

**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>

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**Barrick closes \$298m Porgera JV deal with Zijin**

By: Henry Lazenby Creamer, Mining Weekly, 31st August 2015

The world's largest gold producer by output Barrick Gold on Monday announced that it had closed a deal forming a strategic partnership with Zijin Mining Group. The Chinese firm initially acquired a 50% interest in Barrick Niugini (BNL) for \$298-million in cash. Proceeds from the transaction would be used to repay debt. Barrick had been dealing with high debt levels in a lower gold-price environment, selling various noncore assets to reduce its \$12.9-billion in debt, having pledged to raise at least \$3-billion for this purpose this year. Canada's Barrick was orchestrating a pull-back from operations in the southern hemisphere, having already sold four mines in Australia, as well as the Papua New Guinea (PNG) divestment. Last month, the company had also sold a 50% stake in the Zaldivar copper mine, in northern Chile, to Antofagasta for \$1-billion. It had also earlier in August struck a precious-metals streaming deal with Royal Gold, which had agreed to make an upfront cash payment of \$610-million plus continuing cash payments for gold and silver delivered under Barrick's 60% interest in the Pueblo Viejo mine, in the Dominican Republic.

BNL owned 95% of and managed the Porgera Joint Venture (JV) gold mine, in PNG. The remaining 5% participating interest was held by Mineral Resources Enga and was divided equally between the Enga provincial government and local landowners. Barrick and Zijin had also struck a long-term strategic cooperation accord that outlined both companies' intentions to collaborate on future projects and joint investments, thereby, leveraging the strengths of each company. In partnering with Zijin, Barrick was advancing two central objectives set out as part of the company's 'back to the future' strategy. The first was to strengthen the company's balance sheet - the proceeds from the transaction would be used to pay down debt; the second was to form strategic partnerships that would create long-term value for all stakeholders. Under the new structure, Barrick and Zijin would jointly control BNL, and BNL would have a joint Barrick/Zijin board consisting of three Barrick nominees and three Zijin nominees.

One party would nominate the executive MD, taking the main responsibility for operations of the mine, while the other party would nominate the chairperson and the deputy MD. Barrick noted that the current BNL management team would remain in place, with incumbent executive GM Greg Walker, nominated by Barrick as the first executive MD, while Zijin would nominate the first chairperson and deputy MD. Zijin's role in BNL's management of the Porgera JV was expected to grow over time as the company gained experience operating in PNG. Barrick's share of gold output from the Porgera mine last year was 493 000 oz, at an all-in sustaining cost (AISC) of \$996/oz. This year's attributable output was expected to range between 500 000 oz and 550 000 oz of gold, at AISC of \$1 025/oz to \$1 125/oz. At the end of 2014, Barrick's share of Porgera minerals comprised three-million ounces of proven and probable gold reserves and 4.1-million ounces of measured and indicated gold resources.

## **PNG LNG project at Hides 4 shut**

Post-Courier, August 31, 2015



By *JEFFREY ELAPA*

LANDOWNERS of the Hides 4 PNG LNG project have disrupted access to the Hides 4 project site in the Hela province yesterday as they staged a peaceful protest. An ExxonMobil spokesman confirmed that the disgruntled landowners from Hides 4 staged a peaceful protest and blocked off the access to the PNG LNG facilities at Hides 4 but that has the action has not disturbed their normal production operation. "Access to our facilities has been impacted however our production operations continue as normal. We are continuing to monitor the situation regarding the peaceful protest

at the Hides Gas Conditioning Plant today. “We respect the right of individuals to peacefully protest, but we also encourage continued dialogue between landowners and the government to reach a resolution. “We are concerned that benefits associated with the PNG LNG Project have not yet been received by validated landowners and ExxonMobil PNG would like to assure landowners that we have honoured our responsibilities under the Oil and Gas Act and project agreements.

We are continuing to pay royalties into a government nominated Trust Account with the Bank of PNG while the government finalises their landowner identification processes. MRDC also continues to receive equity dividends from the PNG LNG project. While this is a matter between the landowners and the government, we are continuing to do everything we can to encourage a speedy resolution. Though access to our facilities has been blocked our operations are continuing normally,” the company spokesperson said. Security forces on the ground also confirmed the protest and ruled out any aggregation from the protestors. The police source said the landowners are camping in front of the Hides conditioning plant and the Wellpad heads but no company properties have been damaged. The source said a meeting with the landowners Chief indicated that they would continue to block of the access and forcefully shut the projects to allow the Prime Minister and Finance Minister James Marape to reopen the project when they visit the province this month. He said the landowners told the security forces that they have decided to shut the project after their petition delivered by their mouth piece, the Hides 4 landowners Umbrella Association has not been addressed by the Government.

Meanwhile the Prime Minister has responded to 21 of the petitions delivered in a combined petition by the Hides PDL 1 and 7 landowners. However Hides 4 landowners Umbrella Association Chairman Chris Payabe and Erick Yawai said that Hides 4 PDL 7 petition is different joint petition the Prime Minister responded to. They said many of the landowner groups motioned in the petition were not party to the Umbrella Benefit Sharing Agreement and the Landowner benefit sharing agreements. “The Hides 4 landowners Umbrella Association has mobilized the landowners to shut the projects because we have not received any respond to our petition and the resolution given to the authorities including Prime Minister’s Chief of Staff. Our Association is the mouth piece of the landowners and those others like the South Hides 4 association as stated in the joint petition is a group formed in 2012 to benefit from the IDG distribution at Boroko Police station,” they said. They said the landowners would continue to block and eventually shut the project until the Prime Minister who visits the province delivers their landowner funds.

## **Somare wants Government to honour LNG agreements**

Post-Courier, August 31, 2015

BY GORETHY KENNETH

EAST Sepik Governor Sir Michael Somare has appealed to the National Government to honour the PNG LNG Agreements reached in 2009 specifically in the lead up to the final investment decision to commercialise project. Sir Michael expressed disappointed that the current Government was not honouring the agreements reached in 2009, saying there were billions still owed to the landowners that had not been paid. The former chairman of the National Petroleum Company PNG Limited (NPCP) and Sinasina-Yangomugl MP Kerenga Kua also expressed outrage that binding contracts, legal entitlements and rights of the Hela people and the entire beneficiary group have not been honoured. Sir Michael and Kua made these remarks following the action of the Hela Landowners to close the flow of gas from the Hides wellheads to the Hides Gas condition facility if their petition to the Prime Minister is not satisfactorily addressed.

It is estimated that more than K2 billion has not been paid to the landowners since 2009. But Prime Minister Peter O’Neill has provided the National Government’s response to 21 issues raised in peti-

tions from landowner groups in Hela Province. Mr O'Neill commended the petitioners for showing flexibility in discussion with the Government and extending their call for response which has enabled the Government to consult relevant Agencies and other landowner leaders. "I am fully aware of the frustrations of our people in Hela Province," he said in his response to the petition. "What I can assure you is that this Government is committed to working with all stakeholders, including the Hela Provincial Government, in addressing the State's commitments in the Agreements."

But Kua and Sir Michael stressed that the Government was not doing enough to address the issue. "Over more than 100 shipments later, since the PNG LNG Project started shipping gas to Japan and other countries, landowners and the entire Beneficiary Group which includes LLGs and provincial governments have not received a single toea of royalty, equity and development levy from the National Government. This is regardless of the fact that the ExxonMobil has paid these benefits to the National Government fulfilling its obligations under the Gas Agreement (2008).

### **Resolution Reached In New Caledonia Nickel Dispute**

*Agreement means re-examination of ore exports to China*

WELLINGTON, New Zealand (Radio New Zealand International, August 29, 2015) – A resolution has been reached in New Caledonia to end a weeks-long industrial dispute which crippled traffic around the capital, Noumea. Truck drivers, contracted to mining entities and nickel carriers, have been protesting a decision by the territory's government not to allow exports of ore to China after a decline in exports to Australia. Negotiations had reached a stalemate last week when the drivers blockaded Noumea, causing days of traffic chaos in the city of just under 100,000 people. But late on Friday night, a breakthrough was reached when a Memorandum of Understanding was signed between the drivers' union and the New Caledonia government. It was signed in the presence of the French High Commissioner and the president of the Caledonian Union Party, Daniel Goa, whose intervention on Tuesday helped break the stalemate and saw the roadblocks lifted. The agreement provides that the government, the export committee, and signatories to the Noumea Accord will re-examine exports to China in coming weeks.

### **Fiji: No Grounds To Reject Licence, Says PS For Mineral Resources**

by Maika Bolatiki, Fiji Sun Online, August 29, 2015



Permanent Secretary for Lands and Mineral Resources Tevita Boseiwaqa.

The Namosi Joint Venture (NJV) was given an exploration licence because there were no grounds to reject its application, says Permanent Secretary for Lands and Mineral Resources Tevita Boseiwaqa. He was yesterday reacting to the claim by the Tikina Namosi Landowners Committee (TNLC) that they were not consulted on the issue of the licence. TNLC co-chair Agavito Koroimanono told the media that there was no consultation made and they wanted NJV to stop the exploration on their land. "The Prime Minister had once stopped the exploration and now they are still continuing with the agreement of the Minister for Lands and Minerals by renewing the exploration licence SPL 1420," Mr Koroimanono said. He said they were never asked to give their consent, so their voices weren't heard. Mr Boseiwaqa however said when NJV applied for the renewal of the licence they had to follow procedures before the approval was made.

The Ministry of Land and Mineral Resources officers led by the Deputy Permanent Secretary and the director of lands had visited the villages to hear from the landowners themselves and they had given their support. "Their voices were heard." They then made their technical verification and also certified the support on the ground. He said they concluded that NJV had fulfilled all the requirements needed and there was no ground for them to reject the application. "All the landowners gave their support." However, Mr Koroimanono maintained they had been ignored and demanded NJV to stop the exploration. He said they would now seek a meeting with the Prime Minister as they represented the majority of the landowners. They were totally against mining in Namosi and wanted another type of development carried out on their lands earmarked for mining exploration. He said as of yesterday they had received no replies to all their correspondences in regard to the issue and this included the Prime Minister's Office.

### **Fiji: State grants lease**

Sikeli Qounadovu, The Fiji Times, August 28, 2015

THE five-year extension of the Namosi Joint Venture Company's special prospecting licence by the Government has drawn opposition from some landowners. Two months ago, Prime Minister Voreqe Bainimarama ensured Fiji and the Namosi landowners that the environment would always come first. While there has been a strong opposition from the Tikina Namosi Landowners Committee (TLNC), Minister of Lands Mereseini Vuniwaqa confirmed "due diligence was carried out by Government prior to the renewal of the SPL". "This included environmental and social verifications," she said. "After these verifications Government was satisfied that the SPL could be renewed, hence the renewal. "Extensive consultations were carried out by the ministry with the landowners in its quest to hear directly from landowners. These consultations were over and above our legal obligations for renewal but it was done because we wanted to know the stance of relevant landowners. We were also happy with the outcome of these consultations."

However, the issue has caused divisions in villages with at least the mataqali Nabukebuke, whose land is being occupied by NJV, split on the extension of the licence. NJV, who are prospecting for gold and copper in the Namosi area, had its operations suspended by Government, who were adamant the environment needed to be protected first. The Tikina Namosi Landowners Committee (TNLC) is seeking the Primer Minister's intervention to terminate the work being carried out by the Namosi Joint Venture (NJV). TNLC secretary Ana Vulakoto claims 92 per cent of landowners have agreed for the termination of the special prospecting licence (SPL 1420) which was given by the Government to NJV in exploring minerals in the Namosi area. Ms Vulakoto said since NJV started with its SPL 1420 operations, they had not received any environment impact assessment despite numerous requests. "Our people have been living with the impact of prospective mining companies in our land for over 40 years.

Our daily experience has taught us that the land of our forefathers is what that gives us life, not mining. The forest, the soil, the waterways, the air we breathe, provide for our people every day," she said. "All we are asking Government for is not to stress our environment. We have reached a stage we have become tired, disillusioned and frustrated with its plans to destroy our land." NJV land manager Netava Bakaniceva said the company was not aware of protests or grievances from the landowners and that there was no destruction to the environment as claimed by the landowners. Meanwhile, according to the TNLC members a villager who was against the exploration of the land was yesterday arrested by police for setting up a roadblock. Fiji Police Force spokesperson Inspector Atunaisa Sokomuri confirmed that a man from Namosi was arrested by Navua police yesterday.

### **Landowner group plans to mine using alluvial method**

The National, August 28th, 2015

A LANDOWNER group in the Kompiam-Ambum district, Enga, says it is ready to produce its own gold through alluvial mining. A public forum was held yesterday at Kweokam village where people from surrounding mine impacted areas discussed benefit sharing from the project. Landowner from Porelyin Tribe Pon Kuwait said: "The crowd here at Kweokam is packed to capacity and we are getting views from the respective landowners on their thoughts of benefit of the mine." "We are recording the words of the landowners so that we will bring these recorded messages to the Mineral Resource Authority who will give us the alluvial mining licence." Pon said the association had decided to move on with their own alluvial mining following departure of Chinese Company Nanjiang (PNG) Ltd which started mining operations in 2012 was instructed to abandon its activities by MRA and the (then Department of Environment and Conservation) Environment Protection Authority over legal issues. He said he wanted landowners to get benefits of their resources not just by laying environmental damage claims.

