he said. Brazilian television showed images of survivors being winched to safety by a helicopter after the disaster at the Feijão mine near Brumadinho, less than two hours from the state capital, Belo Horizonte. "I saw a gigantic cloud of dust and a wave of mud. It was one wave on top of another," one contractor, Mayke Ferreira, told the *Folha de S.Paulo* newspaper. Ferreira said he had been sleeping in a nearby dormitory when he was woken by an enormous crash. It is not yet clear what caused the tailings dam to burst. However, the Brazilian environmental agency Ibama has already slapped a 250m reais (£50m) fine on Vale for violations related to the tragedy.

The company has caused pollution, made the area unfit for habitation and committed other regulatory violations, Ibama said. State prosecutors have also filed a request to freeze 5bn reais in Vale's accounts to help fund recovery works. Brazil's new president, Jair Bolsonaro, visited Minas Gerais and flew over the disaster area. "We will do what is within our reach to attend the victims, minimise damages, investigate the facts, demand justice and prevent new tragedies like Mariana and Brumadinho," he tweeted. However, environmentalists have accused Bolsonaro of persistently attacking them for calling for tighter regulations at the mine and for failing to take action to tighten safety there. "This tragedy was only a matter of time," said Carlos Eduardo Pinto, a prosecutor who worked on the Mariana case. "Since the Fundão tailings dam, nothing has been done to increase control of this activity."

Most of the victims of the disaster were Vale employees or subcontractors, around 100 of whom were having lunch in a canteen on the mine complex when the torrent of mud swept over them. A busload of workers was also killed, it was reported. Maicon Vitor, 22, an electro-mechanic technician, told *O Globo* newspaper that he had just left the canteen when he heard the roar of the tailings dam breaking. "It came down dragging workshops, offices; the whole canteen which was in front of me went," he said. Fabio Schvartsman, the chief executive of Vale, said he was devastated by the tragedy. "Most of those affected were Vale employees," he said. "I'm completely torn apart by what happened." Vale said the 86-metre-high tailings dam at the Corrego de Feijão open-cast, iron ore mining complex was built in 1976 and held 11.7m litres of mining waste. It was being decommissioned and had been pronounced safe in inspections. But the National Civil Society Forum for Hydrographic Basins, a network of civil society groups, said that it had urged the authorities not to grant Vale a licence to continue operations there.


Mud and waste from the mining disaster in Minas Gerais. Photograph: António Lacerda/EPA

“The population of Casa Branca is very worried, with good reason,” Julio Grillo from Ibama, told a meeting on 11 December, according to minutes obtained by the *Observer*. Speaking on condition of anonymity, an official at the state environment agency asked why the company had built a canteen at the foot of the dam. “How can you approve a dam like this with the guy building an administrative centre with canteen at the foot of the tailings dam?” It cost billions to clean up after the Mariana disaster in 2015, which polluted the drinking water of hundreds of thousands. Yet no individual was ever held responsible. “Cases like these are not accidents but environmental crimes,” Greenpeace Brazil said in a statement. “I hope now they will create a new way to mine that doesn’t mount up waste, a safe way of working that does not leave widows,” said Sandra Quintao, a survivor of the Mariana disaster. The Mariana dam was operated by Samarco, a joint venture between Vale and BHP Billiton, an Anglo-Australian mining giant.

Brazil dam collapse: hundreds missing after another mining disaster
Dom Phillips, The Guardian, 25 January 2019

As many as 200 people are missing after three dams operated by the mining giant Vale collapsed in the Brazilian state of Minas Gerais, releasing a wave of red mining waste and prompting fears of widespread contamination. At least 50 people died in the disaster on Friday, Avimar de Melo, mayor of the nearby town of Brumadinho told the Hoje em Dia newspaper. “We don’t have any more details because it’s all happening very quickly,” he said. Brazilian television showed images of survivors being winched to safety by a helicopter after the disaster at the Feijão mine near Brumadinho, less than two hours from the state capital, Belo Horizonte. Among those missing were 100 mine workers who were having lunch in an administrative area when it was hit by a torrent of sludge and water, said a fire brigade spokesman, Lieutenant Pedro Aihara. “Our main worry now is to quickly find out where the missing people are,” Aihara said on GloboNews cable television channel.

Videos shared on social media showed houses buried in the mud and local media reported that the nearby Inhotim outdoor art complex had been evacuated though not affected. The dam collapse came less than four years after Brazil’s worst environmental disaster was caused by the failure of a tailings dam at Mariana in the same state. That dam was operated by Samarco, which at the time of the disaster was half-owned by Vale. “I don’t have words to describe my suffering, my enormous sadness, my disappointment in what has just happened. It is beyond anything you can imagine,” Vale’s CEO, Fabio Schvartsman, said in an address on YouTube. He said the company had made an “enormous effort” to make its tailings dams safe after the Mariana disaster. “The whole of Vale will do whatever is possible to help the people affected,” he said. Fire brigades and the Minas Gerais civil defence authority were leading rescue efforts, the company said in a statement.

“There were employees in the administrative area, which was hit by rejects, indicating the possibility, still unconfirmed, of victims. Part of the community of Vila Ferteco was also hit. There is still no confirmation of the cause of the accident,” it said . Brazil’s ministry of the environment said it had set up a crisis cabinet after the three dams broke. The environment minister, Ricardo Salles, and Eduardo Bim, head of the ministry’s environment agency Ibama are on their way to the scene. “Our major concern at this moment is to attend any victims of this serious tragedy,” Brazil’s new president, Jair Bolsonaro, tweeted. “All reasonable measures are being taken.” Bolsonaro told reporters in Brasília that he would fly to Minas Gerais on Saturday morning and fly over the region “so we can once again re-evaluate the damage and take all the reasonable measures to minimise the suffering of relatives and possible victims as well as the environmental issue”.

Bolsonaro has attacked environment agencies including Ibama for holding up development with what he describes as excessive licensing requirements and advocated freeing up mining in protected indigenous reserves. Environmentalists said Brazil had failed to learn from the Mariana disaster, in which 375 families lost their homes, and are yet to be rehoused. The three companies which operated the Mariana dam – Samarco, Vale and the Australian mining giant BHP Billiton – spent more than $1bn on a huge clean-up and relief operation and paid millions of dollars in fines over the disaster. But no individual has been convicted. “This new disaster with a mining waste tailings dam – this time in Brumadinho – is the sad consequence of a lesson not learnt by the Brazilian state and mining companies,” said Greenpeace Brasil’s campaigns director, Nilo D’Avila, in a statement. “Cases like these are not accidents but environmental crimes that should be investigated, punished and repaired.”

Strike hurts New Caledonia nickel business
Radio New Zealand on 25 January 2019

SLN smelter in Noumea New Caledonia Photo: RNZ Walter Zweifel

Ore stocks at the smelter in Noumea have shrunk to a third of its usual supply which has forced the plant to cut nickel production. This comes as three of SLN's four mines have been affected by strikes launched at the beginning of the year over changes to the work schedules. There are differences among the different unions, with some refusing to work longer days while others fear the company's competitiveness and survival are at stake. SLN's production costs are higher than those of rival producers in China, Indonesia and the Philippines, but the company management thinks its planned restructure will help. With its 2,000 staff SLN is New Caledonia's biggest private sector employer, but in the past six years it has run up losses of $US1 billion. Close to bankruptcy in 2016, the French state and SLN's parent company Eramet advanced almost $US600 million to keep SLN going. At the current rate of incurring losses, the loans are expected to be depleted by the end of this year.

Minister issues warning to companies after attack

January 24, 2019, The National Business

Mining Minister Johnson Tuke (right) with two police officers at the site where homes were destroyed on the periphery of the Kainantu mine, EHP.

Mining Minister Johnson Tuke has urged all exploration and mining firms to conduct due diligence when it comes to affected landowners in project sites. Tuke issued the warning following an incident at the Kainantu gold mine, Eastern Highlands, where one person was reported killed, 70 houses destroyed and 50 people injured following a conflict last week. He told The National yesterday: "This is exactly what happens when certain exploration companies do not conduct due diligence when it comes to considering landowners. "I am telling all companies to behave diligently, to accommodate landowners, communities. "Companies should be the ones to conduct social mapping. "This issue (Kainantu gold mine) was provoked by the K92 (K92 Mining Inc).

"There was one death, 60 to 70 houses burnt because of the involvement of the company to engage one faction of the landowners. "The other faction put up an argument and eventually they ended up fighting. "A similar case was earlier reported in Southern Highlands when an exploration company failed to address that. "Now it has happened again in Kainantu. "It's not a good thing to see landowners fighting against each other." K92 Mining Inc is focused on advancing the Kainantu gold mine. The Kainantu property covers a total area of approximately 410sqkm and was previously mined by Highlands Pacific and Barrick Gold from 2006-2009. After being commissioned in 2006, the processing facilities operated for a cumulative total of approximately 7000 hours (292 days) before being put on care and maintenance by Barrick Gold. Barrick continued this care and maintenance of the mill until the sale of the project to K92.

League stars' promotion of coal in PNG questioned
Radio New Zealand, 23 January 2019

Brisbane and Queensland rugby league player Sam Thaiday. Photo: PHOTOSPORT

The Australian company Mayur Resources has an environmental permit to mine coal in PNG's Gulf Province, and is proposing a coal-fired power plant in Lae. It's recently deployed a second former league star, Sam Thaiday, to PNG in a promotional capacity. Former Australian captain Darren Lockyer is Mayur's head of Business Affairs. Christian Lohberger of Nogat Coal PNG, which opposes Mayur's plans, said the league stars, and Lockyer in particular, are idolised in PNG. "Even though they're just footballers, when they talk and say stuff, people listen. So I guess it's a smart move by Mayur to bring them on board. But I don't know if it's really ethical that they should be using Papua New Guineans' love of rugby league to promote something that's not really connected." Mr Lohberger said that the proposed plant would create significant pollution and cause harm and death to local communities.

However, PNG's Minister for Energy Sam Basil is supporting the coal project, saying it would open up access to cheaper energy that has long been lacking in the country. Mr Basil has voiced concern that the current power plant in Lae uses imported heavy fuel oil and is cost inefficient. He said that PNG should explore as many local energy options as possible, given the country's range of natural resources. However the plant backers have not secured a local customer or off-taker for the power produced at the plant. The main power supplier in the country, PNG Power, has been reluctant to buy electricity from coal sources. Mr Lohberger said he understood PNG Power was waiting on a pending World Bank report on a comprehensive electricity generation cost strategy, which could affect a decision on linking up with Mayur's plant. "I would say with the way global trends are going, the surge in renewable energy, and the fall in prices of solar and wind and hydro, that any report that takes a look at power prices is not going to be favourable to coal," he explained. But global shifts away from investment in fossil fuels, due to pressing climate change issues, are not deterring the minister who has cited PNG's neighbours' energy policies. Mr Basil said that with both Australia and Indonesia heavily reliant on coal power, PNG should not deprive itself of a home-grown asset.

NO BANKROLL FOR DEEP SEA MINING EXPERIMENT
Deep Sea Mining Campaign, January 21, 2019

Nautilus Minerals has edged back from the brink of bankruptcy with an extension to the bridging loans provided by its two main shareholders Russian mining company Metalloinvest and Omani conglomerate MB Holding. They were due for repayment on Tuesday 8th January when Nautilus begged for a one week reprieve, hoping to raise USD 5 million to maintain a holding pattern while it sought a long term funding solution. Unable to attract a lender the floundering company has been thrown a temporary life line once more by its 2 shareholders in the form of a small USD 500,000 loan to be repaid on 8th February. It looks like 2019 will herald the end of Nautilus's long struggle with its Solwara 1 deep sea prospect in Papua New Guinea. The most recent in the string of bad news stories was the loss of their crucial production support vessel after payments stopped to the shipyard building it. Nautilus's share price has been hovering around a historical low of CAN $0.05.

Andy Whitmore, of the Deep Sea Mining Campaign, said, “How long can Nautilus be kept on life support? And what is the point of extending the loan by one month? The company has no start date penciled in, no operational capacity, and is in no position to repay its growing debt. The high level of opposition within PNG to Solwara 1 is another obstacle Nautilus is yet to address. It's time to euthanize this company.” Concerned about the impacts the Solwara 1 project will have on marine ecosystems and fisheries based livelihoods the Alliance of Solwara Warriors has brought legal proceedings to assess whether the Solwara 1 project was approved lawfully.

Jonathan Mesulam from the Alliance of Solwara Warriors said, "My village is located in New Ireland province, only 25km from the proposed Solwara 1 project. New Irelanders are now well informed of the potential impacts of Nautilus Minerals experimental seabed mining project. They are giving their undivided support to ensure the project is stopped at all cost. Sir Arnold Amet, former Papua New Guinean Attorney General stated, "I have repeatedly warned our Government of the financial liabilities of holding a 15% stake in this experimental company. The wisest thing for the PNG Government to do now would be to cut its losses, learn from its very expensive mistake, and terminate the Solwara 1 operating licence. Nautilus clearly shows that deep sea mining is not financially, socially, or environmentally viable for PNG. Our Government should explore recouping its failed investment by suing Nautilus for breach of contract.“ Dr. Helen Rosenbaum, of the Deep Sea Mining Campaign, added: “This loan extension really changes nothing. The financial, ecological, and social risks associated with the Solwara 1 project continue. Local opposition will grow as long as this perilous project persists.”

Ramu NiCo facing severe sales problem

Post-Courier, January 21, 2019

The country’s nickel/cobalt mine developer, Ramu NiCo Management’ (MCC) Limited in Madang is facing a severe sales problem. This was announced by the company’s chairman Zong Shaoxing during the company’s annual working conference last Friday, January 18. Chairman Zong said last year the company sold 25,525 tonnes of nickel and 2,388 tonnes of cobalt, which were only 75.05 per cent and 72.06 per cent of the annual plan of sales, leaving 11,704 tons of nickel unsold. He said the main reason is that a large number of customers have requested to cancel or reduce orders due to worldwide economic downturn and nickel and cobalt price plummet, as a result of which, Ramu NiCo had no choice but to cut product price and reduce price coefficient. The company president Gao Yongxue also reiterated the chairman’s statement stating that 2018 has been another challenging time for the Company. “Prices for our products have fallen dramatically and we have had some difficulty in selling our product,’’ he said.

