

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

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

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

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

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

Angry PNG Landowners Storm Gates Of ExxonMobil Gas Plant

Operations at Hela Province plant not impacted by protest

By Andrew Alphonse

PORT MORESBY, Papua New Guinea (PNG Post-Courier, June 30, 2015) – Angry Hides landowners yesterday stormed the gates of the multi-billion kina PNG LNG project's Hides gas conditioning plant site in Komo, Hela Province. They staged a peaceful sit-in protest at the gates of the plant. The protest disrupted the movement of workmen and vehicles belonging to developer ExxonMobil (PNG) Ltd and other international contractors from travelling in and out of the plant site. It did not affect the actual operations of the plant. ExxonMobil could not comment yesterday. Hela provincial police commander acting Mark Yangen confirmed the protest when contacted from Tari yesterday. Chief Superintendent Yangen met the landowners who gave ExxonMobil and the State one week to respond to a series of petitions and demands.

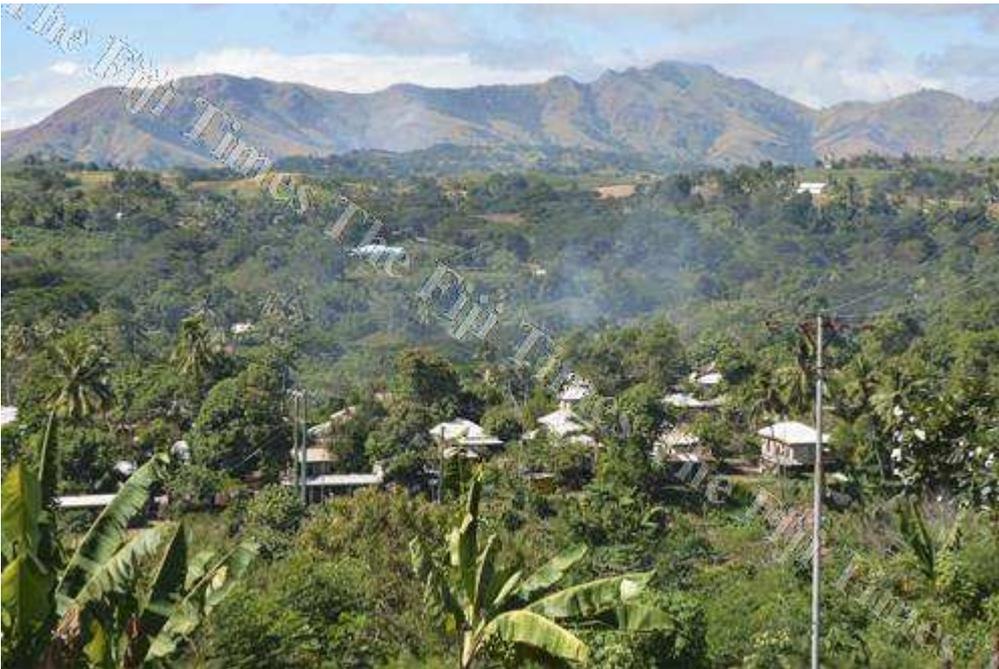
A landowner leader Jackson Waruni from Tuguba Muya clan said they delivered a petition last week to Exxon and relevant State departments in Port Moresby to respond to their demands. When

the date lapsed yesterday, frustrated landowners both from the Hides PDL 1 and Hides PDL 7 areas went in huge convoy of truckloads while others marched to the plant site and staged the protest. Mr Waruni said the landowners are frustrated over failed commitments and years of ignorance over their outstanding payments in royalties and other benefits as spelled out in the umbrella benefit sharing agreement (UBSA) signed in Kokopo in May 2009 and the benefit sharing agreement forums that followed at respective project sites that year.

Violence was prevented by the heavy presence of armed PNG Defence Force soldiers and police mobile squad who are engaged by developer ExxonMobil to provide security and any uprisings in the project sites from disgruntled landowners. "If there were no police and soldiers present, there could have being some troubles. "There were 3000-plus people who went to protest at the gates of the Hides conditioning plant sites. "We just exported 100th LNG cargo and still the landowners are not paid their dues. "That is the main reason of the protest," a prominent Hides landowner figure said. ExxonMobil workers met the protestors and took their petitions which they said would be delivered to relevant government agencies. Under the UBSA agreement, the parties agreed that before the LNG gas tap is opened, the landowners will have to be paid their royalties and equity but they claimed this had not been done.

Fiji: Few families remain in mining town

Litia Mathewsell, The Fiji Times, June 29, 2015



A view of neighbouring houses from Maria's residence at Loloma settlement in Vatukoula. Picture: BALJEET SINGH

FOR residents both past and present, Vatukoula retains childhood memories and the awakening of youth. Its layout was unorthodox, with several communities set apart by ethnic makeup and varying privileges but closely bound by a maze of narrow roads and social activities. Those who grew up during the area's booming days included Antonio Elaisa, a retired Human Resources training officer for the Fiji Sugar Corporation. "I was three years old when I came to Fiji from the island (Rotuma), when my mum passed away," the Lautoka resident related. "I was bought up by foster parents, Jioje and Keponi. My foster mum was my mother's twin sister and we stayed in Vatukoula in the 50s and 60s."

Retaining cultural practices

Antonio noted that despite the distance from Rotuma, their traditional customs remained, still intact and practised through ceremonial formalities. "The Rotuman community also held functions, especially by our elders. Most of us came from Rotuma and stayed in Vatukoula because we had relatives working there." These sentiments were echoed by Maria Vuan, a retired Nilsen College teacher who has lived in the area for over 20 years. "This place was really a stepping stone for many," she said. Though she didn't grow up in the area, she would become part of its vibrant communities through her husband, Sunia Albert, who worked at the mines and moved there in 1987. As noted in the 1977 publication, *Exiles and Migrants in Oceania*, by Michael Lieber, Vatukoula had the highest percentage of expanded households of any of the Rotuman enclaves it studied. This was particularly due to a traditional obligation of well-off families looking after less privileged relatives, and this practice was prevalent in Vatukoula because of the high employment it afforded Rotumans who settled in Fiji.

The 50s and 60s

Antonio attended the Vatukoula Fijian Government School from Class One to eight and remembers taking a ten to 15-minute walk to school from Loloma — a settlement of mostly Rotuman families — with his cousins and friends. "We would go to a lady named Mary Lala, who sold Indian sweets under a mango tree," he recalled. "At the time, the community was very close in Loloma, Dolphins and Vunisinu. There were many social activities too, especially for the church, as many of the Rotumans were Catholic, so we would get together for services on the weekends." The Emperor Theatre in Korowere was also a popular fixture, and regularly attracted a crowd of movie goers to its double-storey complex along Emperor Avenue, where supermarkets and grocery stores were also located. "We didn't have DVDs back then, so the movies were shown through reels. Admission to the movies was about 20 or 50 cents, very cheap. And we'd have movies shown in the morning, midday and in the afternoon. We just had three sessions in a day and would walk to Korowere. "We didn't go to Tavua because of transport problems. Buses were organised for businesses but there weren't any daily runs otherwise. So we would all walk from our various communities to Korowere. There was a bakery owned by a Chinese businessman named Fong Lee, and a taxi base was also there. Good businesses were going on. But now the place is different."

Greener pastures

"Vatukoula was very much prosperous in terms of business, in terms of the mining activities. It was really going very well and together with that, I could see the boom in businesses." As charming as Vatukoula was for Antonio, the struggles of being raised in a large household prompted his resolve to find his own path for the future. "Sometimes I didn't take lunch to school. It was a struggle. I set my goal to be well educated and to not have any second thoughts, but to focus on my future, and to get out of Vatukoula," he said, noting that despite the prosperity, the mining town had limited work opportunities. "I could see that my other friends had already proceeded to higher education and said they couldn't come back to Vatukoula or they would be sent underground for casual works in the mines." Antonio managed to study afield at the University of the South Pacific in Suva, with a government scholarship and retains fond memories of growing up in the charming mining town, where he still has a few resident relatives.

Rotuman assertiveness

As studies and publications noted, the Rotumans of Vatukoula did not go without their share of challenges. One of these was the community's insistence of retaining independence and control of their own affairs, which clashed with the rules of the mining companies. As cited by author Michael Lieber in *Exiles and Migrants in Oceania*, houses were symbolic to Rotuman social status and members of their community once approached a mining welfare office to request that their minister be allocated a house better than merited, which clashed with the mine management rules of how homes were assigned. The Rotumans also ran their own mess hall and were noted as the only com-

munity in Vatukoula to take care of their own food, as a Chinese caterer oversaw the part-European and European mess, while the Fijian mess was taken care of by the mining company. "The advantage enjoyed by Rotumans in their arrangement lies not only in profits but also in the capacity to allocate jobs within the mess to Rotumans," it was noted. The first Rotuman worker at Vatukoula was a man named Tafaki, who joined the mine in 1939 and was recognised as a headman.

Following him, the Rotuman community elected an electrician named Riamkau as headman. "In a short time he had gained a commitment from the company for better housing, but his aggressive manner also generated some antagonism within the community. Then chief Tausia, one of the seven paramount chiefs from Rotuma, visited Vatukoula in 1950 and appointed another man, Vai, as 'headman'." Vai remained headman until he died in 1960, although his predecessor, Riamkau, remained an influential member of the community during Vai's leadership and even put together a committee that comprised of one man of chiefly descent from each Rotuman district. They held monthly meetings. "Interestingly, the resultant structure very nearly duplicated the social structure on Rotuma," Lieber noted. "Thus the 'headman' in Vatukoula put in a very similar position to the district officer on Rotuma, and the committee corresponded to the Council of Chiefs. Even the monthly meetings, which rotated among committee members' households, paralleled the Rotuman custom of rotating host districts." Riamkau was re-elected leader after Vai's death, though the committee passed a motion for the headman's term to be limited to two years.

Close-knit

"The community has been close but when you look at it, it has really depended on the kind of managers we used to have," Maria said. "Some managers before were very easy, some were strict and managed to control the drunkards in the area." One of the former regulations she noted included the eviction of a whole family if a member of their household damaged property or stole from other homes. "That kind of eased off the rowdiness of the drunkards. We only had one or two cases of when that happened, because they would worry that no matter where they were, if they got into trouble, then their whole family was put out. And it was good, because it eased off the rowdiness and danger."

Mine managers differed in character, with some taking a more avid interest in the affairs of Vatukoula's community, while others were more centred on production. "Some came in and both cared for the community, as well as the production," she said. Likewise, the characters of those regarded as Rotuman leaders have also varied, though they have played pivotal roles of overseeing their people outside the traditional frameworks of Rotuman villages. "Even though Rotumans are now everywhere, in Loloma, Nasivi and at Low-Cost, we still have what we call our area leader, similar to the village set-up. So whatever happens, we still do things together," Maria noted.

Chan confident seabed mining will start soon

The National, June 29th, 2015

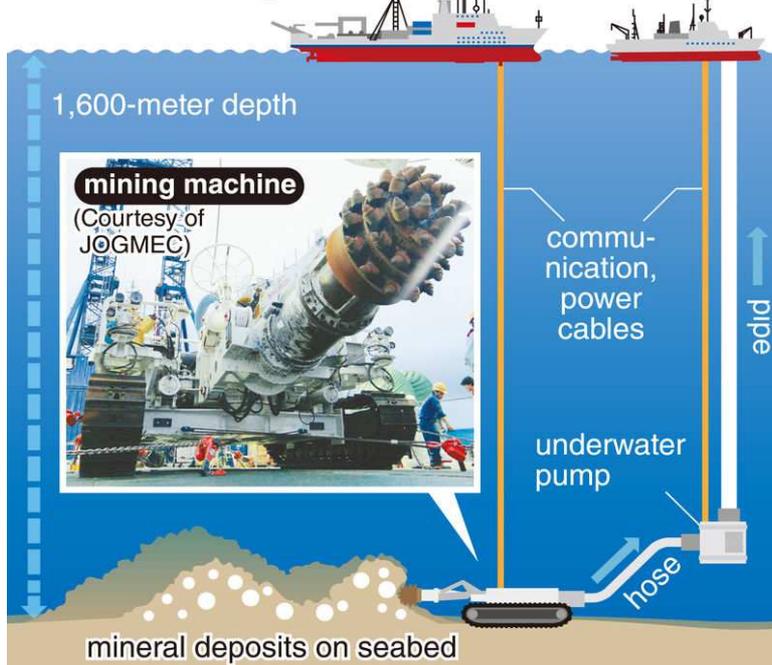
MINING Minister Byron Chan is confident that the mining of copper and gold on the seafloor in Bismarck Sea will start soon. He recently visited Newcastle in the United Kingdom to witness Nautilus Minerals offshore mining tools being manufactured and assembled. "The offshore mining tools are huge and are about to be completed. I can say with confidence now that I have seen and witnessed these equipment myself that seafloor mining within the Bismarck Sea is soon to become a reality," he said. Chan was referring to the construction and assembling of the three seafloor mining tools – the auxiliary cutter, the bulk cutter and the collector. He said it was satisfying to witness the seafloor mining tools being assembled. "The advent of this technology being developed by Soil Machine Dynamics Ltd of Newcastle in the UK for Nautilus and the Government of PNG is nothing short of impressive," he said. "I commend SMD for their engineering and design expertise in de-

livering these tools. “I take pride in the fact that we are not only developing these tools for ourselves but for all mankind who will benefit from their application in future and we the people of PNG are taking a leadership position in this new frontier of offshore mining,” Chan said.

Government set to mine mineral resources off Okinawa

The Japan News, June 28, 2015

Seabed mining test



The Yomiuri Shimbun

The Natural Resources and Energy Agency intends to conduct deep-sea test mining of minerals found on the seabed off Okinawa Island, in fiscal 2017. The government aims to mine as much as 1,000 tons of zinc, silver and other mineral resources at a depth of about 1,600 meters in the sea off the island. It is a world first to conduct such large-scale mining of minerals that lie under the seabed, according to the agency. A large number of mineral deposits have lately been found one after another in waters near Japan. Currently, the Hishikari gold mine in Kagoshima Prefecture is the only domestic commercial mine in the country, the agency said. Japan is 100 percent dependent on imports for minerals such as iron, copper and zinc, which are indispensable for the production of cars and home electrical appliances.



The Yomiuri Shimbun

The test mining is expected to be the first step to realizing commercial exploitation in the future, observers said, which would end Japan's reputation as a country with limited natural resources. The agency plans to conduct the test mining on deposits found at the so-called Izena sea hole at about 100 kilometers northwest of Okinawa Island. It plans to use two mining machines developed by the Japan Oil, Gas and Metals National Corporation, the agency said. The agency plans to conduct the test mining by the end of fiscal 2017, using a special-purpose pump — which is expected to be developed in fiscal 2016 — to pull up unearthened minerals to a mother ship on the surface. It plans to mine about 100 tons of minerals every day for two to four weeks. The costs are expected to come to around ¥15 billion to ¥20 billion, according to the agency.

Meanwhile, a Canadian company has launched the development of a machine to mine seabed minerals at a depth of more than 1,000 meters in the sea. A successful operational test of a Japanese-made mining machine at the Izena hole in the summer of 2012 confirmed the existence of about 3.4 million tons of mineral deposits including zinc, silver and gold. Mineral deposits also have been found in the coastal seas of Kumejima island in Okinawa Prefecture and Hachijojima island in Tokyo. The agency also plans to conduct a detailed survey of such mineral deposits. The government plans to conduct a full-scale project to conduct an integrated operation from exploitation to refinement in cooperation with private companies in the 2020s.

Miner: Operations as normal

Post-Courier, June 26, 2015

BARRICK Gold Corporation's subsidiary Barrick (Niugini) Limited has confirmed there had been an unrest at the Porgera Gold Mine early this week. However, the company said the incident did not impact on the operations of the mine. Police had yet to comment on the incident. However, Barrick's management had indicated that the unrest had involved break-in and theft at the Tawisakale warehouse, vandalism of company property at a number of locations on the mine site, including at the mine's administration complex. The company confirmed that no employee was harmed or injured during the unrest. It stated the matter was now under investigation by Police and those found responsible would be dealt with under the law. "Normal operations are continuing at the mine, and mine management will be meeting," the company said.

Total SA eyes 2017 for Final Investment Decision on Elk-Antelope

Post-Courier, June 25, 2015

IT will be a France 'invasion' of Papua New Guinea with more than 70 families from France's energy giant Total SA arriving by the end of this year to fast track the Elk-Antelope LNG project in Gulf Province. Prime Minister Peter O'Neill, on his seven day visit to Europe last week, stopped over in Paris and was briefed by senior executives of Total SA on the progress of the Elk-Antelope project. PM O'Neill on his arrival said he is pleased that Total SA is making good progress and should be able to get into the Final Investment Decision (FID) by December 2017 and by then construction will have already started by the end of this year. "I am pleased to say that there will be over 70-80 families who are going to move into Port Moresby to work and live with us as part of this project." The Prime Minister said he met with the business community at a breakfast meeting, especially large investors, where they were briefed on the state of PNG's economy, development and government policies.

"I want to assure everyone that there is huge interest from French companies, especially given Total's decision to invest in the ELK/Antelope LNG plant, where I was briefed on the progress. I am pleased to say that Total SA is making very good progress. "We should be able to get into a FID de-

cision towards the end of 2017, before December they will be able to come up with a final investment decision which by then construction will already have started by the end of this year. "They are showing a very big commitment about the increased participation in making sure that this project gets off the ground. "They also briefed me that they are already working now on the financing of this particular project. They are talking to their leading financial institutions all throughout the world in making sure that funding is available for this project. "They are also talking about the marketing arrangements where they are now talking to leading consumers of LNG gas in the region, which will enable us to secure the final investment decision in 2017. "I am very pleased on their briefing and their willingness to work meaningfully with Government, and the landowners and we will continue to support that," PM O'Neill said.

K15.36m real estate investments open in Kiunga

The National, June 25th, 2015

TWO significant real estate investments valued at K15.36 million have been recently opened in Kiunga for the people of Western. These investments include the Ok Tedi Development Foundation's office complex and associated staff housing estate. These are two of eight investments, which were funded by the shared Community Mine Continuation Agreement Investment trust funds. Investment projects are all generating a minimum 8 per cent annual return on the investment for the CMCA people. The office complex was constructed for K8.52 million and K6.84 million for the housing estate, returning in excess of K1.5 million per annum in lease payments from OTDF. The office complex has 52 work stations and 15 offices while the housing estate consists of seven three-bedroom houses and 12 two-bedroom units. Other investments include two series 400 twin otter aircraft, three ships, and the soon to be constructed Cassowary Hotel.

Western Governor Ati Wobiro and OTDF board chairman and Ok Tedi Mining Ltd deputy chief executive officer and general manager employee and external relations Musje Werror opened the office and housing estate buildings. "I want to encourage our people, not just in the CMCA region, but all over the North Fly, Middle Fly and South Fly for us to see each other as the people of Western. "We must not be separated by superficial boundaries and think that we don't belong to a bigger group. Whatever happens, whatever good things happen, we must all celebrate together because the development that OTDF is delivering is touching the lives of all our people. Western must move forward in partnership," Wobiro said. Werror said: "It really gives me great satisfaction to see the CMCA community funds and compensation package being put into good use. And we know that the return on this investment will finance the social development of future generations." OTDF associate director Clara Fred Dangkim urged all CMCA and local communities to change their mind set to look after these assets.

2014 sets stage for implementation of EITI

Post-Courier, June 24, 2015

TREASURY Minister Patrick Pruaitch expects this year to be a very challenging and busy year for the implementation of the Papua New Guinea Extractive Industries Transparency Initiative (EITI). In a paid published statement in the newspapers, Mr Pruaitch said 2014 had set the stage with a number of significant gains being made in this area of which he stated he was pleased. He said that among them was the start of work by the tripartite group consisting of industry, government and the civil society. He said the group had begun the task of implementing the EITI so that PNG can realise similar benefits as enjoyed by those in other resource rich countries who have participated globally. Benefits he highlighted were improved investment climate, more informed public debates of

national interest, better management and use of resource revenues in a transparent and accountable way. The latter he said was important not only for today's generation but those to come.

Mr Pruaitch said he valued that the key to successful implementation of the EITI is gaining public and international confidence by reporting the data and information transparently. He said the first PNGEITI multi stakeholder group (MSG) meeting held in February made a couple of important decisions, one of which was the determination that 2013 would be the financial year to base the first EITI report. He also confirmed the appointment of Lucas Alkan as the head of the PNGEITI national secretariat. Mr Pruaitch emphasised importance on stakeholder groups – the Government, industry and civil society, working together in a collaborative manner to implement the EITI concept. He said the country is already seeing some benefits emerging from these relationships and is confident that the networking and partnership that has been established will improve and deepen the knowledge of the extractive industries. Under his leadership as the treasurer, Mr Pruaitch said the Government is committed to deliver PNG's first EITI report by December to the EITI board and has allocated K2.5 million as initial capital to support its implementation.

South Korean companies eye PNG resource sector

Post-Courier, June 24, 2015

MORE companies from South Korea are looking to Papua New Guinea for business and also want to tap into the country's liquefied natural gas project. Samsung, Hyundai and LG are the big three which are seriously considering their options, according to industry sources. Samsung, which is owned by Lee Kun Hee and is worth \$US12.5 billion (K31.01bn), is already in PNG but is focused on securing interests in gas fields and associated liquids such as condensate, a type of light oil. Hyundai, owned by Chung Mong Koo and valued at \$US5.4 billion (K15.1bn), is also already in PNG but wants to come in a different setting. LG, worth \$US1.36 billion (K3.81bn), has put up its hands to come to PNG if an opportunity arose. Chey Tae-won, owner of SK with an annual turnover of \$US1.56 billion (K4.37bn) is also eyeing business in PNG.

Post-Courier has been told some of these companies are now interested, together with the Korean Government, in the PNG LNG resource however, right now there was still insufficient supply. The Japanese Government and its companies have been in the market since the inception of the project. Korea's state-owned Korea Gas Technology Company, which registered its interest in operating the LNG plant back in 2012, has also enlisted its interest for the PNG LNG Project and other associated fields. There are already Korean businesses operating in PNG, one of which is Hanjung Power that is supplying electricity in Port Moresby and Daewoo. There are other businesses that are also operating in the country in various major projects. Korean Ambassador to PNG Kim Seong-Choon said there was a lot of interest by South Korean companies in PNG, Government officials confirmed that Asian interest in PNG mining, gas and business sectors was growing.

200 jobs expected to be made in multi-million dollar Gold project in Nadi

By Watisoni Butabua, fijivillage.com, 23/06/2015

About 200 jobs are expected to be created at the multi-million dollar Tuvatu Gold project in Nadi. This is after the Canadian company Lion One the Metals Limited was granted a Special Mining lease by the Lands and Mineral Resources Ministry. Land and Permit Manager, Moape Navia says the details are expected to be finalised at the end of this month. He says the special mining lease provides them the exclusive rights to the potential development, construction, and operation of mining, processing, and waste management infrastructure at Tuvatu and the surrounding lease area. He says the company was also granted a 21 year surface lease. Meanwhile, the Mataqali Nacokula of Nata-

wa village and the Mataqali Nabouwalu of Korobebe in Nadi have received \$700,000 as a premium payment. The mining lease area covers 373 hectares of land.

Miner says it will not renew EITI membership

Post-Courier, June 23, 2015

WESTERN Province miner OK Tedi Mining Limited (OTML) has resolved not to renew its membership to the Extractive Industries Transparency Initiative (EITI). The decision by OTML was highlighted by company chairman Sir Moi Avei in its recently published and circulated 2014 annual report. Sir Moi said OTML had elected to join EITI as a supporting company in 2012. However, following recent developments which included the takeover from Canada's Inmet Mining Incorporated and subsequent legislation by Government, which had resulted in it becoming a State-owned enterprise (SOE), the board had decided the move to be inappropriate. "With the company now being an SOE the board decided it was inappropriate to be an independent mining company member and therefore it has not renewed its membership, although the company will continue to support the EITI as a demonstration of its corporate leadership in disclosure practices. "Reporting against Global Reporting Initiative (GRI) criteria is an EITI requirement and OTML has embraced this," Sir Moi said.

He had earlier in the report stated that the company had made a conscious decision to commence reporting its annual activities in line with the CSR using the GRI framework. "The 2014 Annual Review continues that commitment and is the second year the report has been prepared to that format, which is believed to be the first for the PNG Company," he said. Meanwhile, Sir Moi said its focus going forward would be to adopt a long term development strategy to keep the mine and or any new near mines operating for as long as possible to ensure the communities of the Western Province have a sustainable future. He said despite the changes that the company had been undergoing, the company's management had in 2014 performed well and thus its profitability had remained at positive levels. "The company has managed the challenges of 2014 effectively and has emerged from a year of transition as a viable, sustainable, productive and focused operation. "The newly constituted board looks forward to working with the management team through the year ahead in which continuing transitional programs, affecting the future of the company and its stakeholders will come into fruition," he said.

Provincial assembly backs Landowners

Post-Courier, June 22, 2015

THE New Ireland Provincial Assembly has unanimously supported the Lihir Mining Area Landowners Association (LMALA) and the Nimamar Local Level Government (NLLG) in their current dispute with the Mineral Resource Authority's senior officials and the mining company, Newcrest Mining Limited. Sir Julius Chan, Governor and chairman of the assembly, confirmed the resolution brought by the president of the NLLG, Ambrose Silul, in the meeting of June 17. The resolution, passed by the assembly, included the following points:

- Endorsing the content of Governor's letter to the Prime Minister dated June 9, 2015, regarding Lihir issues;
- Called on the State to compensate the landowners of Lihir for removing the *gorgor*;
- That the original grievance relating to breach of the (IBP), which led to the putting up of the *gorgor*, be addressed forthwith;
- That police mobile personnel on Lihir be immediately withdrawn and that local police be allowed to do their police work;

- That a National Court accredited mediator be appointed;
- That the decision of the mediator be adopted by the State, and,
- That the State team's heavy-handed tactics be reviewed.

The assembly condemned the actions of the Mineral Resources Authority's managing director and senior officials in requesting that the police mobile squad be flown to Lihir from Port Moresby, and that the president of the LLG and the chairman of LMALA be arrested. "This is absurd," said Sir Julius. "These people have no respect for the traditional cultures of New Ireland and Papua New Guinea. The *gorgor* is an invitation to talk. An invitation, not a threat. "But the State's response is to send armed men to intimidate and arrest citizens. The State has escalated the situation unnecessarily, and has been provocative. Whenever the company breaches the MoA or the IBP, there is no response from the State. But when the company asks for the State to violate the traditional rights of the people, MRA has no hesitation in doing so. Who is MRA working for?" The assembly held an impassioned debate on the current situation and condemned the actions of both the State and the company. "The people of Lihir and New Ireland have been treated like dirt," said Sir Julius.

OTML hoping for "a new Mt Fubilan" gold-copper deposit

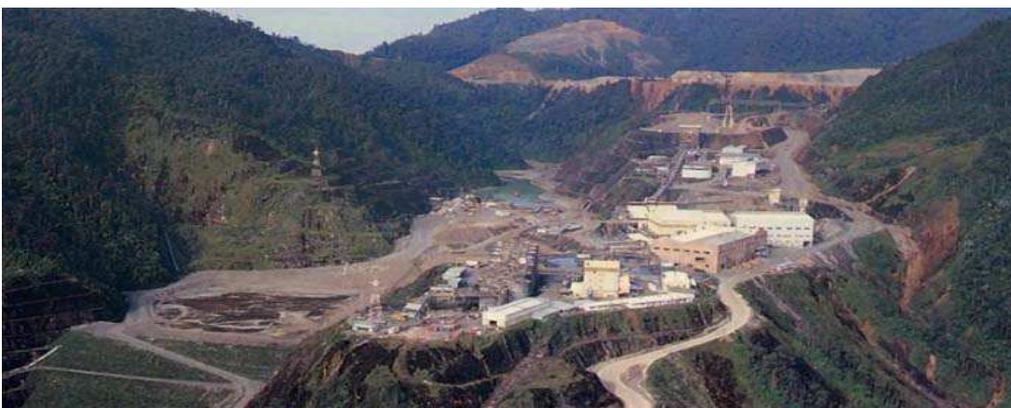
Noel Pascoe, PNG Loop, Jun 19, 2015

There's a new body of ore that could prove to be even richer than the Ok Tedi mine, an OTML executive said today. The mining tenement called Townsville, just four kilometres north of the Ok Tedi jewel, Mt Fubilan, "may be as good or better than Mt Fubilan", marketing chief and a metallurgist by profession, Garry Martin, said this in Madang at a resources workshop. He said the results in sample drilling over a 600 metre stretch were "very exciting". The results so far were "nothing short of spectacular". The structure of the Townsville tenement was very similar to that of Mt Fubilan, Mr Martin told media workers and journalism students at a resources workshop hosted by the PNG Chamber of Mines and Petroleum.

Ok Tedi Mining Ltd is now completely owned by the PNG Government. "It has a gold cap over the copper porphyry ore body, much the same as the existing one," Mr Martin said of the Townsville prospect. "The drill results so far are very good. The gold grade is about one gram of gold per tonne. The Ok Tedi ore body is currently getting 0.6 to 0.7 grams per tonne. "Back when I joined the company, they were getting one gram per tonne." Mr Martin joined the company in 2006. He said Ok Tedi, if it did not have the gold earnings, would not be making a profit these days purely on the copper. Mr Martin said Townsville would take five or more years to assess fully though.

Ok Tedi pumping millions into mine waste storage concept

Noel Pascoe, PNG Loop, Jun 19, 2015



Planning is in an advanced stage for a tailings dam to stop the dumping of mine wastes into the Fly River system, says an Ok Tedi Mining Ltd executive. Marketing executive manager Garry Martin said this to a Madang workshop on resource industries for media workers today. He said there were two possible sites for such a dam that had been identified and were being keenly studied for their suitability. The case for a tailings dam would be strengthened if the current deposit was extended and if very promising findings at the nearby Townsville tenement went ahead. Mr Martin, a qualified metallurgist, told the conference that while BHP, a previous owner, had tried and failed with a tailings dam, the technology had improved since those times.

He said the tailings dam project could cost \$US300-400 million but it was “something we are really looking at, particularly with the other nearby mineral deposits we are looking at”. “The way it’s been done in the past is not the way you can do it nowadays,” he said. The terrain made it difficult, having 11 metres of rainfall each year and with steep terrain which resulted in substantial soil subsidence naturally. The mining over the past 30 years had accelerated that effect, he said. It is understood the company is hoping to have the dam constructed in time for the possible development of pockets of rich ore in the current Mt Fubilan lease and for development of the Townsville deposit, which could mean by 2019 or soon after. The company expects to receive the pre-feasibility results later this year, which may lead to identifying one particular site for the tailings storage dam.

Marape: LNG a myth

The National, June 19th, 2015

THE \$US19 billion (K51.84 billion) liquefied natural gas (LNG) project is not the answer to all of Papua New Guinea’s economic problems, Finance Minister James Marape says. He said the project was a “myth” in the sense that it would not bring solutions to all economic issues. “LNG is a myth. If you think that LNG will unlock a waterfall of money to ensure that every need in this country is met, I’m here to contest that argument,” Marape said. The State-owned National Petroleum Company PNG (NPCP) had said a single shipment of LNG was worth between US\$50 million (K132.9 million) and US\$60 million (US\$159.5 million). Project operator PNG ExxonMobil Ltd last week announced that 100 cargoes of LNG had already left the country since the first export in March last year.

“I sit through the planning room and I see all these submissions that contest for money that come in and I say, hang on, where is the LNG money that we have been talking about?” Marape said. Speaking during 2015 PNG Update in Port Moresby yesterday, he said: “The current LNG will not be the total answer to budget support for our economy. If you want to talk about LNG, I encourage everyone to move into the second LNG and the third LNG train.” However, he said sustainable sectors like agriculture needed more attention and investment to assist the country in many more decades to come. “We are clouding our mind with LNG and we are not talking about agriculture, tourism, fisheries and other sectors that will equally generate money for us but sustainable money that has greater participation by mass of Papua New Guineans.”