### **Fiji: Namosi Landowners adamant about mining in Namosi**

Loop PNG, August 27, 2015



The Tikina Namosi Landowners Committee (TNLC) today called on the Honorable Prime Minister Voreqe Bainimarama to intervene in the ongoing dispute regarding exploration for minerals in the province of Namosi. The call on the Prime Minister to intervene in the Namosi mining issue comes

after 7 years of considered negotiations between majority landowner interests, the mining company Namosi Joint Ventures (NJV) and the Department of Mineral Resources. TNLC Co-Chair, Mr. Agavito Koroimanono today confirmed that they have offered to help the Fiji Government deliver its green growth strategy through the promotion of eco-tourism to take advantage of the natural beauty of Namosi such as camping, mountain villas, bird watching, cable cars for sightseeing of natural forest, famous bilibili ride from Namosi down to Nausori as well as mountain climbing. In addition to undertake Government sponsored sustainable agricultural projects, and underground water bottling. The offer to contribute to Fiji's economic growth however does not include mining or sustainable mining said Co-Chair Agavito.

The call for the Prime Minister to intervene comes after the recent decision to renew SPL 1420 issued by the Minister for Mineral Resources Hon. Mereseini Vuniwaqa. She had renewed the extension for the exploration license 1420 without the knowledge nor the consent of the majority of the landowners of Namosi in what the TNLC is calling a serious breach of trust in ongoing negotiations. This is especially when the Honorable Minister has promised TNLC to inform them with the result of the consultation done by her Ministry which she has failed miserably to do," Mr. Agavito said. "TNLC have consistently demonstrated their good faith in negotiations with the respective department and the Minister responsible for mining by conducting extensive consultations and a secret vote to determine whether the extension for the exploration license should be terminated or granted. The outcome of the secret vote within the Namosi Tikina, Tikina Wainikoroiluva and Tikina Waidina demonstrates an overwhelming support where 92% of the people voted for termination of the exploration license which the Minister responsible has chosen to ignore in her decision making process, said TNLC Co-Chair Agavito Koroimanono.

The majority decision for the termination of the exploration license comes after 47 years of history of experiencing the ill effects of exploration amongst the people of Namosi which TNLC have informed PM about back in 2012. We have experienced firsthand what exploration for minerals means for our water systems, our livelihoods, our environment, and our culture, he said. It is this experience which drives the majority of the people in Namosi through TNLC to stand up and support other forms of productive economic activities such as eco-tourism and agriculture to contribute towards Fiji's economic growth. TNLC believes that the GREEN ECONOMY is the world most important part in its ecosystem and without it the world plus man would collapse anytime. Engaging with sustainable development is another way of supporting the Government approach of preventing climate change, Mr. Agavito said. Mr. Agavito stressed that TNLC value creation as it was the beginning of life. We believe and support that everything created was created for a special reason. Man should search for this only special reason in order to harmonize the purpose of why the Creator created it, he highlighted. Source: Pacific Network on Globalisation

## **LIHIR: TO GET AND GET OUT**

by CYRIL GARE, PNG Blogs, August 27, 2015



When the Airlines PNG Dash 8 aircraft touched down on Lihir airport on Aug 9, 2015 I couldn't believe that this rich gold mining township airport runway is bare soil, sending clouds of dust backwards as we taxi in to park at the small terminal nearby. For a first timer, first impression counts. The miner is not serious in sealing the runway. 'They're here to get and get out'. The ring road around the airport parameters are bare soil. Even Camp 1 and 2 which houses the official residence of the Newcrest Mining Limited (NML) general manager, Craig Jetson is bare soil causing dust everywhere each time a vehicle passes through. Parts of Lihir Island have sealed roads and permanent houses because of mining benefits except the West Coast where almost nothing is there; roads are neglected for years, people leave in traditional hamlets and evidence of neglect are sporadic. But thanks to the missions especially the Catholic Church for being there with them and providing basic health and education opportunities.

Newcrest Mining Ltd (formerly Lihir Gold Limited, a subsidiary of Rio Tinto) is the world's sixth largest gold producer. It abstracts gold from the Luise Caldera, an extinct volcanic crater that is geothermally active, and holds one of the largest known gold deposits in the world. Lihir Island has a population of about 8,000. This is about the size of one big Motuan village alone. One wonders why the rich gold mine operating on their island or group of islands provides for few and not all. In fact, the Lihir mining agreement – which I wasn't privileged to see a copy - covers for Kapit and Putput villages only all to the great disadvantage of the rest. Their landowner company – Lihir Mining Area Landowners Association or LMALA is currently under fraud investigations causing uncertainties among beneficiary villagers. There isn't a thing called 'mine affected villages' like in other resource development agreements in Papua New Guinea. Hence, villages in the West Coast and that of Londolovit situated in the bay miss out greatly.

To the left is the Lihir township and to the right is the mine wastes from both the town and mine impact on Londolovit. NML dumps waste rocks into the sea to reclaim land by some 200 metres so far and is still extending its prowess on reclamation. Land claimed is where the processing plant, incinerator, etc are built. Whether land reclamation is in the mining agreement or not cannot be ascertained. The facts are that the beautiful shoreline between Londolovit, Kapit and Putput villages is gone forever. Their children now can only see photographs to imagine their once very beautiful coastline. Villagers say fish and other marine lives are not as tasty like before and each day fear is mounting among villagers whether mine wastes (tailings) that are being dumped into the ocean do not affect marine lives which people feed on.

"In the past things were ok. Today mining has damage our natural environment. "In the past we use salt water to cook with. Today, we are scared of using salt water because of mine wastes being dumped into the sea so we are forced to buy salt in shops with money. "We use to wash and drink from fresh streams and creeks. Today there are no more fresh streams and creeks as the company gets all the water and later sends it back in taps which we now use to wash and drink from. This is not good water. "This is the situation today. The company has spoilt our environment...I don't know what the future holds for us," a Londolovit elderly, Mrs. Francisca Wesparo was telling me in fluent tok pisin. Besides her during the interview was Thecka Inial, they are the only remaining elderly women at Londolovit. Asked if their worries have been brought to the attention of their local Member of Parliament and Mining Minister, Byron Chan (Namatanai Open) and other leaders, Mrs. Wesparo said: "they know about our problem but can do little".

At the time of my visit – Aug 9-11, 2015 – several coconut trees were uprooted as a result of high sea level and crushing waves which locals blamed on NML's waste rock dumping activity. Coupled with climate change and sea level rise, Londolovit is destined for more trouble. Yet Londolovit and all other villages on the island are not covered under the mining agreement. The next day visit to inland deep forested mountains of Londolovit passed through resettlement sites at Sepuk Bual, Kuanmakiat, Huonatunuo, and Lilitop finishing off at 228 dead-end. It holds settlers relocated from

Kapit village, one of the two coastal villages in the Special Mining Lease (SML) area. Firstly, the Kapi villagers lost their beautiful beach after the mine started its land reclamation activity. Secondly, their whole village was bulldozed and place taken for stockpiling of ores. NML has sighted more gold beneath their village and told them to relocate with cash incentives. Relocate to where?...into the mountains on land belonging to the Londolovit people. Again, there was no consultation. NML has no formal agreement with the Londolovit people for this repatriation exercise. If any, it would base on individual traditional landowners' consents and not with the consent of the holistic community. This is dangerous which could result in serious repercussions in future.

Electricity and Water Cables: Pardon my limited technical knowledge but true water and electricity cables are connected parallel to each other through the main highway between the mine and the township. How safe are these connections come moments of disaster? How safe come moments of road maintenance works? Scary but true as this workmanship by NML shows. Londolovit Dam or Weir: Newcrest is currently undertaking a major expansion of the Lihir process plant known as the Million Ounce Plant Upgrade (MOPU). The MOPU includes installation of a new crushing facility, and upgrades to the ore processing plant. Additional power generation capacity and water supply is therefore planned. Londolovit is not getting paid for the use of their traditional water hole but the State through the Department of Environment and Conservation (DEC) because the agreement states that "water belongs to the State".

NML formerly through Lihir Management Company (LMC) in a 1998 agreement pays Londolovit only for damages or "impact" on the Londolovit river environment and not for "usage" of water. The dam upstream caused decrease water level and lose of aquatic lives and other social inconveniences to the community. Payment is very minimal: K35,000 per annum then to K60,000 pa to K120,000 pa and currently at K300,000 pa. "Yes, we're receiving these payments but it is for environmental damages and not for actual usage of our water," said Steven Massau, spokesman for the Londolovit impact community. Last year, Londolovit commissioned an independent water usage investigation by a consultant and the report found gross extraction of water by LMC now NML "over and above" the permitted rates: 113,949,504,000 litres of water valued at K113, 949,504.



The Ailaya rock is the only landmark left along the Lihir coastline to show where the original sea boundary was. Continuous land reclamation by NML currently is suspected of causing sea level rise and damage to marine lives to villages like Londolovit but without proof of scientific studies

Currently, a delegation from Londolovit is in Port Moresby pursuing the K113 million claim. After weeks of pursue, neither the DEC, Mineral Resources Authority, or NML owns up to pay the K113 million. They are paying marbles on them and keep passing the buck. The last time gorgors are placed at the Londolovit weir/dam and at other mining sites was on June 6, 2015 forcing the mine to shut down for 36 hours. Collaborating with the State (MRA), NML flew in 17 heavily armed policemen who removed the gorgors and prevent further disruption by resource owners. When the creature 'State' compromises with corporations the end result is political suppression and economic deprivation of fair benefits and opportunities. In addition, they leave massive and irreversible damages and destructions to our environment which holds our land and cultural heritage. It seems an immutable trade off: the greater the right of corporations, the less the right of real person, we indigenous people.



That once was Kapit village is now bulldozed to the ground and people relocated to inland mountains of Londolovit without proper agreements in place. NML eyes the place because of promise of more gold deposits beneath. Pics by CYRIL GARE.

## **Mediation To Resolve New Caledonia Nickel Dispute Starts**

*Caledonian Union party head calls for 'genuine discussions'*

WELLINGTON, New Zealand (Radio New Zealand International, Aug. 26, 2015) – The president of the Caledonian Union party Daniel Goa has expressed hope protesting truck drivers can exit the unresolved conflict over nickel exports with their heads held high. He was speaking at the start of mediation efforts in New Caledonia's capital, Noumea, on Tuesday. Schools have reopened and traffic is moving again after the carriers' blockades were lifted on Monday. Miners and nickel carriers have been calling on the New Caledonian government to allow exports of ore to China after a decline in exports to Australia. Mr Goa made a call for genuine discussions on local radio. More talks are expected on Thursday.

## **St Barbara says new Solomons' mine owners must act quickly**

Radio New Zealand, August 26, 2015

The chief executive of Australian gold mining company, St Barbara, says the new owners of the Gold Ridge mine in Solomon Islands must quickly start pumping water from its tailings dam. The

mine has been shut since floods last year and in May St Barbara sold it for a nominal amount to local landowners' company, Gold Ridge Community Investments Ltd. The new owner claims the tailings dam is close to overflowing and it is facing a \$US29 million dollar environmental disaster.



The sun setting at Gold Ridge mine, Solomon Islands Photo: Koroï Hawkins

But St Barbara's chief executive, Bob Vassie, says this is not true. He says the new owners just need to turn on the switch and start the draining. "There has been no instance to date and there won't be if they act as they are required to do. They government has instructed them to do it. They have got everything they need. We cannot see any reason why they don't start pumping. The next rain could see some over topping [of the dam] and the new owners will be accountable because it is just so avoidable."

### **Australia: New Territory Chief Minister threatens McArthur River Mine with closure unless it improves environmental practices**

By Jane Bardon, ABC Radio Australia, August 26, 2015



Photo: Last year Glencore was taken by surprise about the amount of reactive iron sulphide on the site. (file photo: ABC TV)

The Northern Territory Chief Minister has threatened to close Glencore's McArthur River Mine near Borroloola if it does not improve its environmental practices. Planning Minister Dave Tollner has already indicated he was considering shutting down the world's biggest exporter of bulk concentrate zinc if Glencore does not agree to increase the size of the financial bond it has placed with the NT Government for the site's final remediation. All miners in the Northern Territory are required to lodge a bond with the Government that would cover 100 per cent of their site's final remediation cost at every stage of the mine's life. Chief Minister Adam Giles said the Government had been talking to the company for months about the need to come up with a long-term plan to control reactive waste rock on the site.