“Once more we have serious financial issues to deal with.” Mr Zong said the company would on one hand spare no efforts to solve the sales problem. He said they will however continue its high and stable production with all technical and economic targets delivered, securing the Company’s leading position in the industry with high profitability and survivability, setting a new benchmark for global peers. He said in 2019, Ramu NiCo must make every effort to increase inventory turnover, prioritize capital efficiency and safety, boost revenue and be adaptable to the changing market environment. Mr Zong urged Ramu NiCo to take advantage of MCC New Energy Project, balance sales volume and metal discount coefficient, make breakthroughs in expanding the market and achieve annual sales and production targets. He said in 2019, Ramu NiCo must continue to optimize production organization, improve work efficiency, create new production records and achieve the profit target.

MP's plea for Frieda River project solution

Post-Courier, January 21, 2019

Member for Ambunti-Drekikir Johnson Wapunai has made a plea to all people from the Sepik region in the country against the earmarked Freida River project to come up with specific solutions to develop his people in a big way rather than being critical. Mr Wapunai made the comments last week when he took part in a conference held in Port Moresby regarding the development of the project. The district in East Sepik province that Mr Wapunai represents shares the current proposed project area alongside the West Sepik district of Telefomin for the Freida River project. "I know there are a lot of criticisms being made by so many Sepiks, I am appealing to all our people, scientists from Sepik in Papua New Guinea and around the world. "If you have some bright ideas to help develop this project please come and share them with us other then criticizing without any solutions.

"My people need to change and they need to be educated. This is what we have been longing for. "In terms of agriculture my district about 74 per cent of the land is occupied by swamp we do not have enough agricultural land. We are living on fish and crocodile," he said. Mr Wapunai said if the mine gets off the ground it will sustain the lives and future of his people to reach the level of other districts in the country. "In Ambunti Drekikir our schools were built by the colonial government in 1974. "And I was some of those few to be educated. "By 1980 all schools closed till now. All our children from that time till now are not educated. "So I would like to appeal to our people if you are critical of Freida then how will you help my people? "For the sake of stopping it I won't support that," Mr Wapunai said.

Landowner anger grows about continuing mining destruction

Peter S Kinjap, PNG Attitude, January 21, 2019

One of the world's largest underdeveloped copper and gold deposits on the Frieda River, a tributary of the Sepik, is opposed by local indigenous landowners and all right-thinking Papua New Guineans. The Frieda River deposit is thought to contain 13 million tonnes of copper and 20 million ounces of gold and tens of thousands of people fear the likelihood of serious river system contamination and the threat to the ecosystem that supports them. A spokesman for environment group Project Sepik, Emmanuel Peni, said there was widespread opposition to the mine's development plan. "From Iniok village, which is where the barges and ships stop at the Frieda River, right down to the mouth of the Sepik, people are against the mine," Peni said. "They are concerned about possible contamination of the river system and the destruction of the environment along the Frieda and the Sepik River system." The East Sepik Provincial government and the national government had not yet responded to the concerns and grievances that have been raised.

Land in the Papua New Guinea context means the natural environment including land, rivers and seas. In Madang Province, the landowners of Basamuk, Begesin, Ramu and Kurumbukari villages are affected by the Ramu nickel mine in various ways. The Chinese state-owned mine has been polluting the beautiful coastal seas and people have been denied their food gardens and fishing waters. In a recent documentary, 'Uprooted', the people clearly showed their pain about the river system contamination and the environmental destruction. They are fearful of losing their land to large scale development. The deep sea tailings placement (DSTP) method of mine waste management and disposal which the Ramu mine proposed and was approved by the PNG government is causing a lot of environmental destruction and river contamination. "I belong to the government and the government belongs to me," Martin Dampat, a Mindere landowner, said in the documentary. "How can it abandon me? It must do all that it can to ensure that I am able to feed myself.

"It has the ability to do so. But, if it chooses not to, then I know the government has no concern for me. We have reached our limits. We have done all we can. They've rejected everything we've said. "We feel we can't do anything anymore. Some have given up trying," he said. "There is a great heaviness in all our hearts. I don't think anyone can remove it from within us. We will go. But our grandchildren bear hardships even greater that what we're experiencing." Another disgruntled landowner, John Oma from Ganglau Landowner Company, said: "They don't have the land to grow their food. They won't have an ocean to catch their fish. "Where will they eat from? Nowhere. Great hardship awaits them. We won' be able to avoid the troubles that will come. It's the same sea. Life will be difficult for them too."

And Sama Mellombo from the Pommern Land Group in Ramu said: "It's a fearful feeling when you think about the health effects on people and the inhabitants of the seas. If we take action now to tell China to find an alternative method, I think that's the right approach. Find an alternative method instead of dumping waste into the sea. We live by the sea." Former Madang governor, Sir Arnold Amet, said: "The government has endorsed the actual deep sea tailings deposit and an environmental plan. I think it is our assurance that the laying down of the pipe will not affect the lives of our people. "And the whole project has been signed and sealed by the national government and relevant agencies." A confused landowner from Ramu said: "We hear that the minister has come. We hear that the member has come. We hear that the mine boss has come. But we're confused. For the people here in Mindere and Ganglau, we feel like we're about to die because we don't have a Father. Our Father – the government - isn't here." Bong Dampat, a mother and a Mindere villager, said:

"We fear for our children's future. It's going to be a long time. When waste dumped here, unborn children could be affected. The government and the company must pay attention. They cannot ignore us. What kind of a future will our children have? They have to pay attention. "When a mining development contract allowed the Chinese to own and operate the mine, there was no concept of safety or environmental standards. It was a cowboy operation. You did whatever you wanted and it didn't matter if you were injured. It seems they came with a set of rules that didn't comply with the rules of our country." "This is not a fight against development. No. That isn't why we're campaigning," said Ramu landowner Michael Kasuk. "We are fighting to protect and save our environment, our forests, our land, our river systems and our seas because our existence is connected to the land, forests, river systems and the sea," Mr Kasuk said.

Decision on Frieda project requires views from everyone: Bird

January 21, 2019, The National Business

DECISION on the development of Frieda River project is an important issue which requires views from everyone, including operator, PanAust. This is according to East Sepik Governor Allan Bird following talks on consultation for the proposed project which was likely to commence sometime later in the future. "The issue is too important for a small group or individual to take a decision in isolation," he said in a post on social media. "Let us start by thinking about the Sepik River people for a moment, more particularly where we see them in 20 or 30 years. "Where do they see themselves in that timeframe? "Would a large scale mine, managed safely and properly add value to this process of change or badly managed do the opposite? "There are no easy answers. "One thing I am certain of is that the life of the river people, like all Sepiks and Papua New Guineans, is changing.

"I have always seen the Sepik River as the best maintenance-free, low-cost highway in the country that has never been used. "I expect the East Sepik provincial government to do the right thing by everyone, to be fair and transparent, to give each stakeholder an opportunity, without fear, without intimidation to discuss their concerns regarding Frieda project. "Let us not exclude PanAust as a stakeholder. "This company came into the prospect four years ago. "In that time, Government has given them a deadline to produce an environmental impact study) and mine development proposal, or the prospect would be given to another company. "It would only be fair that we listen to what they have to say rather than dismiss them without a hearing.

"After all, our Government invited them here. "This year we will have a team of experts look at the EIS and the mine development proposal. "On a personal level, my only concern is the safety of the river. "Anything else, be they benefits for river people, landowners, etc are negotiable. "The safety of the Sepik River is non -negotiable. "I have requested PanAust to slow down the mine development programme and give us time to seek the views of all affected groups in Sepik. "It is important that we do not rush into Frieda because Wafi-Golpu is currently going through some challenges. "I urge everyone to calm down, think rationally and contribute intelligently and constructively to the debate at the appropriate forum."

Poor LO identification was the biggest mistake of the first PNG LNG: Maru

BY MATTHEW VARI, Post-Courier, January 21, 2019

National Planning Minister Richard Maru has said the biggest mistake ever made for the first PNG LNG project was the lack of landowner identification before going ahead with the project. Mr Maru said this when making reference to the next lot of key mining projects set for development within the next couple of years and the need for developers to learn from such oversights. "The biggest mistake we did with the PNG LNG project is that we didn't identify the landowners first, that is a requirement by law and the responsibility for that is on the resource developer and not the government, I want to make that clear,'' he said. "My appeal to the proponents of the Freida project and Wafi-Golpu is to make sure all the landowners are identified now and they all have NID (National Identification) cards.

"Identify them early so we do not have the same problem when it comes to the distribution of royalties and deciding who we deal with." He made the call to companies not to make the same mistakes and go out early and identify the genuine landowners. "It will help the forum process because the right people will come and talk. “So I want to appeal to the developers while we support the project we want them to follow the laws and identify the landowners now early so when it comes to negotiations, the right people are represented and they have their say so we avoid problems in the future. “By just following the lawful legal processes established by law to make sure we involve our people very early,” he said.

Wafi-Golpu benefits talks to start next month – Garry

Post-Courier, January 21, 2019

Landowners have not missed out on benefits as the negotiations are set to begin next month. The managing director of Mineral Resources Authority Jerry Garry, has assured landowners of the Wafi Golpu project that they have not missed out on benefits from the project, as a result of the memorandum of understanding signed between the state the developer recently. Mr Garry said the MOU signed between the State and the Wafi-Golpu Joint Venture, was different from a MOA, and has nothing to do with landowner and stakeholder benefits. “The MOU that was signed was merely intended to establish some understanding and guidelines that give assurance to the investor that the government was supportive of the investment to develop this major project,”he said. “It is an understanding that sets out the intent of both the national government and the developer to complete the MOA and other regulatory deliverables, to enable the Wafi-Golpu mine project to commence within a reasonable timeframe.

“It does not in any way settle the benefits that are going to be negotiated during the development forumMOA process.” Mr Garry explained that the MOA benefits negotiations will be conducted under the development forum process which started in 2018. The first round of meetings is being planned for early February. MRA will take the lead in this process and all parties including the Morobe provincial government and affected LLGs are urged to participate. This will ensure a mutually beneficial outcome that will be set out in a MOA. “I assure our landowners and stakeholders that you will be fully engaged in the MOA benefits negotiation process,”he said. “I want to give confidence to you all that the MRA and its government line agencies are committed to the MOA process, and we will make sure that you are adequately consulted on the way forward.”

He appealed to landowners and stakeholders to address grievances through the proper avenues and appropriate authorities, without taking court injunctions or forced shut downs. He said unnecessary disturbances, will derail the process, create uncertainty, increase the level of investment risks, and may potentially result in withdrawal of investment by the developers. Mr Garry announced that the government has recognised the Yanta, Hengabu, and Babuaf landowner associations as the entities representing the communities within the proposed SML area. MRA has received the land investigation study report on the landowners along the proposed infrastructure corridor. The route comprises the Northern access road, the proposed SML pipelines, the deep sea tailings disposal (DSTD), and port facilities. The report identifies the customary landowners along the infrastructure route. MRA is now planning to formalise these landowners and bring them to the ongoing development forum and MoA discussions. “I therefore urge all stakeholders to cooperate in the MOA negotiation process so that we can realise optimal benefits to recognised impacted landowners, Morobe provincial and local level governments, and people of PNG as a result of this massive US$ 5.5 billion investment.”

Diwai Pharmaceutical chair visits Tabubil Hospital

Post-Courier, January 21, 2019

Management and staff members of Tabubil Hospital were paid a courtesy visit by senior statesman and chairman of Diwai Pharmaceutical Ltd (DPhL) Sir Peter Barter last week. He was accompanied by Paias Bokorum managing director for DPhL and Vice President Corporate Services with Divine Word University (DWU). DPhL is a 100 per cent subsidiary of DWU and private health service provider managing the Tabubil Hospital under Private Partnership Management Agreement with Ok Tedi Mining Ltd (OTML). Part of the hospital infrastructure managed by DPhL pursuant to the agreement, includes lectures rooms and dormitory accommodation for DWU students and staff participating in student training. The facilities now called DWU Faculty of Medicine & Health Sciences, Tabubil Campus were built and handed over to DPhL & DWU at end of 2016. Sir Peter and Mr Bokorum toured the Tabubil hospital and Faculty of Medicine and Health Sciences, Tabubil Campus.

In his speech to the hospital staff, he expressed his great joy and satisfaction with the strong commitment by OTML in providing health services for the rural population through medical and outreach services provided by Tabubil Hospital and other programs. He said: “Tabubil Hospital is one of the cleanest and best hospitals he has ever visited in the country.” “I commend Tabubil hospital management and employees for your warmest welcome, hospitality, and also for working hard serving the vast rural population, together with the employees of OTML and other sub-contractors” “The best thing one can have and be satisfied is the love of service to the vast majority of our rural population rather than money.”

An MOU between OTML, DWU and DPHL is now in place to provide opportunities for suitable applicants from the local community, employees, and rest of Western Province to enhance their tertiary education qualifications through DWU flexible learning programs offered at the Tabubil campus. The programs will cover diploma in management, diploma in health services management and post graduate certificate in higher education learning and teaching for selected DPhL employees only. At the meeting, the hospital administrator Margareth Samei MBE expressed her gratitude on behalf of the staff to Sir Peter and Mr Bokorum for their visit. She commended employees for their hard work, commitment and support in providing quality medical services to patients over the last three years.