Lihir landowners against delay of review by miner

Post-Courier, June 19, 2015

LANDOWNERS of the Lihir Gold mine are against further delays to the review of the integrated benefits package (IBP) and memorandum of agreement (MOA) projects. The landowners in a paid advertisement had said the review had been set for July but had been moved forward by Newcrest to September. This is one of several key issues the landowners had been aggrieved over resulting in the placement of the gorgor at the mine site and subsequent disruptions to the operations at the mine

recently. Normalcy has since been restored to the operations. Authorities had hailed the actions as illegal with Newcrest stating that although there would be some lost production as a result of this incident, production guidance for Lihir for financial year 2015 remained unchanged at 680 to 720koz. The statement which had been signed off by the President of Nimamar Local Level Government Ambrose Silul and executive chairman of the Lihir Mining Area Landowners Association (LMALA) James Laketen said their stance on the review remained unchanged.

"Our position on the revised agreement is to commence the Lihir Agreement Review Process in June and for it to be finalised and executed in September 2015. "Mineral Resources Authority (MRA) as the regulator and Newcrest must understand that this is a non-negotiable priority. Just as the company will not entertain services without a contract, the landowners should not allow the company to operate without a written agreement in place," the President said. Other issues the landowners are alleging are breaches of the IPB agreement in relation to the review and maintenance of current businesses earmarked for resource owners of Lihir, escalating environmental issues and outstanding MOA projects for Nimamar LLG and the New Ireland Provincial Government. The gorgor policy was developed in 2008 to ensure disputes are resolved amicably. The leaders said the gorgor notice was endorsed and placed with the blessing of the two mandatory key stakeholders and not a subset of minority groups as claimed by the developer.

Mine 'best chance' for Bougainville

The National, June 18th, 2015

BOUGAINVILLE'S realistic option for rapid self-reliance and improved levels of service is large scale mining, re-elected Autonomous Bougainville President John Momis says. Momis (pictured) said re-opening the Panguna mine would provide "the best chance of early revenue" as it could open in six or seven years. He said alternative new mining projects would take from 15 to 30 years from exploration to production. "Under our March 2015 Bougainville Mining Act, customary land owners also own minerals. They can reject mining exploration and development," Momis said. "So Panguna will not re-open without landowner agreement, which means clear agreement by a clear majority of landowners, with no manipulation of consent. "It is certainly possible Panguna will not re-open, if landowners oppose it, or if BCL (Bougainville Copper Ltd) don't return and alternative developers can't be found. "But other communities want mining exploration and those possibilities will be evaluated.

"The new Bougainville Mining Act means any new mining will be on totally different terms from under the Bougainville Copper Agreement. "The biggest protection is that no development will be possible unless both landowners and the ABG are satisfied with all the conditions for mining." In April, BCL chairman Peter Taylor said a study conducted by the company indicated that there would be a very high production level when opening a new mine at Panguna. BCL is a subsidiary of Rio Tinto which holds a 54 per cent stake in the Panguna copper gold project, before it ceased operations in 1989. In the 17 years prior to 1989, the Panguna mine produced concentrate containing 3 million tonnes of copper, 306 tonnes of gold and 784 tonnes of silver. The production had a value of K5.2 billion representing about 44 per cent of Papua New Guinea's exports over that period. A total of K1.08 billion or 62 per cent of the net cash generated by the Panguna mine between 1972 and 1989 was contributed to the Government.

Nautilus gives thumbs up for progress of project

The National, June 18th, 2015

NAUTILUS Minerals says it is happy so far with the development of its Solwara 1 project in New Ireland. Chairman Geoffrey Loudon (pictured) said: "I am delighted that this time last year saw us formally commence our partnership in the Solwara 1 Project with the independent state of Papua New Guinea; we appreciate their continued support. "It is very exciting for us to have secured a vessel charter with experienced vessel provider, Marine Assets Corporation. "We look forward to working with them and the shipyard, Fujian Mawei Shipbuilding, in seeing the delivery of our first vessel as we work toward making seafloor mining a reality in 2018." The company said that results of its annual general meeting held Tuesday in Toronto, Canada, 34.10 per cent of the issued shares were represented. Shareholders voted strongly in favour of all resolutions brought before them.

InterOil starts drilling in Gulf

The National, June 18th, 2015

INTEROIL Corporation says it has started drilling the Triceratops-3 appraisal well in Petroleum Retention License 39 in Gulf. Triceratops-3 targets additional volumes north-west of previous appraisal wells. The company said a potential tie-back candidate to Elk-Antelope, Triceratops-3 is about 5.6km west-north-west of Triceratops-1 and 35km north-west of Elk-Antelope. InterOil holds a 69 per cent interest in the well and is the operator.

Canadian company announces start of drilling

The National, June 18th, 2015

CANADIAN company High Arctic Energy Services has advised that its Rig 115 has started drilling operations in the Gulf under a two-year contract. Although the rig has been generating revenue since late March, the take-or-pay contract term commenced with the spudding of the first well on Monday. Chief executive officer Tim Braun said: "We are pleased to have Rig 115 operational in PNG, as this rig represents a significant increase to our service capabilities in the country. "With the imminent deployment of Rig 116 from Houston, we anticipate the additional revenue generated from these rigs operating in PNG to significantly contribute to the profitability of the company going forward." Rig 116 has completed its refurbishment and upgrading in Houston, and is currently being prepared for shipment to Papua New Guinea. It was anticipated the rig would arrive in to the country in late August, and once drilling commences it too will be operating under a previously announced two year term take-or-pay contract.

Landowners query benefits of project

Freddy Mou, PNG Loop, Jun 17, 2015



Landowners of the imminent Frieda River copper and gold mine have expressed their intention to take up a 25 per cent share in the multi-million-kina Frieda River gold project located between the East and West Sepik provinces. Six spokespersons headed by Sali Mino, President of the affected Tunap Hunsten local level government (LLG) and his vice president, Frank Nolwo, expressed this position following a takeover of a major interest in the mine by a Chinese firm. Guandong Rising Asset Management [GRAM] of China has taken over 80 per cent from Australian mining firm Pan Aust Limited as of May 27. Pan Aust Limited reported to the Australian Stock Exchange shareholders on May 22 that after holding out for a year they have now accepted an offer of US\$950 million (K2,504.61m) to sell to GRAM, a company owned by the Municipal Authority of Shenzhen and listed on the Shenzhen Stock Exchange in Southern China. The landowners noted the recent takeover by the Chinese company and are concerned with the low safety record of Chinese companies in respect of environment protection and preservation. They therefore want to participate as shareholders to fully benefit from the mine operation.

ExxonMobil: All claims have been met

Post-Courier, June 17, 2015

ALL statutory obligations under the Oil and Gas Act relating to compensation for deprivation for land required for the PNG LNG Project have been met. This was according to ExxonMobil PNG, the developer of the multi-billion kina project, in response a K3.6 million compensation claim that has been demanded by the Tukupa Walo Incorporated Land Group. The group represents clans in the Petroleum Development Licence-7 (PDL-7) area situated in Hela Province. The claim is mainly for environmental damages done to the PDL-7 area which currently houses the PNG LNG Project processing and conditioning facilities. Tukupa Walo ILG chairman Moses Peno argued the group was the legitimate title owners having followed due process under the Land Act 1996 to acquire a 99-year lease on the land. Mr Peno had issued an ultimatum that their demands be met within seven days, adding that failure by ExxonMobil to act would result in the group resorting to other means to recoup their dues.

However, ExxonMobil expressed disappointment that the Tukupa Walo group had sought to raise the issue in the media even after the courts had on two occasions, in 2011 and 2012, rejected its assertion that the Special Agriculture Business Lease over-rides the licence and permit granted to the company. The company said from the outset that it was keen to enjoy a long term harmonious relationship with customary landowners at all its sites. "ExxonMobil PNG has met its social and environmental obligations as imposed by the PNG LNG Project lenders. This has been subject to quarterly review by experts and those reports are posted to the Project website. "Tukupa Walo has refused to accept their statutory compensation as allocated by the Tuguba Tagobali clan. This money currently sits in trust until these matters are resolved.

New Zealand Maori backs moratorium on seabed mining

Robin Martin, Taranaki reporter, Radio New Zealand, June 16, 2015

A South Taranaki iwi is getting behind a call for a moratorium on all seabed mining until the Government can prove its effects are minimal. The Ngati Ruanui Runanga chief executive said the iwi was supporting a petition for a moratorium started by environmental group 'Kiwis Against Seabed Mining'. Debbie Ngarewa-Packer said Trans-Tasman Resources' unsuccessful application for consents to mine ironsand off the South Taranaki coast showed that there were too many uncertainties in the controversial practice. She said the Government should investigate seabed mining

thoroughly and not rely on a few "guinea pig" areas to establish its environmental, cultural and economic impacts.

NGOs question Nautilus Minerals report on seafloor mining ‘minimum’ impacts

Cecilia Jamasmie, mining.com, June 16, 2015



A coalition of Canada-based environmental groups is questioning a study commissioned by Nautilus Minerals (TSX:NUS) that claims mining copper from the seabed causes less disruptions to the environment and local communities than traditional extraction methods. The organizations, including Mining Watch, Earthworks, Deep Sea Mining Campaign and Oasis Earth Canada, are calling shareholders “not to pay the price of ignorance” when it comes to investing in the Solwara 1 deep sea copper, gold mining project in Papua New Guinea.

From their press release:

Toronto, June 16, 2016.— Civil society, non government organizations and scientists warn Nautilus shareholders not to pay the price of ignorance when it comes to investing in the Solwara 1 deep sea mining project in Papua New Guinea. On 1st June 2015 Nautilus released an environmental and social benchmarking report on the proposed Solwara 1 mine in the Bismarck Sea of Papua New Guinea. “The purpose of the report is to reassure investors and the world that mining the sea floor is a social and environmentally responsible way to satisfy global demand for minerals. Investors should be wary.” said Deep Sea Mining Campaign coordinator, Dr. Helen Rosenbaum. “The benchmarking report is based on information provided by Nautilus, has been reviewed by the company’s CEO, and is clearly an attempt to downplay the risks posed by the Solwara 1 project. How then can Nautilus claim that benchmarking report represents independent research.” The benchmarking report demonstrates limited scientific understanding of the impacts of seabed mining and ignores the wide range of risks identified by comprehensive independent reviews of the project’s Environmental Impact Statement (EIS).

These reviews demonstrate that the Solwara 1 EIS contains flawed assumptions and poor quality science. Richard Steiner, Oasis Earth Professor and Conservation Biologist said, “Extremely little is known about the environmental goods and services of deep sea ecosystems in comparison to terrestrial ecosystems. Additionally, because of their rarity, the mining of hydrothermal vents at the Solwara 1 site would remove a very high proportion of the global total of these ecosystem types – a property not considered by the report.” According to Dr. Catherine Coumans of Mining Watch Canada, whose work on the impacts of land based mines is cited in the Nautilus report, “The report

compares only the first of several potential Solwara sites with massive industrial scale terrestrial mines. Taken together with the cumulative impacts that can be expected of multiple deep sea mines planned by Nautilus, the comparison between terrestrial mines and the Solwara 1 site is like comparing apples to mangoes.”

“This report tells us nothing about the relative social and environmental impacts. It wrongly assumes no impacts on communities and no cultural claims. There is vocal opposition and disagreement to the Solwara 1 project by coastal communities of the islands of New Ireland and East New Britain. They believe they are already seeing the impacts of the Solwara 1’s exploratory phase. According to their customary law they have the right to ban Nautilus from entering their waters and they have already done so.” “Compensation claims for these impacts pose a significant risk to shareholders and investors.” Dr Rosenbaum said that the benchmarking report “downplays the contribution that ‘urban mining’ will make. New technologies are in the pipeline and these will provide economically viable win-win alternatives to mining – creating environmental and social benefits from our growing waste problem. Deep sea mining and its investors will be left in the wake of urban mining and with on ongoing liabilities to boot. Smart investors are already backing the winner.” “The benchmarking report attempts to paint a picture of DSM as being the lesser of two evils. In reality DSM is just the evil we know least about”, said Dr. Coumans.

The Solwara 1 project, located in the minerals-rich Manus basin, is expected to become the world's first commercial high-grade deep-sea copper and gold mine.

Nautilus Minerals: Investor and Shareholder Alert

Deep Sea Mining Campaign Media Release, 16 June 2015

TORONTO | Environmental groups warn Nautilus shareholders not to pay the price of ignorance when it comes to investing in the Solwara 1 deep sea mining project in Papua New Guinea. On 1st June 2015 Nautilus released an environmental and social benchmarking report on the proposed Solwara 1 mine in the Bismarck Sea of Papua New Guinea. “The purpose of the report is to reassure investors and the world that mining the sea floor is a social and environmentally responsible way to satisfy global demand for minerals. Investors should be wary.” said Deep Sea Mining Campaign coordinator, Dr. Helen Rosenbaum. “The benchmarking report is based on information provided by Nautilus, has been reviewed by the company’s CEO, and is clearly an attempt to downplay the risks posed by the Solwara 1 project. How then can Nautilus claim that benchmarking report represents independent research.”

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Reelected Bougainville President Sworn In

Impressive majority victory a sign of stability

By David Lornie

PORT MORESBY, Papua New Guinea (PNG Post-Courier, June 16, 2015) – John Momis was sworn in as Bougainville President at the Parliament House in Buka yesterday for a second term in office. His vice-president Patrick Nisira was also sworn in along with the other newly elected members of the Autonomous Government. The re-election of the Momis-Nisira leadership bodes well for the Autonomous Region. It sends a message of stability. Both leaders were voted back in with an impressive majority which is a reflection of their previous term.

[PIR editor’s note: RNZI reported that ‘The international group which observed the just completed elections in Bougainville say the vote counting process was conducted with integrity. ... The observers came from Australia, New Zealand, Britain, the European Union and the United States.’]

During their current stint in Government, the referendum for independence will be held. As the job of guiding Bougainville through the next tricky five years begins, the incoming Government looks well equipped for the task. Mr Nisira, a well-respected ex-Bougainville Revolutionary Army strongman, has proven to be a solid and decisive leader. President Momis is a founding father of the nation and only the grand old man of PNG politics Sir Michael Somare can currently match his experience in the political arena. Sir Michael was present at the inauguration yesterday, as was fellow ex-prime minister Sir Rabbie Namaliu. Critics have argued that while Mr Momis is a great thinker and strategist he is sometimes found lacking in action.

But his past five years would indicate otherwise. One of the President’s greatest achievements has been with the peace and reconciliation agenda, arguably the most important issue for Bougainville as it heads towards referendum. Mr Momis also pushed through The Bougainville Mining Act, which gives more rights to landowners than any other such legislation in the world. When tabling the Transitional Bill last year, Mr Momis told the Parliament, "mining can occur only if it is done in ways that respect our people’s rights, brings as many benefits as possible and does the least amount of damage to our land, environment and culture. We are especially proud that the Bill is completely unique in the world in the focus that it protects the interests of the people of Bougainville. The legislation has its detractors but there are some people who simply do not like mining, regardless of how it is presented.”

Nautilus Minerals announces extension

The National, June 15th, 2015

NAUTILUS Minerals says it has agreed to extend by six months the exercise date for options granted to its joint venture partner in the Solwara 1 Project. Last December, the company and state nominee, Eda Kopa Ltd, a subsidiary of Petromin PNG Holdings Ltd, formed a joint venture for the deep-sea mining project. Under the terms of the venture, Eda Kopa took an initial 15 per cent interest with an option to take up additional 15 per cent interest within a year on paying certain amounts pursuant to a formula described in the agreement. The option was exercisable in three 5 per cent lots within six, nine and 12 months respectively from the date the joint venture was formed. If Eda Kopa does not exercise any of the five per cent options within the relevant time period then that option and any subsequent options are deemed to have lapsed. To facilitate further discussion between the Nautilus and Eda Kopa, the Canadian subsea miner has agreed to extend the exercise date of the three five per cent options by six months respectively.

OTML, government fail to support fight against TB

Post-Courier, June 12, 2015

BY ANDREW ALPHONSE

WESTERN Province miner Ok Tedi Mining Limited and Western provincial government have failed to support the fight against drug resistant tuberculosis outbreak in Daru and Western Province. Daru General Hospital chief executive officer Sister Orpah Tugo made this claim yesterday as she blasted the mining giant for polluting the Fly River with its mine tailings. Sr Tugo said OTML had failed to assist the hospital in controlling the TB outbreak and other ailments suffered by the people downstream who used the water for drinking and cooking. She said collective efforts had been made to "close in the gap" on the outbreak by the Health Department, World Health Organisation and partners Word Vision and Bennett Institute.

Sr Tugo said there are many things needed to be done especially in increasing the hospital capacities at Daru, the district hospitals and health centres to contain the epidemic. She said while the department and its partners were doing their part, the lack of response and urgency from OTML, provincial government and local MPs were setbacks. "We need extra beds at the hospital. We need logistics for the outreach programs to the rural hospitals, health centres and villages along the Fly River. "Where is Ok Tedi Mining and provincial government's support? We hear resource developers in other provinces supporting health services for the livelihood of the people in their areas of operations. "When will OTML heed the plight of Western and Daru people and stop exploiting and extracting their resources".

Projects for Enga, SHP, Hela

The National, June 11th, 2015

A JEWISH firm has signed a deal with a group of landowners residing at the border of Enga, Southern Highlands and Hela to develop oil, gas and gold projects at Mt Tundaka. The memorandum of agreement was signed recently in Mt Hagen, Western Highlands, between Asian Pacific Project Ltd chairman Joshua Sonia and Somap Pii Isi landowner Association chairman Peter Mondol. Sonia said this would be the biggest investment by the company in Papua New Guinea. "Our aim is to make sure the landowners benefit well from what is extracted on their land," he said. Mondol said that the untouched vegetation's at the mountains of Tundaka has been preserved for years and was rich in minerals. He said that the signing of the MoA between them and the company is one of the very important moments for the landowners.

Landowners still waiting for LNG benefits

Post-Courier, June 11, 2015

By ANDREW ALPHONSE

AFTER more than 6 million tones of shipments to date, landowners as custodians of the multi-billion kina PNG LNG project, still have not received their equity and royalty benefits. As a result, both upstream and downstream landowners along the 700 kilometers LNG pipeline corridor route between Hides gas conditioning plant sites in Hela province, to the liquification and storage facility at Papa Lealea outside Port Moresby are impatient and frustrated. In Port Moresby yesterday, under the blistering heat, Boera villagers of Portion 152 near Papa Lealea LNG storage facility, expressed their frustration at the delay tactics employed by government agencies, the Department of Petroleum and Energy (DPE) and Mineral Resources Development Company (MRDC) in expediting their LNG benefits. Mr Muri Henao, chairman of the Boera village clan heads, flanked by Ula Avei (Iduata Gubarea 3 2 clan), Gomara Ganiga (Tubumaga clan), Rei Honokae (Nenehi clan), Mrs Lucy Alesa (president of Boera women's association) and Mr Moi Miria (Iduata SInalai clan) said they have completed all the requirements as per the oil and gas act (O&GA) to receive their benefits but they are confused and forever waiting when they will be paid.

“They promised us that as soon as we export the first LNG cargo, we (landowners) will get our benefits. “More than 100 LNG cargoes have now being exported and where is our royalty and equity payments ?” Mr Henao said. Mr Henao said one prerequisite to obtain their benefits is the clan vetting and land owner identification exercise which they completed successfully in Nov 2014 witnessed by DPE officials. Mr Henao said they supported the moves last week by frustrated Moran landowners in Hela to shut down the Moran oil head project for the same reason, non- payment of outstanding LNG benefits. Mr Henao said his 4000 petroleum processing facility landowners (PPFL) from Boera villagers that includes 10 stock clans and four sub-clans are now ‘confused and frustrated’ as nearly every week, they frequent the DPE and MRDC offices in Port Moresby, only to be given the ‘forever and endless wait’ response. MRDC managing director Augustine Mano last month said MRDC needed a formula and that is the clan vetting and land landowner identification exercise, before they make the payments, adding that it is DPE’s responsibility to facilitate these exercises. Mr Mano said currently, no payments had being made and the benefits are still held in trust.

The Extractive Industry Transparency Initiative in Papua New Guinea: Just more corporate greenwashing? PNG Mine Watch, 10 June 2015

Papua New Guinea has recently signed up to the international Extractive Industry Transparency Initiative, but is EITI a good thing for the people impacted by the oil gas and mining industries? Or is EITI just another form of corporate green washing?

There are a number of arguments that support the view that EITI allows governments and the mining industry to look good while not delivering any tangible benefits for local populations:

- EITI endorses and supports the idea that large-scale foreign-owned extractive industries are a good option for non-industrialized countries like Papua New Guinea. But in truth this is the wrong model of development.
- EITI was established in 2002 but has not been shown to have a positive impact on governance, corruption or poverty in those countries where it has been adopted.
- EITI ignores the negative social and environmental impacts of mining.
- EITI focuses on just one part of government financial flows and ignores where the money that governments receive actually ends up.

- Perversely, EITI may encourage more foreign companies to invest in more mines, oil and gas projects, causing yet more social and environmental problems and increasing the divide between rich and poor.
- There is no vetting of the companies that are allowed to participate in EITI and many of its supporters have a bad track record on the environment and human rights
- EITI sucks up civil society time and other resources that could be more usefully spent in other areas.

EITI does, however, offer some positives:

- Knowing how much individual companies pay to the treasury each year may provide useful information for civil society and communities.
- EITI meetings provide a forum in-country where civil society can meet with government and industry and raise issues of concern.

But how far do these positives outweigh the negatives?

EITI is itself very circumspect about its possible benefits. On its website it describes its benefits to civil society as being "increasing the amount of information in the public domain about those revenues that governments manage on behalf of citizens, thereby making governments more accountable". Interestingly, EITI does not claim any benefits for the wider public or communities living around the resource industries.

What is EITI?

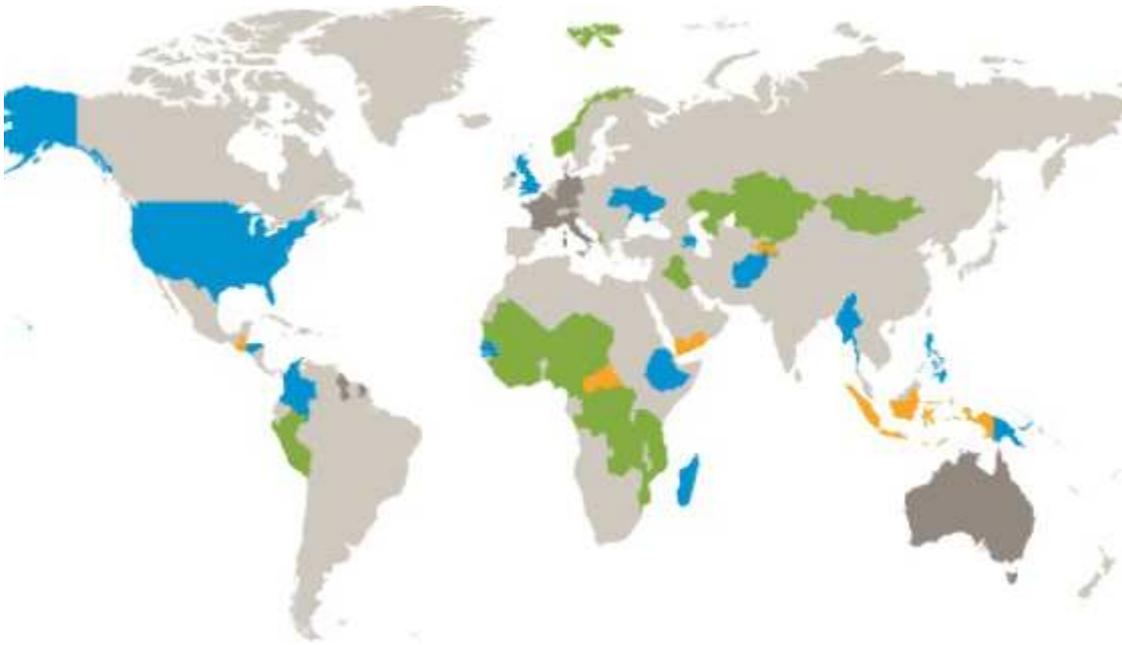
The Extractive Industry Transparency Initiative is a non for profit organisation registered in Norway and based in Oslo. It is funded by governments and industry. EITI provides a global voluntary standard it says is designed to promote open and accountable management of natural resource revenues. EITI says it seeks to strengthen government and company systems, inform public debate, and enhance trust. In each implementing country EITI is supported by a coalition of governments, companies and civil society groups. EITI is cautious in its claims about the benefits of its standard. It merely says that by encouraging greater transparency "some of the potential negative impacts [of extractive resource industries] can be mitigated".

The EITI Standard

The EITI maintains the EITI Standard. Countries that implement the Standard are required to make full disclosure of all taxes and other payments made by oil, gas and mining companies to the government in an annual EITI Report. The oil, gas and mining companies are also required to disclose what they pay to the government. The report allows citizens to see how much their government is receiving from their country's oil, gas and mineral resources. The EITI Standard sets the requirements countries must meet in order to be recognized first as an EITI Candidate and ultimately as an EITI Compliant country. The Standard is overseen by the international EITI Board, with members from governments, companies and civil society. Currently 29 countries are EITI compliant and 17 are EITI candidates, as shown in this map:

EITI in PNG

In March 2014 PNG was accepted as an EITI Candidate. As an EITI Candidate, PNG must start disclosing payments and other data about its oil gas and mining sector, including information on license holders and license allocations, production data and other information. PNG is required to publish its first EITI Report by 19 March 2016. If it is not published by then PNG will be suspended from EITI. PNG must meet all of the requirements in the EITI Standard within three years (by March 2017) to be recognized as EITI Compliant. Each EITI country is required to establish a Multi-stakeholder group made up of government, company, and civil society representatives to oversee the EITI implementation. As PNG has been accepted as a candidate country the PNG MSG is required to publish a report stating the efforts PNG has undertaken to meet the EITI Requirements. The report for 2014 is required to be published by 1 July 2015. Lucas Alkan in the Treasury Department is the PNG government's National Coordinator for EITI.



History

EITI was developed as a response to the 'Publish What You Pay' campaign against extractive industry companies in the 1990's and early 2000's. The PWYP campaign was led by Global Witness, Human Rights Watch and Oxfam. Companies argued that rather than publishing what they paid the campaign should target government who should publish what they received. The idea of EITI was devised by the British government in 2002 (as British Petroleum or BP was one of the big targets of the PWYP campaign). The Norwegian government was one of the early supporters of EITI, hence the EITI secretariat is based in Oslo.

Funding

The EITI secretariat has an annual budget of \$5 million which comes from governments (62%) and industry (37%).

Stakeholders

EITI is a coalition of governments, companies, investors and civil society organisations, who are all represented on the EITI Board. About 90 Companies are involved in EITI including Barrick, BHP, ExxonMobil, Newcrest, and Rio Tinto. NGOs involved include Global Witness, Oxfam and Transparency International

Criticisms

The wrong model of development

EITI uncritically endorses and supports the wrong model of development. It is based on the idea that large-scale foreign-owned extractive industries can improve the livelihoods of rural people. This is a model of development that in Papua New Guinea contradicts and undermines the National Goals and Directive Principles in the Constitution.

No impact on governance, corruption or poverty

Transparency International's annual reports on corruption and a study by EITI itself show that in EITI compliant countries there have not been any appreciable improvements in governance, reduction in corruption or poverty alleviation. EITI compliant countries do not perform any better than their non-compliant peers. Many of the countries that are EITI compliant have long histories of corruption, civil violence and dictatorships and most of them retain low levels of citizen participation in politics, weak accountability systems, and corruption.

Ignores social and environmental impacts

EITI ignores the social, human rights and environmental impacts of resource industries and allows participation by countries and companies with appalling social responsibility records. EITI does not just divert attention away from these key issues it provides governments and companies with a veneer of respectability

EITI ignores where the money ends up

EITI only deals with one part of the money chain, receipts by government. It does not follow how that money is used or where it ends up. EITI does not police how officials eventually make use of payments made by the corporations. EITI also does not address upstream activities, such as procurement, which involves large sums of money and can be a source of corruption. Therefore EITI takes focus and attention away from fighting corruption and stopping the stealing of public monies.

EITI can encourage more investment by foreign companies

By providing a veneer of respectability EITI can encourage more foreign companies to open mines or new oil and gas projects. As EITI explains, it can provide 'an improved investment climate by providing a clear signal to investors and international financial institutions that the government is committed to greater transparency'. This can benefit foreign resource companies by reducing their "political and reputational risks", reducing "political instability" and help companies promote their investment as a benefit to the country.

No vetting of companies

There are more than 90 companies involved in EITI including some of the worlds biggest mining, oil and gas companies. There is no vetting of the companies that are allowed to participate in EITI and some have very bad human rights and environmental records. Involvement in EITI allows them to portray themselves in a good light.

Oil Exploration Firm Threaten Legal Action Against Palau Government

Kayangel State to join PE in suit forcing decision on application

By Jose Rodriguez T. Senase

KOROR, Palau (Island Times, June 9, 2015) – The Palau Energy Pte. Ltd (PE) and the Kayangel State Government have asked the Ministry of Public Infrastructure, Industries, and Commerce (MPIIC) to give its approval and support to its campaign to conduct oil exploration in Kayangel State in a timely manner, otherwise they will file a suit against it and two other entities. In a letter to Minister Charles Obichang of the MPIIC dated May 29, 2015, Kayangel Governor Jeffrey Titiml and PE Director Howard James Smith asked MPIIC to write to EQPB to asking it to give a go-signal to the exploration application. "We hereby request, that the Ministry of Public Infrastructure, Industries, and Commerce issue a letter to EQPB and a copy to the State of Kayangel, clearly stating that the MPIIC confirms that the Palau North Block Petroleum License remains active and is sufficient to allow the State of Kayangel and PE to drill this single exploration test well, within the State of Kayangel waters; in accordance with the Constitution of Palau and the Petroleum Law; concluding therefore no new/additional Petroleum Exploration License is required," the letter stated.

Citing an independent legal opinion from the legal firm Norton Rose Fulbright, Titiml and Smith said that the present PNB Petroleum License signed by the State of Kayangel and PE is legally sufficient and active to drill this one well within Kayangel waters. They said that at this time the only permit that is required is from the EQPB. Norton Rose Fulbright is a multinational law firm, with more than 3,800 lawyers in over 50 cities worldwide. "Furthermore, in addition, we request that MPIIC formally approve and support the State of Kayangel and PE's forthcoming drilling campaign and request you ask that the EQPB complete their assessment of the State of Kayangel and PE's application for an earthmoving license (submitted on 19th January 2015) in a timely manner i.e. within the next two weeks," the letter further stated. The EQPB, in a letter to Titiml and Smith dated

May 26, 2015, has stated that it disagrees with much of the legal analysis conducted by Norton Rose Fulbright- particularly with regards to the analysis of EQPB's Earthmoving Regulations. According to the EQPB, the best authority to decide whether the company needs a Petroleum Exploration License is the MPIIC.

"Therefore, EQPB requests that your company provide us with a copy of a Petroleum Exploration License issued by MPIIC or a letter from MPIIC stating that no Petroleum Exploration License is required," the EQPB letter stated. Smith and Titiml said they might be forced to file a suit against the National Government, MPIIC, and EQPB. "Should the Ministry of Public Infrastructure, Industries, and Commerce be unwilling to support this single well campaign in a timely manner (i.e. within the next two weeks), then we shall have no choice but to undertake legal action to recoup our considerable expenditures plus damages, from the Republic of Palau, the Ministry of Public Infrastructure, Industries, and Commerce and the EQPB," the letter concluded. According to Smith and Titiml, more than \$1 million has already been spent over the past twelve months to ensure that PE will drill a safe, efficient, and environmentally-friendly exploration test well meeting international standards and good industry practice. Island Times was not able to get the comment of Minister Obichang on the letter as of press time.

Youth's mining debate in Solomons complete

The National, June 9th, 2015

EUROPEAN Union, with the Secretariat of the Pacific Community SPC and Solomon Islands Government, has recently successfully completed a deep sea mining debate. The debate involved 14 youths and student from various high schools around Honiara after a weeklong series of information gathering and sessions about the good and bad sides of the issue. Minister of Mines David Daypacha last Thursday said: "Deep sea mining is an emergent mining within the Pacific Islands. "But we must be very careful and to take a well-considered research and approach about the industry. We need to be fully informed of its impacts before taking steps into it. "We need to develop appropriate legislations for the industry." He urged the SPC to develop and provide unbiased information for the Pacific island if it was to venture into the industry. – The Solomon Star

MMJV conducts restructure of Hidden Valley

The National, June 9th, 2015

MOROBE Mining Joint Ventures (MMJV) has conducted a restructure of the Hidden Valley business as part of its transformation programme called "Main Bilong Yumi" (It's Our Mine). Sustainability and external relations general manager David Wissink said the continued low gold and silver prices had forced Hidden Valley to restructure its operations to deliver improvements in productivity and reduce costs to return the business to profitability. He said as a part of the restructure, a new management team had been named by recently appointed Hidden Valley Mine general manager Gary Davies. "Changes will include a new site roster arrangement for management and technical staff. The revised leaner and more focused structure will mean a reduction in some management, support and service positions within the organisation," Wissink said. "The changes in the Hidden Valley mine will allow people to have a greater influence on the business through more time on site and have more ownership and accountability for business outcomes."