Last year Glencore was taken by surprise about the amount of reactive iron sulphide (a chemical which turns into sulphuric acid when it meets water) it was having to deal with on the site, and its waste rock pile spontaneously combusted for months, sending toxic plumes into the atmosphere. Indigenous residents and green groups have been protesting for more than a year about smoke from the mine's waste rock dump, the mine's impact on McArthur River tributaries, heavy metals found in fish, and a contamination incident last year which resulted in cattle having to be destroyed. The Environmental Defenders Office green group has called for a temporary closure of the mine to allow time to consider whether the issues can be satisfactorily resolved.

The Chief Minister then said if the company did not improve its practices he would order its closure. "We have been working with the mine itself to increase its level and standards of environmental protection at the site," Mr Giles said. "We have been adamant that unless Glencore fixes its environmental procedures and practices we will close the mine. "We will not stand for an environmental bond that does not support rehabilitation at the end of the mine life. We will not support procedures that put potentially high risk to the environment. "We have sought to improve the mine management plan in the way it works in terms of logistics onsite. We've always sought to carefully manage the environment.

"In the last few months we have very firmly put out there that the environmental bond will be raised, and if there can't be remedial measures put in place for some of the concerns that we're seeing, which came about as a result of its initial approval back in 2006, I will close the mine." Mr Giles said his department had not released Freedom of Information documents expected to reveal the estimated total cost of remediating the mine, and the extent of environmental impacts, because of a request from the mine owner Glencore. Glencore had until August 22 to appeal to the Information Commissioner to stop the Government releasing the documents to the Environmental Defenders Office.

### **Livelihoods of 700 workers at stake**

But the general manager of the mine, Sam Strohmayer, said the company had instead contacted the Government. "We're aware that they have had a request for a release and we have written to the department, seeking clarification about that," he said. Mr Giles has described the company's communication differently as "a form of injunction request from the company to be able to review the documents". Glencore and McArthur River Mining have said they are negotiating with the Northern Territory Government in good faith over the environmental bond and how to manage the waste rock. "We're 100 per cent committed to make sure that we come up with a good solution for the operation," Mr Strohmayer said. He said the company was mindful the livelihoods of at least 700 workers were at stake. "There's a large number of people working on the site and that's why we are so committed to coming up with a good solution with the Government," he said.

## Rare nautilus sighted for the first time in three decades

James Urton, University of Washington, August 25, 2015

In early August, biologist Peter Ward returned from the South Pacific with news that he encountered an old friend, one he hadn't seen in over three decades. The University of Washington professor had seen what he considers one of the world's rarest animals, a remote encounter that may become even more infrequent if illegal fishing practices continue. The creature in question is *Allonautilus scrobiculatus*, a species of nautilus that Ward and a colleague had previously discovered off of Ndrova Island in Papua New Guinea. Nautiluses are small, distant cousins of squid and cuttlefish. They are an ancient lineage of animal, often christened a "living fossil" because their distinctive shells appear in the fossil record over an impressive 500 million year period. Ward says this recent sighting of *Allonautilus* indicates that there is still much to learn about these creatures.



*Allonautilus scrobiculatus* off the coast of Ndrova Island in Papua New Guinea. Peter Ward

"Before this, two humans had seen *Allonautilus scrobiculatus*," said Ward, who holds appointments at the UW in both the Department of Biology and the Department of Earth and Space Sciences. My colleague Bruce Saunders from Bryn Mawr College found *Allonautilus* first, and I saw them a few weeks later." Those sightings were in 1984, when Ronald Reagan was finishing his first term as president and the oldest millennials were starting preschool. Ward and Saunders collected several *Allonautilus scrobiculatus* specimens for analysis and realized that their gills, jaws, shell shape and male reproductive structures differ significantly from other nautilus species. "Some features of the nautilus — like the shell giving it the 'living fossil' label — may not have changed for a long time, but other parts have," said Ward.

*Allonautilus* also sports a distinctive accessory clearly visible in photographs. "It has this thick, hairy, slimy covering on its shell," said Ward. "When we first saw that, we were astounded." This slimy nautilus turned out to be even more elusive than its siblings. Aside from another brief sighting by Saunders in 1986, *Allonautilus* disappeared until July 2015, when Ward returned to Papua New Guinea to survey nautilus populations. Since nautiluses are expert scavengers, Ward and his col-

leagues set up “bait on a stick” systems each evening — fish and chicken meat suspended on a pole between 500 and 1,300 feet below the surface — and filmed activity around the bait for 12 hours. “We started using this approach in 2011,” said Ward. “This year, there were about 30 guys involved and each day we would all watch the movies from the night before at 8X speed. There were a lot of ‘ohs’ and ‘ahs’.”



*Nautilus pompilius* (left) swimming next to a rare *Allonautilus scrobiculatus* (right) off of Ndrova Island in Papua New Guinea. Peter Ward

One night’s footage from a site off of Ndrova Island showed an *Allonautilus* approach the bait after a 31-year absence from Ward’s life. It was soon joined by another nautilus, and the two fought for access to the bait until a sunfish arrived on the scene. “For the next two hours, the sunfish just kept whacking them with its tail,” said Ward. The team also used baited traps to capture several nautiluses, including *Allonautilus*, at a depth of about 600 feet. Since most nautiluses do not like the heat, the researchers brought them to the surface in chilled water to obtain small tissue, shell and mucous samples and measure the dimensions of each animal. They then transported the animals back to their capture site and released them.

Ward and his colleagues used this information to determine the age and sex of each animal, as well as the diversity of each nautilus population in the South Pacific. Through these studies, they have learned that most nautilus populations are isolated from one another because they can only inhabit a narrow range of ocean depth. “They swim just above the bottom of wherever they are,” said Ward. “Just like submarines, they have ‘fail depths’ where they’ll die if they go too deep, and surface waters are so warm that they usually can’t go up there. Water about 2,600 feet deep is going to isolate them.” These restrictions on where nautiluses can go mean that populations near one island or coral reef can differ genetically or ecologically from those at another. The findings also pose a challenge for conservationists. “Once they’re gone from an area, they’re gone for good,” said Ward.



*Nautilus pompilius* swimming above a rare *Allonautilus scrobiculatus* off the coast of Ndrova Island in Papua New Guinea. Peter Ward

Illegal fishing and “mining” operations for nautilus shells have already decimated some populations, Ward said. This unchecked practice could threaten a lineage that has been around longer than the dinosaurs were and survived the two largest mass extinctions in Earth’s history. In September, the U.S. Fish and Wildlife Service will decide whether to advocate for nautilus to become a protected species under the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora, or CITES treaty. Such protection could curb international trade in nautilus shells, with the aim of reducing nautilus harvests across the Pacific. “As it stands now, nautilus mining could cause nautilus to go extinct,” said Ward.

Ward hopes to see *Allonautilus* again, especially since he would like to study how this species, which arose relatively recently according to genetic tests, behaves differently from other nautilus. Its rarity makes this endeavor challenging. “It’s only near this tiny island,” said Ward. “This could be the rarest animal in the world. We need to know if *Allonautilus* is anywhere else, and we won’t know until we go out there and look.” Ward’s main partners in this field season included Richard Hamilton and Manuai Matawai from the Nature Conservancy and Greg Barord from the City University of New York. More than 30 fisheries experts, guides and local residents in the Admiralty Islands and the Bismarck Archipelago of Papua New Guinea also provided crucial aid and support, Ward said. Their work is funded by National Geographic, the National Science Foundation’s Division of Polar Programs and the Tiffany & Co. Foundation.

Source: <http://www.washington.edu/news/2015/08/25/rare-nautilus-sighted-for-the-first-time-in-three-decades/>

## **Ok Tedi share deal signed**

Post-Courier, August 25, 2015

THE share distribution agreement of Ok Tedi Mining Ltd's 33.3 per cent, the Fly River Provincial Government and all the landowner groups took place last week. The agreement was delivered to the Chief Secretary Sir Manasupe Zurenuoc's office by Western Governor Ati Wobiro and the Western administrator Modowa Gumoi for their signatures. Mr Wobiro gave his assurance that the proceeds will be used to better the people's living standards. during the signing had thanked the Prime Minister Peter O'Neill and his cabinet for agreeing to the 33.33 per cent ownership of the Ok Tedi Mine. "I can assure the Prime Minister and his Government that all proceeds from this ownership will be used to the best of our ability to improve our standards of living," Mr Wobiro said. He also thanked the landowners of Star Mountains for their understanding and cooperation with the Government during the process of negotiations over the ownership of the Ok Tedi mine.

"When the government approved the 33.33 per cent ownership of the Ok Tedi, all the stakeholders agreed the following share distribution of the mine proceeds: Star Mountains Landowners 9.11 per cent; CMCA 12.11 per cent; and Fly provincial government (non-CMCA)12.11 per cent. "All parties are satisfied with this distribution and have signed the agreement," Mr Wobiro said. He also acknowledged the Chief Secretary's support from the start of the negotiations and said this is a historical moment for all parties involved. Sir Manasupe had hailed the event as a game changer as this is the first time money will go straight to the people from any mine. This proposed share distribution will now go to the National Executive Council for approval," Sir Manasupe said.

## **Ok Tedi Mining confirms wall collapse at massive open-cut mine in PNG, denies link to shutdown**

By Papua New Guinea correspondent Liam Cochrane, ABC Radio Australia, August 24, 2015



Photo: The Ok Tedi was synonymous with dirty mining during the 1980s and '90s. (Supplied: Ok Tedi Mine CMCA Review)

A section of Papua New Guinea's Ok Tedi mine collapsed in June, damaging machinery and blocking an access road, but the company insists the fall has nothing to do with the shutdown of opera-

tions. On August 12, Ok Tedi Mining stopped operations at the open-cut copper and gold mine and stood down almost all staff, citing a lack of rain affecting river access and hydropower generation. At the time there was no mention of the damage to the mine pit but the company said it reported the incident to the statutory authorities in PNG and has now gone public with the information, in response to a letter to the editor. "Ok Tedi Mine experienced a failure in a section of the wall of the open pit in early June 2015, resulting in a large amount of debris sliding down into the bottom of the pit,"

Ok Tedi Mining Limited (OMTL) managing director and chief executive Peter Graham said. "The fallen debris damaged one of eight hydraulic shovels and backhoes, which has since been repaired and returned to service. "The fall has temporarily limited access to some higher grade ore until clean-up is complete, likely several months work once started." The company denies the collapse is linked to the recent shutdown of operations, saying the closure was due to weak global commodity prices and low water levels in the Fly River. "Ok Tedi relies on riverine transport for food and diesel and other operational supplies, and for transport of concentrate to Port Moresby for export," Mr Graham said.

### **Critics blame Peter O'Neill for mine's problems**

Critics of the mine have blamed the PNG government for the mine's problems. "This is the latest in a long line of disasters at the mine since prime minister Peter O'Neill took over Ok Tedi," Kata Mono said in a letter to the editor published in the Post Courier newspaper. That takeover is the latest controversy involving Ok Tedi, which became synonymous with dirty mining during the 1980s and '90s. BHP handed over its majority share in 2001 in exchange for legal immunity for decades of environmental damage, creating the PNG Sustainable Development Program (SDP) as a local trust fund for development projects across the country. In 2013, the PNG government passed legislation to take over Ok Tedi and the associated \$1.4 billion development fund, effectively nationalising the mine and sparking a bitter legal battle for control of the trust. "There is no cash left in OTML because of inflated contracts being given to cronies, mismanagement of other funds, poor mine planning and administration and a critical lack of repairs and maintenance across all operational areas," said Mr Mono, who said he was writing from the mining town of Kiunga in Western Province.

Mr O'Neill has previously acknowledged his business interests in at least three companies with contracts at Ok Tedi — IT firm Remington as well as Wild Cat Developments and South West Air, both subsidiaries of Remington Group. Mr O'Neill has denied having interests in the mine's security contractor Black Swan or securing contracts since the appropriation of the mine. Ok Tedi management rejected the allegations of neglect and nepotism. "Contrary to assertions in the letter [to the editor] of government interference, Ok Tedi proudly operates independently," Mr Graham said. Mr Graham said compensation payments to landowners would be honoured next month but dividends would not be paid, due to the shutdown. He remained upbeat about the mine's prospects. "Ok Tedi will continue to be a successful operation once weather conditions allow a restart of operations," Mr Graham said.

### **Talks Breakdown, Truck Blockade in New Caledonia Continues**

*Traffic disruptions in Noumea expected due to nickel export row*

WELLINGTON, New Zealand (Radio New Zealand International, Aug. 24, 2015) – Disruption to traffic and businesses is expected again in Noumea today, as a blockade of New Caledonia's capital is set to continue. Several access sites are expected to be blocked from early this morning by truck drivers frustrated by a decision not to allow low grade ore exports to China. Last week they blocked all main routes into the city for days, allowing only emergency vehicles through, and many businesses on Friday opten to close for the day. On Friday night, a young man died in a car accident in-

volving one of the blockades, prompting the president of the New Caledonian government, Philippe Germain, to call for a return to order, to give respect to the grieving family. The vice president of the union, CotrankMine, Wilfrid Mai, says he will not accept new negotiations without the presence of Daniel Goa, the president of the Caledonian Union, taking the role of mediator.