Human rights and environmental activists targeted in Victoria Police raids

by Green Left Weekly, January 20, 2019

Several activists involved in the protests against the International Mining And Resources Conference (IMARC) 2018 last October had their homes raided and searched by Victoria Police on Friday January 18. They were arrested, detained and interrogated and had phones, computers and other belongings seized. The Latin American Solidarity Network (LASNET), Frontline Action Against Coal Melbourne (FLAC), Melbourne Rainforest Action Group (MRAG) and other groups strongly denounce the harassment, surveillance and criminalisation of dissent and protest at the hands of Victoria Police, the Australian government and the multinational companies they serve. This is not an isolated event. These arrests are happening in the context of other social and environmental activists having been raided and harassed in recent weeks and months by Victoria Police. This is just another example in Victoria Police's long history of human rights violations against Indigenous peoples, migrants, women, LGBT people, working people and anyone who challenges the racist, capitalist and patriarchal system that the Australian police uphold and protect.

Protest outside the International Mining And Resources Conference 2018 in October. Photo: Lasnet Solidarity/Facebook

IMARC is a gathering of the global mining industry to develop and expand its operations and exploitation of people, land and water across the globe. While they talk about how to increase their projects and profits Aboriginal land is plundered and poisoned, communities are displaced from their lands without veto rights, and Indigenous and working class families are dying from respiratory diseases from mines and coal dust. Meanwhile, globally, climate scientists tell us if we don’t stop fossil fuel use we will go past the point of no return, facing the prospects of mass extinction, deforestation, climate catastrophe... When the last tonne is extracted, what will be left? We stand in solidarity with the activists arrested and raided on Friday and in recent weeks, and with all those defending the Earth from the plunder of mining. We fight for a just and liveable future for all, from Andymathana and Gomeroi land to Ecuador, Colombia and Honduras, from Papua New Guinea to South Africa.

Not to mining! Yes to life!
Land rights not mining rights!
Water is life!
Water is more precious than gold!
Mining is not sustainable!
Extractivism is not development!

Missing K15m for Hides landowners

Post-Courier, January 20, 2019

A total of K15 million in Hides LNG project landowner funds may have been misappropriated outright by an opposing faction authorized by the Department of Petroleum in mid-December recently, according to official documents. But the Acting departmental Secretary Kepsy Puiye has denied this outright admitting he was put under pressure and threats to make payments. He said they payments were made accordingly and the landowners were twisting the truth and making malicious allegations knowing the truth. Court documents filed to put a stop payment to the grant show this happened only two days from the initial payment made to the “Hides Special Purpose Authority” (HSPA) for the same amount witnessed by all joint venture partners at an official ceremony on December 14, 2018. On the same date another K20 million for the Hides PDL1 landowners was paid to HSPA witnessed by high-level State and ExxonMobil PNG representatives, including Governors Philip Undialu (Hela) and Chris Haiveta (Gulf), EMPNG managing director Andrew Barry and Mineral Resource Development Company (MRDC) managing director Augustine Mano. This took place at the Hides Gas Conditioning Plant site.

Documents reveal Acting Secretary Kepsy Puiye authorised the transaction which diverted the funds to the “Hides PDL7 LLG Special Purpose Authority”, an entity that was set up in December 2017 without being fully sanctioned by the State. The K15m was initially paid to the proper Hides Special Purpose Authority (HSPA) and the Bank of Papua New Guinea (BPNG) cheque No.011043, dated 13 Dec 2017, was presented to the landowners on 14 Dec 2017 at the Hides Gas Conditioning Plant site. Another BPNG cheque No. 011042 for K20m for the Hides PDL1 landowners, paid to the HSPA as the distributing authority, was also presented at the meeting witnessed by high-level State and ExxonMobil PNG representatives, including Governors Philip Undialu (Hela) and Chris Haiveta (Gulf), EMPNG managing director Andrew Barry and Mineral Resource Development Company (MRDC) managing director Augustine Mano.

However, the K15m was never paid into HSPA’s bank account and instead another BPNG cheque No. 011137 for the same amount was drawn on 21 Dec 2017 in favour of Hides PDL7 LLG Special Purpose Authority with Puiye’s signature as “endorsement of payee”. He did not sign to endorse the initial K15m cheque. It is understood the initial cheque was held up for a week to enable Hides PDL7 LLG SPA to open a new account No. 7012131566 at BSP Port Moresby Branch. The K15m cheque was deposited into that account on 22 Dec 2017. The 10,000 plus PDL 7 landowners, led by team leader Huriba Andago, took issue with the diversion of their project security funds and applied for and were granted court orders on 28 Dec 2017 restraining the use of the K15m by Hides PDL7 LLG SPA and seeking orders for the funds to be returned to HSPA. While the ex parte order was in place and amid discussions by the disputing parties for a consent order, Puiye wrote to BSP general manager paramount banking Aho Baliki on 28 Mar 2018 seeking access to the barred account so that Hides PDL7 LLG SPA could withdraw the project security funds for humanitarian purposes, especially earthquake relief assistance.

“Should that order be obtained, I would request the bank to allow immediate access of the account by PDL 7 LLG SPA for the funds to be disbursed. The very beneficiaries (landowners of PDL 7 – Hides 4) to these funds have been seriously affected by the recent catastrophic earthquake. The landowners urgently need the money to rebuild their lives, homes, food gardens and livestock. The current situation they are in also poses serious health issues that need immediate intervention through the Hides PDL 7 SPA, hence my letter to you to intervene where appropriate to clear the account for funds to be accessed.” The restraining orders were discharged on 28 Jun 2018 and the proceedings were dismissed on technicalities. As a consequence, the K15m was accessed by the Hides PDL7 LLG SPA and by 6 Jul 2018 all the funds were withdrawn from its BSP account.

In a letter to Prime Minister Peter O’Neill, dated 9 Jul 2018, Hides PDL7 leaders Huriba Andago, Tolai Awe and Nali Angoya wrote: “As of the date of this letter, we are instructed that Hides PDL7 LLG SPA has now withdrawn all K15 million project security funds and there is nothing left in the account.” They said their clan leaders were forced to travel to Port Moresby to seek legal action to recover the funds and had incurred legal and other costs that needed to be paid before they returned to Hela. “We the landowners of PDL7 therefore request intervention and financial assistance from the State through MRDC, Department of Petroleum and Department of Finance to settle our liabilities incurred as a result of pursuing legal action to protect our rights to entitlement from the project security funds.” The PDL7 landowners did not receive any response from the Prime Minister and do not know if the letter was delivered to him personally.

Soon after the diversion of the K15m, four leaders from the Tuguba Tribe, which owns 100 per cent of Hides PDL 7 and 50 per cent of PDL1, wrote to Petroleum Minister Fabian Pok on 24 Jan 2018 to express their frustration over the "daylight robbery" of their project security funds. "Minister, the Government has deliberately created the inconveniences and unnecessary delays by cancellation of the original cheque dated 13 Dec 2017. It has also endorsed the setup of an illegal authority (Hides PDL7 LLG SPA) through Inter Government Relations and replaced the cheque. "The agreement between ExxonMobil, DPE, MRDC, KPHL, MS Police, PNGDF, Hela Governor, Hela Members of Parliament and 10,000 plus landowners at Hides on 14 Dec 2017 has been breached/violated by the Government. It is now the Government's responsibility to fix it." The PDL7 landowners also did not receive any response from the Minister and do not know if the letter was delivered to him personally. The lack of response and prolonged delays in settling their legal and other bills finally took its toll when a large group of Hides landowners went on a rampage at the department's Konedobu offices on 21 Nov 2018. Following the rampage, the PDL7 leaders met with Puiye and his senior management who verbally agreed to pay K6.5m on 14 Jan 2019 to settle the bills.

However, Puiye did not fulfil that commitment and instead told the chairman of Umbrella Hides PDL7 Association, Erick Hawai Ako, during a meeting on Monday that he would send a brief to Minister Pok and Prime Minister O'Neill to assist with the funding. As of last night the PDL7 leaders had not received any positive response from Puiye. Ako, who has been sceptical of the department's delay tactics from day one, reiterated: "We are again calling on the department to release the payments and travel arrangements as agreed to in our meeting with Mr Puiye and his senior management team on 19 Dec 2018 at MRDC Haus in Port Moresby. "We are ready to travel back to Hides after settling outstanding issues in Port Moresby and will proceed with the LOBID (Landowner Beneficiaries Identification) exercise thereafter." He stressed that as principal landowners of PDL7, their support and participation in the LOBID exercise was crucial for its success. Ako added that PDL 7 landowners were desperate to end their battle with the Petroleum Department and did not want it to escalate into a war that would be disastrous for PNGLNG and its stakeholders, including the State.

Revenue increase forecast from West Papua mine

Radio New Zealand, 19 January 2019

Freeport-McMoran mine in West Papua. Photo: AFP PHOTO / OLIVIA RONDONUWU

Inalum now holds 51.23 percent of the mine company PT Freeport Indonesia after the Indonesian government paid $US3.85 billion dollars to increase its shareholding from 9.36 percent. The Jakarta

Post reported revenue last year was $US180 million but this is forecast to increase to $US1.8 billion in 2022. There will be no revenue through 2019 and 2020 as the company transitions from open pit mining to underground mining. The newspaper said the company's Papua mine had potential gold and copper reserves worth $US170 billion.

Papua New Guinea Clans Unite Against Exxon

Irina Slav, Oil Price, January 19, 2019

Armed clansmen in the town of Komo in Papua New Guinea's Hela Province. Photo - Michael Main

Papuan landowners and communities in the vicinity of Exxon's Papua New Guinea LNG project are growing increasingly disgruntled about how the company and the national government are handling royalty distribution, a Reuters investigation has found. This sentiment has led to inter-communal clashes in some areas and might lead to more serious trouble for the project. "Our clans fought each other, but now there is peace; we are one team fighting Exxon." These are the words of a local clan leader, Johnson Tape, one of 16 such leaders who are claiming rights over the Komo Air Field, which is used by the PNG LNG project, Reuters' Jonathan Barrett and Tom Westbrook write.

They also relate the story of one local landowner who was promised a much higher royalty once PNG LNG began operating than she actually received. This landowner and others blame both the local government and the project operator for failing to fulfill their compensation promises. For now, it seems that this disgruntlement is more of a passive attitude, but Tape's words could be an early warning for something worse to come. There is a precedent. Last year, a devastating 7.5-magnitude earthquake shook the country, suspending operations at PNG LNG. The earthquake came amid growing tensions among local landowners already unhappy with Exxon's project and with the government, sparking protests among the locals.

In one part of the country, the Southern Highlands, the protests were violent enough to prompt the government to declare a state of emergency for the province. In the Hela province, where a lot of PNG LNG production and transport facilities are located, protesters set some construction equipment on fire and landowners blockaded a wellhead in the production part of the PNG LNG project, threatening to shut it all down. That spurred the authorities into action and a little later representatives of the landowners said they were getting close to a deal with the government. Apparently, they haven't gotten close enough to end the bad blood to date. The PNG LNG project cost US$19 billion and had a nameplate annual capacity of 6.9 million tons of liquefied natural gas. Yet in 2017, the project yielded as much as 8.3 million tons of LNG, according to the Reuters investigation. Since 2014, when production began, Exxon has raked in some US$18.8 billion in revenues, also according to Reuters since the company does not release figures for PNG LNG.

However, the Papuan government's expectations for its own revenues were revised substantially down from the initial 2012 estimate of US$22 billion over the productive lifetime of the project, until 2040. Last year, these were calculated at just half the initial amount, on the back of tax deductions for the operator and its partners, and lower gas prices. An investigation by the World Bank found that the companies behind the project had developed "a complex web of exemptions and allowances that effectively mean that little revenue is received by government and landowners." This doesn't really bode well for the future of PNG LNG unless Exxon and its partners somehow renegotiate the terms of their agreement to avoid a buildup of tensions with unpleasant consequences all around

Sepik leaders support Frieda River Mine Project

PNG Today, January 19, 2019

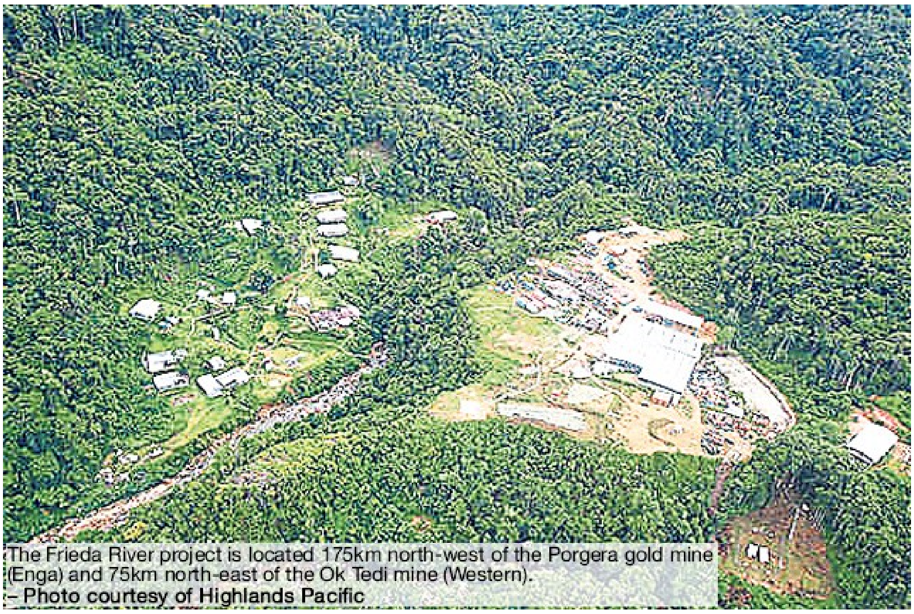
Three Sepik leaders have openly thrown their support for the Frieda mine project to proceed. Yangoru-Saussia MP and National Planning Minister, Richard Maru, Telefomin MP and Defense Minister, Solan Mirism and Ambunti-Dreikiki MP Johnson Wapunai gave their public support in a conference with the media in Port Moresby. The leaders believe the project will unlock the vast economic potentials in some of the most remote areas in both East and West Sepik provinces:
"We are here to tell the nation, as Sepik leaders, we are right behind this project, and no cheap politics and no one will compromise this interest. "This project must go on, provided that the environment is not compromised in any way. "So I say to the developer, we the Sepik leaders will make sure the Sepik River is not compromised, and we're happy the slurry is coming down by pipeline. "For the tailings we will make sure we get independent legal experts to inform the government independently that the dam will not collapse under any earthquake or whatever scale of disaster," Mr Maru said.