Nautilus opts for quality with Solwara-1 project

Post-Courier, June 09, 2015

CANADIAN miner Nautilus Minerals plans on setting the highest standards and will opt for nothing less than the best with its Solwara-1 Project in the Bismarck Sea. Solwara-1 is located between New Ireland and East New Britain Provinces. Its deposit reportedly sits at a depth of 1,600 metres and, according to the company, boasts a copper grade of approximately 7 per cent as well as gold grades of well over 20 grams per ton. Start time for, what will be the world's first ever deep sea mining project, has been locked in at 2018. With all eyes now turned to it, Nautilus is doing everything to ensure all aspects are adequately covered so there is no room for any errors, let alone criticisms. "We want to see the highest standard in this project," Nautilus country manager Mel Togolo said while responding to questions and concerns which had been raised by journalists during a media briefing on the project in Port Moresby yesterday. He said all contracts awarded for design and construction of all the equipment that would be used for the projects had been given to very reputable and renowned companies.

Mr Togolo said the vessel that would be used was being built by a reputable shipping company in China-Fujian Mawei Ship building Limited and that the company was expected to take delivery of it in 2017. He said the design work of the vessel had already received preliminary approval from the American Bureau of Shipping. Other companies that had been engaged for the associated equipment included Rolls Royce of Norway MacGregor both from Norway, Bedeschi SPA of Italy and Siemens International Trading (Shanghai) Ltd of China. The environmental impact on the water column in the sea, terrestrial waters and the marine life had also topped the agenda at the meeting, especially as this project would be the first of its kind in the world. Mr Togolo said Nautilus had commissioned Earth Economic to review the environmental and social impacts of the project. While the independence of the report had been questioned, given that it was commissioned by the company, Mr Togolo had cautioned on issues being raised without it being read in its entirety. The review had been done benchmarking it against two other existing mines in the US and Australia and a proposed mine in Ecuador, South America.

Landowners shut down Moran Oil tap

Post-Courier, June 09, 2015

By KEVIN TEME

Frustrated Landowners of Moran oil field in the Hela Province of Papua New Guinea has shut down the main tap to stop the oil from flowing indefinitely on Saturday. The Moran Project area landowners from PDL 5 and 6 in Hela Province has moved in to shutting down the Oil tap after various authorities did not uphold their respective commitments as well as followed the agreed resolutions passed during their first meeting at the Crown Plaza hotel in Port Moresby in April this year. The resolutions reached after much discussion during that time was for the PDL 5 royalty be ready in two weeks time and payment will be made to MRDC who will execute to the LO's after one and half years of waiting. It was also passed that MRDC will hold-off the payments until all concerns are addressed and disputes resolved and finally for Lohial Nuau to collect all concerns for update to secretary based on resolutions from the meeting. "We had enough. We have given them seven days during the time of the meeting to meet all our requests and demands but until to date, there has been nothing so we had to move our people in to shut the oil area," said HPPA Chairman Pape Punga.

Punga said the approval of the release of the fund was the directive from former Prime Minister Sir Michael Thomas Somare and until to date nothing has been coming forward. "We waited long enough so we had to shut down the oil tap. We have told our people not to destroy or harm any staffs but allow them to shut down the Moran Oil field until their demand and resolutions passed

were met accordingly,” said Punga. Punga apologized to the developers Oil Search Ltd and ESSO Mobile saying these two organizations were innocent but they had to do it by forcing the oil project because Department of Petroleum and Energy Department are not doing their assigned task properly. Punga said, “The direction of the 5 percent agreement to be paid to us from the PM’s office was the direction from the former CEO of the country Sir Michael Somare but they have not honored and I urge the respective authorities to fully investigate people concerned at the DPE.” “ We had to shut down the Moran Oil field because our issues of the 45% Moran PDL 2 royalty issue and the outstanding of K35 million Moran’s MOA issue were not been looked at so we told our people to shut the oil field down until our demands are met.”

Bougainville President Ready To Talk About Panguna Mine

Re-elected Momis to explore possibilities with Rio Tinto

WELLINGTON, New Zealand (Radio New Zealand International, June 9, 2015) – Bougainville's re-elected president says one of his first moves will be talking with Rio Tinto on whether it is interested in re-opening the Panguna mine. John Momis won a resounding victory after counting in the autonomous Papua New Guinea region was completed at the weekend. Bougainville is to conduct a vote on possible independence before 2020 and Mr Momis says mining is the only way to quickly achieve the necessary fiscal self-reliance required before then. He wants to talk with Rio Tinto first because they ran the Panguna mine, through Bougainville Copper Ltd, before the Bougainville Conflict. "Hoping we can come to an agreement to start taking some practical steps to re-open the mine, but if Rio Tinto chooses not to engage us then we have other options to look at." President elect John Momis. Rio Tinto has indicated it is reviewing its position after the outgoing government passed a new mining law.

Solomons Government Denies Ministerial Links To Mining Firm

Indonesian firm granted export permit despite license being revoked

By Bradford Theonomi

HONIARA, Solomon Islands (Solomon Star, June 8, 2015) – The Government has denied claims its ministers have close links with Indonesian mining firm PT Mega Bintang Borneo. The controversial company has been illegally extracting bauxites on Rennell despite the cancellation of its licence. Government Media Consultant, Alfred Sasako, while denying any ministerial links with Bintang, said the decision to grant an export permit to the company was a cabinet decision. The denial comes as more revelations emerged that PT Mega Bintang had registered 10 other companies with different names but with same directors – Sudi Anto and Eric Saniputra. These associate companies to Bintang Borneo held tenements in other parts of the country where certain cabinet ministers reportedly have influences over. It was also revealed that the Cabinet meeting held May 15 reaffirmed awarding of the export permit to Bintang, a week after Director Mine’s suspension and the removal of Jeffery Kauha as permanent secretary.

Mr Sasako said there are no involvement of cabinet ministers and the decision made by cabinet granting export permit to Bintang Borneo stands. He pushed aside the issue of false declaration of documents for the export permit as an issue for the police to deal with. "The forgery of documents as claimed if reported to the police is a police matter and not ours," he said. But he admitted Bintang and associates having more than three tenements, which he said is unlawful. "If there is over three tenements Bintang and its associates have, it breaks the Mines and Minerals Act but it’s not our responsibility. "It’s the matter for the Mines and Minerals Board to deal and consider. What I can say is they have already broken the law." According to documents obtained Bintang Borneo actually has 11 companies with different names registered here but with the same two directors Sudi

Anto and Eric Saniputra. Nine registered under the mining industry and two in forestry, documents revealed.

The companies are, Golden Solomon Resources Ltd with an expired prospecting license on March 8th 2015 for Marau, East Guadalcanal and PT Mega Bintang Borneo on West Rennell. High Land Mining Limited with an expired prospecting license on January 18th 2015 for a tenement on Nendo in Temotu, Grand Peak Solomon Ltd with expired prospecting license for Rendova Island in Western Province and Richmond Mining Limited also with an expired prospecting license dated March 8th for a tenement in Malaita. These five companies have been identified to have records with the latest quarterly updated list of mining companies doing prospecting and mining in the country. The other four, United Solomon Mining Ltd, Gold Mark Mining Ltd, Mega Solomon Mining Limited and Santorica Resources Limited are registered but were not sighted on the updated list of mining companies at the Ministry. Those two that have registered under forestry are Grand Wood Resources Limited and Grand Nendo JV Co Ltd.

Interestingly, two locals are identified as directors to Grand Nendo JV Co Ltd; – Fr. Brown Beu and Edwin Meibu. A close source to the Mines and Minerals Board said the May 15 cabinet meeting revealed many interesting connections. "It is no secret that several cabinet ministers are in bed with Bintang Borneo either through its associate companies." The source added these many registered companies are a diversion to covering up breaking the Mines and Minerals Act. The Act spells out clearly there is a limit to the number of prospecting licence an applicant or its associates can apply for. The source further added some Cabinet ministers have been seen with directors of these companies.

Kiwis Against Seabed Mining group takes campaign a step further

CHRIS GARDNER, stuff.co.nz, June 8, 2015



Waikato Times

KASM Chairperson Phil McCabe protesting against deep sea oil drilling in 2013. A Raglan-based pressure group that stands against seabed mining is marking World Oceans Day by widening a petition. Kiwis Against Seabed Mining (KASM) said Lush Cosmetics had already collected 3500 signatures over six weeks calling for environment minister Nick Smith to impose moratorium on seabed mining. On Monday, KASM chairman Phil McCabe said in a statement that he was widening the campaign. "After two failed seabed mining proposals, it has become abundantly clear that we don't know enough about the impacts of this experimental practice, and we need more information," McCabe said. "The mining industry is now calling for our Government to weaken the laws that govern our oceans to make it easier for them to mine the seabed - that's totally unacceptable," he said.

"World Oceans Day is a good day to call taihoa on seabed mining. We need to know what we're dealing with and where we want to go before diving headlong into this uncharted territory," said McCabe. Trans Tasman Resources and Chatham Rock Phosphate both recently lost bids to mine the seabed off New Zealand. Trans Tasman Resources' application was to mine iron sands off the South Taranaki Bight. Chatham Rock Phosphate's application was for phosphate off the Chatham Rise. KASM is concerned New Zealand, which has the fourth largest Marine Estate in the world, poorly understood the seabed and there was no overarching management plan. "Instead of inviting more wastage of investment dollars on further haphazard and inappropriate seabed mining applications, KASM thinks it's time for the Government to go back to the drawing board, do more research into the makeup of our marine environment and initiate a national discussion on how we want to treat our oceans," the statement said. "We're only just discovering the blue whale foraging ground in the Taranaki Bight – what else is out there that could be affected? We just don't have that information."

OTML focuses on sustainable future for Western people

Freddy Mou, PNG Loop, Jun 8, 2015



Ok Tedi Mining Ltd's focus is to adopt a long-term development strategy to keep the mine and/ or any new near mines operating for as long as possible. This is to ensure the communities of the Western Province have a sustainable future. Chairman Sir Moi Avei said in its 2014 Annual Review Report the past year has presented further significant challenges, not only with the transition in shareholding, the continued volatility in world metal prices and challenging operational issues, but also in the transition towards the Mine's continuation as a smaller operation. He said most notable in the transition was the notional closure of the Mine (as BHP Billiton left it) on 31 December 2013, and the resulting realignment of the workforce. "This included the termination of all employment contracts on that date and the issue of new employment contracts from 1 January 2014, with revised terms and conditions to a reduced workforce.

"2014 has been the year for the OTML Board of Directors (Board) and Management to validate these strategies and deliver on the benefits that were projected to be achieved." In 2011, the Company made a conscious decision to commence reporting its annual activities in line with the principles of Corporate Social Responsibility (CSR) using the GRI framework. "This 2014 Annual Review continues that commitment and is the second year the report has been prepared to the G4 format, with its focus on materiality and in this form it is believed to be a first for a PNG company. The Company elected to join the Extractive Industries Transparency Initiative (EITI) as a supporting company in 2012. However, with the company now being a SOE, the Board decided that it was inappropriate to be an independent mining company member and therefore the Company has not renewed its company membership although the Company will continue to support the EITI as a demonstration of its corporate leadership in disclosure practices.

Police sent to reopen PNG gold mine after locals use taboo plant to demand talks with Newcrest

By Papua New Guinea correspondent Liam Cochrane, ABC Radio Australia, 8 June 2015

Heavily armed police fly to Lihir Island to re-open Papua New Guinea's largest gold mine after landowners halt operations and demand talks with Australian company Newcrest Mining Ltd.



The gorgor is made from the twisted leaves of a ginger plant. (Credit: ABC licensed)

Heavily armed police have flown to Lihir Island to re-open Papua New Guinea's largest gold mine after landowners halted operations and demanded talks with Australian company Newcrest Mining Ltd. The mine shut down on Saturday afternoon, when local landowners placed taboo ginger plants known as gorgors at the mine pit and other sites, which is a traditional signal they want to hold discussions with the company. The local landowners said their Integrated Benefits Package (IBP), which was due to be reviewed in 2012, was now three years behind schedule. They also cited breaches of mine development activities, tendering of Lihirian business to "outside interests" and environmental damage as reasons for their discontent. "We are not asking for something new, our revised agreements are not new, these are agreements Newcrest has not honoured," Nimamar Local Level Government president Ambrose Silul said.

A heavily armed 17-member police mobile squad was deployed to Lihir, a small island group east of PNG's New Ireland, and arrived on Sunday to remove the symbolic gorgors. Newcrest confirmed the gold mine shut down for approximately 36 hours and called the landowner's use of the gorgors "illegal" under an agreement signed in May. "The MRA [Mineral Resource Authority] has previously provided notice that the power to disrupt mining operations resides solely under the authority of the MRA and any action outside of that is deemed illegal," Newcrest said in a statement to the ABC. "A temporary disruption to operations at Lihir was experienced while a return to an agreed formal process to resolve concerns raised by some of the community and other local stakeholders was discussed. "Operations will scale back up this evening."

Miner has failed us: landowners

A landowner representative defended the traditional use of the taboo ginger plants as a call for dispute resolution. "What we have to be clear about is that the placement of gorgor is the Lihirian peaceful way of saying we have a dispute and we must come to the table to negotiate and resolve any issues relating to this dispute," Lihir Mining Area Landowners Association chairman James Laketan said. Landowner groups also singled out Newcrest general manager Craig Jetson as a hindrance to further talks. "Craig Jetson has failed us. Therefore, we will only negotiate with the developer's chief executive officer who is based in Canberra, Australia," Mr Silul said. The Lihir

gold mine is located in an extinct volcanic crater and is believed to be one of the world's largest gold deposits. Since production commenced at the mine in 1997, the site has produced more than 9 million ounces of gold. Newcrest's website says around 90 per cent of the mine's 5,000 employees are Papua New Guineans.

We need genuine foreign investment

The Solomon Star, 05 June 2015

TRANSPARENCY Solomon Islands is asking the question – do we have sufficient laws and policies to attract legitimate foreign investment? The Democratic Coalition for Change Government (DCCG) has announced a number of policies designed to attract new foreign investors to our shores. How can we ensure that the investors we attract will generate benefits for Solomon Islands without adding to local tensions and conflicts? Can we encourage investment from companies that will not result in allegations of corrupt practices in the way they do business? The logging industry has not set a good precedent. Recent developments in mining operations in the country do not seem to demonstrate any improvement. In 2014, a small group of foreign investors, including the directors of PT Mega Bintang Borneo, registered thirteen separate companies. All of these nominated “mining” as their primary business sector. All of these companies are registered in a period of 5 months between May –September 2014. Below are the names of the 13 mining companies:

1. Gold Mark Mining Ltd.
2. PT BahteraMitraSakti Ltd.
3. Santorica Indo Resources Ltd.
4. PT Mega Bintang Borneo Ltd.
5. PT PelayaranBharunaSamuc.
6. Mega Solomon Mining Ltd.
7. PT BahteraMitraTrada Ltd.
8. United Solomon Mining Ltd.
9. High Land Mining Ltd.
10. PT BintangArwana
11. Golden Solomon Resources Ltd
12. Richmond Mining Ltd.
13. Grand Peak Solomon Ltd.

TSI believe that it is in the best interest of the public to know if these strings of mining companies with different names but same directorship is a genuine investor to do mining in different part of the country. Why have these individuals registered so many different companies? Does the Foreign Investment Division or Company Haus have any concerns about these developments? Do they have sufficient powers to act if they do have concerns? Is the law limiting a company to a maximum of three prospecting licences being enforced? Why TSI is asking these questions is because of the fact that there is a cloud over the operations of PT Mega Bintang Borneo, who was granted a lease to mine bauxite in Renbel Province just three months after being granted a prospecting license. Earlier this year, the Attorney General Chambers Office produced a report recommending the cancellation of the company’s mining lease due to a series of legal irregularities. On the 7th of May 2015, the Minister of Mines after deliberation with the Mines and Mineral Board acted to cancel PT Mega Bintang Borneo’s lease on the basis that it’s prospecting license contravene with section 6(a) and 6(b) of the Mines and Mineral Act 1990. Thus, any further mining operation of PT Mega Bintang Borneo in Rennell is null and void. Meaning PT Mega Bingtang Borneo must pack up and leave the country.

Coincidence, this decision came in the wake of Bintang Borneo's apparent attempt to deceive Customs with a fake permit to allow them to export its stockpile of bauxite on Rennell Island. The Ministry of Mines swiftly advised Customs to seize the vessel. However, shortly afterward, the Cabinet did come up with a contradictory decision to what the Ministry of Mines had made. Cabinet has directed customs to release seized vessel and the illegal bauxite consignment to be exported. These are very controversial issue which does not reflect well on the PT Mega Bintang Borneo as one of the 13 mining companies under the same directorships to invest in mining industry and respect our laws. Is this are the kind of investment we will see from these companies? Also, the recent allegation by a senior member of the Mines and Mineral Board that suggested close links between these companies and certain Members of Parliament and Cabinet Members with these mining companies is a real concern. This only shows that these companies are not here only for mining interest but they are here to influence the leaders of our nation to their interest and not of the people. Thus, the question remains, "Do these 13 mining companies under the same directorship are genuine companies to invest in the mining industry of Solomon Islands".

From TRANSPARENCY SOLOMON ISLANDS

New international report highlights reputation risk for firms involved in seabed mining

by ramunickel, PNG Mine Watch, June 5, 2015

Business Intelligence group, RepRisk, has released a new report highlighting the environmental, social and governance risks for companies involved in seabed mining and drilling. RepRisk is a leading international business intelligence provider serving global banks, insurance companies, investment managers and corporates. In its report, RepRisk, details the many environmental concerns surrounding experimental seabed mining including:

- Irrevocable damage to marine ecosystems that are already fragile because of overfishing and pollution
- Release of toxic particles and exposure of species to heavy metals and acids that could enter the food chain
- Impacts of light on species accustomed only to the dark and of noise in an environment where sound is used for communication
- Spreading of contamination from mine waste or leaks by ocean currents
- Reduction of fish stocks affecting coastal communities
- Loss of complex and diverse ecosystems that could potentially benefit mankind
- Loss of resources that could provide for the discovery of new medicines

RepRisk also reviews the history of the controversial Solwara 1 experimental seabed mine in Papua New Guinea. Both United States mining company Anglo American and Russian giant Metalloinvest have stakes in the mine lease holder, Nautilus Minerals. RepRisk outlines the strong campaign against the Solwara 1 that involves groups like Greenpeace, Friends of the Earth and ACT NOW! as well as scientist, university professors, church leaders and local communities. According to RepRisk these groups have all voiced "fierce opposition to the Solwara 1 Project". As well as the environmental concerns outlined above which are all relevant to the proposed Solwara 1 mine, RepRisk highlights the concern over the ability of the PNG government to monitor a completely new mining technique. RepRisk also outlines the concerns of coastal communities that the project will pollute the seawater, cause other environmental damage, and have a negative impact on their livelihoods and food sources, which are dependent on fishing. The report also highlights the 2012 report that claims the Solwara's Environmental Impact Study was seriously flawed, as it failed to correctly identify the risks associated with the project and had underestimated the impacts on local communities. Report: <https://ramumine.files.wordpress.com/2015/06/reprisk-special-report-on-seabed-mining-and-drilling-2015.pdf>

Ok Tedi Mining posts K360.1m net profit

The National, June 5th, 2015

OK Tedi Mining Ltd has reported a net profit after tax of K360.1 million on last year's performance. The company said in its 2014 annual report that the result was an increase of 99 per cent from its 2013 results. Chief executive officer Nigel Parker said OTML had improved its profitability in 2014 despite the company's financial performance being negatively impacted by volatility in global metal prices, "Specifically, sales revenue amounted to K2469.9 million, dividends were declared at K123.8 million and total taxes paid to the PNG Government were K356.8 million," Parker said. "Copper concentrate sales were 381,075 dry metric tonnes (dmt), which was 3 per cent lower than 2013. Metal contained in concentrates sales totalled 93,760 tonnes of copper, 291,873 ounces (oz) of gold and 700,189 oz of silver.

"OTML's cash operating costs in 2014 were K1,283 million a decrease of 21 per cent or K 321.4 million over 2013. "A major contributor to decreased costs included the impact of a strong Australian dollar to the PNG kina but a weaker AU\$ to the US\$ for most of the year," he said. Parker added that world market dynamics had impacted on OTML's operations, resulting in the company coming up with sustainable cost reduction initiatives. "The major cost initiatives in 2014 revolved around optimising and validating Ok Tedi's future to ensure the company's cost structures adapted to lower projected metal output to both preserve operating margins and provide resilience to further fluctuations in metal prices. "These initiatives included a restructuring of the workforce; engagement with contractor partners and mine associated communities."

Yandera project progressing well

Post-Courier, June 05, 2015

THE Yandera project in Madang is progressing towards feasibility, operators Marengo Mining have announced. Marengo says this to be a result of a 10-month extensive technical assessment of exploration and feasibility work, which it added to be the most advanced since project inception. "The Yandera project now has all the hallmarks of an excellent copper project supported by a pro-mining government and community. "Marengo is confident that the project is stronger than ever and is progressing towards feasibility. More importantly key infrastructure components like power supply are coming to the project as a result of the development of strategic resources by the PNG Government and its joint venture partners.

"The successful development by ExxonMobil/Oil Search of the Hides and Angore gas fields and LNG export terminal in 2014 has laid the foundation for PNG energy sector. Marengo is confident that the PNG Government's drive for further on-going development of its on-shore gas fields will provide a commercial supply of electricity to the project," a media statement said. It stated that since the decision to put the earlier feasibility work on hold, management has continued to work diligently on the Yandera Project. "Marengo launched a 9-hole drill campaign at Dimbi in 2013 in search of higher grade mineralisation to strengthen the resource grade, and continued in 2014 with a 4-hole program at Rima. The Australian miner said it is confident the project is on track and that its completion would be contingent to further capital being available.

Chinese companies make push for sensitive mining projects in Papua New Guinea

By Pacific economic and business reporter Jemima Garrett, Radio Australia, 4 June 2015

A Chinese state-owned investment firm has lodged a compulsory acquisition notice for Australian-based mining company PanAust, which has assets in Papua New Guinea and Laos. The notice,

lodged with the Australian Stock Exchange, is the final step in a \$1.4 billion takeover bid for PanAust by Guandong Rising Asset Management (GRAM). PanAust said GRAM would keep its Australian-based management and would take control of the Freida River project once the takeover process was complete, expected to be within six weeks. The copper project sits in the headwaters of the Sepik River, which winds its way through 1,000 kilometres of jungle valleys and wetlands. The Sepik River, one of the largest pristine river systems in the Asia-Pacific region, is home to hundreds of thousands of Papua New Guineans. PNG's Chamber of Mines executive director Greg Anderson said the takeover followed a worldwide trend of Chinese companies being the only ones with the financial muscle to push through with the acquisition.

"It is world-class project and raising the funds for it, particularly in the current market, would be extremely difficult," Mr Anderson said. "They will have that capital so with the entry of the Chinese into the project it is far more likely that it will go ahead, certainly in the next five years or so." Dr Gavin Mudd, a lecturer in environmental engineering at Monash University and a director of the independent mining watch-dog the Minerals Policy Institute, said mining companies in Papua New Guinea did not have a good environmental record. "Any impacts on the Sepik wouldn't just impact people at the mine site up in the mountains, it would pretty much follow all the way right down to the coast," he said. "We need to be concerned about the volumes of water on-site, we need to be worried about the quality of that water, the chemistry of it, how much heavy metals are present and so on, risks such as acid mine drainage, how tailings are managed."

'GRAM understands sensitivities in region'

PanAust director Paul Scarr said environmentalists had nothing to fear from the takeover. "GRAM has been a cornerstone shareholder of PanAust since 2009," Mr Scarr said. "During that period PanAust has received international recognition for its sustainability performance and that includes with respect to matters such as environmental management, local communities development, education and training. "We certainly understand, and GRAM certainly understands, the sensitivities involved in this region, and they completely support PanAust's goals in this respect to have no negative impact on the Sepik River. "It is one of the great river systems of the world and we fully understand that." On the other side of PNG's rugged mountain spine, Barrick Gold has just sold 50 per cent of its Porgera mine to leading Chinese company the Zerjin Mining Group.

It is hoped that partnership will help avoid some of the teething troubles suffered by China's first PNG project, the Ramu nickel mine. "I think the intention is that they will get to know PNG and get to know the project with the possibility that they might eventually take it over completely," Mr Anderson said. "But it is a very good way to go through the PNG learning curve, to be partnered with a very experienced player like Barrick, so I think it is a good way to come into the country." Barrick has settled a class action brought by a group of women raped by security guards and police at Porgera, but the company still faces problems with human rights and illegal mining.

Too many takeovers, mergers in mining industry: Chamber

The National, June 4th, 2015

PAPUA New Guinea's mining industry is currently under stress resulting in many takeovers and mergers, Chamber of Mines and Petroleum says. Executive director Greg Anderson said takeovers and mergers were happening in the oil and gas sector. On the 50 per cent takeover of Barrick's subsidiary in Enga by Chinese firm Zijin recently, Anderson said: "It's a commercial arrangement. "Three years ago things were right up here in the mining industry and now we've had three years of tough times. "Barrick decided to sell and the Chinese got the capital." At present, there are three Chinese companies involved in projects such as the Ramu NiCo mine in Madang and the Frieda River project in West Sepik. While South African gold producer Harmony Gold last month announced

plans to restructure its Hidden Valley mine (Morobe) and cut more than 3000 jobs west of Johannesburg after battling to turn a profit in its operations. Chamber president Gereia Aopi had earlier called on the government and resource companies need to work together to deliver mega-projects in the face of lower mining and petroleum prices.

He said lower commodity prices have been hurting mining companies over the past three years with the big fall in crude oil prices since December affecting all oil and gas producers. "Because of lower metal prices over the past three years, mining companies worldwide have cut exploration for non-ferrous metals (not related to steel-making) by 29 per cent in 2013 and by a further 26 per cent last year, bringing global exploration spending to its lowest level in 12 years," he said. Aopi said accurate mineral exploration expenditure figures were not available from the Minerals Resources Authority, but the Chamber believed there has been an even sharper fall in PNG's mineral exploration expenditure in the past two years. "Nearly all junior mineral exploration companies have run out of funds and scaled back activity. The majors are concentrating on core mining activities," he said. "Oil and gas companies are facing the new realities of lower prices by reducing capital expenditures and operating costs and cutting back on long-term and expensive exploration activities."

Nautilus recommences exploration activities

Post-Courier, June 04, 2015

CANADIAN miner Nautilus Minerals has recommenced exploration activities in Papua New Guinea, but is looking at expanding this to include several other countries in the region. Its first program abroad is already underway in the Solomon Islands. Nautilus president and chief executive officer Mike Johnston had, in the company's Annual Report, stated that the recommencement of exploration to be important for the company's future. However, Mr Johnston stated these activities would not distract it from its primary task in delivering the Solwara-1 project on time and on budget. Country manager Mel Togolo said, during a media briefing in Port Moresby yesterday, that production is expected to start in early 2018. He said the anticipated life-span of the Solwara-1 Project to be up to three years. He said the company had undertaken the decision to recommence exploration to ensure it has a pipeline of projects to feed into the production system that would be available in the waters. He affirmed that the company did have an exploration plan in place, adding this did not just cover PNG alone. "We will do more work in other Pacific countries. We now have a team in Solomon Islands, doing more exploration work there and we have got potential in Tonga as well," he said.

Nautilus reaffirms commitment to project

The National, June 4th, 2015

NAUTILUS Minerals remains committed to the Solwara-1 project near New Ireland, the company says. PNG country manager Mel Togolo said Nautilus had achieved various milestones in developing the deep-sea mining project. He said one of the highlights was the progress on the building of the production support vessel which would be completed at the end of 2017 and the testing of three seafloor production tools. Togolo said several contracts had been awarded to leading world companies for the supply and installation of various key components to the production support vessel. "The sea floor production tools are undergoing commissioning currently in England and their delivery is expected at the end of the year, so that's a big hurdle for us," Togolo said.

"These are milestone achievements for the company, achievements which reiterate our commitment to success fully delivering the Solwara 1 project to the people of Papua New Guinea." He added that he was pleased with the progress of its corporate social responsibility programmes that were

currently underway to deliver much needed services to communities in New Ireland. “I am happy to say, our water and sanitation pilot programme from last year continues into 2015 with the second phase recently kick started,” Togolo said. “In our efforts to identify and prioritise community needs, my team completed a community needs assessment survey interviewing an estimated 1500 households within the villages along the west coast of New Ireland.”

Landowners call for meet with Barrick

Post-Courier, June 04, 2015

CALLS have been made to Barrick Gold Limited to convene an urgent meeting with all stakeholders to address several outstanding issues, including the 50 per cent sale of its operations to a Chinese company. Porgera Landowners Association chairman Tony Mark Ekepa, in a letter to the chief executive of Barrick Gold headquarters in Canada, said that with the sales of the 50 per cent of its shares to Zijin mining company of China, several outstanding issues needed to be settled as the transfer would affect many issues like the MOA reviews. Mr Ekepa said the landowners maintained that the transfer of the shares should not proceed until the issues were addressed, but they wanted an immediate meeting with representatives of Zijin mining company, Barrick, Mineral Resource Authority and the Enga Provincial Government.

He said in light of the outstanding issues, the landowners maintained that Barrick must still be party to the revised MOA in order for Barrick to have a social licence to operate in Porgera. He said with the exit, the MOA review would be affected and that the landowners wanted guarantee that their issues would be addressed and further wanted an agreement apart from the existing MOAs and agreements to be signed by Barrick, Zijin, MRA and the landowners that would reflect that the developer would participate in addressing the issues as a result of the mining activities. Mr Ekepa said based on his research, he had found that Zijin Company had bad environmental and human rights abuse records in China, and therefore the landowners did not believe that the company was able to manage Porgera mine as per its record in a Chinese mine in Shanghang in Fujian Province of China. "I believe strongly that if Zijin nominated CEO is placed in Porgera, he will change the way business has been conducted in Porgera and that will further affect;

- The local employees as they would lose their jobs to the Chinese employees like in other Chinese mine such as the Ramu Nickel mine;
- The local business procedures and process would definitely be affected;
- Environment would be severely damaged;
- They would not honour the MOA commitments; and
- The resettlement program will be affected while the FiFo agreements would also be undermined.

Feature

Bougainville At A Crossroads: Independence And The Mine

By Keri Phillips

MELBOURNE, Australia (Radio Australia, June 2, 2015) – It was a conflict that dominated the news in Australia during the late 1980s and '90s. The people of Bougainville were aggrieved; their land had been taken, exploited and destroyed. The repercussions still echo as the island holds elections in the lead up to a referendum on independence from Papua New Guinea, as Keri Phillips explains. The story of Bougainville begins in the dying days of Australia's colonial presence in what would soon become the independent nation of Papua New Guinea. Bougainville, as well as the rest

of what would become PNG, came under Australian control after World War II. During the '60s, as independence approached, there was debate over whether or not Bougainville would be part of the new nation. The island is the largest in the Solomon Islands archipelago and its people have more in common in terms of ethnic, tribal and customary values with Solomon Islanders than with PNG.

'Bougainvilleans are a united group with a sense of a separate identity, centred particularly on their very dark skin colour, much darker than the average in the rest of Papua New Guinea,' says Anthony Regan, a constitutional lawyer at ANU and an advisor to the current Bougainville government. 'During the post-war period, the beginnings of a linking of political and economic demands to Bougainville identity asserted against the rest of Papua New Guinea began to emerge. Even in the early '60s when a UN mission visited Bougainville, there was a call from some Bougainvilleans for the UN to take over or for Bougainville to be part of America. I'm not saying this was every Bougainvillean but there was a significant element of dissatisfaction.' That feeling of dissatisfaction intensified with the establishment of what would become the world's largest open cut copper mine at Panguna. The Bougainville Copper Agreement was struck between a company then known as Conzinc Rio Tinto of Australia and the Australian government in 1967 and the mine began production in 1972, three years before PNG independence.