### **Federation query Mining Act review**

POST-Courier; August 24, 2015

THE Resource Owners Federation of Papua New Guinea is now very concerned about the very slow progress in completing the review of the 1992 Mining Act and the lack of consultation with the Resource Owners Federation of Papua New Guinea in relation to the revised Act. The Federation calls on the minister for mining to provide some explanation as to why we have not been provided with a copy of any draft of the revised Act for our comments. Federation president Jonathan Paraia understands that the minister has been very entertaining of the views of the Chamber of Mining and Petroleum on their views on various provisions in the Act that are to their distaste on numerous occasions. "However, he has not accorded the same level of consultation with the Resource Owners Federation of Papua New Guinea on behalf of the resource owners of this country. "He has not accorded anytime at all in seeking our views on the draft Mining Act nor have we been given any draft of the proposed legislation. "We therefore do wonder if the Mining Department and its Minister are there to serve the mining industry only and not the citizens of the country," he said. The minister can now explain to the country the reasons for his actions. He said the citizens of PNG want very strong and effective mineral policy and legislations which are designed to regulate the important industry for the benefit of all stakeholders.

### **Seabed Mining In PNG Will Not Discharge Waste: Nautilus**

*Mining company hopes to begin operating by 2018*

WELLINGTON, New Zealand (Radio New Zealand International, Aug. 24, 2015) – The seabed mining company, Nautilus Minerals, says its world first operation to mine in Papua New Guinea's Bismarck Sea will not discharge any waste into the ocean. The company hopes to start mining on the sea floor by 2018, despite strong opposition from environmental activists and calls for caution from the scientific community. But Nautilus' chief executive Mike Johnston says his company has been conducting environmental impact studies since 2006. He says the results have consistently shown the effects of the operation on the marine environment will be minimal. "The total area directly impacted by mining is less than point one of a square kilometre. Impacts that are expected from the mining projects do not extend outside the mining lease. There are no tailings associated with our seafloor mining project which is pretty much unheard of for mining."

### **Solomon Islands: Claims Australians left a '\$40 million environmental disaster'**

By Adam Morton, Sydney Morning Herald, August 22, 2015

The new owner of a Solomon Islands gold mine has launched an extraordinary attack on the Australian previous owner, accusing it of leaving behind a \$40 million environmental disaster and called for it to be shut down by regulators. The claim has been vigorously rejected by the company, Melbourne-based St Barbara Limited, which says it left the country only after the Solomon Islands government thwarted its attempts to start repairing the Gold Ridge mine in the wake of a flood in April 2014. It is the latest salvo in an 18-month stoush over the mine, which, when running, contributed about 5 per cent of the embattled country's gross domestic product but will now not be fully operational for at least another two years. For about 3000 people who live in communities near the

mine, it is playing out through the possible release into a local river of untreated water containing arsenic and cyanide. The release of the contaminated water from a near-overflowing tailings dam has government approval, and is considered necessary if there is heavy rain before a new treatment plan is built.



Strong words: local landowners group chairman Walton Naezon is highly critical of Australian company St Barbara.  
*Photo: Penny Stephens*

Further afield, observers warn the dispute between St Barbara and authorities in Honiara will make it increasingly difficult for the country to attract the international investment needed to re-build its battered economy in the wake of ethnic conflict that has set it back decades. The local landowner group, known as Gold Ridge Community Investment, paid \$100 for the mine – and all environmental liability that comes with it – in a fire sale in May. Walton Naezon, chairman of the landowner group and an MP until last year's election, said St Barbara had left behind "major operational failures" including a damaged mine and treatment plant and a dam nearly full of untreated tailings. He said the company should be shut by regulators for failing to meet the conduct required of a company listed on the Australian Stock Exchange. "If the Gold Ridge mining project was in Australia the cost of environmental clean-up for St Barbara would be around \$40 million," he said. "I think they failed as a mining company, and did not have the knowledge to produce a better recovery after the floods."

St Barbara denied it had left behind any environmental damage at the site, about 30 kilometres south-east of the capital, Honiara. The company evacuated the mine and its Australian staff during the April 2014 floods, which devastated the island of Guadalcanal, killing 22 people and leaving thousands homeless. On its return – which was initially blocked by the government – it says it found a bridge had been badly damaged and hundreds of illegal miners were extracting gold from the open pit. It says a water treatment plant was destroyed by vandals twice. In December, the company sought government approval for a controlled release of contaminated water into the Tinahulu River to avoid a catastrophic uncontrolled spill into multiple rivers. The World Health Organisation advised the water was safe for washing, fishing and gardening, but not drinking and cooking. The government refused. St Barbara placed ads in local newspapers warning there was a risk of a dangerous flood of the dam.



The tailings dam at the Gold Ridge mine. Credit: Matthew Allan, Australian National University.

A St Barbara spokeswoman said the company spent more than \$20 million trying to address the problem, but it was only after the company sold the company to locals that the government declared the area a disaster zone. "It was nearly a year ago that we first started trying to get the necessary government approvals so we could urgently address the critical situation at the tailings storage facility," St Barbara's spokeswoman said. "Fortunately, there has been no environmental incident, notwithstanding the prolonged inaction by the Solomon Islands government," she said. "We installed the new equipment required to dewater the mine and we are heartened that the new owners have been able to secure the dewatering approvals we were denied". Mr Naezon said the new owners had been required to buy about 100 water tanks for communities along the river in case a release was required. He conceded the new owners did not know how to operate a gold mine, but said they were speaking to potential foreign partners. But it would be at least two years before the mine was operating at capacity.

### **‘Greece-like Crisis’ queried**

Post-Courier, August 21, 2015

BY GORETHY KENNETH

TODAY, about US\$44 million in total average export value of the Liquefied Natural Gas (LNG) cargoes leave our shores every three to five days. And this is a go figure, according to East Sepik Governor Sir Michael Somare, who spoke at the Waigani Seminar in Port Moresby yesterday. But he questioned why PNG is facing a Greece-like Crisis now. "I returned to the scene in 2002 to a country on the verge of bankruptcy. My record in fiscal management as Prime Minister from 2002 to 2011 when I was illegally removed speaks for itself," he recalled. "As before being ousted, we established the largest project ever in PNG's economic and financial history, the LNG project.

"The idea of a Sovereign Wealth Fund was born to safeguard the future for generations to come. The incredible returns on equity in the project and corporate tax receipts would have ensured PNG's buoyancy long into the future. "And 'understanding the present', as your theme suggests, means looking at where we are today. "Why are we today facing a Greece-like Crisis! The answer is right before you and not for me to expound today. I can say in a nutshell: it is easier to spend money than to make it. "Returning to effective leadership, I understood my role as chief executive of the nation and subjected myself to the law. "I, like any ordinary citizen, am not above the law. I have had two

successful votes of no-confidence against me according to the Constitution and I accepted the outcomes."

### **Highlands Pacific discovers Nickel in Milne Bay**

One PNG via PNG Mine Watch, August 20, 2015

HIGHLANDS Pacific Limited says it has identified extensive nickel mineralisation at Sewa Bay in Milne Bay, Papua New Guinea. The Australian-based miner said its exploration campaign with joint venture partner Sojitz Group, through augur drilling programmes carried out in March and May, had identified two main areas of mineralisations above 1 per cent that covered an area of 7 square kilometers. Managing director John Gooding said the exploration results were encouraging and discussions were in place with Sojitz to determine the next steps for Sewa Bay.

"The campaign has confirmed an extensive area of nickel laterite that, with further work, may have the potential to lead to declaration of a resource and ultimately development of a modest mining project," Gooding said. Highlands Pacific said the campaign involved 303 augur holes totalling 545 metres, and three pits were dug to a depth of 2 metres. The drilling was aimed at testing thicker nickel laterite zones formed over ultramafic units which cover some 50 square kilometres. Highlands Pacific owns the exploration licence (EL) 1761 that is located on Normanby Island near Esa'ala and Sewa Bay in Milne Bay. The exploration programme budget of USD\$460,000 (K) for the project was funded by Sojitz.

### **Changes made to oil, gas act**

The National, August 20th, 2015

AMENDMENTS to current Oil and Gas Act are underway to cater in the interests of the country, Petroleum and Energy Minister Nixon Duban says. He said many new petroleum projects were being developed in the recent years and that called for amendments to be made to the Act. "We've taken an audit on the oil and gas Act – the project agreement of the gas," Duban said. "We will be pushing some amendments on the Oil and Gas Act which will try and cater for the interest of this country. I see that the oil and gas act at this point in time is not able to accommodate the whole changes, we must benefit from our resources." Duban was speaking during the swearing in of new board members of Konebada Petroleum Park Authority in Port Moresby yesterday.

Duban said the petrochemical park would be built as a result of the gas projects that were being developed in PNG, and amendments needed to be made to the Act so that it catered for the recent petroleum project developments. He added that the park, to be built outside Port Moresby, could host many petrochemical investments which PNG would benefit from. "When this park is developed, the money that it will bring to the economy would be massive. It is located at an ideal spot where we can host a number of major downstream processing activities. We want to see downstream processing. When this park is developed, the money that it will bring to the economy would be massive," Duban said.

### **Sinivit Gold Mine: Authorities yet to get test results**

Post-Courier, August 20, 2015

By GRACE TIDEN

Over 2000 people continue to use the Warangoi River despite warnings by authorities for people to refrain from using the water source due to fears of possible cyanide spillage from the idle Sinivit

Gold Mine in East New Britain Province. ENB Provincial Disaster Co-ordinator Donald Tokunai said a survey that was carried out discovered that people were still using the river system starting at the Warangoi Station and all the way to Ganai near the river mouth. The mine which covers a total land area of 4300 hectares is located in the Baining Mountains where most of the province's major rivers originate. The mine was put on care and maintenance since October 1 last year. However, the developer, New Guinea Gold Limited has since left the mine site. Authorities had discovered cyanide leakage at the site few months ago. However, they are yet to receive results of water and fish samples that were sent to the National Analytical Laboratory in Lae, Morobe Province for testing. Mr Tokunai said the current dry spell experienced in parts of the province was forcing people to use the river and it was now a concern.

He also said people in the communities continue to ask their leaders when the results will be made available so people will know whether it was safe to use the river. Attempts to get comments from the National Analytical Laboratory in Lae were unsuccessful. Meanwhile, Mr Tokunai said properties at the idle mine site were destroyed allegedly by angry landowners after the Canadian company New Guinea Gold Limited left the site last year leaving behind a skeleton staff and around 17 unsafe mine vats and heap pads containing cyanide and other chemicals. Most of the vats and heap pads are located next to ridges.

Mr Tokunai said all the vats have been exposed due to ongoing theft of special canvases used to cover these vats and heap pads from rain water and chemicals in the vats were now leaking into the environment. He also said around K15,000 worth of explosives as well as chemicals were stolen. Mr Tokunai said the Department of Environment and Conservation and the Mineral Resources Authority have not informed them of what was going to happen with the mine. The province's main concern was the possible contamination of the river systems which thousands of people downstream rely on. Meanwhile, the ENB Provincial Assembly had recently endorsed a submission to the Mineral Resources Authority to put a stop to any negotiations with investors in regards to the mine.

### **Another PNG MP to stand trial for fraud**

Post-Courier, August 20, 2015



The Governor of Western province, Ati Wobiro, and two others are to stand trial in the National Court on fraud-related charges. A local newspaper report said that the charges relate to alleged fraud of US\$ 2.8 million belonging to the Fly River provincial government. The Waigani committal court Magistrate Cosmas Bidar said the court found that there was ample evidence against the Governor and his co-accused. Mr Wobiro is one of several MPs in the current term of parliament to be referred to the courts or a leadership tribunal to answer allegations relating to misuse of public funds.

## **New Caledonia Police Officer Shot Amid Nickel Mining Tension**

*Truck drivers push for exports to China amid falling demand*

WELLINGTON, New Zealand (Radio New Zealand International, Aug. 19, 2015) – The authorities in New Caledonia have confirmed a member of the security forces has been shot and wounded amid ongoing tension over nickel mining. Public prosecutor Claire Lanet told local radio the policeman was injured when a shot was fired directly at a vehicle in Mont Dore near the capital Noumea during attempts to put out a roadside fire last night. The officer was transferred to Gaston Bourret Hospital and the prosecutor says legal proceedings are underway. Yesterday, a key road into New Caledonia's capital was blocked after truck drivers attached to nickel mining contractors staged another protest over nickel exports to China.