Frieda River Project is located in the provinces of West Sepik and East Sepik. It is one of the biggest copper and gold deposits found in the Asia-Pacific region. The mine is jointly owned by PanAust (80%) and Highlands Pacific (20%). PanAust acquired the majority stake earlier held by Glencore in August 2014, becoming operator of the mine. The acquisition agreement was made in October 2013. The mine will be developed as an open cut operation. Based on the pre-feasibility study completed in October 2010, the mine was expected to produce 246,000t of copper and 379,000 ounces (oz) of gold annually. The estimated mine lifespan was more than 20 years. A due diligence evaluation held by PanAust and Highlands Pacific however estimated average annual production of 125,000t of copper and 200,000oz of gold in concentrate assuming a processing rate of 30 million tonnes per annum. Six main deposits, namely Horse, Ivaal, Truki, Nena, Koki and Ekwai, have been identified at the Frieda River copper and gold mine.

MPs: Stop misleading people on environmental pollution

January 18, 2019, The National Business

Three Sepik MPs are appealing to East and West Sepik leaders to stop misleading the local people on environmental pollution caused by the Frieda River project. Yangoru-Saussia MP and National Planning Minister Richard Maru, Telefomin MP Solan Mirisim and Ambunti-Drekikir MP Johnson Wapunai supported development of the project. They said developer, PanAust, had revised its design to include a 320km pipeline to transport slurry to Vanimo for export. Maru said he did not support the project at first because the proposal was for copper slurry to go down the Sepik River by barge to sea. “I did not want to compromise the Sepik River in any way because of the experiences we’ve learnt from the Ok Tedi mine,” he said. “I am extremely happy that the new developer has changed the development plan for the Frieda mine. “They will now build a 320km pipeline to take the slurry from Frieda all the way to Vanimo. “In line with that development plan, our Government has now funded the feasibility study and design of the new Vanimo wharf at a cost of over K30 million. “The work is going on now.



The Frieda River project is located 175km north-west of the Porgera gold mine (Enga) and 75km north-east of the Ok Tedi mine (Western). – Photo courtesy of Highlands Pacific

“We expect that the feasibility study and the design will be completed by around March, latest April. “Our Government has been proactive in making sure we have a wharf which shall cater for the requirements of the gold mine, Bewani oil palm project and vast economic activities that we want to create in the special economic zone in Vanimo. “This is for us to trade into Asia using Vanimo as the major export port. “I would like to appeal to East Sepik and West Sepik leaders to stop misleading the people of West and East Sepik and create unnecessary fear among them.” Maru urged leaders and the public to get behind local MPs Mirisim and Wapunai and support development of the project. “We are thankful that the developer has already submitted mine development plan and the application for special mining licence (SML) to the Mineral Resources Authority (MRA),” he said.

“We, as the leaders of East and West Sepik, will get behind this project, work with the NEC (National Executive Council) and the prime minister and not only deliver the Wafi-Golpu mine but the Frieda River mine also.” The three MPs responded to recent awareness carried out by tertiary students on the environmental effects of the mine. They said the environment would not be compromised in any way and the benefit streams were far better than what the Government and people have enjoyed in other mining projects. The total cost of the project is estimated to be US$739 million (K2,443.50).

Frieda to benefit entire region

Post-Courier, January 18, 2019

The upcoming Frieda River project set in the provinces of East and West Sepik provinces will create greater benefits that will flow throughout the entire region. Members from the impacted districts of Telefomin and Ambunti Drekikir who were supported by the Yangoru-Saussia MP as well in making a call to all in leadership and people from the region to embrace the project for the benefits that will come in developing some of the least developed areas in the region. “We all need to get behind Telefomin MP, whose electorate is where the project will be on and that area also on the border to the Ambunti-Drekikir district. “Get behind them, support them and our prime minister make sure that we support the project. We are thankful that the developer has already submitted the mine development plan and the application for the SML to MRA,” said Yangoru-Saussia MP Richard Maru yesterday.

Mr Maru said the rural and least developed nature of the districts as telling for the need for tangible development denied for many years. “If you fly now to the east part of Ambunti-Drekikir and in that area there is no government service, no road, no development, no employment, no business, no nothing. Not even in Telefomin. “These are some of the most underserved, most outback, and some of the most rural areas of our country. “Development of this mine it will unlock the vast economic potential of that area in a big way providing roads and airport at Green River and other services,” he added. Telefomin MP Solan Mirisim agreed with Mr Maru adding he is 110 per cent behind the project to start. “This project will turn these two provinces around, and without these two projects there will be no tangible development.

“I thank the government for putting up the wharf in Vanimo as the first step and way forward. I appeal to the government to start a road from Vanimo to Frieda river that will benefit other large SME projects along that corridor all the way to Frieda. “It is not only Frieda but we have major projects along that road. Let us put behind our political differences and work together to deliver this project to change their lives.” Ambunti-Drekikir MP Johnson Wapunai said even access to both districts puts a lot of burden on his people. “We are also very expensive in terms of travel and cost. The only way to reach us is by river or by place. “Until now it is very costly to get a place from Vanimo to Telefomin is about K700 per passenger just for an hour flight. To get a boat from the coast to my area it costs 15 hours to travel at a cost of K1300 per 200 litres of fuel.” “If this mine does come off to where it is now I believe it will sustain our lives and our future and we can meet the level of other districts in PNG.”

K300m LO funds in safe hands: State

BY ISAAC NICHOLAS, Post-Courier, January 18, 2019

An estimated K300 million of gas landowner benefit money is sitting at the Bank of Papua New Guinea ready to be released once the clan vetting and verification is completed. Minister for Petroleum Fabian Pok, Finance Minister and Tari-Pori MP James Marape and Kumul Petroleum Holdings Limited managing director Wapu Sonk in a media conference yesterday gave the assurance that the money is safe. “We will give you the assurance that nothing has been touched. Figures generate overtime but there’s a substantial amount of money sitting there.” Dr Pok said Mr Sonk clarified that in 2016 the landowners asked for print out of bank accounts to prove that the money for landowners are safe at the Central Bank. “In 2016 we were in Hides, they said bring the print out, so when we brought the print out, there was a K200m there so between that time and now I don’t know the number but hopefully it’s increased,” he said.

Mr Marape said as long as he remains as Finance Minister he will sit on that lid of those monies until the landowner identification process is completed. “We don’t know the actual amount but there is a substantial amount of money sitting there so we don’t know but in estimation it’s over K300m sitting there at Central Bank,” he said. “I made it very clear that when the clan vetting and verification is done we will release the funding for every landowners.” “The government even had the accusations that we have spent the money already and there’s no money for them but that is totally false.” “When the minister made the (Ministerial) Determinations for the plant site they are already receiving benefits so what is left for the rest, the pipeline and the upstream we will ensure it is there until the process is complete so it is in their interest to rally behind and complete this process.

Once the process is complete it will prove that we are speaking the truth." Mr Pok, Mr Marape and Mr Sonk made the clarification after returning from PDL 7, in Komo, Hela Province where they launched landowner identification. More than 20 DPE officers are on the ground and Minister Pok has given them two weeks to complete the exercise before he makes and Ministerial Determination on the ground in Hides on who are the genuine landowners and beneficiaries from the LNG resource.

Call for leaders to return to Hela for clan vetting exercise

Post-Courier, January 18, 2019

TARI-Pori MP and Finance Minister James Marape has appealed to various landowners and those self proclaimed leaders of PDL 1 and PDL 7 to return home to Hela to participate in the clan vetting exercise. "Let me appeal to all the various landowners whether you claim to be leaders or chief paramount chiefs or supreme chief of chiefs. I appeal to everyone, 'let's go back home'." Mr Marape said PDL1 and PDL7 were two primary contributors to the existing gas into the PNG LNG Project. Those were two important anchor PDLs and Minister Fabian Pok wanted to bring that to conclusion. "For those of you who belong to PDL1 or PDL7 we're encouraging you to go back because the process of assessing what has been done already and the process of input is not going to be convened at Minister Pok's private office or James Marape's office or anyone else, it's been transparently exhibited and run at Para for PDL7 as well as Nogoli for PDL1. And we encourage all landowners to go back, find a way and spend the next two weeks and assist in completing the process"

"Your benefits are parked in the Central Bank and I feel very guilty as Minister and also the member for the area when I see fathers and mothers and elderly dying without receiving benefits. And we the young ones whether at political level, and landowner leadership level fighting for power and holding back benefits that supposedly flow through to our people. So we are encouraging everyone to go back." Mr Marape said this in a media conference with Petroleum Minister Fabian Pok, Kumul Petroleum Holdings Limited general manager Wapu Sonk and Komo LLG president Thomas Potape to announce the clan vetting processing starting at PDL 1 and 7. More than 20 officials are on the ground to complete the exercise in two weeks time.

Nautilus receives US500, 000

Post-Courier, January 18, 2019

Deep Sea Mining Finance has lent Nautilus US500, 000 (K1.6m) to meet its short term funding obligations. According to Nautilus's corporate update this funding now will allow the company to assess its options, including various restructuring options while waiting to receive a US5million loan (K16m). This loan if received would enable Nautilus to continue operations. In its last week's update the company stated that they are still in discussions with an arm's length party to secure this loan. The company also advises that a further press release will be made once these funds have been received later this week and further updates will be provided as circumstances warrant. Nautilus is the first company to explore the ocean floor for polymetallic seafloor massive sulphide deposits. Nautilus was granted the first mining lease for such deposits at the prospect known as Solwara 1, in the territorial waters of Papua New Guinea, where it is aiming to produce copper, gold and silver. The Company has also been granted its environmental permit for this site. Nautilus also holds highly prospective exploration acreage in the western Pacific (granted and under application), as well as in international waters in the Central Pacific.

In Papua New Guinea, Exxon's giant LNG project fuels frustration
Jonathan Barrett, Tom Westbrook, Reuters, January 17, 2019

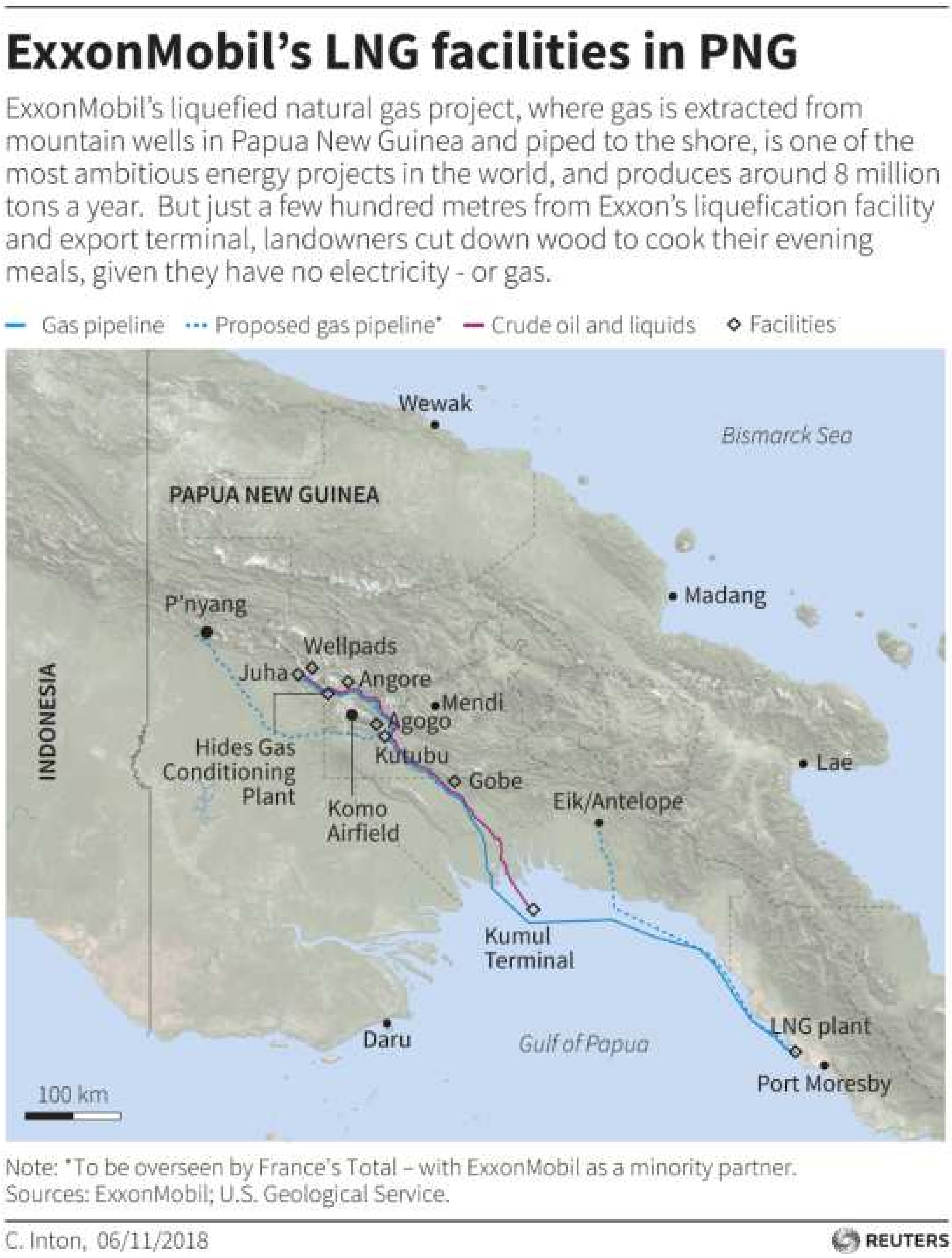
Locals walk along a small beach where an LNG) carrier, Kumul, is docked at the ExxonMobil operated LNG plant at Caution Bay, located on the outskirts of Port Moresby in Papua New Guinea, November 19, 2018. Picture taken November 19, 2018. REUTERS/David Gray

From her red-roofed home near Papua New Guinea's capital of Port Moresby, Isabelle Dikana Iveiri overlooks a giant plant used by Exxon Mobil Corp to liquefy billions of dollars' worth of natural gas before it is shipped to Asian buyers. Dikana Iveiri can also see swaths of muddy shoreline, where mangroves have been felled for firewood by locals who don't have electricity, gas, or money to buy either. The $19 billion Exxon-led PNG LNG project was supposed to be a game-changer for PNG, a vast South Pacific archipelago beset by poverty despite its wealth of natural resources. But much of the promised riches, through taxes to the government, royalties to landowners and development levies to communities, have arrived well below Exxon's own commissioned forecasts, if at all, according to landowners, the World Bank and the PNG government.