'Many of the local people were opposed to the mine,' says Griffith University's Professor Ciaran O'Faircheallaigh, who went to Bougainville as a PhD student during the '70s to look at the impact of the deal. 'At different points, the colonial administration had to bring in riot police to suppress opposition to the mine. We're talking about a situation in which many people didn't want the mine, it was forced on them by the colonial administration through a law, the Bougainville Copper Agreement, in which they had no say. 'Another very big problem was loss of land associated with the project. One of the major protests was at a place called Rorovana, where women were heavily involved in a protest over the building of a port and other facilities. They were removed by the riot police and some of them were jailed. Similarly, at the mine site itself people were losing their land, people were being relocated to other areas where there often wasn't garden land available. They were being moved on to other people's customary land. Remember, the livelihoods of all these people depended entirely on their land.'

Moreover, the mine caused tremendous environmental damage, according to O'Faircheallaigh. 'Mining companies were allowed to simply dump the waste into the rivers, which is what happened. There was no tailings dam in the way there would be in Australia to confine these. About 50 million tonnes of waste a year was simply dumped into the rivers, which became biologically dead within a couple of years. They broke their banks and the tailings and the waste from the mine started to spread out onto other people's land.' The Panguna mine turned out to be incredibly profitable for CRA and its parent company Rio Tinto. So much so that CRA and Rio recovered their entire capital investment in just two and a half years. They were making huge sums of money out of the project, but the compensation that was paid to people was minimal, and often wasn't sufficient even to allow them to buy food to replace the productive land they had lost.

The Bougainville government, set up in 1977, officially got some royalties—about 5 million kina at the time, probably worth about US\$40 million today. It was significant revenue, and the government and used it to try and build infrastructure and prosperity across Bougainville as a whole. Within Bougainville, however, there was a strong sense that the mine had been imposed mainly for the benefit of the independent state of Papua New Guinea, which received a much greater share of the royalties. During the '80s, a new generation of landowners from the mine area were becoming adults. They had never received any of the compensation for the land taken. The size of the mine workforce had fallen from 10,000 during construction to about 3,500, and Bougainvilleans only occupied about 30 per cent of those positions. By the mid-1980s, young people from all over Bougainville were increasingly resentful about the lack of employment opportunities.

Young landowners and mine workers, discovering that they couldn't get their concerns heard by the PNG government or the company, decided to take action. They began destroying mine property, burning buildings and blowing up power pylons. Instead of trying to address their grievances, both the Bougainville government and the national government called in police mobile squads from elsewhere in PNG. Using violence to try to suppress opposition to the mine simply drove more people to join the young rebels, however. The mine was shut down in May 1989 and has never reopened. PNG troops left Bougainville in March 1990 in the lead up to intended peace negotiations. Police pulled out as well, and suddenly the Bougainville Revolutionary Army led by Francis Ona was in charge of Bougainville. 'Very rapidly from mid-1990 the situation descended into highly localised conflicts, some of it over theft, some of it over payback of old scores, some of it about hitting people who had been regarded as supporting the Papua New Guinea government,' says ANU's Anthony Regan.

'It very rapidly then descended into an internal civil war in Bougainville, with very strongly pro-secessionist BRA people opposed by what were often former BRA who had been losing out in localised conflict who then sought the return of the Papua New Guinea forces.' 'It was ultimately, from 1990 through to 1997 when the conflict ended, a sort of dual-headed civil war, one between secessionists and Papua New Guinea, another between secessionists in Bougainville and anti-secession Bougainvilleans, and those two civil wars were masking a myriad of the local conflicts—very, very local, probably 70, 80 localised conflicts that had nothing to do with ideology, nothing to do with secession, all to do with land and local history and identities and so on. So it was a very tragic outcome.' During the conflict, approximately 15,000 to 20,000 Bougainvilleans died. It ended in 2000 after seven years of protracted negotiations that involved New Zealand, Australia and the United Nations. A peace agreement was signed in 2001 by PNG and Bougainville. Both sides agreed that Bougainville would for the moment remain part of PNG but be allowed much more autonomy than other provinces.

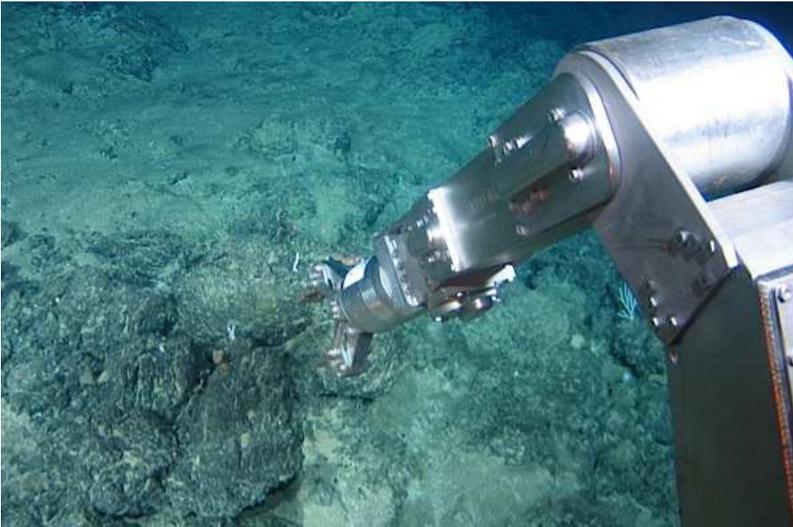
Given the island's history, mining is a very sensitive issue and one part of the peace agreement was that the Bougainville government would ultimately take control of mining on the island. In March this year, that process was completed with the passage of the Bougainville Mining Act. Mining in Bougainville is now completely controlled by the Autonomous Bougainville Government, whereas in every other province of PNG it's still controlled by the national government. The legislation also states, possibly for the first time ever, that minerals are not owned by the state, but rather by the customary landowners of the land under which they sit. The final component of the peace agreement was that between 2015 and 2020 there would be a referendum in which Bougainvilleans would decide whether to remain part of PNG or become independent. PNG is not bound to accept the results of that referendum, but the referendum must be held at some point during that period. Both the independence referendum and the possible reopening of the Panguna mine have been potent issues during the current Bougainvillean presidential and parliamentary elections.

'They are the two big issues,' says Anthony Regan. 'But there is a general view in Bougainville amongst the leadership and amongst very many Bougainvilleans that it's going to be very difficult to have either real autonomy or independence without mining. The Bougainville budget at the moment is about 350 million kina, roughly \$150 million, but Bougainville-derived revenue is about 30 million kina, about \$12 million. 'Bougainville, though, is still divided on the issue of mining. There are some landowners in the area very concerned about the reopening of mining, and there are others very worried about the possible environmental effects. So the issue is yet to be determined, but under legislation passed by the Bougainville government in March, Bougainville landowners have been given rights of veto over either exploration or development. So the Bougainville government's been saying from day one there will be no reopening of the Panguna mine if the landowners don't want it. And with the veto, the landowners will have the final say.'

'The Bougainville government would prefer to have the Panguna mine move ahead quickly if possible, if the landowners want it, mainly because it could be up and running within five, six, seven years, and generating significant revenue for the government even in the two or three years of construction, whereas in general in PNG, new mines from exploration to beginning of operation can take between 15 and 30 years. With the timetable for the referendum, a referendum being required by 2020, the government feels torn and under considerable pressure.' The formal announcement of the results of the election is scheduled for June 8, but it is dependent on the speed of vote counting.

Seafloor copper extraction better than traditional mining — report

Cecilia Jamasmie, Mining.com, June 1, 2015



Extracting copper from the seabed can cause less disruptions to the environment and local communities than traditional mining. (Image courtesy of Nautilus Minerals)

A fresh study commissioned by Canadian seafloor miner Nautilus Minerals (TSX:NUS) shows that extracting copper from the seabed causes less disruptions to the environment and local communities than traditional mining, the company said. The report, released by Earth Economics, compared Nautilus' copper, gold Solwara 1 project — located in the Bismark Sea, north of Papua New Guinea — to three traditional copper mines: Bingham Canyon (Utah, U.S.), Prominent Hill (South Australia, Australia) and Intag (a proposed project in Ecuador). Based on the analysis of each mine's social and environmental impacts, the research concluded that seafloor mining has the potential to not only provide economic benefits within the communities nearest to the operations, but also to minimize the impact of copper mining. According to Nautilus Minerals, the study proves that the proposed Solwara 1 project would be "far superior" than existing and proposed terrestrial copper mines. According to Nautilus Minerals, the study proves that the proposed Solwara 1 project would be "far superior" than existing and proposed terrestrial copper mines. "[Seabed mining] has also the potential to change the physical nature of the mining industry for the better," Nautilus' chief executive officer said in a statement.

The Toronto-based company, the first yet not the only one with projects to mine the ocean floor, summarized the key finding of the reports as follows:

1. World demand for copper continues to rise, with increasing global economic development, expanding renewable energy supplies (wind, hydro, wave geothermal, tidal power) and growing copper plumbing, electronics and communications sectors.
2. Recycling is likely limited to around 35% of the supply of copper. Copper ore concentrations are declining. Environmental and social impacts of copper mining are rising.

3. There is an urgent need to meet world copper demand while reducing fresh water use and contamination, damaging impacts to communities, mine footprints and CO2 emissions from copper mining.
4. Seafloor mining has the potential to minimize the impact of copper mining by producing more copper with fewer natural capital inputs, fewer damaging outputs and a smaller area of impact.
5. The proposed Solwara 1 project when compared to the terrestrial mines, entails far less environmental and social impact and less short and long-term risks.
6. Terrestrial mines have significant impacts. Measured on the basis of impacts per ton of copper, the Solwara 1 project would outperform terrestrial mines:
 - People will not be displaced by the proposed Solwara 1 project.
 - There will be no impact to food production.
 - There will be no impact to surface or groundwater fresh water supplies.
 - There will be no significant risk of disaster (e.g. mine tailing slide into communities).
 - There will be no impact to pollination, soil formation, erosion, historic and cultural values.
 - The monetary damages (measured in terms of USD/year) resulting from terrestrial mines is estimated to be significantly more than that of the proposed Solwara 1 project (4 to 13 times per ton of copper produced for the three mines used in the comparison).
 - The long-term mining liabilities for freshwater contamination, tailings and overburden failures that threaten downstream communities do not exist in Solwara 1.

Nautilus settled a key dispute with the PNG's government last year, and since then, progress has moved quickly on the Solwara 1 project. The company expects to have all its undersea mining tools ready to go by mid-2016. It has also entered a charter agreement for a massive mining vessel, which it expects to receive in late 2017. After that, Nautilus expects to start digging up copper and precious metals almost right away. The project, located in the minerals-rich Manus basin, is expected to become the world's first commercial high-grade deep-sea copper and gold mine.

Report: <http://www.mining.com/wp-content/uploads/2015/06/Earth-Economics-Environmental-Social-Benchmarking-Solwara-1-2015.pdf>

Letter to the editor

Women's association happy with Barrick's stand

The National, June 1st, 2015

I WRITE to relay events in Porgera last week so the rest of PNG will know the current controversies associated with sales of Barrick (Niugini) Ltd announcing its 95% equity of Porgera Gold Mine. We, the Porgera residents were filled with jubilation when Greg Walker, the resident general manager made public at a PJV/Community members meeting that Barrick retained 50% of its equity after selling the other 50% to a Chinese company. Walker told a crowded conference room that Barrick decided to retain 47.5% of its 95% equity because the outstanding liabilities pressures of landowners had to be attended to. He assured the community members that Barrick will continue managing Porgera mine but this time he was to report to a board of directors in Port Moresby. Walker will now have more powers to make decisions here and not report to Toronto as in the past.

Walker told Porgera residents that he was one of the three Barrick directors. He will now be designated the title-Managing Director of Porgera Mine. The Chinese company will also have 3 members on the BOD. He assured the meeting that the Chinese will have to think, work and behave as we do in Porgera, or as Papua New Guineans. If they step out of line to Asianize the business culture here, we will have to correct them so they succeed this time. Else their investments will suffer miserably as they experienced in Congolese Republic and Chile in some past Chinese investment attempts. As Walker assured us that each factions of landowners will be attended to and treated separately ac-

ording merits of each case, we were relieved that Barrick was staying on to attend to our “subsistence survival sources- land- loss grievances”. As president of Porgera Red Wara Women’s Association, I thank Walker for valiantly facing selfishly-ambitious landowners from day one of his arrival into Porgera some 10 years ago and intermingled with us to see the maturity of Porgera community members over the years.. Judy B. Kuala, President, Porgera Red Wara Women’s Association

Power tussle over administrators’ post in Western province

Post-Courier, June 01, 2015

By ANDREW ALPHONSE-Post Courier Live

THE dysfunctional provincial administration and public service machinery in the Western province is a major impediment blocking service delivery in South Fly district and the entire province. Local MP Aide Ganisi told Parliament last Friday that there were two acting provincial administrators appointed by the government and the two are currently engaged in a power struggle. He said over the past several months, the two men have been to court over the matter while public servants on the ground are divided in their loyalty towards these two men. Mr Ganisi said this has resulted in a complete breakdown of public service machinery in the province. Mr Ganisi said while the power struggle between the two men prolongs and public servants are divided, there is no work done while public funds are expended in the power play while the ordinary men, women and children are made to suffer.

Mr Ganisi said all officers in the provincial administration have been put off their positions on an acting basis pending finalization of the provincial administration structure but the department of Personnel Management (DPM) has frozen the implementation of the restructure due to the court case. Mr Ganisi said Western province is a ‘milking cow’ for many people within the province and outside who have vested interest and lobby strongly in the appointment of provincial administrators and thus causes the long delay in the appointment of a permanent administrator. Mr Ganisi said as a first time MP, he is sick and tired of seeing what’s happening here in Waigani and in the province over the matter.

Western Province: MP shifts blame

Post-Courier, June 01, 2015

SOUTH Fly MP Aide Ganase wants government intervention for the bureaucratic breakdown in his district that has resulted in poor services delivery. The MP said this in Parliament on Friday to the special parliamentary committee on public service to Western Province. The committee, chaired by Goroka MP Bire Kimisopa, blamed the MP for failure in delivering services. Mr Ganase explained that the poor state of his district should be blamed on the two government-appointed acting administrators. Mr Ganase wants the PM and Personnel Management departments to intervene and make a permanent appointment. "To what extent should I be held accountable for the current state of the affairs in the district which compelled the Goroka MP to tears?" Mr Ganase said, referring to a news article about Mr Kimisopa breaking down in tears on witnessing the desperate plight of people in South Fly District. He said K13 million of his electorate’s DSIP was still sitting in the district treasury in Daru. "I am facing great difficulty in delivering services to my people because public servants at provincial administrative level are playing politics," Mr Ganase said.

NZ's environment once again at risk from seabed prospectors

Press Release: Green Party, NZ Scoop, 29 May 2015

The Government should immediately implement a moratorium on seabed mining, the Green Party said today. The Green Party is responding to the news that Trans-Tasman Resources has applied to New Zealand Petroleum and Minerals for a 4,436km² Prospecting Permit offshore along the West Coast of the South Island. "New Zealand needs to follow the lead of Australia's Northern Territory and Namibia and put a moratorium on seabed mining," Green Party oceans spokesperson Eugenie Sage said today. "Seabed mining is completely experimental and has the potential for major impacts on the seabed, water quality and marine mammals and other marine life. "A moratorium would avoid the company wasting its resources, and the public having to waste their time mobilising to oppose it to protect our marine environment.

"The two previous seabed mining applications by Tran-Tasman's have been rejected by the Environmental Protection Agency. "With less than 0.5 percent of New Zealand's waters currently protected in marine reserves, and no oceans policy as such, seabed mining is a risk not worth taking," Ms Sage said. "With the West Coast a stronghold for Hector's dolphin, Trans-Tasman will face similar public opposition in the South Island as they did for their applications off the North Island's West Coast. "It is vitally important we protect the places we love from extractive activities that cause real damage. "Our economic future relies on protecting the environment which is the basis for our prosperity. New Zealand's economic development should be in clean energy, green tech and smart industries like IT, rather than harmful extractive technologies," Ms Sage said.

Vale Nickel In New Caledonia Hopes To Turn A Profit

Spills, closures have hindered operations of \$7 billion plant

WELLINGTON, New Zealand (Radio New Zealand International, May 29, 2015) – The head of the Vale New Caledonia mining company says this year it may move out of the red for the first time since the seven-billion US dollar plant's launch. Antonin Beurrier says 10,000 tonnes of nickel has been produced so far this year and a total of 37,000 is the target for the year. Because of a range of setbacks, including spills and closures, the plant has never worked at full capacity of 54,000 tonnes which is now expected to be reached in 2017. Mr Beurrier says 2015 will be critical for the company also because the Brazilian parent, Vale, as the world's largest iron ore producer, needs to cope with the halving of the ore price. He says nickel prices are also depressed. The plant at Goro has been highly controversial because of the environmental damage caused to a nearby World Heritage lagoon. It has also been the target of massive vandalism.

News Release

SPC, EU To Establish Deep Sea Mining Network

Secretariat of the Pacific Community, Apia, Samoa. May 29, 2015

The Secretariat of the Pacific Community and the European Union will establish a community of practice for Pacific Islands' policy officers and legislative drafters involved in deep sea minerals. The new initiative is a key outcome of an intensive regional training workshop on deep sea minerals policy formulation and legislative drafting hosted by the Government of Samoa and organized with SPC in Apia last week. The virtual community of practitioners will usefully exchange practices, experiences, questions and challenges with regards to the development and implementation of their deep sea mineral policies and legislation. The Director of SPC's Geoscience Division, Professor Mike Petterson, said the initiative will enable policy officers and legislative drafters to share and

discuss the future development of deep sea mineral regulatory frameworks, including the strengths and weaknesses in existing deep sea mineral policies and legislation, and to grasp whether there is a need for further development and changes. "Additionally it will ensure that there's a better understanding of the needs and priorities of the Pacific region as a whole, as well as the ability to identify possible areas of regional cooperation and information sharing for deep sea mineral activities," Peterson said.

The new virtual community will be facilitated through a blog or portal managed by SPC as part of its European Union-funded Deep Sea Minerals Project. "The community of practice proposed within the project will enhance the governance of deep sea minerals in the region," the Ambassador of the European Union for the Pacific, Andrew Jacobs, said. "It is another effort to ensure that deep sea minerals in the Pacific are managed sustainably and we are supportive of such efforts." Initiated in 2011, the project has been assisting Pacific Island countries in accessing all available information and for those who wish to engage in deep sea mineral activities, by supporting informed governance in accordance with international law, with particular attention to the protection of the marine environment and securing equitable financial arrangements for the benefit of Pacific people. As one of its key result areas, the project aims to assist Pacific Island countries in the formulation of national policy, legislation and regulations to ensure the responsible governance and careful management of deep sea mineral resources. The workshop in Apia, Samoa, was attended by 70 participants from 13 Pacific Island countries.

Solomons Opposition Concerned About Mining Ministry Changes

Minister change, sacking linked to bauxite exports: Opposition

HONIARA, Solomon Islands (Solomon Islands Broadcasting Corporation, May 28, 2015) – The Parliamentary Opposition has called upon the Democratic Coalition for Change Government to correct the current mining matter involving Indonesian mining company, BT Mega Bintang Borneo Limited. BT Mega Bintang Borneo Limited has been prospecting for bauxite in West Rennell until its license was terminated by the former Mines Minister Samson Maneka. Maneka has since been reshuffled to another Ministerial portfolio. After the reshuffle, Cabinet allowed BT Mega Bintang Borneo Limited to export Bauxite and suspended the Director of Mines, and sacked the Permanent Secretary Jeffery Kauha. The Parliamentary Opposition says this may be linked to the mining company.

In a statement, the Opposition says the former Permanent Secretary has implied he was terminated because he stood by a ministerial decision to deny the Indonesian company an export permit because it did not have a valid mining lease to operate in Rennell Island. The decision was in line with recommendations made by the Minerals Board. The Opposition says the officials tried to perform their duties and protect the laws of this country. Meanwhile, the Parliamentary Opposition has urged the Prime Minister and the Government to ensure this matter involving BT Mega Bintang Borneo Limited is corrected. The Parliamentary Opposition says it must be corrected to ensure foreign and personal interests do not interfere with laws that safeguard the management of national resources and Solomon Islands sovereignty.

MP unhappy with sale of Porgera's mine shares

The National, May 28th, 2015

ENGA Governor Peter Ipatas is concerned about a Chinese company buying into the Porgera gold mine. He told Parliament yesterday that the Chinese company had bought 49.5 per cent of the Porgera mine, which was a very important asset for the country. "The landowners have taken issue with

the State and Barrick (operator) over the last few years over environment damage as well as other issues,” Ipatas said. “We are reliably informed that this company in China does not have an impressive record. “It’s reported that 22 people were killed and more than 500 houses destroyed as a result of the collapse of a tailings dam in China. “Is the Government going to do anything about it in terms of trying to establish whether these companies are credible, and will be operating within the laws of this country?” Mining Minister Byron Chan said he met with Barrick representatives yesterday who informed him of the takeover of 50 per cent of their shares by the Chinese company. He said the credibility of the company was assessed by Barrick and was a transaction not related to Government. “Barrick Gold has sold off 50 per cent of its shares in the Porgera joint venture,” Chan said.

Documentation:

Toxic mine spill was only latest in long history of Chinese pollution

ChinaDialogue: A toxic spill in Fujian last year was only the latest in a line of environmental failures in the province, writes one of the winners in the 2011 China environmental press awards

Yang Chuanmin, The Guardian, for ChinaDialogue, 14 April 2011, Last modified on 20 May 2014



Workers drain away polluted water near the Zijin copper mine in Shanghang on July 13, 2010, after pollution from the mine contaminated the Ting river, a major waterway in southeast China's Fujian province Photograph: AFP/Getty Images

Even on the hottest summer days, few women wear skirts in Bitian village. They do not want to expose their feet, which are covered with festering blisters from the water of the Ting River. The pollution disaster here, in Fujian province, eastern China, has brought Zijin Mountain into the public eye. Before July, 2010, the metals giant that runs the pits here – Zijin Mining – was upheld as an example of "double excellence": bringing both economic benefit and environmental protection. Bitian has not had usable water for a long time. According to statistics from the village authorities, more than 200 of the 305 families here have to walk down a very long road every day to collect mountain water. One villager, Zhong Sanlian, allowed me to see her sore-covered feet. After she washes her clothes in the river water, she said, her feet swell up for several days and itch painfully. The village secretary, Huang Jingxin, said: "Your hands start to itch as soon as you come into contact with the river water." Even the colour of the Ting River scares them. When there is no wind or rain the water is green. But when it rains heavily, sediment from the bottom of the river is brought up and the water turns into a rusty sunset colour.

Losses to the downstream fishing industry have already been calculated. However, damage caused in the immediate area as a result of July's disaster has not yet been evaluated. The villagers said that all the fish in the river have been killed off. River life has always been a source of pride for the pe-

ople here. Turtles used to sell for more than 70 yuan (US\$10.7) per jin (around half a kilo). They also used to catch grouper, beard fish and eels, which had sweet and tender meat, like tofu. July was the last time anyone here caught a fish more than half a metre in length. That fish died quickly and a group of the villagers bravely ate it together. Among them was 30 year-old Bi Bosheng, who works at the neighbouring Wuping Zijin mine, in a shaft over 400 metres deep. He has a different take on life and death to most: more and more people dare not eat anything from the river. Another villager, Huang Lihua, suspects it is as dangerous as taking poison. Even now, Bitian has not posted a report on local water quality. It's as if the pollution incident had nothing to do with this village. Nobody has raised the issue of compensation or how to deal with drinking-water problems. The only comment has come from the Dahang County TV station, which has been broadcasting daily since the beginning of August that Ting River water is meeting quality standards on every count. Local people are too scared to eat the fish here, but the results of official laboratory tests have "confirmed" that Ting River water is meeting standards. The results were posted on a bulletin board on Jiangbin Road in Shanghang County. According to inside sources, the former head of Shanghang County Environmental Protection Bureau has been removed from office. The new head, Li Yongtao, goes to Zijin Mountain for monitoring purposes every day. La Jilong, the head of the environmental monitoring station in Yongding County, which is situated downstream of Shanghang County, even told me that "already there are no traces of copper ions".

This does not calm the fears of the locals, however. Exasperated, village head Zhong Wenfang said: "At present we don't know what to believe – whether the problem has been resolved or not." The villagers here have long mistrusted the authorities. At the end of June and beginning of July, the river at the foot of Bitian village turned strange shades of blue and green, like synthetic colours in an oil painting. Every day, the villagers see the environment inspection vehicle come to the bridge at the entrance to the village to take water samples. They know something is wrong, but up until now nobody has explained to them what has happened. According to China's "Environmental Protection Law", if there is a sudden incident in a company or government unit that could cause an environmental accident, then "the people who may come to harm as a result of the pollution must be informed in a timely fashion". Zijin Mining clearly failed to comply with this. The distrust goes further back than July, however. Villager Huang Lihua has not dared to drink the river water for several years. He has used several hundred metres of rubber tubing to divert mountain spring water from the other side of the mountain to his home. Three or four years ago, his cattle, which would frequently go down to the river to drink, became ill and died. He buried the cattle. He did not dare to eat or sell it.

Even without the impacts of July's accident, Bitian is paying a price for the mining operations on Zijin Mountain. The mountain lies to the north-east of the village. When it is windy, ore residue fills the air. On bad days, even the houses on Zijin Mountain are hard to see. Since the beginning of this century, when the peak of Zijin Mountain was blasted for mining, the environment of Bitian village has steadily deteriorated. Last year, Zijin Mining gave Bitian village a subsidy to establish a running water supply. However, this year water samples from the village were sent for laboratory testing and the water quality found to be sub-standard. The villagers said they now use it to flush their toilets. Huang Lihua said: "The water from the Ting River used to be delicious, but now we don't dare to drink it". Villagers with enough money buy clean drinking water like city people. What really frustrates the people of Bitian is that, apart from the pollution, Zijin Mining hasn't brought them anything: there have been no benefits for the villagers and gaining work at the company is not an easy task.

This cannot be counted as a poor village. At the beginning of the 1990s, many people bought shares in Zijin Mining and made some money. But those with funds have moved away. Zhong Wenfang, the village head, said that the people still there are those with no alternative. Most of the older Bitian villagers know Zijin Mining's chairman, Chen Jinghe, who as a young man used to climb Zijin

Mountain in the day and, in the evening, eat his dinner at the Bitian village hall. And so, for the past two months, a group of village bigwigs have been going to Zijin's offices to try to speak with Chen. Zijin Mining has, in response, promised to resolve their drinking water problems, but still nothing has been done. The relationship between Zijin Mining and the Shanghang county government is set out in the company prospectus. In the last restructuring, Zijin Mining changed from a state-owned enterprise to a modern shareholder-owned enterprise. However, the largest shareholder is still the Shanghang county government. Many government officials have positions in Zijin Mining and these posts have been disclosed to the media. There are pressures from both above and below. Zhong Wenfang said that he finds being a village cadre is too difficult: "Every day, villagers express their opinions to the village committee, saying, 'The air is so terrible! You need to resolve the drinking water issue!'"

The Ting River was originally the life-source of the Hakka people. Now, it has become a burden. Downstream from Bitian, Jiantou village stretches for three kilometres. Here, each household has a well by the river to draw water. The wells are all 20 to 30 years old, but have been abandoned in the last few years – nobody dares to drink the water now. Ten days ago, another esophageal cancer patient from Bitian died. According to local medical statistics, of 40 people to contract cancer in the village in the past 10 years, 35 have died. Most of them lived in the village closest to Zijin Mountain. The village secretary Huang Jingxin told me that these statistics are "very accurate" and that most of those who died suffered from esophageal cancer, lung cancer and stomach cancer. Many of them went to Beijing and Shanghai for treatment, plunging their families into debt. Ten years ago, there were almost no cancer patients in the village. The Ministry of Health has not published the rate of cancer in China. However, according to statistics produced at the fifth China Oncology conference in 2008, over the past 20 years China's cancer rate has been between 1% and 1.5%. The cancer rate in Bitian village is three times higher than this and, in the village closest to the mine, it is almost 10 times higher. The villagers say that, before mining started here, cancer was very rare, but since the mining began "most of the deaths have been caused by cancer".

The environmental deterioration of the Ting River basin, which stretches from Zijin Mountain to the Mianhuatan River, has not happened overnight. And alongside this gradual process, mining expansion has continued at an alarming rate. The Zijin Mountain goldmine started operating in 1993, kick starting the area's industrial development. By 2000, full-scale open pit mining was under way. The Zijin Mountain peak was leveled and turned into a natural workshop for heap leaching and hydrometallurgy. Before this, open-air heap leaching had rarely been practised in southern China. In various interviews, Zijin chairman Chen Jinghe rejected the view of industry experts that "the south is too humid and rainy for heap leaching and the situation of Zijin Mountain does not lend itself well to this mining process." The rapid rise of Zijin Mining is proof of the potential for mining low-grade ore. Once, the Zijin gold mine was considered a hard and "tasteless" nut. In normal circumstances, one tonne of ore would need to contain three grams or more of gold before being considered for industrial ore mining. However, most of the ore from Zijin's mine contains less than one gram of gold per tonne, making low-cost heap leaching a good solution.

Today Zijin Mining's vice-president, Liu Rongchun was manager of mine technology when the company was founded in 1993. In interview with Southern Metropolis Daily, he said that heap leaching in southern China was absolutely doable as long as you choose an appropriate site and protect against waste-water seepage. He said Zijin was using the process to turn something small into something great, and that environmental protection was at the heart of the company's ethos. Why is environmental protection management so important in heap leaching, even though the process uses known materials? First, an important material used in heap leaching is sodium cyanide, which is a highly toxic substance. Second, it produces a huge amount of waste: one tonne of ore could contain as little as one gram of usable metal. Handling the waste is more challenging than the core extraction process. In 2006, Mining Technology magazine published the article "Zijin mining: exploitati-

on of low-grade and refractory metallurgical mineral resources", the result of a collaboration between Changchun Gold Research Institute and researchers from Zijin Mining. It mentions that, "Heap leaching of gold is a simple, low-cost method that uses limited mineral processing equipment. Only these methods of mineral processing, namely open-pit mining and carbon in heap leaching methods + (fine ore cyanide carbon) are capable of expanding production capacity, reducing operating costs and increasing dressing and smelting recovery rates, in order to expand gold production, increase enterprise profits, lower tailing grades and selected ore grades."

Heap leaching resolves the cost issues associated with low-grade mineral mining. Figures show a linear increase in the estimated gold deposit volume in Zijin Mountain over the last 10 years. From an initial 10 kilograms, the figure had risen to 11.5 tonnes by 2006, a one thousand-fold increase. In close to two years, Zijin Mountain produced around 80 tonnes of gold, making it China's largest gold mine. The advent of open-air heap leaching allowed production capacity to expand. Meanwhile, the situation in Bitian village gets worse year by year. The village head, Zhong Wenfang said: "I used to think the Ting River was really wide, I never dreamed of ever expanding mines". The wet copper smelter that caused July's pollution leak employed the same principles as heap leaching. The copper is located below the layer of gold. Only in the last couple of years has Zijin started to extract it. This wet smelting technology, jointly developed by Zijin Mining and the Beijing General Research Institute for Metals, was given an award by the China Nonferrous Metals Industry Association and the Gold Association. A researcher from the institute told me that wet copper smelting is a mature technology internationally and the greatest advantage is that you can use low-grade copper. Zijin Mountain is also the first large-scale mine in China to use hydrometallurgy to mine ore. Vice-president Liu Rongchun said this technology has been researched for 10 years and practiced for five. Twenty percent of the world's copper is produced using bio-hydrometallurgical processes, which can raise the rate of resource utilisation.