It follows unrest and fires broke that out close to the southern town of Mt Dore which was effectively blocked by protesting groups along with other roads in to nearby Noumea. Ground reports indicate the unrest is a sequel to a protest by truck drivers about the territory's mining policy two weeks ago. They want New Caledonia's government to begin exporting ore to China after a fall in exports to South Korea, Japan and Australia. The contractors who transport the ore from the mine to the port, require the opening of a new export channel to China, as the only way to maintain their activity during the downturn. New Caledonia's President, Philippe Germain, has said that opening up exports to China "is a question relating to the Nickel strategy, and can only be dealt with after much more detailed discussion and debate."

### ***Press Release***

## **WORLDS LARGEST MINING COMPANIES INVESTING IN PNG**

**Mining Minister commends Zijin and Barrick on their partnership**

Mineral Resource Authority, August 18, 2015



Minister Chan chats with one of the Zijin's executives after the company's presentation at the Mining Haus last week.

Mining Minister Hon Byron Chan last week, welcomed Zijin Mining Group of China into PNG, and commended the company's confidence in investing in Papua New Guinea's mining sector. The minister's commendation comes after recent announcement of Zijin's purchase of 50% of Barrick Niugini Limited's 95% ownership of the Porgera gold mine. The remaining 5% shares are owned

equally by the Enga Provincial Government and landowners. Minister Chan told the company that PNG had been hit hard by the falling mineral commodity prices, but despite this and associated investment risks, Zijin, on its own, has chosen to invest in the country. "Barrick Gold and Zijin are the world's top 2 gold producing companies. The fact that the PNG Government is now witnessing the 2 leading gold producers doing business in the country is definitely a show of confidence in the mineral sector and we welcome your entry and participation in the Porgera mine". The Minister acknowledged the international experience and expertise of Zijin who operate a number of mines in Australia, Africa and South America and that experience can be shared here in PNG. He also indicated to the company the challenges of operating here where the social matrix and geographical landscapes can be equally challenging.

Zijin made a presentation to the Minister at the Mineral Resources Authority's Mining Haus last Friday, where the company featured their profile, experience and operations throughout the world. Minister Chan told Zijin that the PNG government was privileged to have such a high profile investor in the country especially at these "trying" times which has seen a few mining and exploration companies in PNG either scaling down their operations or closing down operations permanently. Minister Chan pledged the government's support and co-operation. Let me, on behalf of government, assure you that your investment is fully supported and both the MRA and my Department stand ready to avail our services to ensure your investment is complemented". Dr George Fang, Executive Director, Vice President of Zijin, thanked Minister Chan and the National Government for the warm welcome that Zijin had received and conveyed Zijin's intentions work with the Government, Barrick, and local stakeholders to make a long term commitment to the development of PNG and mining industry. Dr. Ila Temu, Country Executive Director for PNG, reaffirmed Barrick's commitment to Porgera and its confidence that the new partnership with Zijin would enable the Mine to generate even greater benefits for all of its stakeholders.

### **NZ Academic Sees Merit In Cooks Mining Exploration**

*Could help 'fill in gaps in scientific knowledge'*

WELLINGTON, New Zealand (Radio New Zealand International, August 16, 2015) – A New Zealand academic says seabed mining exploration could help fill gaps in scientific knowledge. There's been calls from Pacific NGOs for a moratorium on seabed mining exploration. The Cook Islands last week opened bidding on licences for exploring the seabed's potential for mining. A law professor at the University of Waikato, Barry Barton, says the exploration could help shed light on unanswered questions. "At the early stages there is going to be a lot of benefit to be had in getting to understand the ocean resources and the ocean environments of the Cook Islands. So there is an element of opportunity at a minimum to start getting environmental baseline information to guide decision makers of the future."

### **How developing countries are paying a high price for the global mineral boom**

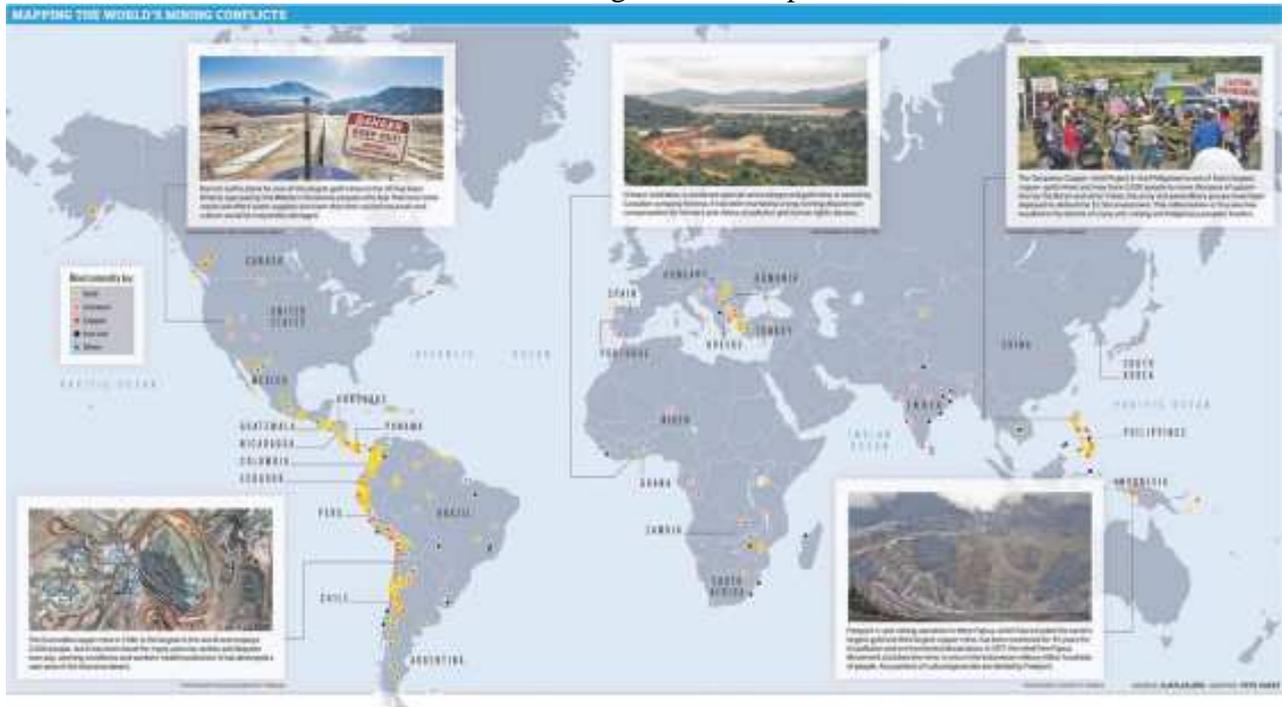
*Soaring worldwide demand for the minerals used in electronic devices such as smartphones and laptops has left a legacy of social conflict and human rights violations across Asia, Latin America and Africa*

John Vidal, theGuardian, 15 August 2015

A 200ft deep pit gapes where three years ago stood a mountain. Fields where small farmers planted rice and grew fruit are now an industrial site, and wooden houses in the old village of Didipio have been abandoned – the community moved to make way for a large-scale gold mine owned by a New Zealand company. The Filipino mine, guarded by high fences and bitterly contested by the indigenous Bugkalot people who fear pollution, spills and ill-health, is just one of scores of major new

gold and copper mines opened in the last few years to meet soaring world demand for minerals used in electronic devices such as smartphones and laptops. While the spot price of gold and other minerals has recently seen its greatest annual decline in more than 30 years, the legacy of the global mineral boom is social conflict, human rights violations and environmental devastation across Asia, Latin America and Africa, says a global investigation into hundreds of the world's mineral mines. As angry communities in Colorado last week counted the cost of a toxic spill from an old gold mine, a new atlas of 600 international mining and oil companies has identified more than 1,500 ongoing conflicts raging over water, land, spills, pollution, ill-health, relocations, waste, land grabs, floods and falling water levels.

### Global atlas of communities at risk from mining and oil companies



Mining conflicts around the world - <http://www.ejatlas.org> - Photograph: Pete Guest

The EU-funded report by academics at 23 universities and environmental justice groups in Africa, India and Latin America has identified 142 disputes involving gold mines, 130 at coal mines, 96 at copper mines and 73 at silver mines, with India, Colombia, Nigeria, Brazil, Ecuador, Peru and the Philippines having the most. They ranged from longstanding legal disputes to armed conflicts. The companies whose mines have attracted the most accusations of human rights abuses and environmental conflict are some of the largest in the world, mostly listed on the London stock exchange. They include AngloGold Ashanti, Rio Tinto, Barrick Gold, BHP Billiton, Glencore Xstrata and Newmont Mining. Between them they are involved in 75 conflicts in countries ranging from Colombia, Burma and the Democratic Republic of the Congo to the US, Zambia and the Philippines, says the database. “Across Latin America, Asia and Africa, more and more community lands, rivers and ecosystems are being despoiled and devoured by mining activities,” says Philippe Sibaud, author of two reports on the extractive industries for the Gaia Foundation. “The rights of farming and indigenous communities are increasingly ignored in the race to grab land and water. The hunger for these materials is a growing threat to the necessities for life.”

In many cases, governments have had to call on the army to defend the mining companies against aggrieved local communities who have taken up arms. “Much of the Philippines has now been militarised to defend the companies,” says Benedictine nun Sister Stella Matutina, a community worker in Mindanao province who has been targeted by the government for opposing mining companies. In the last year she has been charged with kidnapping, human trafficking and illegal detention for op-

posing Canadian, Australian and British mining companies and for looking after tribal people displaced by mining. Mining in the Philippines has exploded from only 17 operations in 1997 to nearly 50 mega-mines today. “We have found that mining divides our people, it kills them, it does not help us. It destroys our values. Mining and militarisation are twins. Where there is big mining there is always militarisation, because the government has to ensure that foreigners can invest in our country. People are resisting, are taking up arms against the entry of these mining companies. We are killing each other over mining,” she said.



Heavy metals discolor the water north of Durango, Colorado, following the Gold King Mine spill. An estimated one million gallons of toxic wastewater was released into the Animas River. Photograph: Jeremy Wade Shockley for the Guardian

Following his outspoken encyclical on climate change and human ecology in June, Pope Francis has also stepped into the mining debate, calling for radical change by the industry. In a message sent last month to leaders of communities affected by mining in Latin America, India, Africa and Asia, he spoke of “the cry for justice ... for their lost lands, the violence, threats, corruption, the trampled human rights, the dire working conditions, and sometimes the slavery and human trafficking as well as the pollution of water, air and soil”. The groups, meeting at the Vatican, said that mining companies “regularly invaded and denuded the traditional lands of indigenous peoples and poor farmers, expropriate water used for irrigation and drinking and leave polluted land and water behind. “There have been grave human rights violations experienced: environmental destruction and contamination, health impacts, community divisions, uprooting from territories, sicknesses, loss of culture, prostitution, alcoholism and drug addiction, loss of their own economy, and the ties to organised crime that are generated by the mining industry.” In his encyclical, the pontiff said: “It is morally unacceptable, politically dangerous, environmentally unsustainable and economically unjustifiable for developing countries to continue to fuel the development of richer countries at the cost of their own present and future.”

Conflicts have flared in Latin America, where many countries have opened up new regions to mining. Guatemala has awarded more than 350 new licences since 2007, mostly to Canadian companies. A further 600 are under consideration by the ministry of energy and mines.

New mines in Honduras, Peru and Chile have all provoked opposition. Thousands of troops had to be deployed and anti-mining activists were shot as anger flared around the Canadian-owned Escobal silver mine in Guatemala last year. Canadian mining companies have some of the worst records

for human rights violations, according to a report submitted to the Inter-American Commission on Human Rights in 2013. It found Canadian companies were involved in more than 100 human rights and environmental disputes in Latin America. Pierre Gratton, director of the Mining Association of Canada, said: “We don’t deny that there is conflict everywhere but feel we are leaders in setting standards and are doing a better job than anyone else. There’s a much higher level of awareness and sensitivity now, and an ability to raise issues which in the past might have been overlooked.



An Indonesian protester demonstrating against the presence of mining multinational PT Freeport in West Papua province in 2006. Photograph: Dita Alangkara/AP

The industry is more active [than it used to be] in Asia, Africa and the Americas and is working in countries with weak governance. These [mines] are multibillion-dollar investments. The money flows to the capitals, and [impacted] communities say ‘what about us?’” In the Colombian Amazon, the floodgates have opened for mining concessions, with licences being given on around 20 million hectares of land, much of it pristine rainforest, says former Colombian environment minister Martin von Hildebrand, who has been working with groups living along the lower Apaporis river. “Yaigojé Apaporis became Colombia’s 55th, and third largest, national protected area in October 2009. And yet, just two days after the official announcement, a company was granted a mining title and began attempting to revoke the ‘protected area’ status. The same mining company is believed to be linked to a further 20 applications for mining exploration around Yaigojé Apaporis,” said Hildebrand.