"My family has been here a long time," said Dikana Iveiri, one of several landowners interviewed by Reuters near the PNG LNG plant. "Our royalties are not going well; they are using our land but not paying us properly," she said referring to both Exxon, which pays the royalties and the government, which distributes them. Since gas exports began more than four years ago, Dikana Iveiri said she had received just one royalty payment in 2017. She was expecting about 10,000 kina ($2,885) based on information given to her by the government and community leaders. She said she received 600 kina. Exxon, community leaders and the government did not comment on Dikana Iveiri's specific situation but in a statement to Reuters, Exxon said distribution of royalties and benefits to the LNG plant site landowners started in 2017. Cash payments to individual landowners would depend on how many landowners were in a precinct and were just one of the benefits communities received, Exxon said.

The project employs nearly 2,600 workers, 82 percent of whom are Papua New Guinean and Exxon said it has invested $360 million to build infrastructure and pay for training and social programs. "We could not be more pleased to see how the benefits are flowing to the communities at the LNG plant site, to see how investments are being made in important infrastructure such as schools and health that demonstrates the process is a good one and it works," ExxonMobil PNG Managing Director Andrew Barry told a mining and energy conference in Sydney in December. Barry said Exxon was hoping royalties would begin flowing in the pipeline and upstream areas "in the not too distant future".

The government admits it has made mistakes. PNG Prime Minister Peter O'Neill, who was part of the government but not the leader in 2009, said many of the disputes around PNG LNG stemmed from the way the government and Exxon proceeded with the project without first resolving land-owner claims. "It should have been done before, it wasn't only for Exxon and the partners but even the government at the time did not do the proper clan vetting, proper identification of the land owners - they allowed this project to go on without that," O'Neill told Reuters. Treasury, the treasurer, and the Prime Minister's spokesman declined to provide responses to Reuters' questions about the project.



GAS-POWERED MONEY SPINNER

PNG LNG was completed ahead of schedule and exported 8.3 million metric tonnes in 2017, compared to its anticipated design capacity of 6.9 million tonnes, according to the project's website. Exxon does not disclose the project's revenue or profits but research house Morningstar estimates it has generated $18.8 billion in revenue for Exxon and its partners since production started in 2014. The project's break-even price of around $7.40 per million British Thermal Units (mBTU) compares favorably to an average over $10/mBTU for eight recent gas projects in the region, according to analysis by consultancy Wood Mackenzie and Credit Suisse. "The plant capacity has performed phenomenally," Credit Suisse analyst Saul Kavonic told Reuters. "On cost, it's much lower than peers ... it's got an ample resource base and it's got a well-disciplined operator in the form of Exxon."

The project's contribution to Papua New Guinea's economy and government finances is less clear. PNG's Treasury does not report project income figures, but government budget papers show tax revenue flowing from PNG LNG has been well below expectations. In its 2012 budget, the PNG government estimated it would receive $22 billion in revenue over the project's life to 2040. In November, the government slashed its revenue forecast in half to $11 billion over the life of the project. It identified 11 tax concessions, which along with a drop in gas prices, amounted to hundreds of millions in kina in annual revenue forgone. A 2017 World Bank analysis found the project partners had negotiated favorable methods of calculating royalties to the government that allowed them to take various deductions.

Combined with tax concessions, the project created "a complex web of exemptions and allowances that effectively mean that little revenue is received by government and landowners," the World Bank said. Exxon did not respond to questions regarding the World Bank findings and the World Bank declined to provide further comment. Exxon's partners, which include Australian-listed Oil Search Ltd and Santos Ltd, and a subsidiary of Japan's JXTG Holdings Inc, referred Reuters' questions to Exxon. Exxon said in a statement to Reuters the project has generated 5 billion kina in revenue for the government and landowners via taxes, royalty and benefit payments. The figure includes revenue to the PNG state-owned stakeholders.

"SOME MISTAKES"

A second LNG project, Papua LNG, led by France's Total with Exxon and Oil Search as minority partners, is scheduled to finalize an agreement with the PNG government in early 2019. Papua LNG, a new gasfield using the same but expanded processing plant, could commence production as soon as 2024, according to Total. Analysts estimate it will cost around $13 billion. "The experience of the first project developed by Exxon and Oil Search, there was some criticism, some mistakes," Total CEO Patrick Pouyanne told Reuters in an interview in Port Moresby, referring to relations with landowners. "Some lessons (are) being taken out … around the management of landowners and trying to engage at an early stage with them." Total has agreed to an undisclosed annual minimum payment to the government and to reserve some gas for local industry, he said. Exxon did not respond to requests for comment on Pouyanne's statements.

In its statement, Exxon acknowledged that "distribution of royalties and benefits in some project areas were delayed since the start of production due to court action by a small number of landowners which prevented the relevant government departments from completing their administrative processes." Exxon said it was committed to assisting the government ensure landowners receive royalty and equity dividends as soon as practicable. Disputes have broken out within communities near PNG LNG facilities as landowners fight to have their claims recognized. Some clashes have been fatal, said Highlands clan leader Johnson Tape, one of 16 clan leaders with a claim over the Komo Air Field, used by the Exxon project. "Our clans fought each other, but now there is peace; we are one team fighting Exxon," said Tape. Christopher Havieta, the governor of Gulf Province, where gas fields for the new project are located, said locals wanted to avoid the experiences of Exxon's PNG LNG. "It was a foundation project and so a lot of exemptions were made and the end result is we have a lot of social problems that have risen up."

Mining, petroleum tax collection above budget

January 17, 2019, The National Business

Total mining and petroleum tax contribution to the 2018 collection was K774 million, which exceeded budget projections by K49 million, Internal Revenue Commission (IRC) says. According to Commissioner Dr Alois Daton, pictured, this indicated that collections were above budget and differed largely from the assertion that the mining and petroleum taxes were K500 million below budget. Daton made this comment yesterday while responding to the Shadow Minister for Treasury and Finance, Ian Ling-Stuckey, that the commission collected K500 million less in mining and petroleum tax payments in 2018. Ling- Stuckey in an earlier statement said: "After excluding a large and unexpected mining and petroleum tax bonanza of nearly K700 million, all other Internal Revenue Commission collections are K500 million less than the Government wanted in 2018. "The Government's revenue strategy is failing because of its fake revenue forecasts." Daton rebutted: "In its 2018 Supplementary Budget, the Government set its revenue target at K7,955 million (K7.955 billion) which included a K725 million expected contribution from the resource sector.

"Total 2018 Internal Revenue Commission collections and transfers to Waigani Public Account of K8,019 million (K8.019 billion) as reported recently, exceeded the supplementary budget figure of K7,955 million." The IRC collected and transferred K8 billion to the Waigani Public Account (WPA) at the end of 2018, exceeding its budget target of K7.9 billion. Daton had said the total figure was 8.4 per cent higher than Government projections at the time of 2018 budget. It was 5.2 per cent higher than Government's revised projections in the Mid-Year Economic Fiscal Outlook (MYEFO) and they had met both targets. In terms of corporate income tax, IRC brought in K1.7 billion and that was 8 per cent above 2017 collections. For salary and wages tax, the commission brought in K3.8 billion or three per cent above 2017 collections. Daton said: "Because of the level of oil prices going up, we were able to collect K774 million against the K113 million collection in 2017. "That's about 582 per cent increase over the 2017 collections."

Bird needs more views on Frieda Mine

Post-Courier, January 17, 2019

EAST Sepik Governor Allan Bird will be seeking wider consultations on the proposed Frieda Mine for a more informed, truthful and transparent decision. "Before we talk about Frieda consultations, I want everyone to know that I have listened to both sides of the argument and I have decided that the issue is too important for a small group or individual to take a decision in isolation," Mr Bird said yesterday. "Let us start by thinking about the Sepik River people for a moment, more particularly where we see them in 20 or 30 years time. Where do they see themselves in that timeframe? "Will they still be fisher folk? Living a semi subsistence life, selling carvings and other artifacts and performing traditional dances for tourists? Or will more of them desire a decent education, a career or start a business and move to live in a town or city? The current generation might be happy living the traditional lifestyle but what about the younger generation? Is it fair to them that those of us on land see them as suppliers of fish for our sustenance? Is that where they should remain?

"Would a large scale mine, managed safely and properly add value to this process of change or badly managed do the opposite? "There are no easy answers. Perhaps the answer lies in between. I have no doubt the River people are best placed to tell us their views of the future." Mr Bird said that he expected the East Sepik provincial government to do the right thing by everyone, to be fair and transparent, to give each stakeholder an opportunity, without fear, without intimidation to discuss their concerns (pros and cons) regarding Frieda Mine. He said the provincial government would to take into account the desires of Telefomin Sepiks, Kopar Sepiks and every Sepik in between. "Let us not exclude PanAust as a stakeholder," he said. "This year we will have a team of experts look at the EIS and the mine development proposal. On a personal level my only concern is the safety of the river. Anything else, be they benefits for river people, landowners, etc are negotiable. “The safety of the Sepik River is non-negotiable.”

Landowner identification exercise launched in Hela

Post-Courier, January 17, 2019

Minister for Petroleum and Energy Dr Fabian Pok arrived yesterday in Para village PDL7, in Komo, Hela Province, to launch landowner identification for their royalties and equities to be distributed. Mr Pok arrived with his team of Petroleum and Energy officials and development partners like Kumul Petroleum Holdings Ltd, MRDC, ExxonMobil that combined have more than 30 personnel assembled on ground to start the clan vetting exercise. He officially launched a two-week landowner clan identification process for PDL1 and PDL7 where process to vet the preliminary data which Department of Petroleum and Energy at present had. Finance Minister James Marape tasked the process to complete earlier and before April to ensure the landowners received their benefit.

Migration and Border Security Minister Petrus Thomas called for unity among all landowners for this purpose and Member for Komo-Margarima and vice-minister Manasseh Makiba spoke on many court proceedings that delayed this process. Mr Makiba stressed that genuine landowners must assist complete this for benefit to flow. Governor Philip Undialu commended Mr Pok and Prime Minister Peter O’Neill for this and offered his support to complete this process. Mr Undialu also commended ExxonMobil, Kumul Petroleum Holdings and National Government on the road sealing from Komo to Mendi and electrification of Hela and Southern Highlands Province. Mr Pok called on all landowners in Port Moresby and other parts of the country to return to both PDL1 and PDL7 to complete this process in the next two weeks.

New Caledonia nickel strike now in third week

Radio New Zealand, 17 January 2019

SLN smelter in Noumea New Caledonia Photo: RNZ Walter Zweifel

Two unions oppose changes to work patterns introduced as part of a restructure of SLN, which is running at a loss. The changes involved longer working hours but fewer days of work as well as changes to leave entitlement. The mines affected by the strike are in Thio, Tiebaghi and Nepoui

The changes had been agreed to by the unions' umbrella organisations but are being rejected by the workers at the mine. One representative at the mine has told the public broadcaster that it's not acceptable that unionists at the nickel plant in Noumea can sign on behalf of the miners. For SLN the change is meant to optimise the use of its equipment. The new work regime has been in force at SLN's mine at Kouaoua. That site was hit by a blockade last year which interrupted ore supplies to the SLN smelter in Noumea.

Police monitor tension at mine

By JIMMY KALEBE, January 17, 2019, The National

A SECTION of the police Mobile Squad 15 in Morobe has been deployed since last Friday to monitor the situation at Wafi-Golpu mine, Morobe police commander Alex N'Drasal says. N'Drasal said yesterday that the situation was still tense and police were there to make sure law and order problems and other issues did not get out of hand. Police were deployed after a stop-work notice was put out by some people claiming to be landowners of the mine. Employees have not been turning up to work since. N'Drasal said police would be there at the mine stir until the situation was under control and normalcy restored. "Police are also there to make sure that properties are not damaged and workers are not disturbed or harassed," he said. "The mine site is quiet now and many employees have decamped while a skeleton staff still maintained in the area."

N'Drasal said on Monday that two opposition clans fought each other after one group tried to burn a stop-work banner that was placed by the other last Friday. "It appears that all the oil, gas, mining and fishing projects happening around the country are faced with such problems," N'Drasal said. He said all the members of parliament, leaders and representatives in Morobe should work together to address the issue. "In many cases, it is the leaders who create the situation and allow for such inconveniences among the Government, developers and the landowners." N'Drasal said the Government had to be very careful when making decisions in relation to such impact projects, because when not careful, such problems arise.