In fact, if we look to the past, it is a miracle that Zijin Mountain copper is used at all. According to data provided by Zijin Mining, its average copper content is 0.38 grams per tonne. That is to say, from one tonne of ore, only 0.38 grams of copper is extracted, and the remainder is considered waste. China has large quantities of poor-quality ore. Zijin Mining provides a route to low-cost exploitation, and its industry reputation is based on the model "benefit the country, benefit the people and benefit the self". Previously, Zijin Mining repeatedly stated that hydrometallurgy is a closed process, and there is no possibility of waste-water containing copper efflux. However, a survey of the literature revealed that, within the hydrometallurgical process, and considering the particular characteristics of Zijin Mountain ore, there can also be simultaneous leaching of iron and arsenic. These heavy chemicals can accumulate in the leaching solution and reduce production efficiency. During the production process, these byproducts must be carefully managed. Liu Rongchun has confirmed this with Southern Metropolis Daily. He explained that the company has three safeguards to prevent leaks during the leaching process. First, it secures a mat beneath the ore stockpile during heap leaching to prevent seepage. Second, it creates seepage-collection wells, to collect any solution that may have leaked during the heap-leaching of the ore stockpile. Third, to ensure that everything is perfectly safe, the Environmental Protection Bureau of Shanghang County has installed an independent water-quality monitoring device downstream of Zijin Mining's waste-water discharge point. According to the Environmental Protection Bureau, the pollution accident at the beginning of July was caused by the simultaneous failure of all three safeguards. The seepage collection wells and spillways were "illegally" kept open; however the findings of the investigation did not clarify if the accident was based on subjective intent or an accident.

Liu Rongchun said: "On the macro scale, we are very good – but the problems were unexpectedly caused by small details. This is a profound lesson, reflecting failures of management." Across the world, hidden behind the wealth created by the mining industry, are problems requiring attention – and those most in need are the villages closest to the mines. Unfortunately, amid China's rapid de-

velopment, these places are still neglected for various reasons. Less than a kilometre from Zijin Mountain, in neighbouring Wuping county, is Yueyangpian village. The metals found here are mainly silver and copper, but there is also gold, lead, zinc, gallium, bismuth and sulphur – all associated with large-scale deposits of silver polymetallic ore. But the mine set up to exploit these resources has also brought environmental disaster for local residents: as the wealth from mine amasses, the state of the village gradually worsens. This mine was first set up in the 1990s and jointly operated by Sanxin Mining and Ronghe Mining. Their activities cut off groundwater supplies and some of the village farmland could not be irrigated. A government document shows that, at the beginning of 2007, this mine in Wuping County was transferred from Ronghe Mining directly to Zijin Mining by "principle leaders of the county committee of the county government and under the efforts of the Land and Resources Bureau" and established as Wuping Zijin. Wuping Zijin became a subsidiary of Zijin Mining Group. According to a 2008 security bulletin published by the company, Zijin Mining owns 77.5% of Wuping Zijin. Wuping county is the second largest shareholder. In a later, expanded version of the environmental impact assessment, the mine was described as showing poor economic returns and having safety issues, including tailings hazardous to downstream villages and the Ting River. "Therefore, the best way is for a strong enterprise to lead exploitation," it said.

Liu Rongchun recalls that Wuping County was not completely comfortable with this mine. As a result, Zijin Mining put in place a careful management plan, improved the rate of resource utilisation and standardised safety and environmental protection features. In the second year after the takeover, Wuping Zijin put forward plans to expand capacity to "daily processing of 2,000 tonnes of ore". Wuping county government is the second largest shareholder in the mine. The expansion plans fell under the supervision of Wuping county deputy magistrate Wang Yunchuan. Zijin Mining completed its expansion within one year. The environmental impact assessment conducted by the Sanming city Environmental Protection Science Research Unit indicated that the biggest source of pollution was the waste-water emitted from tailings, most of which ended up in the Ting River. But it was confident this problem would be dealt with: "The expansion project will impose restrictions on volume of waste-water emitted. Most people in a public survey approved of Zijin's acquisition and expansion," the report said. However, Southern Metropolis Daily's investigations show that this was not the case. After the expansion was completed, pollution was not reduced in line with Zijin's promises.

The new tailings storage facility for the mine in Yueyongpian has been designed to sit on a high slope, and so the water level is higher than most of the village's buildings. Yueyongpian is made up of three administrative units, including Yueyong village. Their water source is badly polluted. Many villagers told me that the most serious groundwater pollution began the year before last, after the tailings-storage facility was expanded. The villagers of Yueyongpian cannot drink the water from old wells, which were in use for several decades; neither can they drink the water from wells dug by individual households. The villagers showed me a pot of boiled well water. On the side there was a thick yellow layer of dirt and it tasted salty. "Before there was any mining, the water was very clear and sweet," said one old villager, Zhou Rencheng. "Now, after one night, the water gets rusty and tastes foul." The farmland is also badly polluted. In the 1950s, a set of small reservoirs were set up for irrigation and the water was diverted to the rice paddies with water pipes. After the reservoirs became polluted, the earth on the fields turned black and smelly. The rice takes longer to grow and the crop is stunted. When the villagers go down to the fields, they wear rain boots. If they work barefoot, then their feet will rot.

Wuping Zijin has received little attention in comparison with Shanghang Zijin, even though they are only separated by a mountain. The villagers showed me some photographs. When the national press rushed to Shanghang county for interviews, the forked road to Wuping Zijin was blocked by a rock. When I asked Zijin Mining about the current status of Wuping Zijin's many metal mines, the

response was: "There has been no pollution of the Ting River, or in the surrounding areas." Vice president Liu Rongchun added: "Of course, development has an effect on its surroundings, however so far this has been within an acceptable extent." Liu Rongchun said that each mine is assessed before acquisition. However, this assessment is not satisfactory. In 2009, a group from Yueyongpian village formed to put forward their misgivings about the mine and representatives of Wuping County came to the village for a meeting. The village team leader and village cadres also took part. The people all said that the water tasted bad. But the conclusion reached by the county cadres was that there was nothing wrong with the water and it was drinkable. To this day, the villagers have still not seen a public report on water-quality testing done by the Environmental Protection Bureau. Not far from the expanded mine are villagers whose existence and environment are coming under increasing pressure. At Yueyang, just a fraction of the village's original lands are still capable of supporting a farming lifestyle. Work in the mines is also very dangerous. Gold and silver are toxic materials. Every villager knows this. Zhou Yonghong, a 42-year old local, worked at a small, private mine nearby. One day, he lost his footing and fell into the cyanide pool. He died on his way to hospital. The mine paid out compensation.

When Zijin Mining built the tailings-storage facility at Yueyong, it attracted strong opposition from local villagers. Then they built a tailings dam for Wuping Zijin. This was the fourth time that they requisitioned land during this period and the price on offer had risen – from 12,000 yuan per mu (around 667 square metres) to 25,000 yuan per mu. At that time, villager Lin Meiying still owned seven plots of land. When land for the dam was being requisitioned, the county and town sent workers to her home every day. She did not let them in. But her brother-in-law, a teacher at a middle school in Wuping, was told he would be fired if his older brother and wife didn't agree to sell their land and so she gave in. When she went to town to have the sale certified, she stopped to apply for work in the mine as, along with her land, she had lost her source of income. But Wuping Zijin told her that, at 44 years old, she was too old for the work. The 100 mu of farmland here has turned into the biggest source of pollution in the village. At the entry port to the tailings-storage facility, there is a large sign saying: "Tailings storage facility, entry forbidden". But, in reality, the villagers have not all moved away and the tailings storage facility is already in use. Hu Biaoyang even lives within the facility's grounds. According to company plans, his house will eventually be submerged. But Hu doesn't have anywhere to build a new house and doesn't want to move, and so he has made two demands: the first is that the facility will not affect his current standard of living and the second is that, once the land is requisitioned, his future living will be safeguarded.

Hu Biaoyang does not have any relatives who are teachers or civil servants and the two sides are at a stalemate. From time to time, workers come and try to persuade him to give up, saying that Wuping Zijin is a state-owned company, the backbone of Wuping and the area's biggest taxpayer. Hu Biaoyang has kept some pictures of the site of the tailings-storage facility before it was flooded: a green rice field in the summer and yellow withered stalks after the winter reaping. Now it is just stagnant water; even the mosquitoes avoid it. Some villagers' graves were not moved in time and have also been submerged under the reservoir. The wells in front of the houses are gone too and the reservoir water will soon flood his house. During my visit, the villagers looked out on this stagnant water in consternation. They still remember their feelings of reluctance about the project. They have filmed the farmland and made DVDs as something to remember their home by. But they also know that, even if the water receded, the fields could not be cultivated. For fish farms downstream, pollution from mining means economic losses. For the villagers of Yueyang and Bitian, meanwhile, it is a challenge to their basic right to life. Even small-scale mining can produce serious pollution. The people of Yueyang told me that, for half an hour every day, their village is enveloped in acrid smoke from the privately owned Jinshi mine nearby.

Ten years of mining has turned Yueyang into a "cancer village". There are more than 3,000 people living in the three administrative villages of the Yueyang area. In the past five years, about 60 to 70

cancer patients have died in these villages, many of them married couples or siblings. The youngest cancer patient is only 18 years old. Southern Metropolis Daily obtained a detailed case list. The most common causes of death were stomach cancer, lung cancer, esophageal cancer and liver cancer. Guan Yangwen and Guan Shengwen were brothers. They died in 2002 and 2006 respectively. Last year, their sister was diagnosed with leukemia. Guan Zhongwen and Lin Jindi were a married couple. Guan died of stomach and liver cancer and Lin breast cancer. Their only child was orphaned. Zhou Renxi and Qiu Yongzhao, also a couple, were both killed by cancer. Lin Meiyong's father, Lin Zhanqin, his sister's parents-in-law, Zhong Xiuzi and Wen Dengchun, and his father's older brother – all of them died of cancer. The villagers have received no compensation: it is very difficult to prove the connection between cancer rates and environmental degradation, and difficult too to determine where the main responsibility lies, as the mine has been operated by three mining enterprises. Twenty year-old Zhou Meifang grew up on this land. At 18, she went to medical school in the city. Last year, when she returned to Wuping for National Day, she fell ill and was diagnosed with leukemia at the local hospital, which sent her to Fuzhou for treatment. Three weeks later, she died. Her mother did everything she could, borrowing 20,000 yuan (US\$3,000) from family and friends for treatment, but the doctors were unable to save her. Steeped in debt, her family faces a troubled future. The villagers from Yueyang even envy villagers elsewhere who have lost their land. Those living under the shadow of cancer are not able to seek compensation. And, as much as they want to move away from their polluted homesteads, they have nowhere to go.

- *Yang Chuanmin is a reporter at Southern Metropolis Daily, and joint winner of the in-depth reporting category at the 2011 China Environmental Press Awards.*
- *This article was first published by Southern Metropolis Daily on September 1, 2010.*

Porgera JV links up with Chinese group

Post-Courier, May 28, 2015



BARRICK Niugini Limited, the manager of Porgera Joint Venture (PJV) in Enga Province announced on Tuesday that it has formed a strategic partnership with the leading Chinese mining company, Zijin Mining Group Company Limited. Zijin Mining Group, starting out as Zijinshan Gold Mine in 1993, has developed an extensive portfolio of gold, copper, lead and zinc, tungsten, iron and other base metals over the past 20 years, with gold being its main focus. As a first step in that partnership, Zijin will pay \$298 million in cash for a 50 per cent interest in the 95 per cent shares that Barrick holds and manages. Barrick Chairman John L Thornton said, "A twenty-first century mining company with global reach and the intention to become an industry leader must, by definition, have a distinctive relationship with China. "This is particularly true in our industry, whe-

re China has become both the largest producer and consumer of gold, and a major source of capital and expertise for the mines of the future.

"Our partnership with Zijin is the first step in a long-term strategic relationship with one of China's leading mining companies, a multi-faceted partnership that will provide significant opportunities to work together on an ongoing basis as we continue to create value for our respective owners." Zijin Chairman Chen Jinghe said, "A strategic partnership with Barrick is an excellent fit for Zijin and a powerful combination as we look to expand our business globally outside of China. "Our companies have complementary expertise and experience and share a common vision for creating long-term value for our owners." Barrick has strong international operating presence and experience as well as many of the best assets in the gold industry, while we have unrivaled access to the Chinese market, including distinctive engineering and construction management capabilities and advanced technology. "We are excited to leverage our competitive strengths together, to start with at Porgera, while exploring additional joint opportunities for the future." By partnering with Zijin, Barrick advances two fundamental objectives set out as part of the company's "back to the future" strategy.

Chinese firm Zijin Mining Group buys US\$710m gold and copper assets

Mainland mining group plans 10 billion yuan placement to finance deals with Canadian firms
Jing Yang, South China Morning Post, 27 May, 2015



Zijin Mining will pay US\$298 million for a 49.5 per cent interest in the Porgera gold mine in Papua New Guinea. Photo: SCMP Pictures

Zijin Mining Group will buy US\$710 million worth of gold and copper mining assets from two Canadian companies in the Democratic Republic of Congo and Papua New Guinea with funds raised through a private placement in the Shanghai stock market. Zijin told the Shanghai and Hong Kong stock exchanges on Tuesday it would buy a 49.5 per cent stake in the Kamo copper project in the Democratic Republic of Congo from Ivanhoe Mines for US\$412 million. Zijin already owns 9.9 per cent of Ivanhoe, which recorded a net loss of US\$52.9 million last year following a net loss of US\$80.6 million in 2013. Fujian-based Zijin will also pay Barrick Gold Corp US\$298 million for a 49.5 per cent interest in the Porgera gold mine in Papua New Guinea. The two companies have also entered into a strategic agreement to collaborate on future projects. "We are excited to leverage our competitive strengths together, to start with at Porgera, while exploring additional joint opportunities for the future," Zijin chairman Chen Jinghe said in a statement.

"Substantial synergies and value may be realised by bringing to Barrick the expertise and relationships that Zijin offers, including low-cost capital from Chinese institutions, leading Chinese engineering and construction skills, and Chinese machinery," Toronto-based Barrick said. To fund the acquisitions, Zijin would issue up to 2.4 billion new shares in a private placement on the Shanghai stock market, raising up to 10 billion yuan (HK\$12.5 billion), the company said. The proceeds will also finance the construction of Zijin's two existing copper mines, as well as replenish working capital. The deals come on the heels of Beijing's unveiling of a 100 billion yuan gold fund in support of Chinese firms' overseas investments in the precious metal in countries along the "Silk Road".

China is the world's largest gold producer, accounting for 14 per cent of global production, according to the World Gold Council. About 21 per cent of output comes from Africa, with Central Asia and eastern Europe contributing 5 per cent. The three regions are encompassed in Beijing's Silk Road Economic Belt and Maritime Silk Road strategy. China also overtook India in 2013 as the world's top consumer of the metal. The World Gold Council predicts that demand from China's private sector will increase 20 per cent to at least 1,350 tonnes per year from the current level of 1,132 tonnes by 2017. Bucking the industry trend as a result of stagnant gold prices, Zijin clocked up 2.3 billion yuan in net profit last year, and netted 415 million yuan in the first quarter of this year. (This article appeared in the South China Morning Post print edition as Zijin pays US\$710m for gold and copper assets.)

Porgera hospital faces closure

Post-Courier, May 27, 2015

By *JEFFREY ELAPA*

THE Porgera hospital in the Enga province would soon close down as funds are running low, hospital sources revealed. The Porgera hospital serves more than 250 000 people from the Western part of the Enga province and parts of the Hela province. According to sources, the hospital operates from funds from the Memorandum of Agreement through the Porgera gold mine to serve the mine impacted landowners. However sources said that over the past two and half years, the departments of Finance and Treasury have failed to disburse funds to the hospital but managed to operate from internal revenues including funding from the local Member of Parliament through the district service improvement funds. But sources said all funds have been exhausted and the hospital is in dire need of finance to keep the hospital running and would shut down soon if funds are not released. Local MP Nixon Mangape when contacted said that for the last two and half years, he funded the operation of the hospital with an initial funding of more than K3.3 million after he was informed that the hospital had not received the funds from the government.

He said the government must honor its commitments as the lives of the people were paramount as they needed better health services and that the Porgera hospital was the only hospital serving many people including its neighbours from Hela province. He said the loss of lives as a result of the closure would be bad and called on the departments of Finance and treasury to immediately release the MOA funds for the hospital to help in its operation. "The government will be held responsible if people lose lives in an event of an indefinite closure of the hospital. It will be total negligence on the part of the Government in releasing funds for the hospital to help the people when the Porgera gold mine contributes more than 16 percent of the total revenue of the country," he said. He said with the slow release of funds to the district, he was unable to help fund the operations of the hospital and called on the responsible authorities to immediately look into the matter. He said it was a life or death situation for many people who depend on the hospital for medical assistance and funds earmarked for the hospital must be released immediately. Sources also stated that funds for the Porgera Development Authority has also not been released for the same period and the Authority was also in a state of closure.

Barrick investors welcome Chinese tie-up, debt reduction moves

By Nicole Mordant and Euan Rocha, Reuters, May 26, 2015

VANCOUVER/TORONTO Barrick Gold Corp's first step to long-promised partnerships with China, as well as progress in reaching an ambitious debt-cutting goal, are turning skeptical investors warmer toward the world's biggest gold miner. Barrick said on Tuesday it would sell a stake in its Porgera mine in Papua New Guinea mine to China's Zijin Mining Group , and form a strategic partnership with Zijin. The moves marked an initial push in Executive Chairman John Thornton's plan to forge closer ties with China, the world's biggest producer and consumer of gold. The former Goldman Sachs executive's radical overhaul since taking Barrick's reins a year ago, including eliminating the position of chief executive, had raised eyebrows among investors. Many also complained about his outsized signing bonus, lack of access, and most recently his 36 percent pay rise.

But a clearer strategy unveiled in February to slash Toronto-based Barrick's mountain of debt, while seeking close links with China, looks to be winning approval. "They've set out a plan and we're seeing them execute on it," said Joseph Foster, portfolio manager at Van Eck, Barrick's biggest shareholder. "The biggest nut to crack is the debt burden, and they are whittling away at it. It is all a positive direction." Barrick's stock is up 21 percent this year, outperforming the S&P/TSX Global Gold index, which has risen 14 percent. On Tuesday, it fell 4 percent to C\$14.51, in line with other gold stocks as bullion slid. Barrick's latest deal brings its recent asset sale proceeds plus cash close to \$1 billion, a third of the way to its debt-reduction target of at least \$3 billion this year.

With a 50 percent stake in its Zaldivar copper mine in Chile expected to sell for around \$1 billion, plus other possible sales, including its stake in African-based Acacia Mining , Barrick appears on track to meet its target. While details on the Zijin deal were few, the market was quick to speculate that Barrick's large, high-grade Nevada discovery, Goldrush, and its massive, stalled Chile-Argentina project, Pascua-Lama, could be contenders for joint development. The Zijin agreement is not expected to exclude other potential partners. Last year Barrick held talks several times with China's sole state-owned gold miner, China National Gold. "It seems to me like Barrick is open to doing deals now with anyone that can help enhance value," said Chris Mancini, an analyst at Gabelli Gold Fund, which owns Barrick shares. (Editing by Jeffrey Hodgson; and Peter Galloway)

Villagers ransack Sinivit mine site

Post-Courier, May 26, 2015

PROPERTIES at the abandoned Sinivit gold mine in East New Britain Province have been ransacked and destroyed, allegedly by aggrieved landowners. Thousands of kina worth of explosives, used for blasting, were among the items ransacked, according a member of the Sinivit Landowners Association, Alois Kivung, who said people went to the mine last week to remove roofing irons and burnt down the administration office. According to him, the special canvas used to cover cyanide vats and heap pads were removed, posing further environmental threats to people living along rivers such as the Warangoi. Previous thefts of the canvas had outraged authorities in the province. Mine developer New Guinea Gold Limited had used an old system to process ore and extra gold minerals using cyanide solutions. Exposure to rain would increase the solution level which would then overflow into the environment. The mine site is located in the Baining mountains where there is high rainfall. Mr Kivung urged people living along the rivers to stop using the rivers.

Fiji: Mining Act under review

Salaseini Moceiwai, The Fiji Times Online, May 25, 2015

THE Mining Act is presently being reviewed by the Mineral Resources Department. This was confirmed by the permanent secretary for Lands and Mineral Resources Tevita Boseiwaqa at the National Youth Council of Fiji-organised youth symposium on natural resources management at the Holiday Inn in Suva over the weekend. While responding to queries raised by a Bua youth, Veresa Ceguadrau on the need for young people to partake in the establishment of a formula for mineral royalties alongside Government, Mr Boseiwaqa said they were working on two documents. "One is the renewal of the Mining Act and we have done consultations within the technical areas," he said. "We are just trying to get the mining industry, the mining council and other relevant stakeholders on board before we package all the documents and go out to the public for wider consultations." The second document, Mr Boseiwaqa said was the royalties. "Royalties are of great importance and we are going to take different consultations on this.

"A technical committee is working on this. I believe they already held two meetings that included relevant ministries such as the Ministry of Finance and also the A-G's office. "From there, we will take it up to the public for comment, if this is endorsed it will be taken to Cabinet and if it's approved, then we will incorporate it into the Mining Act. This is basically the process and we will ensure the youths too will be involved in this consultation." Meanwhile, the youth participants have also recommended that the department hold dialogue sessions with the landowning units in terms of exploration code of conducts. They said any company that wanted to do development projects on their land must first present their interest to the landowners. The two-day symposium that ended on Saturday was funded by the UNDP.

GRAM gets funding for PanAust's Frieda River copper mine study

Peter Ker, The Age, May 25, 2015

The Chinese company behind the \$1.4 billion takeover of PanAust Limited is set to move quickly on the copper miner's prize asset, with a preliminary funding deal for the Frieda River project set to be announced as early as Monday. Guangdong Rising Asset Management's (GRAM) ownership of PanAust rose to 87.38 per cent by Friday afternoon. The Chinese group will unveil a memorandum of understanding with the Bank of China on Monday as it seeks to convince remaining shareholders to accept the offer. Under the non-binding agreement that will be announced in Sydney, Bank of China is expected to provide funding to complete the \$50 million feasibility study for the \$US2 billion Frieda River project, located in the highlands of Papua New Guinea. The bank is also expected to be involved in funding the eventual construction of Frieda River, as well as other PanAust assets around the world.

Officials to attend signing

The agreement is expected to be inked in front of a Chinese delegation to Sydney led by the governor of Guangdong province. GRAM chairman Wei Zhu is expected to attend the event along with officials from PanAust and Bank of China. GRAM's offer to pay \$1.85 for each PanAust share is scheduled to close on Wednesday. The group requires a further 2.62 per cent of PanAust shares to accept the offer to move to 90 per cent ownership and compulsory acquisition of remaining shares. GRAM's move on PanAust is another demonstration of China's strong interest in copper deposits, following MMG's purchase of the Las Bambas copper asset in Peru last year and China Molybdenum's purchase of the Northparkes copper and gold mine in NSW in 2013. A copper shortage is expected to emerge by the early months of 2017 and is expected to push copper prices higher. The red metal was fetching \$US2.79 per pound on Sunday.

Newcrest ready to buy out Harmony's Golpu stake

But Newcrest not interested in buying Barrick's troubled Porgera mine

The Australian, May 25, 2015



Newcrest is interested in increasing its stake in the Golpu copper and gold development in Papua New Guinea

Newcrest Mining chief Sandeep Biswas says he would be willing to buy out his 50 per cent partner in the \$US2.3 billion (\$2.9bn) Golpu copper and gold development in Papua New Guinea if the stake came on to the market. Harmony Gold, the South African company that owns half of the deposit, is looking at strategic options to fund the Golpu project that makes up nearly 50 per cent of Harmony's reserves, including splitting the company. Harmony management has bemoaned the fact that Golpu's value is not reflected in the share price and says while the deposit is not on the block, it would sell for the right price. "If that stake came on the market at the right price, and we do have a pre-emptive (right) on this to some extent, we'd look at it, absolutely," Mr Biswas told investors at a Bank of America Merrill Lynch mining conference in Barcelona this month, but he said it was not something Newcrest was counting on.

Credit Suisse analyst Michael Slifirski valued the Golpu project at \$2.95bn. Taking into account Papua New Guinea's right to take a 30 per cent stake in the project, which it indicated it would do, and leaving Newcrest and Harmony with 35 per cent each, Harmony's stake is worth \$1.03bn. Last week, Harmony's total market value was just 7.95 billion rand (\$850m). Speaking a week before Mr Biswas spoke in Barcelona, Harmony chief Graham Briggs said he would look at all options for the looming finance commitment for Golpu, including splitting the company. He did not rule out a sale. "I'm not sure anybody is buying these assets right now," Mr Briggs said when asked if he would sell the Golpu stake. "It's not on the block, but if somebody were really cheeky and wanted to pay lots of money for it, that's something that would have to go the board, and, because it takes up 50 per cent of reserves, probably not only board but shareholder approval," he said.

In December, Newcrest revealed a slimmed-down \$US2.3bn development of Golpu that envisaged development being split into two stages. The first stage would target the higher-grade upper core of ore body, ranked as one of the world's biggest with a resource of 9 million tonnes of copper and 20 million ounces of gold. First production would be possible in 2020, with production to peak in 2025 at 150,000 tonnes of copper and 320,000 ounces of gold. "Golpu is Newcrest's most exciting growth development option, given the size and grade of the ore body," Mr Biswas said in Barcelona. In its May 8 quarterly report, Harmony said it would evaluate strategic options to realise shareholder value and fund Golpu. "One has to look at the classes of assets and say 'does this make sense from a shareholders perspective?'," Mr Briggs was quoted by Bloomberg as saying after the report was released. "Are there shareholders in Harmony that would only invest in Golpu, or only invest in South Africa?" In Barcelona, Mr Biswas said Newcrest was not interested in buying the

Porgera mine in PNG that Barrick Gold had put on the market and for which Credit Suisse is conducting the sales process.

No operational funds in Western province

Post-Courier, May 25, 2015

By *ANDREW ALPHONSE*

THERE have been no operational funds to the Western provincial government for two years now. As a result, all government services delivery into this huge and vastly scattered maritime province has come to a complete standstill. This concern was raised by public servants and others during a public hearing in Daru last Wednesday by the special parliamentary committee on public sector reforms and service delivery into health. Committee chairman and Goroka MP Bire Kimisopa asked the forum how the province was coping with the outbreak of drug resistance TB that has gripped the province with fear and anxiety as of last year.

Mr David Dare, a community leader gave an example that health centers along the Fly River are manned by community health workers (CHW) when they are supposed to be run by health extension officers (HEOs) and nursing officers (NOs). Mr Dare said apart from appalling state of the health infrastructures, clinical patrols in the case of the current TB outbreak have not being successful due to lack of funding. He added that although the Fly River is polluted by the Ok Tedi Gold mine waste and mine tailings, people still drink from the river. Mr Dare said the there are no funds in the provincial operating account for two years now and people are wondering whether it is due to the court case facing their Governor Ati Wobiro and the provincial administrator or because of cash flow shortage in Waigani.

Submission to International Seabed Authority highlights failures in Solwara 1

PNG Mine Watch, May 24, 2015



MiningWatch Canada
Mines Alert

OASIS EARTH



Submission to the International Seabed Authority on the report to ISA members and stakeholders

Developing a Regulatory Framework for Mineral Exploitation in the Area

Submitted by e-mail to: consultation@isa.org.int

By the Deep Sea Mining Campaign, Earthworks, MiningWatch Canada, Oasis Earth and the Mineral Policy Institute
15 May 2015

An NGO submission to the International Seabed Authority has highlighted all the failures in the approval of the controversial Solwara 1 experimental seabed mine in Papua New Guinea. The Solwara mine will involve the open cut strip mining of the seafloor in the Bismarck sea between New Ireland and East New Britain.

The Submission to ISA has been presented as part of the ISA consultations on its proposed Regulatory Framework for seabed mining.

The submission calls for:

1. the free, prior and informed consent of Indigenous Peoples for any exploration or mining
2. the broad support of potentially affected communities and wider civil society for any exploration or mining
3. peer-reviewed research on the potential impacts of the mining operation to marine ecosystems and species

4. peer-reviewed research on the potential impacts of the mining operation to the health and the economy of human communities at local, national and regional levels
5. peer reviewed research on the cumulative impacts of mining operations and the establishment of mechanisms and strategies to address these

None of these recommendations has been met in the development process for the Solwara 1 mine – which highlights the human rights and environmental failures by the PNG authorities.

See: <https://ramumine.files.wordpress.com/2015/05/submission-to-isa-may-2015.pdf>

Unbekannte Winzlinge: Die faszinierende Mikrowelt der Ozeane

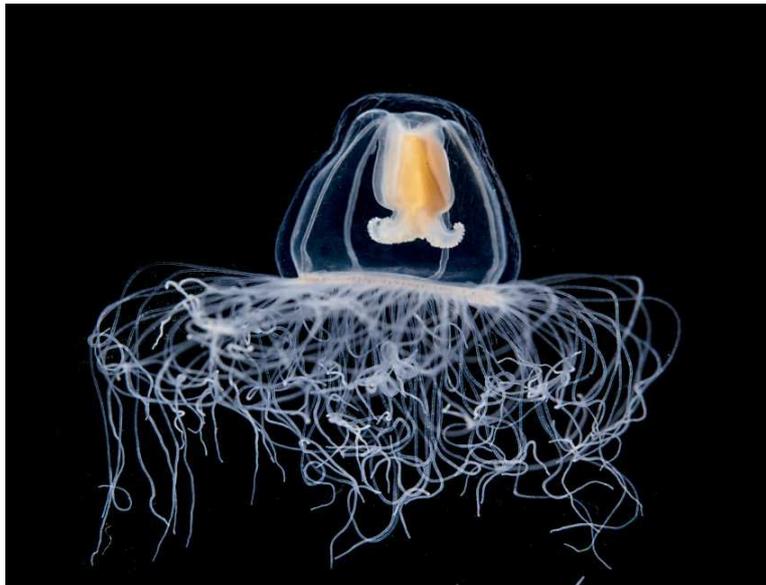
Winzige Organismen im Meer produzieren die Hälfte des weltweiten Sauerstoffs. Forscher kennen die Wesen kaum, dabei sind sie für das Überleben der Menschheit unverzichtbar. Nun öffnen faszinierende Fotos einen Blick ihre Welt.

Tara Expéditions, CNRS, Christian Sardet, Spiegel Online Wissenschaft, 22.5.2015



Tara Expéditions/ CNRS/ Christian Sardet; Plankton aus dem Pazifik: Hier zu sehen sind verschiedene Mikroorganismen.

Dreieinhalb Jahre lang haben Hunderte Forscher die Zusammensetzung von Plankton in allen Weltmeeren untersucht. Für das internationale Mammutprojekt sammelten sie an Bord des Segelschiffes "Tara" Proben an 210 Stellen bis in eine Tiefe von 2000 Metern. Die Analysen, deren erste Resultate das Fachblatt "Science" nun in fünf Artikeln (1, 2, 3, 4, 5) veröffentlicht, sollen diese weitgehend unbekannte Welt erschließen. Plankton produziert - in den sonnendurchfluteten oberen Meeresschichten - die Hälfte des weltweit gebildeten Sauerstoffs. Die Größe der einzelnen Organismen reicht von 0,02 Mikrometern bis 2 Millimeter. In der Gruppe zu finden sind Organismen von Viren über Bakterien bis zu Meerestierchen. Die Vielfalt der Lebewesen haben die Forscher in eindrucksvollen Bildern festgehalten.



Tara Expéditions, CNRS, Christian Sardet; Winzige Qualle: Diese anmutige Schönheit stammt aus dem Mittelmeer und ist eine Verwandte der Quallen-Art *Turritopsis nutricula*, die als biologisch unsterblich gilt. Zellen aus ihrem Außenschirm werden nach dem Tod zum Keim neuer Polypen, weshalb die Nachkommen mit der Mutter genetisch identisch sind.

Temperatur bestimmt Zusammensetzung der Arten

"Zusammen liefern diese Studien zwingende Belege für ausgedehnte Netzwerke von bisher versteckten biologischen Interaktionen im Meer", schreiben zwei US-Forscher in einem "*Science*"-Kommentar. "Die 'Tara'-Meeresexpedition hat einen Schatz an Daten erzeugt, der jedem zur Verfügung steht, der einzutauchen bereit ist." Neben der Sauerstoffproduktion sind die Organismen als Nahrungsquelle entscheidend für das Überleben der Tiere im Meer. Selbst große Wale ernähren sich von den winzigen Lebewesen. Ein Erbgut-Katalog mit 40 Millionen Genen, den eine Forschergruppe um Shinichi Sunagawa vom Europäischen Laboratorium für Molekularbiologie (EMBL) in Heidelberg aus den Daten der Expedition erstellt hat, soll Aufschluss über die Vielzahl der Arten geben. Die Zusammensetzung verschiedener Plankton-Gemeinschaften in den oberen Schichten hängt vor allem von der Temperatur ab, berichten die Forscher. Dies deutet darauf hin, dass die Erderwärmung starken Einfluss auf Gemeinschaften haben dürfte.