The high price of gold in recent years has also attracted thousands of small-scale miners into fragile ecosystems. Yanomami Indians in northern Brazil and Venezuela whose populations were devastated in the 1980s by illegal goldmining face new invasions of gold miners, says tribal leader Davi Yanomami. “History is repeating itself,” he said on a visit to London last year. “Twenty years ago many thousands of gold miners flooded into Yanomami land and one in five of us died from the diseases and violence they brought. We were in danger of being exterminated then, but people in Europe persuaded the Brazilian government to act and they were removed. “But now 3,000 more miners and ranchers have come back. More are coming. They are bringing in guns, rafts, machines, and destroying and polluting rivers. People are being killed. They are opening up and expanding old

airstrips. They are flooding into Yanomami land.” More than 100,000 small-scale gold miners using rudimentary methods to extract gold from hillsides and rivers are thought to be active in Peru. In many cases they are competing with mega-mines which employ far fewer people.



Police stand next to a crater created by gold miners during a police operation to eradicate illegal mining in an area known as La Pampa, in Peru’s Madre de Dios region, in August 2015. Photograph: Rodrigo Abd/AP

According to PwC, one of the world’s top four industry auditors, government intervention and conflicts have mushroomed as commodity prices slump. “The gloves are off for the industry with widespread government intervention, internal industry conflicts and rising shareholder activism,” it said in its annual report. Earlier this month anti-mining activists from 28 countries announced they would work together to seek a binding UN treaty and international tribunal to address the destructive impact of international mining. “It will give rights to people to sue mining corporations and hold them accountable for violations and crimes,” said Clemente Bautista of the Kalikasan People’s Network for the Environment. “With an international mechanism we can join forces and file cases in an international tribunal,” said Selcuk Kozagacli, chairman of the Progressive Lawyers Association in Turkey. “Now more than ever do we need a united struggle worldwide to defend people.” Source: <http://www.theguardian.com/global-development/2015/aug/15/developing-countries-high-price-global-mineral-boom>

## **Cooks Finance Minister: Seabed Mining Could Make Nation Rich**

*Tenders open on bids for exploratory licenses*

WELLINGTON, New Zealand (Radio New Zealand International, Aug. 13, 2015) – The Cook Islands Finance Minister says seabed mining has the potential to make the nation rich. Tenders are now open for a period of four months, ending 11 December, for international companies to bid for exploratory licences within ten blocks of the country's 2 million square kilometre exclusive economic zone. Mark Brown says scientific assessments so far indicate certain areas have very high concentrations of minerals such as cobalt, copper, nickel, and manganese. "They're valued in the billions and billions of dollars in terms of the value of the minerals that are in these nodules. So it does have the potential to transform the country into being a very very wealthy country. And in that regard we have to be I guess cautious". Mark Brown says any wealth will have to be managed properly to protect future generations of Cook Islanders.

## **Ok Tedi Mining Ltd suspends operations**

Post-Courier, August 13, 2015

By JEFFREY ELAPA

THE Ok Tedi mine, the world's third largest copper and gold mine, has suspended all operations as of yesterday. A statement from the mine said that all Ok Tedi Mining Limited employees were advised that effective August 12, the company will start an orderly suspension of all operations as a result of continuing dry weather. It stated that all employees, local businesses and contractors and the National and Provincial Governments and agencies have also been advised of the likelihood of the decision during the past month. The statement said almost all employees will be stood down and they will receive an allowance to help meet basic needs while employees who have been stood down will be repatriated to their homes as quickly as possible. It said that several hundred personnel will be retained on site for care and maintenance of facilities and provision of essential services. "The limitation imposed on river traffic resulting from the lack of rainfall in key catchment areas prevents the company from being able to ship concentrate production and therefore generate revenue. The company is also unable to reliably bring in food, fuel and other essential supplies.

"The duration of this suspension is uncertain. The company will continue to actively monitor the situation and determine the appropriate time to resume operations," the statement said. Although the statement did not explain the number of people to be affected by the decision, it is understood from reliable sources that about 15 per cent of national staff and 30 per cent of foreign staff will be affected by the decision to ease operations as they would be made redundant from a total of more than 3000 mine employees. Another 1500 employees would be repatriated back to their homes to be on standby awaiting management's decision to reopen the mine, while another 5000 employees of contractors will also lose their jobs. Meanwhile, sources said that the 1997 drought was even worse but the management at that time, managed to run the mine well and it did not affect operations of the mine or the employees.

## **Give K100 million to Alternative Dispute Resolution process: Eganda**

Post-Courier, August 13, 2015

By ANDREW ALPHONSE-Post Courier Live

THE State must commit K100 million to the National Court ordered mediation for landowner identification studies. Outspoken Tuguba tribal chief Simon Tari Eganda made this call yesterday in Port Moresby when welcoming the landowner identification mediation headed by the PNG Judiciary that is set to get underway next week in Hela province. Mr Eganda said the alternative dispute resolution (ADR) was the way forward to identify and establish genuine landowners once and for all after many failed attempts by Department of Petroleum and Energy (DPE) to have the social mapping, clan vetting and landowner identification studies done on many occasions. Mr Eganda said in 2010 the government allocated K20 million for the exercise with the money paid to a contractor (named) that failed to deliver the results. He said it was a huge waste of tax payers' money while in 2013 another K10 million was also allocated for the same exercise which also was a huge wastage as it did not achieve the results.

Mr Eganda said so much money in millions have being wasted and paid to so-called consultants and middle-men in the name of landowner identification studies without producing any results. Mr Eganda said the court ordered mediation would really put to rest all anxieties and truly separate genuine landowners from fly-by-night con-artists and paper -landowners who have being enriching themselves at the ignorance and suffering of the mass at home. Mr Eganda urged all landowners to give the team their undivided support so that landowners can be identified and registered in order get royalties, equities and other benefits from the PNG LNG sales. He said State must out K100

million for this exercise which would include the repatriation of landowners dumped in Port Moresby since 2009 during the umbrella benefit sharing agreement (UBSA) forum in Kokopo. Mediation state team leader Dr Lawrence Kalinoe said on Tuesday that it would cost K7 million to complete the process with about K3 million already down paid.

### **LNG Landowners study set to begin next week**

Post-Courier, August 13, 2015

BY ANDREW ALPHONSE

THE much delayed landowner identification study for affected PNG LNG Project landowners is set to begin next week. After several unsuccessful attempts, an all-out Government approach has been ordered by the National Court which would see genuine landowners identified for benefit distributions derived from the multi-billion kina PNG LNG Project. Justice Secretary Lawrence Kalinoe is the chairman and state team leader for the mediation process. He made the announcement at a conference in Port Moresby yesterday. The mediation in the LNG project was previously advised last month and recently raised in Parliament where the National Court has directed all PNG LNG project related court proceedings to mediation. Dr Kalinoe said one critical outcome is to identify genuine PNG LNG Project area landowners and help set up their incorporated landowner groups (ILGs). This is something which the State had failed to do even before the UBSA and LBBSA signings of the project as stipulated in the oil and gas act 1998.

He said another outcome is to decide distribution of the benefits including participation in any spin-off benefits for landowners. He said the mediation would help resolve all other LNG landowner benefits related issues as the exercise would require landowners to produce birth certificates and sketch maps of their customary land. The birth certificates would be issued by the office of civil identity and registry with the national identification cards (NID) to prevent ghost names and link citizens from being members of the land group. Dr Kalinoe said the registrar of ILG from the Lands and Physical Planning Department would ensure that all requirements are complied and assist the land groups with land registration process. He said the surveyor general's office would also be part of the team and assist landowners' survey sketch maps of customary land which they own. Dr Kalinoe said the court ordered mediations commences with Angore PDL 8 area in Tari, Hela Province next Tuesday and continues to other PDLs in Tari, Koroba, Margarima and Erave districts. "All affected and interested landowners from PDL 8 are encouraged to make their way home between now and 16 August 2018," he said.

### **Simbu Government pumps in K200,000 for limestone project**

Post-Courier, August 12, 2015

By MICHAEL KOMA in Goroka...

THE Simbu Provincial Government has injected K200,000 into the proposed Simbu Limestone Project (SLP) for identification and establishment of genuine landowner groups in the Chuave District. The funds would be administered by the SLP's office in Kundiawa and expended on the landowner mobilisation activity. Tribal spokesman Rex Duma thanked the provincial governor Noah Kool for the funding and said the tribes people if Aee-Duma and Man were waiting patiently for a decade to see the project get off the ground. Mr Duma has also called on the Simbu Provincial to "refrain from listening to different consultants," when it comes to the Simbu Limestone Project. He also called on the Kool/Kendiyagl government to retain pioneer consultant Khon Digan. Mr Digan, a professional geologist in his own right, has documented the SLP five years ago.

He is currently hired by the Kundiawa government as senior consultant and chief geologist. He was a senior geologist with a Russian mining company in Siberia before joining the Simbu government. The Simbu Limestone Project will be developed by a Chinese firm after completion of feasibility studies, according to Government sources in Kundiawa. The Simbu Provincial Government, the State and a landowner company will be the main shareholders in the project. The project, deemed as Simbu's first extractive project, will see lime produced for both domestic and international markets when it becomes a reality in the near future. Cement will also be produced at the project's proposed processing site on the base of Mt Elimbari, on the frontier of Simbu and the neighbouring Eastern Highlands province.

### **Chan: Solwara project must benefit locals**

Post-Courier, August 11, 2015

The New Ireland Government is working to ensure that the Solwara 1 Deep-sea mining project results in substantial benefits to the people of New Ireland Province. New Ireland Governor Sir Julius Chan said this yesterday in regards to royalty benefits generated by the debated project in the province. "We continue to have reservations about the Solwara I Project, especially in the area of environmental protection and a liability guarantee, but National Government unilaterally granted a Mining Lease to Nautilus Minerals in January 2011. "Unless we are autonomous, the project will therefore go ahead. " We have no choice but to accept that and we in New Ireland want to be certain that the people in New Ireland, and particularly those closest to the Solwara I site, benefit as they should from the revenues granted. Sir Julius said that the New Ireland Government has been working generously with the East New Britain Government to come to an agreement on the sharing of the benefits of the Solwara I Project.

But the signing of an MOU was regrettably aborted. Sir Julius also noted that the National Government had insisted that there are no "landowners" for the project since it is in the sea. However, he said the people from the West Coast of Namatanai and Sentral Niu Ailan LLGs will be treated as if they were landowners. "That means that we will direct 20 per cent of the royalties to the seven wards adjacent to the area in which the project will be implemented. There will be no landowner association, but the people will benefit as if there were." Both the New Ireland and East New Britain Provinces have insisted that the National Government increase the level of benefits coming to the provinces and the people. "It is time for the people to finally eat some of the wealth that comes from their land."

### **Small scale miner granted license**

Post-Courier, August 11, 2015

SMALL Scale Mining activities in Wau/Bulolo district of Morobe Province have contributed K4 million to the Government in terms of revenue. Mineral Resources Authority (MRA) Small Scale Mining branch manager Al Comparativo told small scale miners when presenting mining lease licenses to lease holders at Misis Booth near Wau last Saturday. Mr Comparativo said the revenue should increase to K1 billion through approved mining licences. The lease license number 270-277 was handed over to the mining lease holder Westie Awiong. "I congratulate Awiong for being granted a mining licence by MRA to conduct proper mining operations after meeting all the small scale mining lease requirements. "There are more than 124 mining licence applications waiting to be processed by MRA and four (4) mining licences had been granted. Three lease holders are from Wau in Morobe and one from Milne Bay Province," he said. Comparativo said the process of acquiring a mining lease is long and the mining lease holder must meet all the regulatory requirements by sub-

mitting a detailed survey report, development plan, compensation, environmental plan and financial capacity reports and submit it to MRA for its screening and approval.

He explained that Mr Awiong had met all the requirements and had been granted the mining licence by MRA to conduct mining operations at the ML 270-277 at Misis Booth in Wau. The Philippine graduate geologist who spent 17 years in PNG said Wau/Bulolo had a long mining history during the colonial era and it should be restored back to its former glory as the leading and historical mining town in PNG, now and into the future. Mining lease holder Mr Awiong thanked MRA for granting him the mining licence and also his partner Wabu Alluvial Mining Ltd for entering into a joint venture partnership agreement with him to help to get the alluvial mining project off the ground in Wau. I am grateful and honoured and thank MRA and JV partner Wabu Alluvial Mining Ltd for providing financial assistance to get this project off the ground," a delighted Awiong said. "I also encourage other small scale mining lease holders in Wau/Bulolo to follow the legal process to obtain the mining licence to venture into mining operations."