Call to reduce landowner groups

January 16, 2019, The National Business

Landowner groups in the country have to be reduced to a manageable number for projects to be delivered efficiently, an official says. "Too many landowner groups and disputes, we will never get anywhere," Nathan Mosusu, from Mineral Resources Authority, said. Mosusu has been acting MRA managing director since Philip Samar left last April. Jerry Garry, a geologist with 30-plus years of experience, took office as managing director on Monday. Speaking at the handover ceremony in Port Moresby, Mosusu reflected on the past few months: "2018 was more challenging as we had to work within the confines of the PMMRA (Public Money Management Regularisation Act). "Despite challenges, we made some achievements with guidance from Mining Minister Johnson Tuke: one was paying of royalties to the Ramu (mine) resource owners in Madang. Some outstanding issues, landowners, project agreements (MoA), we have a lot. "We have commenced on some of those agreements for our resource owners, and some we hope to deliver in 2019.

"We have the new mining act that has to be understood by all in the industry, including MRA. "We also have the applications of new mining technology that are going to be employed in the development of the Wafi-Golpu project. "We must understand the complications and implications of this new technology. "There are too many landowner groups out there. "If only we can reduce them to manageable number, that will ensure that we deliver projects efficiently, and also that everyone out there in the communities benefit from those projects." Tuke urged MRA, Department of Mineral

Policy and Geohazards Management including the ministry, to set aside differences and establish a board. He said: “Please can we have the board in place quickly?” “How can we function without a board? “If there is one of two (people) causing setbacks to establish the board, let me warn you: let’s not cause impediments, this is not your business, you stop it.”

Bulolo authorities condemn protest at PNG's Wafi-Golpu

Radio New Zealand, 16 January 2019

Authorities in Papua New Guinea's Bulolo district have condemned protesters who forced a shut down of a major mine in the area last week. The management of the Wafi-Golpu Joint Venture suspended exploration activity after a group, claiming to be landowners, threatened to enter the site. The group opposes a memorandum of understanding signed by PNG's government and the developer last month. It made a range of demands, including equity in the project, royalties and hundreds of million kina in compensation for construction work on customary land. Bulolo MP, Sam Basil, met with local landowners on the matter and told EMTV the protesters were not recognised landowner groups.

"We call on the company, we will call on the provincial government, the Mineral Resources Authority, the Mining Department, and the Mining Minister, we will call on them to ensure that any grievances that are brought aside from these legitimate (landowner) people that are standing here, will be an act of being illegal."

The Bulolo District Administrator, Tae Guambalek, also came out strongly against the protesters, saying it was unacceptable for people to trespass on the company's property. However, the Oro Governor Gary Juffa, applauded the protesters, saying the government had kept local people in the dark about the mining agreement. Mr Juffa said the Wafi-Golpu project was another example of a resource extractive project in PNG which is geared towards benefiting interests other than the local community. But the Mining Minister Johnson Tuke said the project agreement had not been finalised yet, and said people shouldn't take out their frustrations on the company.

PNG opposition questions govt role in payment award

Radio New Zealand, 16 January 2019

Papua New Guinea's opposition wants the Ombudsman to investigate a recent court judgement which awarded a state payment of around $US60 million. The payment was awarded to the Mineral Resources Development Corporation and a landowner company (Petroleum Resources Gobe) over reportedly unpaid oil development royalties for landowners. The Attorney-General Davis Steven said the award was granted after State lawyers failed to defend the case, and subsequently sacked the Solicitor-General. However, opposition leader Patrick Pruaitch has raised suspicion over the case because he says the Corporation is a quasi-government entity, whose chairman is the government's Chief Secretary and which reports directly to the Prime Minister. Mr Pruaitch said it was an internal government matter that should not have ended up in the courts, and he said there were no outstanding royalty claims.

According to him, there were many elements in the case that deserve scrutiny by the Ombudsman Commission in terms of the Leadership Code The former Treasurer said in the first instance it was inexplicable that the Corporation should make a claim on behalf of Gobe landowners over reportedly outstanding royalty payments. Furthermore, "the court proceedings make it clear that there are no outstanding royalty claims by MRDC and/or the landowners against Oil Search Ltd, which has been paying due royalties since the Gobe oilfield was developed in the 1990s". All such funds are either held in trust or passed on to Petroleum Resources Gobe, according to Mr Pruaitch. "Prima facie the default judgement has all the elements of a potential case of collusion between various persons in leadership positions to defraud the State, an issue that can only be laid to rest by a thorough investigation by the Ombudsman," he said.

Rising tide of opposition to large-scale mining in Papua New Guinea

PNG Mine Watch, 15 January 2019

Porgera Landowners protest against Barrick Gold (2018).

Opposition to large-scale mining in Papua New Guinea is becoming more and more visible as communities become much more vocal in expressing their anger and disapproval. Both existing and proposed new mines are feeling the heat from landowners who are realising the benefits they are promised are illusory and it is they and their families who suffer the severe negative environmental and social consequences of large-scale resource extraction. Landowners in Enga have lodged a US$13 billion claim against the government over unfilled promises and environmental and social damage from the Porgera mine. The miner is owned by Barrick Gold and Zijin Mining and has been operating since 1989. Meanwhile landowners in Madang are petitioning the government not to allow a planned K5 billion expansion of the Ramu nickel mine and they want the existing Basamuk refinery shut down. Again, it is the lack of tangible benefits and the environmental and social costs that are angering local people. Proposed new mines in Morobe and the Sepik are also facing opposition.

Last week, landowners in Morobe forced the evacuation of the site of the proposed Wafi-Golpu mine. They are unhappy at the terms of an MOU agreement signed by the government with the mine owners, Harmony Gold and Newcrest Mining. The landowners protest is supported by Morobe governor Ginson Saonu, who has already declared his opposition to the mine: “People are not like before, when they had no knowledge, no idea, no education to read what’s happening in other parts of the world where there is environmental damage and so forth. Everybody is knowledgeable about what’s happening in other mines around the world, and even in Papua New Guinea like Ok Tedi, Bougainville and others. The governor has identified agriculture and tourism as better development options in his Province. At the same time, the Morobe Provincial government has passed a resolution rejecting the MOU for the mine and landowners living along the coast have declared their opposition to the planned dumping of toxic tailings in their seas.

The proposed Frieda river mine, to be developed by the Chinese company Guandong Rising Assets Management, is also facing strong opposition from landowners worried about the impacts of mining on the Sepik river, which is their lifeblood. Communities have been organising their own protest meetings and have banned Mineral Resource Authority representatives from entering some areas. Similarly, communities around the abandoned Panguna mine on Bougainville, have successfully petitioned against any moves to reopen the mine, forcing the Autonomous Bougainville Government and governor John Momis into an embarrassing climb down. In another blow to the mining industry, Nautilus Minerals is on the brink of financial collapse, unable to complete preparations for its proposed experimental seabed mine, Solwara 1. Local communities and environmentalists have been waging a long running campaign against the mine. Although the PNG government still seems determined to press ahead with new mining operations, the resistance from local communities, both those affected by existing mines and those threatened by the new operations, shows no signs of abating .

Barrick gives K650,000 to subsidise flights

Post-Courier, January 15, 2019

Barrick (Niugini) Limited (BNL) has released more than K650,000 to subsidise certain flights with Mission Aviation Fellowship (MAF). And this is great news for the new year 2019, says country director of MAF PNG, Todd Aebischer. The MAF said that K494,000 from the BNL grant will fund a subsidy scheme to reduce the travel cost for passengers in Enga Province. From next month, the BNL subsidy would be reflected in MAF's fares to and from Engan airstrips. "All of MAF's other concession rates will continue to apply (eg school student and child concessions)," MAF said. MAF is a non-profit organisation aiming to service the community welfare of which the loss-making PNG operation is subsidised with fund-raising by the MAF International group.

Wafi-Golpu, Frieda will replace big mines: Garry

January 14, 2019, The National Business

THE proposed Wafi-Golpu and Frieda River projects will replace the country's largest mines Ok Tedi and Porgera following their closure in 10 years, according to Mineral Resources Authority managing-director Jerry Garry. Speaking at a takeover ceremony in Port Moresby on Friday, Garry said: "However, when these deposits go into production in about five years from now, PNG will not have any mega mineral reserves remaining. "Even more challenging is the fact that almost, if not, all the major mineral potential deposits located on the surface or near sub-surface have already been tested sufficiently without success. "Thus, we are now confronted with the huge challenge of securing our dependence on the mining sector for the future. "Given the fact that there will be no mega reserves remaining after granting of Wafi-Golpu and Frieda River, a huge lead time of 10 years and almost depletion of surface to near sub-surface targets, our dependency on the mining industry will be facing extinction and requires urgent interventions for resuscitation now."

Garry, who took over from acting managing director Nathan Mosusu, said he was also passionate about the country's alluvial gold sector. The country's alluvial goldfields in Bulolo, Morobe, conceived Placer Developer Ltd in 1926. It later grew from a few kilograms of gold per year to one of the most-successful gold companies in the world. At the time of its takeover (1987) by Barrick, Placer Dome had a market capitalisation of US$6.7 billion (K22.6bil), and operated/owned 16 gold mines in six different countries. "We recognise alluvial gold mining sector as important SME (small medium enterprises)," Garry said. "But previous support programmes for the alluvial gold sector have failed to provide a balanced suit of clinical dosages, sufficient to incubate and grow Papua New Guinean miners to become Placers Domes of Papua New Guinea." Mosusu and Mining Minister Johnson Tuke welcomed Garry and assured him of their support during his four-year tenure as managing-director. Garry, from Chimbu, is a geologist by profession with more than 30 years of experience in PNG and abroad.

Site of huge PNG mine development shut down by protest

Radio New Zealand, 14 January 2019

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

The management of the Wafi-Golpu Joint Venture suspended exploration activity after a group, claiming to be landowners, had threatened on Friday to enter the site. According to the *Post Courier* newspaper the group is opposed to a memorandum of understanding signed by the PNG government and the developer last month. Activities at the exploration site are currently suspended pending assurances that law and order has been re-established. The Mining Minister Johnson Tuke said the shutdown was uncalled for and the behaviour of the group protesting was a criminal act.

Mine protest deplored

By GYNNIE KERO, January 14, 2019, The National Main Stories

MINING Minister Johnson Tuke has deplored the forced shutdown of operations at the Wafi Golpu mining project by “certain elements”, saying it is “criminal” and “unnecessary”. He said it indicated the little knowledge some had of the multi-billion project in Morobe. Tuke said a memorandum of understanding signed by the Government and the two developers Newcrest and Harmony last month was “not the final deal”. “For people to go out and stop the project is unnecessary. It is a criminal act,” he said. “I condemn the actions by certain elements. They probably have their own politics back home. They should not take it out on the company.” He said talks on the multi-million kina project were on-going. “We still have some more to go. The Government will still provide leadership and bring this project into fruition,” he said.

Mineral Resource Authority managing director Jerry Garry said people must first understand the memorandum before staging demonstrations. He said the memorandum signed last month was the green light to the developers to get the project moving, and to give confidence to international financiers of the project. Garry estimates that the project development will cost around US$6billion (K18 billion). Tuke said they had initiated only three meetings. “We have a series of meetings to go before we formulate the agreement,” he said. “We haven’t touched based on the business contracts too. We are still at the premature stage. For people to jump quickly, that’s not good.”

Activities at the exploration site are currently suspended pending assurance that law and order has been re-established. Wafi-Golpu Joint Venture executive project director Bryan Bailie said “the safety of our personnel is paramount and that we will not put them at risk. As such, all non-essential personnel were evacuated as a precautionary measure." "The WGJV does not condone behaviours by individuals or groups of people who threaten, make demands, or intimidate WGJV employees. These activities do great damage to investor confidence," he said. "It is hoped that, with the assistance of the State and the provincial government, this unfortunate event will be rapidly addressed."

Landowners on PNG's Lihir seek compensation for water usage
Radio New Zealand, 14 January 2019
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The weir (dam) at Londolovit river where Lihir Gold (Newcrest Mining Limited) extracts water for its local mine operations. Photo: Cyril Gare

The Londolovit Sagomana Association accuses the owner of the Lihir gold mine of stealing water through a dam where the miner extracts water for its operations. Operators of the mine, now owned by Newcrest Mining subsidiary Lihir Gold Ltd, got approval to build the dam in the 1990s. However, the Association's chairperson, Roselyne Arau, said Lihir Gold Ltd breached the permitted rates of water usage. Landowners are seeking 113 million kina, or $US33 million, in compensation. "They did not comply. They pump out water beyond that permitted rate. That's why they are liable to pay that 113 million kina. It's 113 million just only for three years: from 2013, 2014 and 2015 alone."

Both Lihir Gold and PNG's Conservation and Environment Protection Authority have rejected the Association's claim. They said the Londolovit Sagomana Association had no legal basis to claim compensation because the state is the "owner" of the water, not the landowners. The Association wants the government to return ownership of the water to the landowners. It has again petitioned prime minister Peter O'Neill for help to address the landowners' grievance over water usage. Mr Arau said landowners had written to the prime minister last year but that he had been too busy to look at the matter at the time.

"This is the start of the brand new year, we want to meet with prime minister in person immediately," she said, indicating the landowners would resort to "other options" if their grievance was not addressed. "This government is well aware of our plight, there are enough scientific reports and correspondences before it." According to Ms Arau, the miner's over-extraction of water, as well as its practice of dumping mine waste into the marine environment, has had a detrimental affect on local livelihoods. "They pump out water every day for gold operations, and they cause so much damage.

Sometimes the water goes dry and the fish and everything in the water died away. At the same time we are not using the water any more for drinking and cooking."

Nautilus seeks to extend maturity date of loan

January 10, 2019, The National Business

Nautilus and Deep Sea Mining Finance Ltd have agreed to extend the maturity date of the existing secured loan facility, which is currently due on January 8, for 30 days ending on February 8. In a statement this week, Nautilus said it was in discussions with an arm's-length party to secure a US$5 million (K16.8 million) loan. Nautilus must receive the loan, or another source of funding, on or before January 14 in order for the Nautilus group of companies to continue operations. There can be no assurances that the company will receive the necessary funding by that date. In the interim, and further to the company's news release dated December 2, Nautilus continues to negotiate with arm's-length third parties to create a new joint venture company (the "Vessel JV") as well as related transactions to provide a long-term funding solution.