Tara Expéditions, CNRS, Parafilm; Meeressaphir aus dem Mittelmeer: Dieser männliche Vertreter der parasitären Ruderfußkrebse reflektiert und zerlegt Licht mithilfe winziger Platten in seiner Haut.

Kein Vorbeikommen am Kap Agulhas

Durchmischt werden die Lebensgemeinschaften besonders stark am Übergang zwischen Indischem Ozean und Atlantik vor dem Kap Agulhas an der Südspitze Afrikas. Kein Wunder: Die sogenannten Agulhasringe gehören zu den stärksten Wirbeln im gesamten Ozean. Hier mischt sich warmes Wasser aus dem Indischen Ozean mit kalten Atlantikströmungen. "Es ist, als ob das Plankton an der Spitze Südafrikas kalt durchgespült wird", sagt Daniele Iudicone von der Stazione Zoologica Anton Dohrn in Neapel. "Die Strömung bildet riesige Wirbel, die das Plankton kräftig durchmischen und abkühlen. Dadurch wird die Anzahl der Arten verringert, die auf die andere Seite gelangen können." *jme/dpa*

Gold Fields Said to Be Among Final Bidders in Barrick Mine Sale

by David Stringer and Brett Foley, Bloomberg, May 22, 2015

Gold Fields Ltd. is among final bidders competing to acquire a \$400 million Australian mine from Barrick Gold Corp., people with knowledge of the matter said. The Johannesburg-based producer and China's Zijin Mining Group Co. submitted final offers for the Cowal gold mine in New South Wales state, according to the people, who asked not to be identified as the details are private. They are competing with local suitors Evolution Mining Ltd. and Independence Group NL, which also submitted binding bids, they said. Barrick, the world's biggest gold miner, said last month it has fielded interest for mines it's seeking to divest in Australia, Papua New Guinea and Chile. The Toronto-based company plans to reduce net debt by at least \$3 billion this year, partly by selling the assets and cutting staff at its head office. Zijin Mining has also expressed interest in Barrick's Porgera mine in Papua New Guinea, the people said. Representatives for Gold Fields, Independence Group and Evolution declined to comment, while spokesmen for Barrick and Zijin didn't immediately respond to calls and e-mails seeking comment.

Cheaper Production

The Cowal mine, which produced 268,000 ounces of gold last year, may be worth at least \$400 million, Morgans Ltd. wrote in an April 22 note to clients. Barrick, which is working with Credit Suisse Group AG on the potential sales, could raise as much as \$1.1 billion from divesting Cowal and Porgera, TD Securities Inc. said in February. Gold Fields, which purchased three Australian mines from Barrick in 2013, is hunting for mines with production costs equal to or lower than its existing assets, Chief Executive Officer Nick Holland said in a Feb. 12 interview. Its production at all major operating regions including Peru, Australia and South Africa fell in the three months to March 31, the company said May 7. The South African producer had all-in sustaining costs of about \$1,143 an ounce in the three months to March. That compares to equivalent costs of \$740 to \$775 an ounce at Cowal, according to Barrick.

Golpu project next major development

Post-Courier, May 22, 2015

THE Golpu project could become the next major resource development in PNG, following from the PNG LNG Project. Owner and operator of Golpu, the Morobe Mining Joint Venture (MMJV) is confident this could be, if the Government gives the appropriate support combined with other key stakeholders. In the report prepared for the Australian PNG Business Forum held in Lae earlier this week, the operator highlighted growth in Gross Domestic Product (GDP) being one potential indirect benefit. MMJV noted that with proper support from respective parties together with long term regulatory and fiscal stability, any future development of the Golpu project could result in significant economic benefits for PNG at both the National and Provincial levels. It was stated according

to the updated 2012 Golpu pre-feasibility study (PFS) approved last year on December 15, that first production beginning in 2020 could increase up to 6 million tons per annum (Mtpa) by 2024.

Further on the PF study, MMJV pointed out the mine life being approximately 27 years and the project's development having the potential to underpin a wide range of economically and socially beneficial investments. MMJV further mentioned common impacts for local communities such as education, training and health and also made a point of Golpu being the channel for other mineral exploration and production in the region, given the potential of the project. It also noted its Advanced Exploration and Feasibility Support Activities (AEFSA) include supporting infrastructure such as a portal, power station, accommodation and ancillary facilities. In the meantime, work will continue this year on updating the 2012 Golpu PFS from stage two of the project. Both the stage one feasibility study and the updated PFS for stage two are scheduled to be completed by December 2015.

Western Province: Kimisopa in tears

Post-Courier, May 22, 2015



By *ANDREW ALPHONSE in DARU*

GOROKA MP Bire Kimisopa yesterday broke down in tears upon seeing the sorrowful sight of the remote yet forgotten Mabudawan villagers in the Western Province. Mr Kimisopa, chairman of the special parliamentary committee on public sector reform and service delivery is currently in Daru on a fact finding mission on health service delivery issues affecting the people. Yesterday, Mr Kimisopa and his committee members including journalists took an arduous four hour dinghy ride from Daru to Mabudawan, located close to the Australian territory of Torres Strait islands. Mr Kimisopa was shocked, ashamed and burst into tears in front of everyone that gathered when he saw the state of negligence by the government to the people there. Upon arrival the team headed straight to Mabudawan health center only to find two dedicated community health workers (CHW) manning the health facility.

Female CHW Mrs Nairi Mauga and her male counterpart Mr Masluk Gibia said the center serves more than 1000 Mabudawan villagers, 13 villages and 10 aid posts in the area is manned by the two CHW when it is supposed to have seven full staff with a health extension officer (HEO) and nursing officers. Mrs Mauga said the HEO posted to take up the positions at the health center left after he was not paid for more than one and half years. She said the health center built in 1979 has over the years gone into a state of complete disrepair, citing one example as mothers giving birth on ordinary wire bed under torch lights. She said drugs sent to the health center are mostly not needed at the health center, outdated and a total waste. "We need basic drugs like antibiotics to treat our patients.

"The drug kit sent every six months is not needed in Mabudawan so we keep stock of them to be sent to Daru hospital," Mrs Mauga said. Mrs Mauga said they are at the mercy of the Australian government who would build them a new rural hospital there shortly. Mrs Mauga said apart from

drug problems, lack of funding and attention from the powers that be has forced the Mabudawan people to seek help from Saibai Island in Australia in emergency cases and also for shopping or business. When Mr Kimisopa was asked to speak, he said as part of the government that he is totally ashamed and shocked to see the state of negligence Mabudawan is. Mr Kimisopa broke down in tears and after a while assured the villagers that he would take their plight to the parliament during the committee's presentation of the findings.

Miner's PanAust stake lifts to 76pc

The National, May 21st, 2015

CHINESE miner Guangdong Rising Asset Management (GRAM) has acquired 76 per cent of PanAust shares, solidifying its hold on the copper miner after last week increasing its stake incrementally from 55.6 per cent. In the latest update of the acquisition of the Australian miner's shares by GRAM, PanAust stated that as at Monday, GRAM had exceeded more than half of the total interest shares held, resulting in the offer period being extended to another two weeks for the remaining shareholders. According to a company statement, all independent PanAust directors had accepted or intended to accept the GRAM offer and had urged all the remaining shareholders to take it. GRAM had indicated that it intended to acquire any outstanding PanAust shares.

Although having more than half of PanAust share, GRAM would not be entitled to acquire the remaining shares that have not been accepted into the offer, PanAust stated. PanAust said that GRAM can only be able to compulsorily acquire these shares if it manages to have in its possession, more than 90 per cent of shares. With the ownership of 76 per cent, GRAM is now unrestricted to cast the majority of votes at a general meeting of PanAust, enabling it to control the composition of PanAust's board of directors and senior management. PanAust stated that this would see GRAM control the strategic direction of the business of PanAust and its subsidiaries. PanAust is the lead developer of the Frieda River copper-gold project in West Sepik.

Ramu project increases employment opportunities

Post-Courier, May 21, 2015

THE investment by Ramu NiCo Management (MCC) Ltd in Madang has created a huge employment opportunity for the locals and the rest of Papua New Guineans since its inception. Apart from employment opportunities provided by the investor, the landowner companies are also providing huge employment opportunities. This was revealed during the Ramu NiCo Project MOA quarterly review meeting held from May 12-14 in Madang. "One of the major benefit areas created by Ramu NiCo Project is employment opportunities for local people and the economy as a whole," business development officer with Ramu NiCo, Brodney Seip said. "Though many local people are directly employed by MCC-Ramu NiCo, a good number of people are also employed by landowner companies. "Hence a total of over 852 workers are currently employed by lanco's."

The highest lanco employer is Raibus Security Services Ltd with 314 staff where most are local landowners followed by Raibus Engineering with 179. KBK Ltd employs around 35, Raibus Holdings with five, Maigari Ltd with 10, Wass Matau with 32, Basamuk Enterprises with 34 and others including semi-skilled employees at 243 workers. In a supplementary presentation, the KBK Mine has a total of 836 employees, including casuals and part-time staff, full time national employees, expatriates including Chinese and other foreigners. According to Ramu NiCo Human resources, a total of around 600 nationals were employed by the Company alone in the first quarter of 2014 and the latest figure from March 2015 stands at more than 650 national employees covering all three sites, Madang base, KBK Mine and Basamuk Refinery. The trend indicates a steady improvement of

employment by the Company despite the depreciating metal price and current technical challenges faced during the project ramp-up.

Attempts to reopen Panguna mine will reignite ‘bloody conflict’, warns Australian public servant PNG Mine Watch, May 21, 2015

In a paper for the Australian Defence College, seasoned Australian civil servant Jo Woodbury has issued a stark warning - current attempts to reopen the Panguna mine represent the greatest threat to peace on Bougainville. This embarrassing critique comes as a fleet of advisers bankrolled by the Australian government continue to push for the reopening, working closely with Bougainville’s President, John Momis, and executives at Bougainville Copper Limited. Woodbury writes, ‘the mine is seen by some as a shortcut to prosperity ... [it] would help provide income, taxes, employment and social services, as well as revive infrastructure redevelopment’. Nonetheless, based off political and economic realities both on Bougainville and internationally, Woodbury concludes, ‘this would seem to be overly optimistic, particularly in the short term’.

Woodbury raises particular concerns about the security risks associated with current attempts to reopen the mine, in the face of popular opposition on the ground. She explains, ‘the problem, of course, is that rushed negotiations on such a contentious and emotive issue, which was at the core of the crisis and still attracts deeply-held and divided opinions across Bougainville, could spark a renewed armed conflict in itself even before the referendum begins. The US Agency for International Development identifies the mine as “high risk” and probably “the most conflict-prone problem in Bougainville today”’. To lower tensions, Woodbury recommends that ‘resumption of mining needs to be de-linked from the referendum to minimise risk’. She also suggests, ‘there needs to be a greater focus on developing capacity in less contentious industries in Bougainville. Agriculture, fishing, and tourism are potential options’.

Woodbury accepts this will require investment in infrastructure and savvy economic alternatives: ‘There are, of course, challenges in boosting the Bougainville economy without a reliance on mining investment. These include the workforce required, law and order, transport and infrastructure. Major trunk roads, airports and jetties need to be upgraded to transport goods and services, and the power supply network needs to expand. But, most importantly, the political will must be there’. However, she concludes ‘at this stage, the ABG seems focused on mining’. A position that is also being strongly pushed by Australian government advisors. The singular focus on this powder keg issue, Woodbury believes, is the most significant threat to the Bougainville Peace Agreement. She explains, ‘the risk involved in pushing Panguna to reopen quickly is high. As some Bougainvilleans have recognised themselves, Panguna should never be used as a condition for Bougainville’s political future’. She concludes, ‘it would seem preferable—arguably for both foreign donors and the Bougainvillean people—to slowly improve the economic status quo than to have Bougainville descend into bloody conflict again as a result of hurried agreements and aggravation’.

The full paper:

www.defence.gov.au/ADC/Publications/IndoPac/Woodbury%20paper%20%28IPSD%20version%29.pdf

Solomons Opposition Suspicious Of Bauxite Export Approval

Indonesian company allowed to export ‘without a valid license’

HONIARA, Solomon Islands (Solomon Islands Broadcasting Corporation, May 20, 2015) – The Parliamentary Opposition Group has questioned the Prime Minister Manasseh Sogavare and his Cabinet on why PT Mega Bintang Borneo Limited has been allowed to export Bauxite from Solo-

mon Islands without a valid license. The Indonesian mining company has been stockpiling bauxite from a West Rennell mine under its mining lease and prospecting license which was cancelled earlier this month. In a statement today, the Parliamentary Opposition says Cabinet's decision also raises more questions as it contradicts statements made by the Secretary to Cabinet and the Permanent Secretary of Mines who both said they were not aware of the Cabinet decision to allow the export. The Opposition says this makes the Prime Minister and his Cabinet's decision highly suspicious. Meanwhile, the Parliamentary Opposition says it is calling on Prime Minister Sogavare and the Democratic Coalition for Change Government to justify their decision to allow the unlicensed investor to export the bauxite.

Solomons Could Benefit Economically From West Papua In MSG

Natural resource wealth could be shared with all of Melanesia

HONIARA, Solomon Islands (Solomon Star, May 20, 2015) – The country could gain significant economic benefits if it supports West Papua's submission for membership in one of the regional's powerful body, the Melanesian Spearhead Group (MSG). The sentiments were echoed by West Papua's Independence activist and member of the United Liberation Movement for West Papua (ULMWP), Jacob Rumbiak, in an exclusive interview last week. Rumbiak who is once-upon-a-time a political prisoner and also an academic said, West Papua is rich in terms of natural resources. He said, these resources could be shared with Melanesian countries through economic agreements if MSG members admitted West Papua into MSG. Rumbiak revealed that the Copper mine Freeport in West Papua earns a total of USD250 billion annually and of that sum USD14 billion is paid every year as tax to Jakarta, Indonesia.

Rumbiak said, these big monies can benefit Solomon Islands and the Pacific region if the MSG members consider West Papua's submission for membership of the MSG and the body to advocate for West Papua's fight for Independence in the international arena. Rumbiak added that the Freeport Copper Mine is just one of the many resources in West Papua. The former freedom fighter said, natural resources are in abundance in other areas of West Papua, this including in Fulmamura, Arianta, Maluku and Papua. Rumbiak, however, strongly added that these resources can only be tapped for the benefit of the MSG countries if West Papuans are in control of their sovereignty, dignity and liberty. But Independent activist also stated that resources in Melanesia, let alone in West Papua, can be tapped if Melanesians are in control of their own sovereignty, dignity and liberty.

Rumbiak reiterated his call to the Prime Minister, Honorable Manasseh Sogavare, to vote for West Papua's bid for membership citing it was the right thing to do. Meanwhile a local group advocating for West Papua's admittance into MSG and eventual Independence, the Solomon Islands Solidarity Movement for West Papua (SISMWP), has called on PM Sogavare to vote for West Papua's bid for MSG's membership. The SISMWP strongly stated that the country's vote for West Papua's admittance as an MSG member is a moral obligation in light of the country's fervent opposition to human rights violations. Indonesia is amongst few of the countries in the world that continue to violate human rights and yet is shunned by so-called human rights advocators such as USA, England, Australia and New Zealand.

Indonesia Reportedly Arrest Freeport Mine Protestors

Group set up roadblock in response to industrial dispute

WELLINGTON, New Zealand (Radio New Zealand International, May 20, 2015) – Indonesian police have reportedly arrested 12 miners and 17 citizens after a road blockade at the Freeport mine in Papua province. Sriwijaya Post reports the Mimika Police Chief, Mujiharso Yustanto, as saying

members of seven ethnic groups blockaded the key mining road at mile 72, Tembapura. The workers, who are mostly from mine maintenance contractor led by Arnold Beanal, are reportedly in custody at Mimika Police station. Their road blockade is being linked to recent industrial action over which they are requesting Freeport go to arbitration. According to Commander Yustanto, the workers and fellow protestors refused to open the mine road and threatened to shut down the company if their demands were not met within one month. Mine operations have returned to normal after the brief disruption.

Mine locals pledge to cooperate with firm

The National, May 20th, 2015

By ERIC BALARIA

IMPACTED communities of the Kainantu gold mine in Eastern Highlands are keen to work with the new developer of the mine through their new association. Bilimoia Landowners Association Incorporation chairman Neneti Ekara said the five clans from the mining lease on which the mine sits on, were ready to work with Canadian company, Otterburn Resources and its subsidiary K92 PNG Holdings Ltd to ensure the progress of the project mine. “We do apologise to the developer for the delay we may have caused through internal related issues that we had that have hindered the operation of the mine on their schedule, in this case, the time taken to identify legitimate landowners,” he said.

“Despite these issues however we do look forward to working with them (Otterburn) and other stakeholders of the Kainantu Mine project soon through our newly developed landowner association.” Ekara said the reformed association was made up of the five declared legitimate landowners of the Kainantu gold mine which includes Ananvatu, Araraantu, Punano, Koyafute and Anon-Araantu. He added that he was grateful of the Kainantu district lands officers for their efforts into making sure that proper reports and facts were put in place to identify the legitimate landowners. “We would like to thank the then special land titles commissioner Peter Toliken and other government officials in assisting these clans from the mining area, which has seen them come under an IPA registered landowner umbrella company.”

Basil tables NRI report on Bulolo mining activities

Post-Courier, May 20, 2015

BULOLO MP Sam Basil has tabled the National Research Institute research report on the advantages and disadvantages of mining in Bulolo District to the Morobe Tutumang, last Friday. Morobe Governor Kelly Naru told the Tutumang that the matter was of public importance and commended Bulolo District for paying for the research and allowed for it to be tabled in the Tutumang. Mr Naru said the district’s report indicates the serious problems faced by landowners and the report must be acknowledged and accepted. Mr Basil told the Tutumang that Bulolo District and Morobe Province have missed out on more benefits which they should have got and the Hidden Valley mine 2005 Memorandum of Agreement was flawed and did not allow for meaningful participation by the land owners in mine construction phase and mine operation.

He said the new MoA which has taken over two years for all parties to sign must be looked at thoroughly and the benefits to the landowners spelt out properly and clearly. He said many landowners did not fully understand the 2005 MoA and the mine, Mineral Resource Authority and Morobe Provincial Administration mining division staff did not help the landowners understand the agreement. He told the house that the structuring of the landowner associations was flawed and warranted only a few to benefit while many thousands missed totally from royalties and development grants.

Mr Basil said a new MoA will have to be clearly dissected and perused before the landowners sign. He said the report found many flaws that the company, MRA and Morobe Administration should have picked up and corrected. “No they turned a blind eye to all these mistakes and made the landowners suffer,” he said. Watut Local Level Government President Waka Daimon said the Tutumang, the Province and Bulolo District must be told what mining lease Hidden Valley comes under. Mr Daimon said HV under the mining lease (ML) which is for five years and less or the special mining lease (SML) which is for more than five years.

Mekere: Fund remains stable at K3.4bn

The National, May 18th, 2015

THE PNG Sustainable Development Programme’s long-term fund remains stable at K3.4 billion (US\$1.29 billion), according to chairman Sir Mekere Morauta. He yesterday announced the company’s 2014 financial results. “The 2014 Annual Report reflects the difficult operating environment that PNGSDP faced throughout the year,” he said. “Nevertheless, the 2014 accounts show that the value of the long-term fund has remained generally stable at US\$1.29 billion (K3.4 billion). “This steady performance is expected to continue. The value of the long term fund increased by a small amount – from US\$1.295 billion in 2013 to US\$1.299 billion. This equates to an increase from K3.18 billion to K3.4 billion.” Sir Mekere said the numbers reflected the prudent and transparent management of the funds it controlled. “The money in the long-term fund remains safe and secure in PNGSDP’s hands, and will be applied to the benefit of Western province for at least 40 years after mine closure,” he said. He said the board and management had achieved a significant reduction in the company’s costs:

- Administrative costs fell by 47 per cent from US\$26.8 million (K62.4 million) in 2013 to US\$14.2 million (K36.8 million);
- Governance costs reduced by about one-third to US\$1.6 million (K4.1 million), which partly reflected a 10 per cent reduction in directors’ fees;
- Administration costs were US\$12.6 million (K25.6 million) lower, which partly reflected staff reductions and wages and salary cuts); and,
- Total costs were reduced from US\$174.2 million (K411.1 million) in 2013 to US\$20.5 million (K53.1 million) by the end of 2014.

NEC okays draft law for oil firm restructure

The National, May 14th, 2015

CABINET has approved drafting instructions for the draft legislation to implement the Kumul restructure. Prime Minister Peter O’Neill said Cabinet had approved drafting instructions for the Kumul Petroleum Holdings Authorisation Act 2015, Kumul Minerals Holdings Authorisation Act 2015 and the Independent Public Business Corporation of PNG (Kumul Consolidated Holdings Ltd) Amendment Act 2015. Cabinet has directed the First Legislative Counsel to draft the legislations in accordance with the approved drafting instructions. “Cabinet has given approval to authorise the Minister for Justice and Attorney-General to ensure that the certificates of compliance required from the acting First Legislative Counsel are issued,” he said.

Kumul structure could be good: INA

The National, May 14th, 2015

THE Institute of National Affairs (INA) says there may be some merit in separating the mining investments from petroleum and gas investments under the Government's proposed Kumul structure. INA executive director Paul Barker told The National that there was little issue with rebranding Independent Public Business Corporation (IPBC) as Kumul Holdings. He said this was only relevant if public accountability, and greater transparency over transactions, earnings and their utilisation (including payment to consolidated revenue), and proper independent advertising and appointments to boards and management positions occur. "The issue is really about governance, integrity, appointing the right people to boards and management positions (not cronies), awarding contracts on merit to the best bids, or most suitable public-private partnerships, avoiding heavy borrowing with sovereign debt obligations for activities which are lower priorities for the people of PNG, while encouraging genuine competition, where possible, to enable investment, improve services and accountability for the public and consumers," Barker said. "Just shuffling the cards of State-owned companies and holding companies won't be very relevant unless there's that commitment to the objectives and requirements above.

"PNG's SOEs have been performing very poorly, as a whole, in terms of delivering needed services as indicated in the recent ADB review." Sir Mekere Morauta raised the concerns back in the early 2000s, when pursuing a privatisation approach, stating that government had found it increasingly difficult to avoid the temptation of patronage, and appointing mates and wantoks to positions for which they're widely unqualified and unsuited. "It's harder to do that in the private sector as performance is a much stronger driving factor," Sir Mekere said. "Another concern is that where government delves too much into resource and other commercial investments it undermines its focus on core State functions of providing core infrastructure and essential services. "Investing directly into risky commercial ventures, including resource extraction, weakens the State's role in impartially and professionally establishing a sound fiscal regime, and overseeing social, employment and environmental standards, and we've seen how some projects in which the State has chosen to take up equity, having secured approvals, including environment permits, without due process."

Landmark Lawsuit Challenges U.S. Approval of Deep-sea Mineral Mining

New Ocean Gold Rush Could Hurt Marine Life Before Impacts Are Known

Center for Biological Diversity, May 13, 2015



Loggerhead sea turtle photo courtesy Wikimedia Commons/Damien DuToit.

SAN FRANCISCO— The Center for Biological Diversity sued the U.S. government today over its first-ever approval for large-scale deep-sea mining, a destructive project between Hawaii and Mexico that would damage important habitat for whales, sharks and sea turtles and wipe out seafloor ecosystems. The lawsuit targets the National Oceanic and Atmospheric Administration for issuing and renewing exploratory permits for the work before completing environmental impact studies required by federal law. This is the first major legal challenge to an emerging global industry that is seeking to extract gold, nickel, copper and other increasingly valuable metals and minerals from the seabed beneath international waters. “Like mountaintop-removal coal mining, deep-sea mining involves massive cutting machines that will leave behind a barren landscape devoid of life,” said Emily Jeffers, the Center attorney who filed the case in federal district court in Washington DC. “Deep-sea mining should be stopped, and this lawsuit aims to compel the government to look at the environmental risks before it leaps into this new frontier. We need to protect the ocean wildlife and habitat, and the United States should provide leadership for other nations to follow before more projects get underway.”

The lawsuit challenges a pair of exploratory permits that were issued to OMCO Seabed Exploration LLC, a subsidiary of defense contractor Lockheed Martin, to pursue mining work in the Clarion-Clipperton Zone in the equatorial Pacific Ocean, about halfway between Hawaii and Mexico. OAA issued the first licenses in 1980, but they expired in 2004, and this case challenges their renewal in 2012, which was based on a request from the company. The deep ocean is believed to contain billions of dollars worth of nickel, copper, cobalt, manganese, zinc, gold and other rare-earth metals and minerals. Extracting those materials has been considered too expensive, difficult and risky for investors, but technological advances and skyrocketing prices for these materials, much of which are used in consumer electronics, have triggered a strong push by the mining industry.

There are now 26 mining permits that have been issued to explore mining, including an active commercial mining operation that has been permitted by Papua New Guinea, the Solwara I project. Most of the permits have been issued through the International Seabed Authority (ISA) for the Clarion-Clipperton Zone which is rich in valuable polymetallic nodules, but the United States asserts claims in the area independent of the multi-nation ISA. “The rush to strip-mine the deep-ocean floor threatens to damage mysterious underwater ecosystems. If we aren’t careful, this new gold rush could do irreparable harm to the basic building blocks of life,” said Jeffers. “The federal government has a moral duty, as well as a legal one, to understand the full environmental impacts before the mining industry scrapes away our deep-sea resources.” For more information and to download a copy of the lawsuit, please visit the Center’s Deep-sea Mining webpage and list of FAQs at www.biologicaldiversity.org/campaigns/deep-sea_mining/index.html.

Nautilus: Financial results revealed

The National, May 13th, 2015

FINANCIAL data from Nautilus Minerals for the first quarter shows that it is well set to advance its seabed mining of rich volcanic copper and gold rich minerals in Papua New Guinea waters. The Canadian miner is the operator of the Solwara 1 project in the Bismarck sea. The company advised that it continued to advance the project and in particular, the three key equipment contracts. Chief executive officer Mike Johnston said: “We (Nautilus) are delighted to have made such good progress since the beginning of the year with the build of our seafloor production equipment. For the next 12 months we will remain focused on the build of the PSV (production support vessel) and the delivery of the equipment that is to be integrated in it.” “It is very pleasing to have recommenced our exploration initiatives, with our first programme planned for May this year in the Solomon Islands, as we advance our pipeline of seafloor massive sulphide systems in the South West Pacific. “The company remains committed to maximising shareholder value by achieving its objective of

developing the world's first commercial high grade seafloor copper-gold project and launching the deep water seafloor resource production industry in 2018.”

Spanish giant takes over Talisman

Post-Courier, May 13, 2015

REPSOL, the Spanish giant in oil and gas, effective of yesterday has acquired the operation of Stanley gas in Western Province, Talisman Energy, for more than \$US8 billion (K22bn). Repsol would also acquire all of Talisman's exploration licences in both Western and Gulf Provinces. Talisman had explorations onshore in Western Province and an offshore licence in Gulf Province. The Spanish giant would now be a major player in the oil and gas industry in Papua New Guinea. It would be an operator and explorer in all licences that Talisman held. Under the terms of the previously announced plan of arrangement, Repsol had acquired, through its indirect wholly-owned Canadian subsidiary Repsol Energy Resources Canada Inc, the ownership of all of the issued and outstanding common shares and preferred shares of Talisman. Repsol announced that it was acquiring Talisman's common shares at 1,036,166,028 and its 8,000,000 preferred shares for an aggregate cash consideration of \$US8,289,328,224 which is equivalent to \$US8 per share. Repsol stated that with the completion of the arrangement, the common shares of Talisman would be delisted from the Toronto stock exchange and the New York Stock Exchange, and the preferred shares would be delisted from the Toronto stock exchange.

Resources sector: Benefits funding system proposal

The National, May 13th, 2015

THE National Research Institute (NRI) has proposed for a two-fund benefits management system for Papua New Guinea's resources sector. In a case study that NRI conducted on the Porgera gold (Enga) and Hidden Valley mine (Morobe) projects, the institute recommended that a simplified system consisting of a financial and development pool would provide a more transparent and efficient distribution of the benefits to landowners and communities being affected by extractive industry. “Both case studies demonstrated that the current mechanisms for sharing and managing the benefits flows from the mining activities are weak,” NRI said. “Institutional weakness in the Companies Act which is undermining efficient management of landowner companies has been highlighted. “A two funds benefits stream management pool is proposed – financial and development – with well-defined institutional structures that ensures efficient management of the benefits flow.” According to the report, the financial benefits pool (royalties, business spin-offs and mine benefits) would be divided into three funds;

- Long-term (40 per cent) – addressing intergenerational issues;
- human capital formation (40 percent) – fund for health, education and housing schemes for beneficiaries; and,
- Cash (20 per cent) – paid as cash or in shopping vouchers.

The development benefits pool would include all special support grants, tax credit schemes, and donor funded projects would be used for development through a special purpose vehicle (SPV) consisting of the state, the project developer, a community representative and an independent development financier. NRI said the SPV would be tasked to procure and oversee the development of the requisite infrastructure, which will permanently transform the mining affected communities.

Misima: Project resource updated

The National, May 13th, 2015

WCB Resources Ltd has announced an updated mineral resource reported for Umuna Zone and Ewatinona Prospects on its Misima Island project in Milne Bay. The minerals exploration and development firm has two active projects on Misima Island and Red Hill in NSW, Australia. President and chief executive officer Cameron Switzer said: "Upgrading of the Misima mineral resource is an important milestone for our company as it demonstrates the upside and potential of this project and transforms WCB from a pure exploration group to a company with a potential development and commercialisation scenario which will be further assessed by ongoing studies. "Importantly, as our team continues to dissect and further understand the data, our confidence level grows to support the idea that the Misima project is a significant exploration play. "Clearly there is significant extension potential both at depth and along strike."

Wafi-Golpu: Mine urged not to repeat mistakes

Post-Courier, May 13, 2015

BY HAIVETA KIVIA

MOROBE Mining Joint Venture has been strongly urged not repeat its mistakes with Hidden Valley Gold mine at the world class Wafi-Golpu gold and copper project in Bulolo district. The world class mine, which may require between K7 to K10 billion to develop – which is about the National Budget of PNG – is located at the borders of Bulolo and Huon districts in Morobe province. The project is likely to go into pre-construction phase in July and with feasibility studies about to be completed. The mine is predicted to be one of the top three gold and coppers mines in the World or it could be the number one in the World. But, Bulolo MP and Deputy Opposition Leader Sam Basil told the developer MMJV while he is happy with the project, he does not want to see what has been done in Hidden Valley to be repeated at Wafi-Golpu. He made this strong remark at the swearing ceremony of the district's Development Authority Board and the Hengabu Landowners Association Executives at Babaka village, Wafi-Golpu.

"MMJV it will be big shame for you to repeat what you did with Hidden Valley here at Wafi-Golpu and I will make sure you don't do it again," Mr Basil said. He said in past he was talking about the non participation of landowners and great loses they had suffered but it was without evidence, without a baseline study and research. But, now that he had commissioned the National Research Institute and which has come up with evidence based surveys and research, nothing will be hidden from him and his people. Mr Basil said the miner and the government of the day had failed the Hidden Valley landowners and one or two people are benefiting from the mine while the rest of the people are still living the subsistence way of life. He said the structuring of the royalties, special mining grants and the set up of landowner companies have really shunned the rest of the landowners and only one person has benefitted. "I do not want these things to be repeated here in Wafi-Golpu. "I want the landowners and landowner companies to be involved the pre-construction and construction and the actual mining phases of the mine," he said.

Tolukuma: Miner working on closure plan

Post-Courier, May 13, 2015

The management of the Tolukuma Gold Mine (TGM) is working on a mine closure plan, in the event a buyer does not come through. TGM chief executive officer Sam Inguba told the *Post-Courier* yesterday that the mine site is under care and maintenance with only about 25-30 staff working in strategic areas of the mine. "The care and maintenance process will last about five to six

months. "During this period, the TGM management will come up with a detailed mine closure plan which will be put to the Mineral Resources Authority for approval. "In the event that the company is unable to solicit a buyer and the mine is to be put to total closure, the process outlined in the plan will take place," Mr Inguba said. Mr Inguba was at the mine site yesterday when he spoke to *Post-Courier* via telephone. He said the staff employed under the care maintenance are mostly electricians, fitters, welders and mechanics who are maintaining equipment such as the hydro for power generation, the generator set and the workshop. Mr Inguba added that other locals from the mine area have been employed under casual contracts to maintain the mine until Petromin gets someone who is interested in the joint-venture or buy's the mine. Attempts to speak to Petromin yesterday were to no avail.