### **PNG's Ok Tedi Mine To Be Shuttered Until Early 2016**

*Workers repatriated until operations can be resume*

By Jeffrey Elapa

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Aug. 11, 2015) – The management of Ok Tedi Mining Limited has revealed that all laid-off employees have been repatriated to their home provinces. A memo issued to all contractors and business houses, including service providers in Tabubil, stated that OTML has commenced the repatriation of its employees and families out of Tabubil as a measure to reduce the demand on food and power consumption. The memo stated that the exercise started two weeks ago and by the end of this month, the company would have moved all families from the site as the mine would be closed until 2016. More than 200 police personnel will assist in the eviction exercise and protect company properties. The company also stated that the employees were paid retainer payments to assist them during the duration of the lay-off until the company they are recalled early next year. OTML management also requested that all contractors, business houses and service providers implement service directives without delay.

Among the directives to the contractors and business houses were;

That all families are removed from the site as soon as possible.

That each employee of the contractors contract their owners to ascertain how their contract would be affected and whether there will be a reduction in the number of employees required to remain on site.

That employees in non-critical roles or from whom work cannot be provided be moved out of Tabubil as soon as possible.

They plan now for how they would operate if OTML reduced to minimum manning level of about 200 people for an extended period of time, including the movement of their staff and closure and security of their premises. The instruction also stated that no contractor employees or dependents that leaves site should be permitted to return until OTML advises. The directive further stated that all schools in Tabubil will be closed, except to genuine residents of the mine village communities. OTML further advised that the resumption of full operations after the dry weather is expected to be early 2016.

## Call to reshift focus

The National, August 10th, 2015

THE major new resource projects in Papua New Guinea encourage the “resource curse” and an attitude of “carefree spending” on activities which are often poorly planned and accounted for, a prominent economist says. Institute of National Affairs executive director Paul Barker said PNG, as a well-resourced lower-medium income country, with a backlog of investment, needed human resource and some physical infrastructure – notably basic access. He said PNG cannot afford to misallocate on status of overpriced projects, but needed to focus on core infrastructure and services (including maintenance) to meet the real needs of its population. He was commenting on critics who noted that the country was heading towards economic crisis. “The weak accountability mechanisms (including Parliament process) allow Government to get away with poor governance,” Barker said told The National.

“The situation for PNG is not really like Greece in that Papua New Guinea should be readily able to address the problem by better focusing expenditure on core government functions and restraining the levels of waste (difficult overnight) – including overpriced contracts often on projects with low utility or investing in commercial activities better left to the private sector, but entailing costly overseas loans.” According to Treasury Department Mid-Year Economic and Fiscal Outlook: “The mining and quarrying sector was anticipated to rebound in 2015 and grow at 10.8 per cent after a disappointing performance of negative 1.9 per cent in 2014. “The rebound is due to an anticipated return to normal production in a number of mines.” On the other hand, low commodity prices pose a mammoth challenge for the mines in maintaining their margins at the back of rising input costs and the weaker kina exchange rate. However, it is understood that most mines are adjusting to the current developments and are undertaking cost cutting measures.

## Ok Tedi: Drop in water level affect mining townships

Post-Courier, August 10, 2015



By JEFFREY ELAPA

BUSINESSES and lives of the people in Kiunga and Tabubil who depend on the Fly River will be affected as water level continues to drop. Sources in the mining townships of Kiunga and Tabubil said the water level has dropped from 6.9 to 4.9 metres as of Friday and the continuous dry weather would further force the water level down, affecting all shipping services including the shipment of copper ore from Ok Tedi mine. Company sources on condition of anonymity told *Post-Courier* that they expected another disaster like in 1997 where all shipping schedules in and out of Kiunga Port came to a standstill for about two months. This year’s dry weather is also expected to stay for a bit longer, and businesses are already affected as their supplies will not reach them as all ships are grounded along the Fly River or have also been cancelled.

Sources from the Ok Tedi mine stated that a few ships loaded with copper ore are now stranded at the Kiunga Port and another along the Fly River while the mine now operates on fuel for power and the limited supply of fuel is expected to be affected. If the weather continues for the next couple of days then all supplies into Kiunga and Tabubil will come to a standstill while flying cargoes and materials from other centres like Lae, Hagen and Port Moresby would be an expensive exercise that is considered to be an option. In 1997, more than 100 aircrafts were chartered to fly in supplies like food and water. Meanwhile, locals said the Kiunga High School, one of the oldest high schools in the area, has been closed since the school holidays while only grades 11 and 12 are attending classes for a few hours. Sources said the school has been facing financial crisis while water shortage has also forced the school to close.

Mine sources said the drop in water level and the world copper prices have also contributed to the manpower cut at the Kiunga operations and the Tabubil mine. In the meantime, the decision by Ok Tedi to layoff employees is also affecting businesses in the mining townships. Ok Tedi Mining Limited, in an email, said that the company has suspended its operations while the employees who have been suspended will be paid a retainer to support them in order to retain a workforce and allow for an efficient restart of operations. In the exercise, 300 employees will be retained while 15 per cent of nationals and 30 per cent foreigners of a total workforce of more than 3000 employees and more than 5000 sub-contractors will also be affected and made redundant.

### **New Caledonia Nickel Mine Contractors Stage Protest**

*Protestors demand government export to China*

WELLINGTON, New Zealand (Radio New Zealand International, Aug. 7, 2015) – Nickel mining contractors in New Caledonia staged a protest in Noumea in Wednesday, when more than 100 huge trucks gathered outside the government building. They want the New Caledonia Government to begin exporting ore to China after a fall in exports to South Korea, Japan and Australia. The contractors who transport the ore from the mine to the port, require the opening of a new export channel to China, as the only way to maintain their activity during the downturn. A spokesperson, Max Foucher, says the truck mobilisation is just the beginning and will continue until they have a guaranteed future. As well as export diversification, the group wants a government official appointed to take charge of the industry and for it to work alongside miners and contractors to develop the country's mining strategy.

### **Ok Tedi Association says mine sharing proposal ‘illegal’**

The National, August 7th, 2015

THE people of Western have rejected the sharing proposal of 33 per cent agreed to by Governor Ati Wobiro, with some mine villages and Community Mine Continuation Agreement (CMCA) leaders, a local leader says. Ok Tedi Mine Impacted Area Association (OTMIAA) president Nick Bunn said it was illegal and not in best interest of the 200,000 people of Western. Bunn said there was no consultation and community consents and North Fly, Middle Fly and South Fly Open members and District Development Authorities (DDAs) were left out in the negotiations. “What were the criteria used to share the 33 per cent when it as agreed that 12 per cent was allocated to Fly River provincial government, 12 per cent to CMCA communities and 9 per cent to mine villages.”

Bunn said the 33 per cent equity sharing in Ok Tedi approved by the National Executive Council was compensation for the extensive damage done to the livelihood of the people who depend on Fly River for their daily living. “The river people have long suffered extensive environment harm that has been caused by Ok Tedi mine. There is a lot of harm to the people, their health and their way of

life.” Bunn appealed to Prime Minister Peter O’Neill to listen to the people. “The association has received petitions from the people from North, Middle and South Fly demanding the Prime Minister immediately put a stop to the proposal by the governor.” He said the people would not hesitate to go courts to seek orders to stop distribution proposal if a fair, transparent process was not followed.

### **Ok Tedi mine locals appeal**

The National, August 7th, 2015

LOCALS in Western have appealed to Ok Tedi Mining Ltd (OTML) management not to stop any benefits to the people during the “temporary shutdown” period. Ok Tedi Mine Impacted Area Association (OTMIAA) president Nick Bunn said locals in Western would be greatly affected as a result as they depended too much on benefits from the mine. “The people are greatly affected as they depend on the mine and benefit from the mine,” he said. “During this period of drought the Ok Tedi management must not stop any benefits to the people.” Bunn said the people’s question now would be: “Will this affect their compensation payments? “The prices of goods have risen ... fuel prices, and transport cost have risen. “The people’s livelihood on the river have been destroyed through the dumping of tailings and their food, sago and fish are scarce now.

“The people are now suffering and soon, especially children will be dying of hunger, and the sick will be dying because of the high cost of transportation to bring them to the nearest health centres and clinics. “If the Ok Tedi mine is going to shut down for more than six months then there have to be some plans in place by the Government to take care of situations that will arise as a result,” Bunn said. OTML last week announced a temporary shutdown of its operations. The State-owned open-pit copper, gold and silver mining company in a statement said the shutdown would be temporary but the company would continue operations while critical supplies allow. The company said the situation resulted from a dry weather event that was already significantly impacting it operations. “River traffic on the Fly River into and out Ok Tedi’s main river port at Kiunga has been unreliable for some weeks due to low water levels.”

### **Lack of LNG revenue data queried by NRI**

Post-Courier, August 07, 2015

THE absence of data on LNG revenue in a Department of Treasury report has come under the scrutiny of the National Research Institute (NRI). The Government-funded think tank yesterday held a press conference to discuss how the Treasury Department-authored Mid-Year Economic and Financial Outlook report did not contain data on revenue generated from the export of liquefied natural gas. NRI director Dr Charles Yala told reporters they wanted to debate where the LNG revenues went after not sighting it in the report. "At this juncture, we state categorically that we leave the politics of the debate to the politicians and focus on the economic fundamentals. The key question for us all today is, the problems highlighted in the Mid-Year Economic and Financial Outlook one of a cash flow problem, which is a timing issue or is it structural in nature which is something more permanent?"

He said the question on whether it was a timing issue or structural in nature, provided the gist of discussions but admitted that the institute could not make an informed conclusion on the state of the economy as yet as they do not have access to all the necessary data. It was forecast that the total mining and petroleum revenue in 2015 was to be K400 million while LNG exports are expected to be about K14 billion. Senior research fellow and head of the institute’s economic policy research program, Dr Osborne Sanida, said the NRI had not found the contribution of LNG revenue in the report thus prompting them to ask questions. "Given that the exports of LNG are expected to be

about K14 billion in 2015, the Treasury (Department) needs to explain where the money is that PNG is getting out of the project. By not being upfront and transparent about the LNG revenues in this report, we think the Treasury is portraying the fiscal situation as being dire when this we believe is not the reality," he said.

### **Australia: Court overturns mine approval**

Post-Courier, August 06, 2015

ENVIRONMENTALISTS say they have won a court case which puts another roadblock in front of the controversial Carmichael coal mine in Queensland's Galilee Basin. The Mackay Conservation Group says the Federal Court has ruled Environment Minister Greg Hunt's approval was invalid after the minister conceded to the Court that he failed to properly assess the project. In a statement Adani said the "technical legal error" from Minister Hunt's office meant he would now have to reconsider their application. AAP has sought access to the court documents.

Comment is being sought from Mr Hunt. The \$16.5 billion mine would have been the biggest in Australian history. Minister Hunt granted approval to the project last July, but the Mackay Conservation Group (MCG) argued in court that he incorrectly assessed its climate effects, ignored Adani's poor environmental record, and failed to consider conservation advice from his own department on the impact of the mine on two vulnerable species. "This Federal Court decision to throw out Minister Hunt's approval is a victory for land and water, biodiversity, the global climate and also for common sense," MCG's co-ordinator Ellen Roberts said. - *news.com.au*

### **Papua New Guinea, hurt by commodities drop, on brink of Greek-style crisis**

John Garnaut, Fairfax Media, The Sydney Morning Herald, August 6, 2015

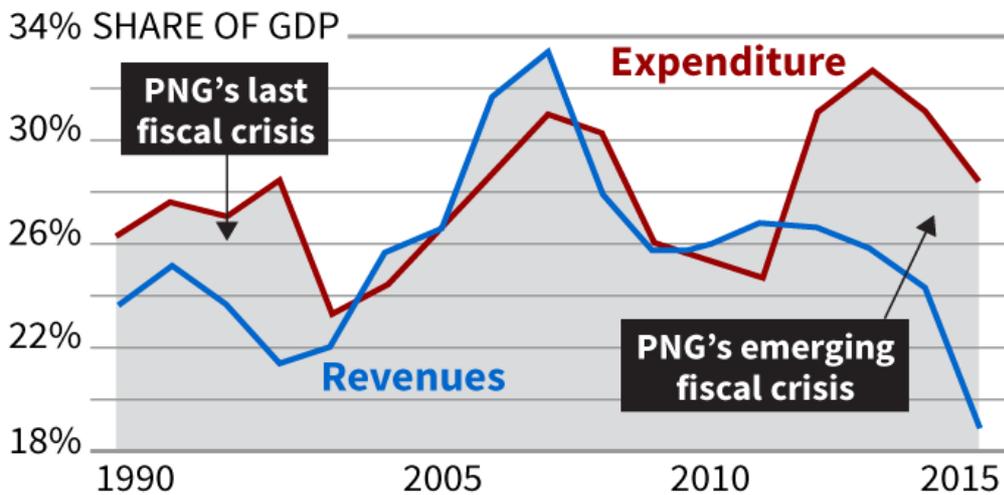


Prime Minister of Papua New Guinea, Peter O'Neill. *Photo: Joosep Martinson*

Australia's nearest neighbour could be on the brink of a Greek-style fiscal crisis following one of the most spectacular budget blow-outs in regional history. The projected budget deficit in Papua New Guinea's has been revised up, hitting 9.4 per cent, which is more than double last year's deficit and getting close to the 12.3 per cent figure which helped tip Greece into meltdown last year.