The Vessel JV would be owned by the third parties and Nautilus' subsidiary Nautilus Minerals Niugini Ltd. There can be no assurances that the company will be able to successfully negotiate definitive agreements in relation to, and complete, any of the transactions discussed. Any transactions will be subject to all necessary stock exchange, third-party and Government approvals, as well as compliance with all other regulatory requirements. Nautilus Minerals is focused on the Solwara 1 Project, which is located at 1600m water depth in the Bismarck Sea. Solwara 1 is located approximately 30km from the nearest coast (New Ireland) and 50km north of the international port of Rabaul (East New Britain).

Tuke visits coal plant for perspective

Post-Courier, January 10, 2019

Mining Minister Johnson Tuke visited a coal fired power plant north of Sydney to gain a perspective on modern technology and the benefits of utilizing PNG's own domestic coal resources. The 15th Papua New Guinea Mining and Petroleum Investment Conference was held in Sydney, Australia last month, with an extensive focus placed on the future of mining and energy solutions for Papua New Guinea. While attending the Conference last month, a senior PNG government delegation led by the minister conducted a visit to one of Australia's longest running power plants. The Mining Minister's focus was to understand better how PNG could benefit from a more diversified energy mix at the lowest cost while also developing a more diversified resources and mining sector. PNG, while strong in gold, copper, and recently in natural gas and nickel production needs to diversify its opportunities and create new revenue sectors for the nation. This was a sentiment echoed throughout the Sydney conference.

Power generation was also key topic of debate at the conference, including the nationwide electrification program that is essential for PNG to meet its commitments set out in the Alotau accords. "I am looking at ways to expand opportunities in our extractives sector, how to increase Government revenue from Mining, and using global research in consultation with our international partners to review the sectors that PNG should be considering." "While it is a debated topic currently, especially in the Lae region, NEC has agreed that in our current state of energy poverty with only 13 per cent of our people having access to electricity, we will look at all forms of energy in our energy mix as all other nations around us have and will continue to do.

He reminded those critical to idea of a coal producing PNG, not to forget that for the last 43 years since independence most of PNG's electricity has come from high polluting imported heavy fuel oil and diesel. "I need to remind them we have our own cleaner low cost, low ash, low Sulphur high quality coal right here in PNG in the Gulf Province. "Globally coal is a resource of immense proportions. PNG has never mined Coal, while our neighbouring countries (especially Australia and Indonesia) continue to reap the rewards of this commodity by exporting and empowering their people with far higher living standards than what we have in PNG while using inferior coal quality compared with our PNG coal," Mr Tuke said.

Lihir Gold: K719mil in royalties paid since 1997

January 9, 2019 The National Business

Lihir Gold Ltd (LGL) paid K719 million in royalties to New Ireland from 1997- Sept 2018 as part of its socio-economic commitment to the province and country. The company said in a statement that this was done through the New Ireland government (NIPG), Nimamar local level government (NLLG) and traditional block owners of the special mining lease (SML) area. The 2 per cent royalty payment summary from 1997 to Sep 2018:

- NIPG received K359,516,284 (50 per cent);
- NLLG received K215,709,770 (30 per cent); and,
- Lihir SML received K143,806, 514 (20 per cent).

This adds up to a total of K719,032, 568. In the quarter July to Sept 2018, Newcrest paid K15 million to stakeholders. "New Ireland government (NIPG) received K7,545,840 (50 per cent), NLLG received K4,527,504 (30 per cent) and Lihir SML block owners received K3,018,336 (20 per cent)," LGL said. "These portions have been agreed upon, through a signed memorandum-of-agreement by the State, NIPG, NLLG and SML block owners. "LGL contributes to the social and economic progress of PNG, New Ireland and Lihir by delivering sustainable and socially responsible outcomes. This means listening to the people's needs, enabling and empowering its employees and the local communities and protecting the environment through safe, operationally-disciplined and efficient practices, all consistent with the mining development contract (MDC).

"LGL and its parent company, Newcrest Mining Ltd, promote good governance, transparency and commerciality as part of the company's social obligation to ensure mine-derived benefits reach all Lihirian people and New Irelanders in general, through various benefit streams including direct cash benefits, employment training, business spin-off activities, compensation payments, legacy projects and village development scheme projects. "LGL and Newcrest is committed to open and honest communication in the way it does business."

Basil: KPHL made profit in 2017

January 9, 2019, The National

KUMUL Petroleum Holdings Ltd (KPHL) recorded a net profit of K170 million in 2017, an official says. Minister for Communications, Information Technology and Energy Sam Basil said KPHL had not borrowed from any commercial bank since 2014 and there were no operating losses in 2016 as recently claimed by Opposition Leader Patrick Pruaitch. "Comments attributed to Pruaitch are misleading at best and unbecoming of a former treasurer who should know better – given he was in Government and directly responsible for some of these initiatives," Basil said. "The Opposition Leader has misled the people of Papua New Guinea by saying KPHL had borrowed to pay dividends to State in 2016 and 2017 and also made a loss of K1.5 billion in the same period." According to Basil:

- The K451 million BSP loan was taken in 2014 as part of the UBS loan transaction and not in 2016 or 2017;
- KPHL had not borrowed from any bank since 2014 to date;
- the BSP borrowing was part of the pool of funds put together (collar arrangements from UBS, KPHL's LNG revenue, BSP loan) to serve the multiple purposes during the transaction; and,
- The 2017 annual report states that the KPHL made a net profit of US$56.6 million (K170mil) in 2017 and not a loss.

He said the 2017 annual report referred to by Pruaitch KPHL had consistently made profits since 2014, including 2016, and there had been no operating loss in 2016 as claimed. "The loss of US$149mil (K481mil) was a book loss that was recorded due to the fall in the share price of the Oil Search shares which reflected the fall in oil Price to below US$30/bbl in 2016," he added. "The US$30mil (K100mil) dividend paid in 2016 was not borrowed as claimed but funded from reserves carried forward from 2015, which was a stronger year compared to 2016 due to oil and LNG prices." Basil said while the company had made US$56.6mil (K170mil) net profit in 2017, the 2018 financials were expected to be even stronger due to recovery of oil and LNG prices.

Mayur gets Chinese funding for development of Orokolo iron and zircon sand project in PNG
Paul Moore, International Mining, 7 January 2019

Mayur Resources Ltd announces that its 100% owned subsidiary MR Iron PNG Pte Ltd (MIPP) has signed a legally binding term sheet with China Titanium Resources Holdings Ltd (CTRH) relating to the development of Mayur's Orokolo Bay Industrial Mineral Sands project in PNG's Gulf Province with pilot scale bulk sampling planned to commence in Q3 of the 2019 calendar year. The Orokolo Bay Project is proposed to be developed in two stages. Stage 1 is the Pilot Plant comprising the construction, commissioning and operation of a pilot scale bulk sample that is already environmentally permitted to produce up to 100,000 t of iron ore sands per annum (over a 2-year period) principally for the purpose of providing test scale shipments of product to potential off takers, with the endeavour they will then sign legally binding long-term offtake agreements for the Full-Scale Plant.

Stage 2 is the Full Scale Plant. Subject to the outcomes of the Pilot Plant Bulk Samples including customer acceptance of product, obtaining the required permits and landowner consents for the Full-Scale Operations, as well as the Definitive Feasibility Study, it is proposed to expand the capacity of the Pilot Plant to achieve total production capacity of 800 t/h run of mine (ROM) feed rate. In addition, a processing circuit is to be installed to separately produce construction sands and crude zircon concentrates (in separated form). Pursuant to the Legally Binding Term Sheet, CTRH has agreed to provide up to $25 million in funding for the construction of the Pilot Plant and Full-Scale Plant on the following terms:

a) CTRH to fund 50% of the Maximum Budget for the Stage 1 Pilot Plant that is to be agreed between the parties. MRL will provide the remaining 50% of the Maximum Budget for the Stage 1 Pilot Plant but may at its sole option defer payment of half (50%) of its funding obligation for the Stage 1 Pilot Plant, in which case CTRH will fund 75% of the Maximum Budget for the Stage 1 Pilot Plant. CTRH will be solely responsible for funding any expenditure in excess of the Maximum Budget that is required to construct the Stage 1 Pilot Plant.

b) Should the conditions precedent for proceeding to the Stage 2 Full Scale Plant be met CTRH will fund the capital expenditure for the Stage 2 Full Scale Operation subject to the total funding provided by CTRH for both the Stage 1 Pilot Plant and the Stage 2 Full Scale Operation not exceeding $25 million.
c) CTRH will receive a 2% equity interest in MIPP for each $1 million in funding contributed by CTRH, provided that CTRH's total equity interest in MIPP is capped at 49%.
d) CTRH will be solely responsible for funding the operating costs of the Stage 1 Pilot Plant and the related bulk sampling program during the operation of the Stage 1 Pilot Plant.
e) Although it is considered extremely unlikely, to the extent that additional funding above $25 million is required for the construction of the Stage 2 Full Scale Project, MRL shall provide loans to MIPP with those loans being repaid, on a priority basis, from the cash flows generated by MIPP from the operation of the Stage 2 Full Scale Plant.

This agreement has been successfully concluded following a number of years of discussions, site visits (PNG and China) and detailed due diligence by both parties. Paul Mulder Managing Director of Mayur Resources said "CTRH bring core operational capability in mining these types of projects, and in addition to providing development capital funding CTRH will also take on working capital and operational risk through the Orokolo Bay pilot plant phase while agreeing to take on funding responsibility up to $25 million and build the Stage 2 Full Scale Plant. This is a positive outcome for Mayur Shareholders where an external funding pathway has been secured whilst Mayur retains a 51% stake in the potential future economics of the $106 million NPV of the Orokolo Bay project as documented in the Pre-Feasibility Study that was included in the Mayur Prospectus. MRL still also retains a 51% interest in the mineral sands exploration license portfolio that MIPP holds across the Gulf of Papua that offers the potential for further expansion projects. Having the operational expertise of CTRH, with their proven capability in low cost mining and quarrying, will assist Mayur in putting PNG on a fast track process to becoming a mineral sands exporter."

He adds: "Bilateral ties will increase with Australia, Japan and China with multiple products coming from the mineral sands operation. Our focus is to bring employment, spin off business opportunities for the people of Orokolo Bay and work with the people to ensure there will be clarity in detail around what such an operation will mean. Now having secured an operating and funding partner we will progress the project alongside CTRH whilst progressing our National Building and Import displacement strategy for PNG." The legally binding term sheet is expected to be converted into definitive transaction documents before the end of January 2019. The Orokolo Bay project is extremely simple with no requirement for chemical processing, grinding or tailings dams. The process involves simple near surface ripping and then sand extraction that is separated by gravity spirals and low intensity magnets (LIMS), with the vast majority of the sand being placed back from where it was taken, enabling rehabilitation to occur almost immediately after mining, leaving a minimal foot print.

CTRH 's Director Mr Chen Hui said: "As a strategic partner we are excited to develop the Papua New Guinea Industrial Mineral Sands operation together with Mayur, a team with great entrepreneurship and professionalism. We are confident that we will deliver Vanadium Titano Magnetite (VTM) and Construction Sands fit for the market demand at a low cost. We are also visioning for future downstream integrated steel production and expecting to bring long term value for our shareholders and the people of PNG. Having been to the site numerous times and having spent time in PNG to understand its provisions we are confident in the Provincial and State governments commitment to encouraging investment and diversifying the PNG economy. Very importantly we must see benefit go to the communities that we work in and as such will adopt a very inclusive management style. The intention of the Stage 1 pilot plant operations is to demonstrate to the international community that PNG can be taken seriously as a reliable, quality supplier of minerals that range from products for steelmaking, tiles, ceramics, concrete/cement, golf clubs, medical prothesis and smart phone screens."

He adds: "Upon Stage 1 testing successfully gaining customer acceptance and Stage 2 Permits and Landowner consents being received, we have already committed to fund the development of Stage 2 full scale operation. The Governor of Gulf Province has been very supportive to provide new employment and job opportunities for the people of Orokolo Bay, and we are committed to localisation of human resources and will bring and transfer expertise and skills together with Mayur. CTRH and Mayur have already started ordering equipment for the Stage 1 trial plant and will further refine the definitive feasibility study (DFS) from the pilot plant findings that will inform the final Stage 2 Full Scale Plant. We will also second resources into MIPP to finalise the DFS while executing the Stage 1 pilot plant." Mulder concluded "We hope this success is just the first in a pipeline of other similar type mineral sands projects slated for the Gulf of Papua region, and moreover the replication time should be drastically reduced once this plant is up and running at Orokolo Bay."

TIME UP FOR NAUTILUS?

Deep Sea Mining Campaign, 4 January, 2019

The clock is ticking for Nautilus Minerals. The company has been struggling for some time as it seeks to force through the first experimental deep sea mining project, Solwara 1, off the coast of Papua New Guinea, despite concerted opposition. Nautilus has been receiving bridging loans from its two main shareholders, Russian mining company Metalloinvest and Omani conglomerate MB Holding. These loans are due for repayment within days, on Tuesday 8th January. The company has no resources to pay the money back. Their sole priority has been trying to raise enough money just to survive, and there have been no announcements indicating any success.