Tolukuma pays redundant staff

Post-Courier, May 13, 2015

Payments for redundant staff of the Tolukuma Gold Mine (TGM) begun yesterday afternoon after Tolukuma's parent company, Petromin Limited transferred funds for staff into the TGM account. The transaction took place in the earlier part of yesterday which upon confirmation by Petromin regarding the transfer, Tolukuma's 6 Mile office began processing the payments at 2 pm into individual accounts of the redundant staff. This was confirmed by Tolukuma's chief executive officer Sam Inguba, who spoke to *Post-Courier* via telephone. "The short delay with the payment was because we were waiting for funds to come from Petromin, our parent company." As of today (Tuesday), the funds have been transferred to our TGM account and the process back paid by our 6 Mile office into individual accounts of staff, so there is no more delay," Mr Inguba said.

According to Odilia Ngagama the human resource manager administration, the monies were transferred to individual accounts through Kundu pay. "The redundancy payment has been calculated according to their shifts. "The redundancy began in April so the payments are from April 15 up till present," she said. She said those employees who have accounts with Bank South Pacific (BSP) should have received their payments on the same day of the transaction (yesterday), while those with accounts in other banks, it will depend on their banks processing time to eventually receive their payments. Mr Inguba added that the Petromin-TGM board had approved for the redundancy to take place right across the board, meaning that the exercise was for all the employees of Tolukuma Gold Mine.

Miner makes K2.5bn offer for PanAust shares

The National, May 12th, 2015

A CHINESE miner has offered to buy off PanAust shares at a value of almost A\$1.2 billion (K2.5bn). Guangdong Rising Assets Management (GRAM), which owns 24.26 per cent interest in PanAust, recently made a takeover offer for the rest of the Australian miner's shares in a bid to increase its ownership of PanAust, a deal in which PanAust has agreed to. Following discussions last Friday, PanAust agreed to a takeover offer of A\$1.85 (K3.99) per share which was an 8 per cent increase from GRAM's previous offer of A\$1.71 (K3.68). PanAust stated that its board of independent directors had now unanimously recommended the takeover offer to shareholders as it was the only offer available with no superior proposals emerging.

Chairman Garry Hounsell said the unanimous recommendation to accept GRAM's revised offer was made following careful consideration by the board of all options to maximise value for PanAust shareholders. "GRAM has been a supportive shareholder since 2009 and it is encouraging that through the offer they have endorsed the company's strategy as well as the management and

employees who ultimately are responsible for making PanAust the high quality company it is today. "GRAM's revised offer enables our shareholders to realise a compelling premium for their shares and provides certain cash value. "The PanAust Laos business in Asia continues to perform strongly and the Frieda River project is a substantial long term growth asset for the company."

Ok Tedi: PM welcomes arbitration decision

Post-Courier, May 12, 2015

PRIME Minister Peter O'Neill has welcomed the arbitration decision not to proceed in relation to the PNG Sustainable Program. "We welcome the arbitration decision not to proceed with the case, we have stated all along that we need to hold people in positions accountable, for decisions that we make on behalf of our people. "PNGSDP saga is a sad case for Papua New Guinea, as a State we are responsible to our people, and as such we want only what is best for them, we have stated all along that the people of Western Province must take on the control and management of funds that are invested on their behalf," Mr O'Neill said.

"We have had enough abuse and misuse and misappropriation of those funds, we are again thankful that the arbitration saw the arguments in our way because that is the right and only way because we believe strongly that what belongs to the people must be returned to the people. "And we will of course pursue the same issue in the Singapore courts, although the arbitration issue is put to an end, but we hope that the directors of PNG Sustainable do the right thing, to the government and lets chart a way forward, so that our people can take control of their own assets." He said this following the ruling last Tuesday, the International Centre for Settlement of Investment Disputes arbitral tribunal unanimously accepted Papua New Guinea's argument and denied jurisdiction, and accordingly rejected the claim brought by the PNGSDP to remove the state oversight of the program.

Solomons Landowners Question Purchase Of Gold Mine

Lack of consultation leads to confusion over Gold Ridge

WELLINGTON, New Zealand (Radio New Zealand International, May 11, 2015) – Some landowners of the Gold Ridge goldmine in Solomon Islands say the recent sale of the mine was done without proper consultation. They say there is confusion over what exactly it is they have purchased. The chairman of the Gold Ridge Community and Land Owners Council, Dick Douglas says members of the financial arm of his association, Gold Ridge Community Investments Ltd rushed into signing the deeds of sale for the mine. He says the former owners, Australian miner St Barbara had said their offer to sell would expire on the first of May. " They by-passed the council and in a properly manner it has to be brought to the council and then we should thoroughly look at it. It is a rush so, more of the share-holders and directors didn't really know the content of these deeds." Mr Douglas says he refused to sign off on the purchase and says he will be seeking clarification from St Barbara and the Solomons government on what exactly Gold Ridge Landowners have acquired.

Watut River – Newcrest Mining Sustainability Report 2014

Mineral Policy Institute, May 08, 2015

Newcrest Mining released their 2014 Sustainability Report earlier in April. As a large Australian gold mining company, Newcrest operate a number of mining and exploration sites in Australia, Africa, Asia and the Pacific. These include both the Hidden Valley mine and Wafi-Golpu exploration/development site in the Morobe Province of Papua New Guinea, which are operated with Harmony Gold. The Mineral Policy Institute (MPI) is a little skeptical of the value of sustainability re-

ports, as they are often a defense of the status quo rather than a tool for improvement. A typical report makes the company sound responsible, but omits any real challenges and uncomfortable truths. Hoping for change, from the company that wants to be seen as the ‘miner of choice’ MPI had a look.

Table 1. Assessment of MMJV:Newcrest Activities against OCED Guidelines

Reference No.	Guideline text [abbreviated]	Description of impact/ desired outcome
General Policy 1.	Contribute to sustainable development.	Given that PNG has a poor record of transforming large scale mining into sustainable development there is a need for companies to ensure development of the non-mining related economy to ensure long-term sustainability of the region post-mining.
General Policy 7.	Develop and apply self-regulation and management to build trust with society.	Inadequate/flawed assessment of mining impact both in intensity and geographical spread. Need more effective and transparent process.
General Policy 10, 11.	Due diligence, Avoid/mitigate actual and potential adverse impacts.	Newcrest bought into existing project with inadequate/flawed implementation and assessment of negative mining impact. Effective mitigation hampered by lack of publicly available information on sources and impacts of sedimentation.
General Policy 12.	Prevent and mitigate impacts where not directly responsible.	Failed to adequately identify or respond to existing and ongoing impacts when buying into the Hidden Valley mine. This also applies to suppliers and financiers.
General Policy 14.	Engage with relevant stakeholders in order to provide meaningful opportunities to contribute to decision making.	Original consultations limited in geographic extent, despite previous in-country experience of riverine impacts on downstream communities. ESAP offers partial compliance but hampered by design and lack of representation.
Disclosure 2, 3, 4.	Disclose policies and material information, environment and social reporting and performance, relationship information.	Poor disclosure. Inadequate policies by operating entity [MMJV], failure to implement existing policies of JV partners, Newcrest and Harmony Gold. Failure to adequately assess and disclose social and environmental impact.
Human Rights 1.4.	Policy commitment and respect for Human Rights.	No MMJV Policy. Do not obtain Free Prior and Informed Consent. Inadequate consultation, lack of assistance for landowners to access independent information about potential impacts and alternatives.
Human Rights 2.	Avoid causing or contributing to human rights impacts.	Indirect human rights impacts through environmental impact and economic/cultural change.
Human Rights 5.	Carry out human rights due diligence.	Poor assessment despite operating in a country known for in/direct human rights abuses in extractive industries.
Human Rights 6.	Seek remediation of impacts.	Lack of transparency regarding recognition and response to impacts. Contentious ‘compensation’ payments requiring forgoing of future legal options.
Environment 1a,b,c.	Establish and maintain system of environmental management.	Lack of transparency and access to EMS. Inadequate baseline data. Poor reporting. Inappropriate standards used.
Environment 2a,b.	Provide public with timely and adequate information and adequate community consultation.	Restricted consultation, slow response to crisis. Ongoing problems with information dissemination, access to independent information and consultation.
Environment 3.	Prepare an adequate environmental impact statement [EIS]	EIS failed to anticipate impacts, no public review or updated assessment. Poor transparency and consultation about un/anticipated impacts.
Environment 5.	Timely damage minimisation, maintain contingency plans.	Slow response to impacts, including amelioration strategies. Contingency plans inadequate and/or unavailable, lack of transparency about environmental management and incident response.
Environment 8.	Contribute to awareness and improved public policy.	Withholding relevant information from the public and regulatory bodies. More positively, MMJV is a member and contributing to PNG EITI and a number of local projects.
Science 2.	Transfer and diffusion of knowledge	Withheld/ failed to make available scientific reports on environmental data and impacts.

Important background is that in October 2014 at Newcrest’s AGM, MPI formally presented copies of the *Hidden Valley* documentary and the accompanying report *Mining in Morobe, Papua New Guinea: Impacts from mining along the Watut River* to Newcrest Board Chair Peter Hay and CEO Sandeep Biswas. *Hidden Valley* contained strong feedback from communities about the need to change the approach to mining development, giving communities the right to ‘choose their own future’. The *Mining in Morobe* Report supported this with an assessment and analysis of Newcrest

and Harmony Gold's reporting. Multiple breaches were found in convention of the ICMM Principles, the OCED Guidelines and the Equator Principles with further problems relating to company policies, sustainability reporting and assurance.

We are pleased to acknowledge once again that Newcrest became a member of the Extractive Industries Transparency Initiative (EITI) and the Voluntary Principles on Security and Human Rights during 2014. Both provide opportunities for Newcrest to improve their performance and set a good example for other companies. We note that Newcrest gave their own work a tick of approval in relation to stakeholder engagement and the International Council of Metals and Mining (ICMM) and Global Reporting Index (GRI) Principles. Unfortunately they never mentioned the Watut River, let alone the ongoing impacts on community and environment caused by sedimentation from the Hidden Valley mine. It is useful to compare that self-assessment with the number of (unacknowledged in the report) sustainability issues at Hidden Valley and Wafi-Golpu. Table 1, from the *Mining in Morobe* Report assesses Newcrest and Harmony's (and the Morobe Mining Joint Venture, MMJV) activities against a number of OECD Guidelines finding numerous breaches. MPI is yet to receive a response to these specific findings or a general response to *Hidden Valley* and *Mining in Morobe* Report.

Interestingly, despite being employed by Newcrest and guided by their criteria, the assurer, Ernst and Young made a number of interesting statements (p.52) alongside their limited assurance statement. In brief these included: (1) the benefits from strengthening engagement with NGO's at a corporate level; (2) additional direct engagement with external stakeholders regarding reporting criteria; (3) additional case studies of interest to specific interest groups to demonstrate Newcrest's response to challenges (ie Watut River); (4) improving the timeliness of the report as a means of identifying onsite issues and responding to stakeholder interests. Despite having fundamental concerns about sustainability reporting and largely obscure assurance assessments, MPI supports these observations by Ernst and Young. While not addressing the fundamental power inequality between community and company, or the reducing the impacts on people and place, the recommendations could, if adopted by Newcrest, at least result in some improvements in reporting and acknowledgement of stakeholders concerns.

PanAust Agrees to A\$1.2 Billion Bid From Guangdong Rising Assets Management

Move will see ownership of several copper and gold deposits in Asia move into Chinese hands
Rhiannon Hoyle And David Winning, Wall Street Journal, 8 May 2015

PanAust Ltd. agreed to a takeover by Guangdong Rising Assets Management that values the Australia-listed miner at around 1.20 billion Australian dollars (US\$950 million), ending a rare hostile move by a Chinese company to acquire overseas resources assets. The deal, if approved by PanAust's shareholders and regulators, will see ownership of several copper and gold deposits in countries from Laos to Papua New Guinea move into Chinese hands. On Friday, independent directors of PanAust Ltd. said they would recommend investors back a revised offer from GRAM worth A\$1.85 a share. The higher bid represents an 8% increase on GRAM's previous A\$1.71-a-share bid, which had been rejected by PanAust as too low. GRAM, which owns around a quarter of PanAust and has been a shareholder since 2009, had freed its original bid from conditions entirely in an effort to win support of other investors. However, a lack of acceptances prompted GRAM to re-engage PanAust directors in an effort to win their support for a deal. It comes less than a year after PanAust acquired a majority stake in the Frieda River copper-gold deposit in Papua New Guinea, which it bought from Glencore PLC and aims to develop at a cost of more than US\$1.5 billion. Frieda River is one of Asia's biggest undeveloped copper deposits.

A successful takeover would also increase China's influence in Laos. PanAust is already one of the biggest miners in the Southeast Asian nation of Laos, and runs the Phu Kham copper-gold mine and Ban Houayxai gold-silver mine. In recent years, it has accounted for roughly 7% of the country's gross domestic product and nearly a third of its exports. China Minmetals Corp. took control of Laos' other big copper mine, Sepon, when it acquired a suite of assets from OZ Minerals Ltd. in 2009. GRAM is aiming to acquire the Southeast Asian copper deposits at a time when many analysts are forecasting rising demand and prices of the industrial metal, fueled by China's own expanding middle class. China is the world's biggest buyer of commodities such as copper, which is used in everything from cookware to air-conditioners and electrical wiring.

GRAM, advised by J.B. North and Co., has repeatedly tried to acquire the company. In May last year, the Chinese company made an initial bid worth A\$2.30 a share but couldn't convince PanAust's directors to support a deal. GRAM returned earlier this year with the A\$1.71-a-share offer. In rejecting that bid, PanAust said it was timed to coincide with its share price, and spot prices for copper and gold, trading near multiyear lows. An independent assessment commissioned by Brisbane-based PanAust later put a fair price on its stock at between A\$1.84 and A\$2.04 a share. PanAust was advised by Rothschild in its discussions with GRAM. PanAust has been grappling with weaker commodity markets that have squeezed earnings, prompted write downs and job cuts, and forced the miner to scrap its dividend. While PanAust executives said other companies had expressed interest in its assets, analysts said it would be difficult for any competing bid to succeed given GRAM's existing large stake in the miner.

Many against quick return to mining in Bougainville

Radio New Zealand, 8 May 2015

A campaigner for women's rights on Bougainville says many people remain opposed to a quick return to mining in the region. The autonomous Papua New Guinea region goes to the polls from Monday and with new mining laws in place, the new parliament is expected to consider a resumption in mining, to ensure a viable economy. The head of the Leitana Nehan Agency, Helen Hakena, says there is a recognition that mining can generate the income needed by the government for its services but she says there are still many concerns to be dealt with. "People still talk about there is a lot of hidden agendas inside the mining policy. They still believe there should have been more consultations to the people before the policy was passed by the ABG. People should have been gathered to view the policy and to question the articles in the policy."

Crater sells first PNG ounces

Mining Weekly, 8th May 2015 By: Esmarie Swanepoel

Gold junior Crater Gold Mining has sold the first gold from its Crater Mountain project, in Papua New Guinea. The miner reported on Friday that 17.4 oz of gold had been sold from processing ore from the High Grade Zone project, with average grades recovered recorded at 6 g/t gold. Mining operations at High Grade Zone were resumed in March this year, after the company had initially been ordered to cease mining activities in late December, pending the conclusion of an inquiry into the circumstances surrounding a November vehicle accident, which claimed the life of the driver. Crater MD Russ Parker said that the sale of first gold was a major milestone for the company. "We have now sold our first gold in the history of the company. The production level will increase as we continue to upgrade our plant to full capacity in around three months." Parker noted that once mining plant capacity was achieved, Crater would produce some 10 000 oz gold in the first full year of production, at an all-in cash cost of below A\$400/oz.

Miner Allegedly Caught With Fake Solomons Export Permit

Bintang Borneo tries to ship illegally extracted bauxite

By Bradford Theonomi

HONIARA, Solomon Islands (Solomon Star, May 8, 2015) – Indonesian firm Bintang Borneo Limited has been caught attempting to deceive Customs with a fake export and consignment permit. The move was the latest attempt by the company to export bauxite it illegally extracted on Rennell island, Renbel Province, since last year. But the fake permit, issued on 27 April 2015, was quickly brought to the attention of Director of Mines Peter Augu, who immediately alerted Customs about its fraudulent nature. "My office has cited a consignment permit purportedly issued to PT Mega Bintang Borneo Limited dated Wednesday 27 April 2015, claiming to have been signed and issued by me," Mr Augu said in a letter written to the Comptroller of Customs. "I as director of mines do hereby categorically deny that I have never at any time affix my signature on any such purported consignment permit to PT Mega Bintang Borneo Limited," he added.

It was not clear who was behind the fraudulent attempt. The form carried the stamp of the Ministry of Miners, Energy & Rural Electrification and was signed by someone purported to be the director. However, the signature was clearly different from that of Mr Augu. Attempts to speak to the general manager of Bintang Borneo, Setya Graha, were not possible as he was not answering his mobile phone. Mr Augu stated in his letter to Customs that there was no meeting convened by the Mines and Minerals Board to decide and approve a consignment permit for Bintang. "If for any reason that the purported consignment permit was claimed to have been signed and issued by my office, then of course, that is clearly forging of my signature and fraudulent affixing the stamp of the ministry without my due approval as director. "I therefore firmly confirm that my letter of 10 April 2015 on the subject 'Re: No Board Approval for the granting of Temporary Export Permit to PT Mega Bintang Borneo Limite' still remain on foot," Mr Augu said.

Bintang got its mining lease for Rennell island on 9 September 2014 from the last government. But when the Sogavare government assumed power in December last year, it revoked Bintang's mining lease on the basis the lease was granted by the former minister without the Mineral Board's decision. Despite orders for the Indonesia company to pack up and leave Rennell island where it was doing exploration, it never did. The Solomon Star was reliably informed Bintang flown in about 10 Indonesian stevedores into the country Monday this week in anticipation of its expected bauxite shipment from Rennell. An overseas vessel, MV Chang Hang Jin Hai, arrived in Honiara yesterday afternoon at the behest of Bintang to load its purported consignment of bauxite on Rennell. However, a Customs official said the vessel will not be allowed to travel to Rennell because Bintang does not have a consignment permit to export bauxite. Meanwhile, sources within the Ministry of Mines said the minister is in a process of issuing a "final revocation" letter to Bintang. "A final revocation letter means the Indonesian company will no longer be given the chance to appeal the minister's letter," one source said.

Concerns over mining benefit sharing

The National, May 8th, 2015

By ERIC BALARIA

PAPUA New Guinea has problems with how it delivers benefits to landowning communities in mine impacted areas, outgoing National Research Institute director Dr Thomas Webster says. He said it was clear that PNG had serious problems with the structure of arrangements and it was time for the government to re-examine and come up with better policies. Webster said this during the launching of NRI's latest report on the review and assessment of benefit sharing arrangements for large-scale mining activities in Wau-Bulolo. "NRI is now focusing on the analysis of benefits to the

landowning communities and the examination of the mechanisms of which these benefits are being spring and how these are being used for the welfare and benefit of these communities," he said. "In both these studies, Porgera Gold mine in 2012 and the Hidden Valley mine in 2014, it is clear to us that the landowning communities are not benefiting and will be worse off when the mine closes down if we do not do anything now.

"Audited payments made by mining company Barrick to the government and various stakeholders has been tracked as we have used evidence from their accounting systems. "The question about where these payments go, how they are spent, once they remain and once they leave the mine remain unresolved, as we could not establish that through our study. "To the communities who are supposedly the absolute beneficiaries of PNG's mining and mineral wealth the legal and payments systems is fake and one sided. "There remains a critical lack of transparency at both the national and self- government levels," he said. Webster said PNG had the expertise and resources both domestic and international to design and develop strong policies to ensure that all revenues from mining activities were adequately accounted for.

Ok Tedi: Respect arbitration, Pala tells Sir Mekere

Post-Courier, May 08, 2015

ATTORNEY-General Ano Pala has called on Sir Mekere Morauta to accept transparency following an arbitration decision in Singapore this week that has prevented attempts to evade state oversight of the PNG Sustainable Development Fund. In its ruling on Tuesday, the International Centre for Settlement of Investment Disputes arbitral tribunal unanimously accepted Papua New Guinea's arguments and denied jurisdiction, and accordingly rejected the claim brought by PNGSDP to remove state oversight of the program. "Sir Mekere must now step back and enable the people of Papua New Guinea to regain its rightful oversight of PNGSDP," Mr Pala said. "We are all accountable before the law and it is time for Sir Mekere Morauta to do the right thing and stop fighting oversight and accountability at the PNGSDP. "Sir Mekere must accept the decision of the tribunal and stop wasting the people's money and we are very concerned at money that has already gone missing.

"We know that K15 million (US\$5.66m) was spent on legal and professional fees in 2013 and 2014, and we have no idea of how much money has been wasted since then. "We do know that since 2013 around K500 million (US\$186m) in drop in assets since 2013, the wrongful transfer of K105 million (US\$39m) from the long term fund and questionable expenditure of K115 million (US\$43m). These are funds that should be used for the benefit and welfare of the people of Western Province, not to finance administrative, operational and legal costs. "The Government of Papua New Guinea will continue to seek transparency and obtain information on what has happened to millions of kina of PNGSDP assets." He said the Government of PNG will continue to pursue its claim to review decisions that have been made by the Board including the transfer of PNGSDP operations to Australia.

Mining authority reports growth in small scale mining

The National, May 8th, 2015

PAPUA New Guinea's small scale or alluvial mining has seen growth in past several years and last year the sector recorded K373.4 million in revenue from alluvial gold exports, according to the Mineral Resources Authority (MRA). Information from the authority showed that an additional K2.1 million was generated during the period from silver exports. At present, there are an estimated 70,000 to 80, 000 active miners mostly in remote areas of Papua New Guinea. MRA, through its small scale mining branch, plays an important role in promoting and regulating the sector. The au-

thority since establishing a training centre at Wau, Morobe, in 2009, has certified over 3,500 alluvial miners.

“Alluvial miners are more focused on gold (and the bi-product, silver), though some miners insist that they have found gemstones,” MRA said in a statement yesterday. “Use of mercury to separate gold is a major concern. “We believed that it has to educate the alluvial miners to increase productivity and to ensure environmentally friendly and sustainable mining methods for extracting gold. “After attending the training (alluvial mining) a grassroot miner can become a manager of his own alluvial mining operation with financial capability through his savings from the operation. “For larger scale mechanised operations the tenement holder may enter into a joint venture arrangement with a third party called a Tribute agreement, which is required to be approved prior to formal registration under the Mining Act.

International tribunal refuses jurisdiction in PNGSDP’s application on Ok Tedi case

Post-Courier, May 07, 2015

The International Court for the Settlement of Investment Disputes has declined to hear PNG Sustainable Development Program Ltd’s claims against the Government of Papua New Guinea in a decision handed down today. The decision relates only to ICSID’s jurisdiction in the case, in which PNGSDP was seeking restitution of the 63.4 percent of Ok Tedi Mining Ltd that was unlawfully expropriated by the Government in September 2013. It does not relate to the substance of the case – return of the shares or compensation for the expropriation. The chairman of PNGSDP, Sir Mekere Morauta, said today the company was now examining other options open to it. “The company is disappointed that ICSID did not want to hear the case,” he said. “However there are other legal avenues open to us and we have already begun discussing them in detail.

“Our advice is that under PNG and international law compensation must be paid. “The directors and management of PNGSDP have a legal and moral obligation to protect company assets and income and that is precisely what we will continue to do. In particular we will also continue to protect the money in the Long Term Fund and the structure, independence and integrity of PNGSDP. “In doing that the company believes it is acting in the best interest of the people of Western Province who have for 12 years been very significant beneficiaries of PNGSDP’s social and economic development program and will continue to benefit for at least 40 years after mine closure.” PNGSDP’s court case against the State in the High Court of Singapore is continuing

Letter to the editor

Western MPs must deliver services

The National, May 7th, 2015

IT seems that all the four MPs from Western do not have any vision in bringing services to the people in the province. The people trusted them to lead them forward but their conduct in the use of public funds tells a different story. The people feel disappointed to hear the news of MPs misusing funds. It seems that you have only self-interest to take up the position. Our members should be competing with other provinces to bring basic services. The Western province has no real road connection to most places even though it owns Ok Tedi Mine. Furthermore, the main road connecting Kiunga to Tabubil town in the North Fly district has never been sealed since the mine began. During the driest days, the travelling trucks create so much dust and pollute the drinking water for the people living along the road. The North Fly MP should open his eyes and do something.
Shago Kokoro, Kiunga

Frieda mine: Focus on environment issues

The National, May 7th, 2015

PANAUST will bring the best environmental management standards, including management of tailings and mine waste to the Frieda River Project, a company spokesperson says. The A\$25 million (K53m) project is located on the border of East and West Sepik. The Australian miner gave the assurance following concern by prominent lawyer Alois Jerewai over the implementation of a proper waste disposal mechanism at the Frieda copper-gold mine in West Sepik. Jerewai had said with current developments taking place at the project site, there was no clear explanation as to whether there were proper waste management policies in place to assure the people in the area of their livelihood. A company official said PanAust has had considerable experience with tailings management at its operations in Laos (Asia) where the challenges were very similar to Frieda River in relation to topography, high rainfall (tropical conditions) and the presence of downstream communities.

“The Government of Papua New Guinea has in place an approvals regime that requires these issues to be properly managed,” the official said. “PanAust is undertaking extensive community consultation prior to any development and this will include communities along the Sepik River. “PanAust is proposing that waste and tailings will be placed within an engineered integrated storage facility. The company is not contemplating either riverine or deep-sea disposal of mine waste rock and tailings. “PanAust was committed to developing a world class operation of which the people of PNG would be proud, and would provide economic benefits while minimising environmental impacts.” The Frieda River project is in the feasibility stage which is expected to be completed by the end of this year.

Barrick Niugini challenged

Post-Courier, May 07, 2015

LANDOWNER groups of the Porgera gold mine in Enga Province have pursued various legal proceedings against the mine developer Barrick Niugini Ltd on various outstanding issues. The legal proceedings had begun since the announcement by Barrick early this year that it plans to sell its 95 per cent shares to a new developer and exit the country. Among the aggrieved landowner groups is the Special Mining Lease area one landowners of Porgera led by the Justice Foundation for Porgera (JFP). JFP instituted proceedings against Barrick seeking declaratory orders on certain flaws they believe had occurred during the negotiation phase of the mine and claims of losses suffered. JFP had also submitted a position statement to Barrick and its subsidiary Barrick Niugini outlining various outstanding issues such as losses landowners faced as a result of social, economic and environmental damages caused by the Porgera gold mine. The matter was briefly heard at the Waigani National Court yesterday and was further adjourned to May 14 for future hearing. JFP and the landowner group said they would variously pursue the legal challenge to ensure justice was done to the people affected from the damages caused to them and their land. The landowners were expected to engage a Queen’s Counsel to represent them in the proceedings.

Gulf chiefs say no to pipeline

Post-Courier, May 07, 2015

THE TOARIPI Council of Chiefs of Malalau in Gulf Province wants InterOil Limited not to pipe any oil or gas resources out of the province. The stance taken by the Toaripi council of chiefs is due to the non-existence of adequate government services and the lack of development in the province. The group said InterOil Limited has been conducting oil and gas exploration on a portion of the land of the Toaripi tribe of Malalau, using the Petroleum Prospecting Licence (PPL236). Since In-

dependence Gulf has lapsed so far behind in terms of development compared to other provinces. This is the reason its leaders insist on the no pipeline policy. Gulf Province, considered as one of the least developed provinces in the country, has a population of 109,876. InterOil has yet to comment on the matter.

Gemeinsame Pressemitteilung

Startschuss für weitere exklusive Erkundung von Rohstoffen in der Tiefsee: Deutschland unterzeichnet Lizenzvertrag zur Exploration polymetallischer Sulfide im Indischen Ozean
Bundesministerium für Wirtschaft und Energie, Bundesanstalt für Geowissenschaften und Rohstoffe, Datum: 6.5.2015

Im Beisein von Matthias Machnig, Staatssekretär im Bundesministerium für Wirtschaft und Energie (BMWi), haben der Generalsekretär der Internationalen Meeresbodenbehörde, Nii Allotey Odunton, und der Präsident der Bundesanstalt für Geowissenschaften und Rohstoffe (BGR), Prof. Dr. Hans-Joachim Kümpel, heute in Berlin im Bundeswirtschaftsministerium einen Lizenzvertrag zur Erkundung von Sulfid-Lagerstätten im Indischen Ozean unterzeichnet. Die Vertragsunterzeichnung ist ein wichtiger Meilenstein auf dem Weg zu einem umweltgerechten und nachhaltigen Tiefseebergbau. Mit der Lizenz kann die BGR exklusiv in einem ca. 10.000 Quadratkilometer großen Gebiet südöstlich von Madagaskar polymetallische Sulfide am Tiefseeboden erkunden. Sie tritt neben eine bestehende Lizenz zur Erkundung von Manganknollen im Pazifik.

Staatssekretär Machnig: "Die BGR leistet Pionierarbeit für deutsche Technologieunternehmen und für die künftige Rohstoffversorgung Deutschlands. Als Industriestandort und Hochtechnologieland ist Deutschland in besonderem Maße vom Import von Rohstoffen abhängig. Dabei steht Deutschland in Konkurrenz zu anderen Staaten. Wir sollten die Option Tiefseebergbau daher schon aus strategischen Gründen verfolgen und werden deshalb eine detaillierte Studie dazu vergeben, ob und wie ein kommerzieller Abbau in den deutschen Lizenzgebieten realisiert werden könnte. Dabei werden wir auf höchste Umweltstandards achten, um das sensible Ökosystem der Tiefsee als gemeinsames Erbe der Menschheit zu bewahren."

BGR-Präsident Prof. Dr. Kümpel: "Die Entwicklung des Tiefseebergbaus als Zukunftsprojekt ist von großer Bedeutung für die deutsche Wirtschaft, sowohl zur Ressourcensicherung als auch für die Entwicklung neuer Technologien. Darüber hinaus leistet die BGR auch einen wichtigen Beitrag zur Entwicklung von umweltgerechten Standards und trägt durch ihre Arbeiten zu einem besseren Verständnis der marinen Umwelt und der geologischen Situation im Indischen Ozean bei. Unsere Erfahrungen aus dem ersten Lizenzgebiet zu den Manganknollen im Pazifischen Ozean fließen dabei in unsere weiteren Arbeiten ein."

Für Deutschland ist internationaler Tiefseebergbau doppelt interessant: Erstens kann er langfristig zur Versorgungssicherheit Deutschlands mit Hochtechnologierohstoffen beitragen. Zweitens eröffnet er interessante Marktchancen für deutsche Hersteller von innovativer, umweltverträglicher Meerestechnologie, wie die Gründung der Deep Sea Mining Alliance, die inzwischen über 25 Mitglieder vorwiegend aus der deutschen Industrie zählt, zeigt. Chancen und Rahmenbedingungen des Tiefseebergbaus einschließlich der damit verbundenen Umweltfragen stehen durch die Initiative Deutschlands auch auf der Tagesordnung des kommenden G7-Gipfels 2015 auf Schloss Elmau.

Metallreiche sulfidische Ablagerungen, wie sie seit vielen Millionen Jahren am Meeresboden entstehen, sind die wichtigsten Quellen für Buntmetalle wie Zink, Kupfer und Blei, wirtschaftsstrategische Rohstoffe wie Tellur, Selen, Indium, Gallium oder Germanium sowie für die Edelmetalle

Gold und Silber. Die Lizenz, die der Rat der Internationalen Meeresbodenbehörde im Juli 2014 gebilligt hatte, hat eine Laufzeit von 15 Jahren und kann anschließend in eine Abbaulizenz münden.

Fiji State grants licence to mining firm

Repeka Nasiko, The Fiji Times, May 06, 2015

THE second largest gold mining venture in the country has moved into the second phase of development works after the company was granted a mining licence by the Mineral Resources Department earlier this year. Tuvatu Gold Mines owner Lion One Ltd has begun construction work of its mining infrastructure and has begun recruiting more workers for the task. Lion One Ltd's lands and permit manager Moape Navia said the company was waiting to receive final mining lease documentation for the Tuvatu project. "Once the documentation has been received, the company envisions it will commence some initial development works in the next few months," Mr Navia said. Employment numbers will gradually increase as parts of the development phase occur. "By the time we start producing our first gold, we will have a full workforce.

"With that said, there has been a lot of interest shown by locals in employment with the company." Mr Navia said the company had been making payments to relevant authorities, including landowners, as their works progressed. "The company made the first significant premium payment of \$700,000 to the landowners 12 months ago. "The next payment is due on the pour of the first gold at Tuvatu and that's the last in regards to premiums. "Additionally, the company pays annual land rent to TLTB, and contributes to the communities in the area in many other ways." To date, the Canadian company has spent about \$56million on the exploration phase and another \$100m would be invested to build the mine.

Report: LNG revenue insufficient

Post-Courier, May 06, 2015

A REPORT by a British strategy group shows that the significant growth in economy by the LNG project will not have an impact on the employment level of Papua New Guinea's population. Although the K45 billion impact by the LNG project on the gross domestic product growth would continue annually, the UK-based Economist Intelligence Unit forecasts inflation to average 5 per cent in 2014. It also said a strengthening of the currency, a tighter monetary policy, increased government spending and an increased expansion of exports were expected to push the average inflation to 6.8 per cent a year between 2015 and 2018. This forecast could however, be subject to further inflationary pressure, in case the Government failed to monitor credit growth once it started to receive revenue from LNG projects.

"With this inflation, prices of goods and services can be expected to increase, which will have a great impact on the majority of the population who do not earn a wage," the report said. Statistics showed that out of the 7.5 million population, 4.4 million were of working age of which only 2.7 million were employed. However, of those employed, only 1.6 million earn a wage of which only 361,000 were in the formal sector either private or public sectors. Only 8.2 per cent of the working age population were employed in the formal sector. The majority – more than 87 per cent – remained to be rural based, engaged in the informal economy and subsistence agriculture, as this population is unskilled and are consumed into this industry.

Officials visit Frieda mine site

The National, May 6th, 2015

THE Government has assured landowners and developers of the Frieda River copper-gold project in West Sepik that it is committed to the resource development. This followed a meeting last Friday between Mineral Resources Authority, landowners and PanAust officials at the project site, during which MRA managing director Philip Samar said the Government was committed and was awaiting the delivery of the feasibility study by PanAust which is expected by the end of this year. "The receipt of the feasibility study by the state from PanAust the project developer, would initiate the next phase of the Frieda project to move it from exploration phase to a development phase," Samar said. "The MRA, on behalf of government, will then assist in facilitating the statutory approvals including the grant of the mining lease to enable mine development."

Landowners expressed their confidence in the Government's efforts to facilitate the development of the Frieda project into a mine. Landowner leader Bob Onengim said it was a first time for MRA chief to visit the project site, which he said was a significant show of commitment by the Government. "We see this visit as a historical and an important one by any government department head, and your visit and presence here on site today has boosted our hopes and dreams that a mine development here in Frieda is imminent after 47 years of exploration," he said. Onengim said his group had pledged their support to all stakeholders including PanAust and the government. PanAust currently indicates that Frieda will commence commercial production around 2020 and delivering in excess of 100,000 tonnes of copper and approximately 200,000 ounces of gold per year over a 20 plus years of mine life.

Tolukuma Landowners rise up against pollution

Post-Courier, May 06, 2015

By GRACE AUKA SALMANG

THE Auga Dilava Resources Association is mobilising people who are affected by the Tolukuma mine downstream of Auga River to raise their concern over pollution. "This is an on going issue that we the affected communities continue to suffer from. The pollution caused by the mining operations to our lives has resulted in people dying from drinking contaminated water," acting secretary for the association Joseph Tikai said. The grievances of local community members, primarily relating to the impacts from the discharge of tailings into the river system and the activities surrounding the Tolukuma mine expansion, still remain unsolved. The association met at Rabidudu in Central Province last Saturday to raise awareness on its intention to the people and relevant authorities there.

Mr Tikai said there is evidence of infection and deaths caused by pollution from the Tolukuma mine in the Goilala district. Mr Tikai said the evidence is based on the reports by Oxfam, that the river is polluted. He said they have approached relevant authorities but haven't received any response yet. The association is urging the relevant authorities and both the Central Provincial and the National governments to provide better health services and awareness to the people. "This in fact will cause climate change, thus lead to social impacts in the surrounding communities along the river. "We need to consolidate our stand and voices together to combat these unwarranted socio and eco systems damages within, alongside river banks and bed," he said.

Company winding up sale of Solomon Islands mine

The National, May 5th, 2015

AUSTRALIA gold miner St Barbara Ltd has found a buyer for its Gold Ridge Project in Solomon Islands and is expected to complete the sale today. The company last Friday signed the deed for the unconditional sale of the project, including a number of associated St Barbara Group subsidiaries, to a Solomon Islands company associated with local landowners. The subsidiaries included in the sale associated with Gold Ridge Mining Ltd (GRML) which owns the mine include; Australian Solomons Gold Pty Ltd (Aus), ASG Solomon Islands Ltd (S.I.), Solomon Islands International Pty Ltd (Aus), Gold Ridge Mining Ltd (S.I.) and JV Mine (Australia) Pty Ltd (Aus) St Barbara in a statement said “the sale was for a nominal purchase price and on confidential terms”.

“The parties signed a Deed of Indemnity and Release as part of the sale in favour of the remaining St Barbara Group companies in respect of the Gold Ridge project. “The terms of this deed are confidential. “As a result of the sale of the five companies, the St Barbara Group will reverse a number of balance sheet reserves and provisions that will be finalised as part of the 30 June year end reporting. “Following completion, the St Barbara Group will have no residual provisions for environmental or rehabilitation liabilities relating to the Gold Ridge Project. St Barbara, as part of sale negotiations, has agreed to fund the manufacture and delivery to GRML of a replacement water treatment plant.

Frieda project: Proper waste disposal needed for mine

The National, May 5th, 2015

A PROPER waste disposal mechanism should be in place at the Frieda copper and gold project in West Sepik before mining starts, a lawyer says. Alois Jerewai said with developments taking place at the site, there was no clear explanation as to whether there would be proper waste management policies in place to assure the safety of people in the area. “The entire Sepik River with its tributaries and the river basin itself form the food bowl for some 300,000 people directly, and the slightest mine waste leakage into the river system will destroy that,” Jerewai said. “The Government and the two (associated) provincial governments are compelled to protect their people by ensuring that no environment permit be granted to mine developers except on absolutely contamination-free Sepik River. “Under no circumstance will any proposal involving any form of a tailings dam be tolerated.

“All mine waste are to be disposed of elsewhere, promptly by safe and leakage free system, possible a deep-sea disposal of the kind deployed at Basamuk for the Ramu nickel mine in Madang. “The Sepik people want the Government, Mineral Resources Authority, the two Sepik provincial governments, investors and operators of the mine to take note.” Jerewai said recent news of a takeover offer of Frieda by a Chinese interest raised questions regarding people’s livelihood. “Our fear is that the buying and selling of this tenement preceded any actual mining operation,” Jerewai said. “At some point this buying and selling of a non-operating mine will peak. “An investor will want to take all that money back at all costs even including human costs and a polluted Sepik River.” The Frieda copper-gold mine project is owned by Australian miner PanAust and Highlands Pacific Ltd.

Landowners want to take part in project

Post-Courier, May 05, 2015

BY MEROLYN TEN

LANDOWNERS of Elk Antelope Gas project in Baimuru, Gulf Province have called on the Government to give guarantee to take part in all project development activities. Ali Avae Valili , the

president of the Baimuru District Resource Owners Association Inc, the umbrella association of the Baimuru LLG area, yesterday told the *Post-Courier* that the entire Baimuru district has come to a solution that the Government must give guarantee to them to participate in the project development activities as well as the equity. "Baimuru is a least develop district in the country and this gas project is seen as a major foundation of development in the district. Therefore, we want to fully participate in the project and request the state and the developers to respect our wishes," he said.

He said the Baimuru district landowners and communities want the developers to open their doors for negotiations and developments rather than making decisions without the resources owners sight. "The state and developers must also seriously consider the existing customary landownership so that mapping and landowners' identification of the project can be carried out according to the principle owners and land arrangements so that no disharmony can be caused between," Mr Valili said. He said they understand that there are three locations of sites from which the final one will be decided in which they want the project site to be developed in Baimuru and not elsewhere.

Landowner pays \$100 for troubled Solomon Islands mine Gold Ridge from Australian miner By Pacific affairs reporter Liam Fox, Jemima Garrett, Radio Australia, 4 May 2015

A landowner company in Solomon Islands has bought the troubled Gold Ridge mine for just \$100 from Australian gold miner Saint Barbara. Production at the mine has been suspended since April last year after it was found to have an extremely high level of contaminated water in its tailing dam following flash floods. The sale of the mine to Gold Ridge Community Investment Limited includes all of the mine's liabilities and a promise by Saint Barbara to fund the construction of a new water treatment plant. "The Saint Barbara board made the decision to leave the mine and we negotiated to take over," the chairman of the landowner company, Walton Naezon, told Radio Australia's Pacific Beat program.

"A lot of people questioned what experience a local company has with mining. "You don't need to know mining to own a company." Mr Naezon said the mine's water issues would be dealt with. "We have already engaged overseas companies who have been conducting dewatering in the past with Gold Ridge," he said. "We got Saint Barbara to agree to meet all the costs of the water treatment plant and costs to deliver it on site. "So we are confident of doing the dewatering, getting the environment cleaned up and preparing to seal another agreement with another mining company."

'Mine's environmental risks serious'

In handing ownership of the Gold Ridge mine to the landowner company, Saint Barbara has off-loaded its responsibility for the potentially catastrophic consequences of failure of the tailings dam. The dam is full, but the Government has rejected recommendations from scientists to allow a release of polluted water. Monash University environmental engineer, Dr Gavin Mudd, said it was good to see the landowners potentially getting access to long-term benefits. But he said they also faced big risks and big costs to deal with the threat to their environment. "The risks around the potential tailings [dam storage] and collapse, for example, are extremely serious," Dr Mudd said. "Whether that's effects on the river and sediment, on water quality and chemistry, [or] risks around people who are able to be notified." He said natural disasters, such as earthquakes and floods, would also pose the new owners a problem. "[An earthquake] could lead to the risk of a collapsed side wall and therefore the tailings dam failing and the tailings escaping out off site," Dr Mudd said. "The other one is rainfall risk ... If you've got a one-metre gap between the water level and the tailings dam and the top of the wall, then obviously you're concerned if you're going to get a cyclone that comes through and dumps half a metre or a metre of rainfall through the area."

Nation's Lutherans await PM's response on 'experimental' seabed mining

Rachel Shisei, PNG Loop via PNG Mine Watch, 4 May 2015

More than 1.2million churchgoers of the Evangelical Lutheran Church of Papua New Guinea (ELC-PNG) nationwide are still awaiting Prime Minister Peter O'Neill's response to the petition they handed to his office last year against the controversial Seabed Mining. The ELC-PNG Bible Study Master, Pastor Matei Ibak confirmed that the church hadn't received any response from Mr O'Neill's office from the day the petition representing 1.2million of them was made till today. Pr Ibak said the church was expecting a response to the petition sooner from Mr O'Neill, since he is a Lutheran churchgoer and therefore proudly regarded as a 'Son of the Lutheran Church' being the Prime Minister. The petition was made at the 29th Synod of the Lutheran Church held on Karkar Island in Madang Province last year, which saw presidents of all 17 districts in the country representing their congregation and signing the petition against Seabed Mining at the Synod.

He said the church clearly stated on the petition that this act to allow the Canadian-owned company Nautilus to touch the country's seabed is clearly not a Christian practice as it is against what the bible instructs. The petition signed by the ELC-PNG Head Bishop, Reverend Giegere Wenge, stated the bible verses of Genesis 1:26 and Genesis 2:15 to support their stand against the undersea mining. The ELC-PNG, like all other NGOs and individuals against this undersea mining, clearly indicated the word 'experimental' before the words 'seabed mining' on its petition to show that it is against the company experimenting in Papua New Guinea's seas.

Firm completes study

The National, May 4th, 2015

HORIZON Oil, in partnership with Osaka Gas, has completed a pre-feasibility study for a mid-scale LNG project in Western. In a report to the market, Horizon says a scheme with a near shore plant at Daru Island is the leading concept for the Stanley gas condensate project. During the March quarter, participants in the US\$19 bn (Kbn) LNG project advised that they had signed an agreement with the Government providing for the award of development and pipeline licences for the P'nyang field to enable expansion of the LNG project.

St Barbara sells Solomons gold mine

Radio New Zealand, 1 May 2015

The Gold Ridge gold mine in Solomon Islands has been sold one year since it was closed after massive floods affected its operation.



Gold Ridge in Solomon Islands, Photo: AFP

In a press statement released today, its Australian owner, St Barbara, has confirmed that it has signed a deed of sale to an unnamed Solomon Islands company associated with local landowners. The terms and conditions of the sale have been declared confidential and the sale price is described as being for a nominal amount. Completion of the sale is due on Tuesday 6th May.

Ok Tedi Mining lab wins award

The National, May 1st, 2015

ENVIRONMENTAL reports produced by Ok Tedi Mining Ltd (OTML) are reliable and in accordance with the world's best practice. This was reaffirmed when OTML's environmental chemistry laboratory (ECL) was recently awarded a certificate by the Papua New Guinea Laboratory Accreditation Scheme (PNGLAS) which is an arm of the State's National Institute of Industrial Technology. Technical services superintendent Jerry Nanuk said the certificate demonstrated the high level of technical competence and the quality of OTML's management system which guarantees that test results are consistently accurate. "Maintaining the ECL's accreditation to the International Standards Organisation/International Electro technical Commission 17025 (unique standard number assigned by ISO) is a rewarding but demanding process to move our laboratory toward global recognition," Nanuk said. He added the laboratory is equipped with skilled chemists and technicians and has some of the most sophisticated modern equipment used for chemical testing and analysis. "Our lab has been fully audited and is regarded as one of the best in the country," he said. "The audit by PNGLAS is done bi-annually and we are proud to say that the OTML chemistry laboratory is one of the laboratories in PNG that continues to gain recognition from PNGLAS since establishment in 2000," he said.

Funding woes affect Porgera authority

Post-Courier, May 01, 2015

THE Porgera Development Authority (PDA) will soon shut down its operations if the government continues to delay funding this year. According to a media statement, PDA had not received its Special Support Grant (SSG) and the Mining Agreement Projects Funds, which are the major form of income for PDA for its annual operations. This has left the management and the directors of PDA with no option but to shut down its operations until funds are received from the Government. PDA general manager John Miukin said PDA has been operating without funds since the beginning of this year and cannot continue without money. Mr Miukin is in Port Moresby to sort out the issue with the SSG and MAP funds, and is urging the Government to release these funds before the end of this month for the good of the Porgera Valley.

"PDA is everything to the people of Porgera-Paiala district, and if it shuts down its operations, it will be a nightmare for the people. All government services will break down and affect the Porgera mine," he said. PDA has been committed to maintaining law and order and providing basic government services like health, education and economic projects since the mine started. "PDA is a big operation that needs money to operate and we cannot keep them open when there is no money. We need to pay the staff, contractors and other service providers, which already are huge liabilities to us," Mr Miukin added.

He said the SSG and MAP funds were for providing basic government services to the people of Porgera-Paiala district under the Porgera mine agreement and released every year. He said other major government services that would be directly affected were PDA subsidiaries, including Porgera Hospital, Paim Town Management Company, Porgera International School and the Porgera dis-

strict administration, as well as the road and building projects which would be delayed. Others services are the Porgera District Court House, Porgera High School, Paiam Primary School, Porgera Police station, Porgera Primary School, Porgera Health Centre and other similar schools, health services and economic services throughout Porgera/Paiala district that PDA has funded over the years.

Tiefseebergbau Goldgrund

Süddeutsche Zeitung Online, Von Alexander Stirn, 1. Mai 2015

Kupfer, Kobalt, seltene Erden: Am Boden der Tiefsee liegen Schätze, die eigentlich nur noch geborgen werden müssen. Doch die Kosten und Folgen sind unklar.

Das Gold liegt auf dem Boden. Man muss es nur finden. Und herausfräsen. Und einsaugen. Und an die Meeresoberfläche bringen, an Land karren, trennen, reinigen, aufbereiten. Und dann hoffentlich noch etwas Geld damit verdienen. Rohstoffe vom Meeresboden - seien es Gold, Kupfer oder seltene Metalle wie Lanthan und Kobalt - haben Minengesellschaften in ihren Bann gezogen. Tief im Ozean, bis zu 6500 Meter unter der Meeresoberfläche, breitet sich eine schöne neue Welt des Unterwasserbergbaus aus: Manganknollen, die wie Kartoffeln auf dem Meeresboden liegen und nur aufgeklaubt werden müssen. Kobaltkrusten, die die Hänge unterseeischer Bergketten überziehen - steinhart, aber reich an Metallen. Und Sulfidschichten, die sich rund um heiße Quellen am Meeresboden abgelagert haben und nicht nur stinkenden Schwefel, sondern Gold und Silber enthalten. Es ist ein riesiger Schatz, der im Grunde nur noch gehoben werden muss. Und die Chancen dafür stehen gar nicht so schlecht: "Für lange Zeit, für mehr als 100 Jahre, war der Bergbau in der Tiefsee nicht mehr als eine Idee", sagt Mark Hannington, Leiter der Abteilung für marine Rohstoffe beim Kieler Meeresforschungszentrum Geomar. "Nun aber haben die wirtschaftlichen, politischen, technischen und wissenschaftlichen Herausforderungen einen Punkt erreicht, an dem sie machbar scheinen."

Das Wissen über die Tiefsee hat nicht mit den menschlichen Aktivitäten dort mitgehalten

Ob sie auch machbar sind - und ob der Abbau aus ökologischen Gründen überhaupt zu vertreten ist - muss sich allerdings noch zeigen. Denn die Tiefsee gibt ihre Schätze nur ungern preis: Mehr als die Hälfte der Erde ist von kilometertiefen Ozeanen bedeckt. In ihnen ist es kalt und dunkel, der Druck ist enorm. Die tiefen Gewässer sind zudem eine reiche Quelle für Nährstoffe, sie speichern Kohlendioxid aus der Atmosphäre, sie sind Lebensraum für eine Vielzahl höchst unterschiedlicher Arten. Jeder Eingriff kann fatal sein. Viel mehr ist über die Ozeane aber auch nicht bekannt. "Leider hat unser Wissen über die Tiefsee und ihre Ökosysteme nicht mit dem rapiden Anstieg der menschlichen Aktivitäten im Wasser mitgehalten", sagt Lisa Levin, Direktorin des Zentrums für Meeresbiodiversität am Scripps-Forschungszentrum in Kalifornien.

"Und genau jetzt, wo kommerzielle und strategische Interessen die Wissenschaft überholen, bereiten wir den Abbau von Rohstoffen vor?" Levin ist, wie viele ihrer Kollegen, nicht begeistert. Die Forscherin mahnt zur Vorsicht. "Wir brauchen eine Balance zwischen dem Bedarf an diesen Rohstoffen und dem Schutz der Ökosysteme mit ihren vielfältigen Funktionen." Nur: Wie könnte diese Balance aussehen? Wie lässt sich das Unbekannte schützen? Gar nicht zu graben, scheint keine Alternative zu sein - schließlich gibt es auf den ersten Blick gute Gründe für den Abbau am Meeresgrund. "Weltweit ist die Nachfrage nach Rohstoffen und Mineralien in jüngster Zeit stark gestiegen, nicht zuletzt durch den wirtschaftlichen Aufschwung in Ländern wie China oder Brasilien", sagt Hannington. Immer tiefer müssen die Bergbauer daher in die Erdkruste vordringen, immer teurer wird der Abbau, immer schwerer fällt es, überhaupt noch Mineralien mit hoher Qualität zu finden.



Rohstoffe vom Meeresboden: Bis zu 6500 Meter unter der Meeresoberfläche schlummern Schätze wie seltene Erden, die nur noch gehoben werden müssten. (Foto: Yuriko Nakao/Reuters)

Hinzu kommt, dass die Rohstoffe sehr ungleich über die Erde verteilt sind. Etwa 40 Prozent des Metalls Kobalt, das in Batterien und besonders widerstandsfähigen Stählen verwendet wird, kommen nach Berechnungen des *World Ocean Review* aus der Demokratischen Republik Kongo - einem äußerst armen, politisch instabilen Land. Bei den sogenannten Seltenen Erden ist das Ungleichgewicht noch größer. Hier stammen 97 Prozent aus China, darunter das silbrige Metall Lanthan, das vor allem für Akkus benötigt wird. In der Batterie eines modernen Hybrid-Autos können sich mehr als zehn Kilogramm des wertvollen Stoffes befinden. "Da verwundert es nicht, wenn das Interesse immer größer wird, diese Seltenen Erden künftig aus der Tiefsee zu holen", sagt Lisa Levin.

Rein technisch scheint dem wenig entgegenzustehen. "Wir haben zuletzt große Fortschritte bei Tiefseerobotern gemacht, wir haben Zugang zum Meeresboden wie nie zuvor, wir kommen dorthin und können Aufgaben erledigen", sagt die Meeresbiologin Cindy Lee Van Dover von der Duke University im amerikanischen North Carolina. Erste Firmen wollen das ausnutzen: Die kanadische Firma Nautilus Minerals tüftelt seit langem an ihren Bergbaurobotern. Nächstes Jahr sollen die weißen Maschinen nun endlich zum Einsatz kommen - in der Bismarcksee östlich von Papua-Neuguinea. Dort, in 1600 Metern Tiefe, hat das Unternehmen eine elf Hektar große Sulfidschicht entdeckt. Mit bis zu 15 Gramm Gold pro abbaubarer Tonne liegt auf dem Meeresgrund dreimal so viel Edelmetall wie in typischen Lagerstätten an Land. Beim Kupfer ist die Konzentration sogar zwölfmal so hoch.

Um an die Schätze heranzukommen, soll zunächst ein kleiner Roboter den Boden einebnen. Eine zweite, große Maschine wird dann die Sulfidschichten abfräsen. Ein drittes Raupenfahrzeug saugt sie ein und bringt sie zu einer riesigen Unterwasserpumpe. Von dort wird der Schlamm durch ein 30 Zentimeter dickes Rohr zu einem Schiff an die Oberfläche gedrückt. Er wird entwässert, das Abwasser wird gefiltert und wieder 1500 Meter in die Tiefe gepumpt - dorthin, wo es herkam. Der verbleibende Schutt wird umgeladen und in einen 50 Kilometer entfernten Hafen geschleppt, wo er weiterverarbeitet werden soll. Ein Großteil der Technik kommt aus der Öl- und Gasförderung, die seit Jahrzehnten in ähnlichen Tiefen sucht, bohrt und schweißt. Mark Hannington ist trotzdem skeptisch. "Wer mit Ingenieuren spricht, besonders aus der Ölindustrie, bekommt zu hören, dass der Abbau ein rein technisches und damit lösbares Problem sei", sagt der Meeresforscher. "Wir haben am Geomar allerdings lange genug in solchen Tiefen gearbeitet, um zu wissen, dass das ein ganz besonders feindlicher Ort ist - für Maschinen und für jede andere Aktivität."

Zum Abbau der Manganknollen und Kobaltkrusten existieren derzeit nicht einmal Maschinen. Für die Ernte der Knollen, bei der der Meeresboden bis in eine Tiefe von fünf Zentimetern durchpflügt werden muss, hat die deutsche Bundesanstalt für Geowissenschaften und Rohstoffe vor einigen Jahren immerhin Entwürfe bestellt. Für den Abbau der Krusten, die mit einem Meißel von den darunter

liegenden Bergen getrennt werden müssen, gibt es nur Konzeptstudien. Nach Schätzungen des World Ocean Review müssten jährlich mehr als eine Million Tonnen Kobaltkrusten mit einer Dicke von mindestens vier Zentimetern abgetragen werden, damit sich der Aufwand lohnt. Für Mark Hannington führt das unweigerlich zu der Frage, ob solch ein Abbau überhaupt wirtschaftlich sinnvoll sein kann - zumal ständig steigende Rohstoffpreise nicht garantiert sind, wie aktuell das Öl zeigt. Ende der 1970er-Jahre hatte schon einmal ein Goldrausch die Tiefsee erfasst. Auch Deutschland wollte damals Sulfidschichten und Manganknollen abbauen. Dann gingen die Preise der Rohstoffe zurück, der Tiefseebergbau mit seinem immensen Aufwand rechnete sich nicht mehr. Die Aktivitäten schiefen ein.

Auch heute ist die Aufbruchsstimmung nicht ungetrübt. Auf der einen Seite stehen die reinen Zahlen, und sie klingen vielversprechend: In einem typischen Sulfidfeld könnten sich, so Van Dover, 1,5 Millionen Tonnen abbaubares Material befinden. Bei einem durchschnittlichen Kupfergehalt von acht Prozent würde allein der Abbau des rötlichen Metalls knapp 700 Millionen Dollar einbringen, vom zusätzlichen Gold und Silber ganz zu schweigen. Auf der anderen Seite stehen unkalkulierbare Kosten: Die Brocken müssen nicht nur abgebaut und an die Oberfläche gebracht werden, die Ingenieure müssen sie auch verarbeiten, an Land schiffen, das Metall extrahieren, es reinigen und verkaufen. Und sie müssen sich bewusst sein, dass Kosten auf sie zukommen können, die sie heute noch gar nicht erahnen - sei es wegen technischer Schwierigkeiten oder neuer Umweltauflagen. "Erst wenn all das zusammengezählt ist, wird klar sein, ob sich mit Tiefseebergbau wirklich Geld verdienen lässt", sagt Hannington. "Alle in der Branche warten daher sehnsüchtig darauf, dass endlich jemand anfängt."

Entgehen lassen will sich die möglichen Milliarden dennoch niemand: 19 Lizenzen zum Erkunden maritimer Lagerstätten hat die Internationale Meeresbodenbehörde (ISA) inzwischen vergeben, die von Jamaika aus die Ausbeutung der Tiefsee koordiniert. Während Nautilus Minerals innerhalb der 200-Meilen-Zone von Papua-Neuguinea schürfen will und daher nur mit dem Inselstaat über Abbaurechte verhandeln muss (was sich jahrelang hingezogen hat), liegen die meisten anderen Vorkommen in internationalen Gewässern. Staaten - aber auch Firmen - können bei der ISA eine Lizenz zur Exploration aussichtsreicher Parzellen erwerben. Deutschland hat das bereits getan, genauso wie Frankreich, Indien und China.

Seegurken, Würmer und Schnecken werden nicht schnell genug fliehen können

Bei den Manganknollen dürfen diese Felder 150 000 Quadratkilometer groß sein; 15 Jahre sind für die Erkundung vorgesehen. Im Anschluss dürfen die Staaten mit dem Abbau beginnen - allerdings nur auf der Hälfte der Fläche, der Rest soll ärmeren Ländern zur Verfügung gestellt werden. Damit will die ISA, die durch das Seerechtsübereinkommen der Vereinten Nationen ins Leben gerufen wurde, ihrem eigentlich Zweck nachkommen: Rohstoffe im Meer als Erbe der Menschheit und als gemeinsame Ressource aller Staaten zu verwalten. Kommendes Jahr laufen die ersten Erkundungslizenzen aus. Die Staaten müssen dann entscheiden: Wollen sie die Exploration um fünf Jahre verlängern, wollen sie ihre Lizenzgebühren abschreiben und die Parzelle aufgeben oder wollen sie tatsächlich abbauen? Unter welchen rechtlichen und ökologischen Rahmenbedingungen der Bergbau dann betrieben werden darf, muss die ISA allerdings noch festlegen. Angesichts des kaum vorhandenen Wissens über den Lebensraum Tiefsee erwarten Meeresbiologen nichts Gutes - zumal die ISA keine Umweltschutzorganisation ist. "Die Meeresbodenbehörde dient primär dazu, die Leute zum Bergbau zu bringen. Schließlich ist das die Einnahmequelle der ISA", sagt Van Dover.

11 034 Meter

tief ist die tiefste Stelle der Weltmeere im Marianengraben im Westpazifik. In der Hadopelagial genannten Zone ab 6000 Meter Tiefe herrschen beständig Temperaturen um den Gefrierpunkt, zugleich ist der Druck mehr als 1000-mal höher als an der Wasseroberfläche. Dennoch gibt es auch dort Leben: An der tiefsten Stelle des Marianengrabens sind die Mikroorganismen sogar aktiver als

an einer sechs Kilometer tiefen Stelle in der Nähe. Auch wenn wenig über die Ökosysteme am Meeresgrund bekannt ist, scheint eines klar zu sein: Der Abbau von Rohstoffen wird nicht ohne Folgen bleiben. Die Maschinen, die zum Beispiel Manganknollen abzuräumen sollen, wirbeln unweigerlich Sedimente auf. Strömungen können diese Wolken erfassen, abtransportieren und in anderen Regionen ablagern. Empfindliche Organismen, insbesondere am Boden sitzende Tiere, werden zugedeckt und sterben. Auch Seegurken, Würmer und Schnecken, die nicht schnell genug vor dem Pflug fliehen können, haben keine Chance. Viele aufgeschreckte Tiere erwischt schließlich der Sauger, der die Knollen einsammeln soll.

"Wenn wir die Knollen verlieren, verlieren wir auch die Arten, die nur dort leben", sagt Van Dover. Sie kommen, wenn überhaupt, nur sehr langsam zurück: In einem groß angelegten Versuch hatten deutsche Ozeanforscher vor 25 Jahren ein mehrere Quadratkilometer umfassendes Areal im Pazifik umgepflügt. Anschließend überprüften sie in regelmäßigen Abständen, was dort klettert und flüchtet. Erst nach sieben Jahren konnten sie wieder die gleiche Dichte an Bodenlebewesen vermelden. Einige Arten kehrten jedoch nie zurück. Dieses Jahr wollen die Forscher erneut nachschauen.

Auch bei den Unterwasserbergen, die mitunter von Schleppnetzen beschädigt werden, sind 30 Jahre nach der Zerstörung weniger Arten vorhanden als zuvor. Eine der Forderungen von Meeresbiologen lautet daher: Wir brauchen Schutzgebiete, deren Ökosystem vergleichbar ist mit dem der Bergbauparzellen. Vertriebene Arten könnten sich dort niederlassen; einzigartige Tiere würden nicht komplett verschwinden, falls ihr Lebensraum woanders vernichtet wird. "Wenn wir wissen, dass es repräsentative Schutzgebiete gibt, können wir Bergbau betreiben", sagt Linwood Pendleton, Ökologe an der Duke University. "Wenn wir unsicher sind, sollten wir gar nicht erst damit anfangen."

Eine weitere Idee: Rohstoffe sollten nur in kleinen Streifen abgebaut werden, damit Lebewesen zumindest die Chance haben, den verwüsteten Boden von rechts und links rasch wieder zu besiedeln. Nautilus Minerals will vor Papua-Neuguinea zudem Schnecken umsiedeln, künstliches Substrat am Meeresboden ausbringen und einen Teil der abgebauten Fläche renaturieren - während ein anderer Teil zu Vergleichszwecken unbehandelt bleiben soll. Auslaufende Lizenzen, neue Regelungen, erste Bergbauprojekte, Umweltstudien: "Alles kommt in den nächsten drei bis fünf Jahren zusammen. Dann werden wir hoffentlich wissen, ob Tiefseebergbau machbar ist", sagt Geomar-Forscher Hannington.

Für Cindy Lee Van Dover klingt das wie Chance und Bedrohung zugleich: Bevor das große Geld fließt, müsse die Tiefseeforschung Ergebnisse liefern - und diese Resultate müssten in sinnvollen, gut überlegten Vorschriften münden, fordert die Biologin. Hinterher sei es zu spät. "Wenn wir eine wirklich fortschrittliche Regelung zum Schutz der Unterwasser-Umwelt haben wollen, müssen wir nun handeln", sagt Van Dover. "Ich will, dass die Leute in hundert Jahren sagen: Die haben damals, auf Basis der verfügbaren wissenschaftlichen Daten, den richtigen Kurs gesetzt - und sind nicht am Steuer eingeschlafen."