Andy Whitmore of the Deep Sea Mining Campaign said: "The looming deadline follows a string of bad news stories for the company, which means they are unable to estimate when any mining may start, and therefore when they may ever make money. The most recent blow has been the loss of their crucial production support vessel after payments stopped to the shipyard building the ship." Nautilus's share price has been hovering around the historical low of CAN $0.05. What happens when Nautilus defaults on the loans is not clear. The shareholders have so far seemed unwilling to extend the loan period and given the lack of any clear profitability it is not sure why they would. Likewise, given the apparent state Nautilus is in, it is difficult to imagine anyone wanting to take-over the company. That only seems to leave options to negotiate a court-appointed 'restructuring' to satisfy its creditors or to file for bankruptcy.

What the failure of the company would mean locally is still unclear. Jonathan Mesulam from the Alliance of Solwara Warriors stated "For those who have campaigned hard to stop the project, the end of Nautilus is a step in the right direction. However, local communities opposing the Solwara 1 project, their legal team, and international partners will not rest until the PNG Government cancels the operating licence and associated permits for Solwara 1. "This is the logical next step given the level of local opposition, growing international awareness of the risks associated with deep sea mining and the clear financial risks involved in such an enterprise – particularly for a nation as debt-ridden as Papua New Guinea."[3]

Andy Whitmore added: "We have been raising the financial, ecological, and social risks associated with the Solwara 1 project for some time. Seeing the end of Nautilus will be a huge relief for those who would be impacted, but the struggles of this flagship company also calls into question the whole deep sea mining industry." All eyes will be on Nautilus come 8th January.

Opposition slams govt loans

Post-Courier, January 4, 2019

KUMUL Petroleum Holdings Limited borrowed K451 million from Bank South Pacific in 2016 and 2017 to fund dividend payments to the National Government, Opposition Leader Patrick Pruaitch said yesterday. And Mr Pruaitch described this as an extremely bad and unethical corporate financial decision made by the Kumul board of directors. He was quoting figures from the State-owned company's 2017 annual report now available on KPHL's website. He said according to the report the loans were used to pay a dividend of US$93.4 million (K300 million) in 2017 and US$30.75 million (K100 million) in 2016. They were also used for working capital, general corporate purposes, interest reserve accounts and for fees and costs related to the government's BSP loan. Mr Pruaitch said he was very disappointed that the Kumul Petroleum Board led by its chairman, Sir Moi Avei, had approved these extremely bad and unethical corporate financial decisions.

"Normally one would only expect companies facing severe liquidity problems to take out loans for the purpose of using it as working capital and for general corporate purposes. "Responsible corporations do not borrow money to pay dividends and for working capital," Mr Pruaitch said. He said the transactions point to the corrupt nature and fiscal mismanagement of the O'Neill Government. Prime Minister Peter O'Neill is the sole shareholder and trustee for Kumul Petroleum by virtue of his position. Mr Pruaitch said he was not surprised at the disclosure that Kumul Petroleum borrowed money to pay dividends to the government because the same thing had occurred previously with Kumul Consolidated. "These are very bad financial practices for the corporations involved and is a way for the government to hide the true level of its public debt, which has soared from K7.2 billion in 2011 to K25 billion at present," he said.

Massive K1.5 billion loss for KPHL

STATE-owned oil and gas company Kumul Petroleum Holdings Limited made a massive loss of K1.5 billion in the 2017 financial year, according to its annual report.

Post-Courier, January 4, 2019

STATE-owned oil and gas company Kumul Petroleum Holdings Limited made a massive loss of K1.5 billion in the 2017 financial year, according to its annual report. And when the Government was asked to comment yesterday, there was no response as of late yesterday, over the document that has been made public. It also showed that after receiving LNG revenue totaling K1.8 billion in 2016, Kumul still recorded a massive K481 million loss for the year. These figures were yesterday highlighted by the opposition leader Patrick Pruaitch, who described them as "scandalous" citing the O'Neill government's K3 billion UBS loan as the cause among others. He said that Kumul's consolidated accounts disclosed that following the 2016 loss, the UBS collar loans were extinguished in 2017 at a cost of US$842,423,000 (K2.8 billion), part of which could have been offset by the prevailing value of the Oil Search shares.

He said this was mismanagement of the country's economy by the O'Neill government through a series of bad and corrupt decisions, the latest of which included the airlifted importation of the Italian-made Maserati cars. "More money has been lost in this foolhardy transaction that the entire annual budget for either health or education and yet there has been a zero level of accountability," he said. He said that K2-3 billion in APEC expenditure has also not been accounted for even though the 2018 Budget accounts had been closed. "It would take many years to recover from a loss of that scale. Prime Minister Peter O'Neill and Treasurer Charles Abel both promised in September 2017 that Kumul Petroleum would disclose full details of this transaction in Parliament, but this has not happened," he said.

Mr Pruaitch said he did not believe the losses indicated by the 2017 KPHL annual report represented the total financial losses because it excluded the original transaction costs prior to responsibility for purchase of 149 million Oil Search shares and UBS loan liabilities being passed on the company. There have been suggestions these transaction costs, which had no oversight from either Treasury or the Attorney General's Department, could have been as much as A$200 million. "The government wants to hide the truth, and the extraordinary level of losses, caused by these transactions," Mr Pruaitch said, noting that Kumul Petroleum was the only State-owned enterprise that reported to the PNG Prime Minister.

PNG's state oil company suffers $US460m loss
Radio New Zealand, 4 January 2019

Patrick Pruaitch Photo: Loop PNG

Papua New Guinea's state-owned oil and gas company, Kumul Petroleum Holdings, made a massive loss of $US460 million in the 2017 financial year, according to its annual report. The document also shows that after receiving $US550 million of LNG revenue in 2016, Kumul still recorded a nearly $US148 million loss for that year too. The figures have been highlighted by the opposition leader Patrick Pruaitch, who has described them as "scandalous". He cited the government's $US920 million UBS loan as just one cause for the financial situation. Mr Pruaitch said it showed the government's mismanagement of the economy through a series of bad and corrupt decisions.

Strike launched at SLN sites in New Caledonia

A strike has been launched at two mining sites of the nickel company SLN in New Caledonia.
Radio New Zealand, 3 January 2019

The public broadcaster reports that work stopped in the early hours of today at SLN's sites in Thio and Tiebaghi. The action by two unions is to oppose changes to the working hours as part of a restructure of the company, which is running at a loss. The report quotes a union leader as saying leave entitlements have gone and that the working day has been extended to ten and a half hours. SLN suffered setbacks at its Kouaoua site last year when a blockade closed it and interrupted ore supplies to its smelter in Noumea.

Cobalt 27 Capital to acquire Highland Pacific

Mining Technology, 2 January 2019

Cobalt 27 Capital has signed a scheme implementation agreement (SIA) to acquire all of the issued ordinary shares in Highlands Pacific which it does not already own through a scheme of arrangement (SoA). Currently, Cobalt 27 is the largest holder of Highlands shares, with an interest of around 13%. As per the terms of the SoA, shareholders of Highlands will receive A10.5 cents cash per share, provided all applicable conditions are being met or waived and the scheme is being implemented. This consideration represents a premium of 43.8% over the closing price of Highlands shares on 24 December 2018 of A7.3 cents and takes the equity value of Highlands to around A$115m ($80.9m). The consideration will increase by A1.0 cents cash for every share to A11.5 cents, provided before the end of this year, the closing spot price of nickel exceeds $13,220 per tonne over a period of five consecutive trading days. This SoA will need the approval of 75% of shareholders of Highlands who are entitled to vote. Voting will take place at a shareholder meeting, which is expected to be held in mid to late April this year.

Additionally, the scheme will have to be approved by the PNG National Court. The major asset of Highlands is its 8.56% interest in the Ramu nickel-cobalt mine (Ramu), located near Madang in Papua New Guinea. After repayment of Highlands' attributable construction and development loans for the Ramu project, its ownership will increase to 11.3%. Ramu is majority-owned and operated by Metallurgical Corporation of China (MCC). MCC holds a 67.02% stake in MCC-JJ Mining that owns all of MCC Ramu NiCo (MCC – Ramu), which inturn holds 85% joint venture interest in Ramu. The Government of PNG and local landowners own 6.44% stake in Ramu. This stake would increase to 8.7% following repayment of construction and development loans. MCC financed and constructed the Ramu mine for $2.1bn. Cobalt 27 chairman and CEO Anthony Milewski said: "The acquisition of Highlands will allow Cobalt 27 to gain a direct interest in the Ramu nickel-cobalt mine and materially increase its attributable exposure to the mine's nickel production from 27.5% to 100% and cobalt production from 55% to 100%, relative to the previously announced Ramu Cobalt Nickel Stream.

"It does so at nearly half the cost of the previously announced Ramu Cobalt Nickel Stream, provides increased balance sheet flexibility, and enhances value for Cobalt 27 shareholders. It also brings cash flow to our business, something we have told our shareholders was important from the beginning." In October 2018, Highlands announced that MCC is exploring a potential expansion of the Ramu mine, which could cost around $1.5bn. The details with regard to a potential expansion, however, have not been finalised yet. Cobalt 27 expects to have the opportunity to take part in any potential expansion and boost its attributable production through its purchase of Highlands following the SoA. Highlands has interests in the Star Mountains Copper Gold exploration project in PNG and is reviewing the Sewa Bay laterite nickel project in PNG along with Sojitz Group, a Japanese trading firm. Cobalt 27 plans to review strategic alternatives with regard to these non-core assets.

Mine project expected to bring change in Sepik

By JEFFREY ELAPA, January 2, 2019, The National National

WEST Sepik Governor Tony Wouwou, who is in support of the Frieda gold and copper mine in his province, wants officials from East and West Sepik to make an independent environmental assessment. He said the Frieda mine was not an isolated project but a core component of a transformative nation-building opportunity called "the Sepik development project". Wouwou said he saw the Frieda mine as a breakthrough project to bring much-needed services to parts of Telefomin and other parts of West Sepik that lacked basic services. This included the upper Sepik areas. Wouwou said with mining, there were spill-over effects and it was up to the leaders to have those minimised. "Let us weigh out the pros and cons of mining instead of just campaigning against mining," he said. "The Sepik development project will deliver a world-class copper-gold mine and will deliver a long-life hydroelectric power facility.

"These two commercial projects will be enabled by third party development of an international maritime port, public roads, a regional airport and telecommunication services to establish a new economic corridor. "The development project will improve transport and connectivity, facilitate the delivery of services to remote communities and boost trade and investment. "Secondly, we must know the current operator's reputation in terms of environmental impact on their current operations in Laos and other parts of the world. Finally, I would like to endorse that both, East and West Sepik, pool our resources to either engage an independent consultant or engage our intellectuals in the mining industry to carry out an independent assessment of the environmental impact for an unbiased report for us." He asked people to find alternative plans to benefit instead of criticising the project.

For Nautilus Minerals, the debt comes due

Andrew Thaler, DSM Observer, December 19, 2018

The MV Nor Sky, a vessel chartered in 2008 by Nautilus Minerals to conduct environmental assessment at Solwara I, steams past the Tavurvur volcano near Rabaul.

2018 was supposed to be the year for Nautilus Minerals. Their three seafloor production tools — large underwater robots capable of mining seafloor massive sulphides from 1600 meters depth — were finally in hand and undergoing submerged testing. Their ship, the *Nautilus New Era*, was nearing completion. They had only a few hurdles left to clear before beginning production at Solwara I, the much-vaunted site of the world's first deep sea mining operation. Then the floor dropped out. Nautilus suffered a body-blow in late-2017, when Japan beat them to the seafloor by mining a sulphide deposit off the coast of Okinawa. Though a small operation, their success effectively undermined Nautilus's first-mover advantage, at least in the eyes of potential investors. "Japan becomes the first to mine a deep-sea hydrothermal vent" is not the headline Nautilus wanted to read as they advanced towards production at Solwara I.

In December, Marine Assets Corporation defaulted on a payment to the Fujian Mawei shipyard. The chairman of the board resigned in January. MAC defaulted again in July, and the vessel contract was ultimately cancelled. Following the news, Anglo American, one of their minority investors, very publicly divested themselves from the project. CEO Mike Johnson subsequently and abruptly departed the company after 6 years at the helm. Meanwhile, Sir David Attenborough, arguably the most famous voice in the world, called deep-sea mining at hydrothermal vents “deeply tragic”. While the company may have hoped for at least a small victory to close out the year—raising substantial funds or negotiating a new lease for the production support vessel—it was not the be. Earlier this month, Ocean Energy Ventures announced that they had acquired the contract for the *Nautilus New Era* and were no longer in negotiations with Nautilus Minerals to lease the vessel.

Who is Ocean Energy Ventures? Ocean Energy Ventures is a subsidiary of MDL Energy, an offshore service company that provides equipment and services to the energy industry based in India. Though initially in discussion with Nautilus about long-term leases of the vessel, the company reports that “OEV’s dialogue for the charter of the vessel to Nautilus Minerals was terminated on 5th October 2018 and Nautilus have been instructed to remove all of their equipment off the vessel.” This conflicts with a statement from Nautilus that negotiations for a joint venture to acquire the PSV were still ongoing as of December 2, 2018. OEV is now re-purposing the vessel. The ship, previously dubbed the *Nautilus New Era*, has been renamed *Amaya Explorer*.

The final days of 2018 may prove critical for the company’s continued survival. Early this year, they were extended a significant credit line from their major investors, of which they’ve drawn down over $15 million. Nautilus is expected to begin repaying those debts beginning in January 2019. It’s not clear from where revenue for those payments will come nor how much of that debt the government of Papua New Guinea, who owns a 30% stake in the Solwara 1 project, will be liable for.

What this all means for Nautilus is unclear. In the short term, it certainly points towards significant setbacks for the Solwara I project. Without a support vessel, Nautilus will be unable to deploy the three massive machines built to mine seafloor massive sulphides. Production at Solwara I in 2019 seems unlikely. And without a clear pathway to profitability, Nautilus will have trouble attracting new investors just to pay back its loans. At less than $0.04 per share, Nautilus Minerals is trading at the lowest rate since they entered the Toronto Stock Exchange in 2006.
Representatives from Nautilus Minerals declined to comment.