## Government of PNG

Expenditure and revenues as a share of GDP – with updated figures from 2015 MYEFO



The commodities price downturn, worsened by poor oversight of the nation's mining industry, has been brutal to Papua New Guinea's budget. *Photo: Jon Reid*

The budget implosion will come as a shock to leaders in PNG and also Australia, who have consistently played down the impact of corruption and sliding commodity prices. In December the top adviser to PNG Prime Minister Peter O'Neill accused a former Australian Treasury officer, Paul Flanagan, of "political interference" when he warned that such a crisis could be coming. Foreign Minister Julie Bishop assured reporters at the time that PNG was about to become the fastest growing economy in Asia, with GDP growth as high as 20 per cent. "Huge revenues are going to be coming into PNG," she said on December 14. And PNG has since become Australia's largest aid recipient, overtaking Indonesia, with budget outlays expected to reach \$554 million this financial year. But this week's mid-year budget estimate in PNG admits that the huge rivers of resource revenue have failed to materialise.

Instead, economic indicators have all turned south, with overall government revenue expected to shrink by a whopping 20.7 per cent this calendar year. "This is a frightening document," said Mr

Flanagan, in a fresh analysis which he released on Wednesday, showing that the looming crisis had exceeded even his pessimistic expectations. The resulting budget deficit "would be the highest in PNG's history", he said, surpassing the figures that pushed PNG into balance of payments and economic crises in the late 1990s. "In Australia, such a rapid change in the estimated fiscal position would go well beyond being termed 'a budget crisis'," he said. Economists say PNG could either slash spending on crucial services, risking a humanitarian crisis, or seek a bail-out from international partners.

PNG, like Australia, has been struck by collapsing commodity prices. But the impact of falling prices has been compounded by management problems at major resource projects, particularly the recently-nationalised Ok Tedi copper and gold mine. And it has been compounded by a series of huge corruption scandals. Many of those scandals are closely connected with Australia, which has been accused of sheltering corrupt officials and turning a blind eye to laundered funds. Last month Fairfax revealed video footage which showed Australian lawyers coaching clients on how to pay bribes "in dribs and drabs" and launder the proceeds in Australia. A warrant was issued but not executed for the arrest of the Treasury Secretary Diari Vele on corruption charges recently. Anti-corruption activists in PNG have claimed that Canberra has been compromised by its reliance on Prime Minister Peter O'Neill and the Manus Island asylum seeker detention centre. Ms Bishop told Fairfax she would not let Australia become a safe haven for proceeds of corruption in PNG.

### **Ok Tedi mine shuts down affects business in Kiunga**

Post-Courier, August 06, 2015

*By JEFFREY ELAPA-Post Courier Live*

FINANCIAL crisis is affecting businesses in Kiunga and Tabubil in the Western province after many employees have been laid off as cost cutting measures taken by the Ok Tedi mine in the Western Province. People in Kiunga claimed that armed Mobile Squad members of the police force have been used by the Management and the Government to remove employees from Kiunga and Tabubil. Reports stated that many police men from the McGregor Barrack MS one have join their friends from MS 19 to take part in the eviction of the employees and their families from the company houses in Tabubil and Kiunga, putting them on the plane back to their point of hire or home provinces. Many of the employees have lived for many years.

The people claimed that as a result of the cost cutting measures of the mine has affected many Papua New Guineans have lost their jobs affecting their families. A source who wanted to remain anonymous told Post Courier that the eviction exercise has also forced big businesses like trade stores that depended on the cash flow from the mine. The source said little people engaged in the informal sector have also been affected as cash flow problem was now affecting the Western province, including other districts like Telefomin. As a result of the cash flow problems, prices of goods and services have increased affecting the little people. A betelnut price has now gone up to K1.50 while many informal sector participants also raised concerns that unlike before the down-sizing, cash flow problem in the town is affecting them in their informal sector businesses.

### **OTML plans for temporary suspension of operations**

Post-Courier, August 06, 2015

OK Tedi Mining Limited's operations continue on a day to day basis while river levels permit shipments of concentrate out, resupply of fuel in, and while hydro power continues to operate at reasonable levels. OTML in a brief press release announced that. Based on the prevailing weather pattern, operations may have to be suspended in the next week or so leaving a skeleton crew

covering care, maintenance and security and work on priority projects. Rainfall in critical catchment areas over the past month has been well below historic average levels and the river is again approaching the non-trafficable level. Hydro power generation is also dropping steadily. OTML revealed that plans to relieve pressure on critical supplies are well advanced. Non-essential personnel and families are being progressively repatriated in order to extend supplies of food and fuel and level demand for flights once it becomes necessary to suspend operations.

While operations are suspended, and in order to retain the workforce and allow for an efficient restart of operations, OTML personnel will be paid a retainer, representing a significant forward commitment of cash reserves should the suspension last for an extended period. Government schools in Tabubil remain open for children from local mine villages to continue their education in Tabubil and to allow students in Grades 10 and 12 prepare for and complete their year-end exams. Students from OTML families who have been relocated from Tabubil are being assisted with enrolments elsewhere. Discussions are progressing with community leaders and the Western Province Administration to prepare for the impacts of a potentially long dry period and the suspension of OTML operations. Essential services such as the hospital, clinics, supermarket and banks will continue to operate, but on a reduced basis.

### **Solomons Mining Company Defends Land Acquisition Process**

*APID subleased land, did not take away rights of landowners*

By Bradford Theonomi

HONIARA, Solomon Islands (Solomon Star, Aug. 5, 2015) – The Asia Pacific Investment Development (APID) has clarified amidst mass controversial debate to its land acquisition process to its propose mining tenements in West Rennell that it does not take away the rights of landowners. Rather is there to work together in developing the province for a better and brighter province with good economy that can sustain livelihood; only as a sub lessee to the land. In a statement the mining company said, continuous raised issues that APID has taken land rights away from the landowners are not right. "The truth is, the landowners are still landowners; APID's only right is granted under Solomon Islands laws to develop bauxite and related development; which can only enhance the land benefit to the land parcel belonging to the landowners. "The process for land rights acquisition is a process carried out independently of APID and was completed with no interference by or any direct participation of APID.

"That process for acquiring land use rights in association with a mining lease is set out clearly in the Mines and Minerals, and that of the of the Lands and Titles Act," clarified the statement. It explains that the commissioner of lands was doing the task of acquisition in accordance to the Lands and Titles Act which required for under the Mines and Minerals Act. "It is the Commissioner of Lands that directly engaged and entered into a lease agreement with the properly appointed trustees of the landowners. "Thus the Commissioner of Lands is the lessor to APID. APID does not in any way directly lease any land from the landowners or the trustees.

"The Commissioner of Lands subleases the land to APID and therefore APID is the sublessee.

"APID pays the sublease rental to the Commissioner of Lands who in turn pays the landowners.

"APID is not the owner of the land and is merely a sublessee to the land under the lands and titles Act for mining and related activities." It stated that apart from the acquisition for mining purposes, there has been indication from the Commissioner of Lands for a boundary survey to demarcate the lands belonging to each individuals and groups which is good. "This will enable the parcels that are owned by landowners to be identified and documented should the land owners wish to have their lands registered later on.

"More so it is necessarily for the financial benefit payments that the landowner's will receive from its land." The fact is, APID is there to facilitate development, as it allows APID and its partners to work with the particular landowner to develop their land, it stated. "There are a number of projects that have been or will be introduced for the economic and social development of Rennell Island and its landowners. "Others to be decided on by themselves base on their interest or perceptions of a better income and return on these investments. "More so making it easier for negotiations between APID; and its investors and the landowners for projects in the future." It added urging the landowners to have an open mind and try to understand the situation and benefits that they are now in. "Landowners should be mindful as not to listen to one sided negative messages that were bombarded by the opposition of APID. "It is an opportunity to change your circumstances and ready to face the challenge to develop your land for current and future earnings and benefits."

### **Illegal miners invade Porgera**

The National, August 5th, 2015

By JAMES APA GUMUNO

MORE than 1000 illegal miners are invading the Porgera gold mine in Enga every day for gold, police say. Highlands division police commander Teddy Tei told The National yesterday that security officers, including police and soldiers were outnumbered by the illegal miners every day and could not control them. He said the illegal miners went directly to the mine pit to look for gold. "The illegal miners wait near the mine and when they hear the blast, they all run like hell in there and get whatever gold they can find," he said. He said from the report he received recently, one man earned K270,000 from the gold he found at the mine site. Tei said there used to be only up to 20 illegal miners. "This is not happening now. "The illegal miners know that the police and soldiers will not shoot to kill them and they have no fear in them," he said. Tei said many illegal miners taken to court were either fined or served jail terms. He said they continued to invade the mine everyday looking for gold.

### **Crater Gold finds bonanza gold in Papua New Guinea**

Wednesday, August 05, 2015 by Proactive Investors

Crater Gold has encountered bonanza grade gold while continuing underground development at the High Grade Zone project in Crater Mountain, Papua New Guinea. Crater Gold (ASX:CGN) has encountered bonanza grade gold while continuing underground development at the High Grade Zone project in Crater Mountain, Papua New Guinea. Channel sampling returned grades of up to 1,740 grams per tonne and confirmed contiguous zones of high grade mineralisation along strike suitable for selective mining. To date, three distinct high grade shoots have been delineated for stoping. Success of the sampling program enables the company to move rapidly towards increasing gold production. A modular process plant has been fabricated and will be shipped to site within the next two weeks. Incorporation of the new process plant plus increased underground development rates are expected to result in higher mining production.

### **Ok Tedi mine closure could cost Papua New Guinea K2.7 billion**

Business Advantage PNG, 5 Aug 2015

*The El Nino weather pattern which has seen the temporary closure of the Ok Tedi mine could potentially last for up to a year, according to former senior PNG agriculture business executive, Bob Hansen, adding the loss of mining income could be as much as K2.77 billion a year.*



Ok Tedi mine. Credit: ramumine.wordpress.com

Ok Tedi Mining Limited (OTML) has announced that it has closed the gold and copper mine in Western Province, as a result of low water levels on the Fly River, which is used to transport copper concentrate to Port Moresby. In a statement, OTML said the weather pattern is similar to that experienced in 1997/98 when operations were shut down for more than six months. An El Nino occurs when sea surface temperatures in the central and eastern tropical Pacific Ocean become substantially warmer than average and this causes a shift in atmospheric circulation and a change in rainfall patterns globally. Bob Hansen, currently Research Director, Agriculture and Environment Committee at Queensland's Parliament, has told *Business Advantage PNG* the El Nino weather pattern could persist for up to a year. For the Western Pacific (PNG, Australia and India), says Hansen, this means drier conditions and much lower flows in rivers including the Fly River in the Western Province of PNG.

### **Financial impact**

Ok Tedi Mining's 2014 annual review estimated the mine—PNG's largest exporter prior to the advent of the PNG LNG project—was responsible for 5.5% of PNG's total GDP. Hansen, a former Managing Director of Mainland Holdings in PNG, estimates the impact of lost revenue as a result of the Ok Tedi closure could be as much as US\$1.0 billion (K2.77 billion) over one year, depending on the severity and the duration of the El Nino conditions. Paul Barker, the Director of the industry-funded, Port Moresby-based think-tank, the Institute of National Affairs, says while the reasons for the closures are beyond the government's control, the closure of one of the country's biggest revenue earners comes at a difficult time for the country.

'You also have the intermissions in some of the other mining operations around the country as well, and it's also at a time when basically the LNG revenue is fundamentally going to the creditors who have provided the loans so there's only dribs and drabs of revenue coming through in dividends and obviously from much lower levels because of the lower gas, LNG prices to Japan, Taiwan and China,' he told EMTV. 'Given the likely impacts on Western Province communities, OTML is coordinating with the Western Provincial Administration on emergency response planning,' the company statement added.

### **Community assistance**

OK Tedi Mining has announced a reduction in its permanent workforce, with the number of expatriates to be reduced by 30 percent and nationals by 15 percent. Prime Minister Peter O'Neill has said the government will do all it can to ensure that the temporary closure of the Ok Tedi Mine does not greatly impact the people of PNG and Western Province. The ownership of Ok Tedi has been the subject of legal dispute since the PNG Government moved to nationalise the mine in 2013. O'Neill says the people of Western Province should know by September if they can have access to

the US\$1.4 billion funds, currently held by previous owner, Singapore-registered PNG Sustainable Development Program. He added there is one more issue before the Singapore Courts to be settled before the people of Western Province could have access to the funds.



Kiunga township on the Fly River. Credit OTML

### **Ok Tedi mine timeline**

1963 – Mineralisation is first noticed near the current mine site

1969-1971 – Drilling commences at the site after the Mt Fubilan copper-gold deposit is discovered

1976 – BHP Billiton enters into ownership negotiations with the PNG Government

1979-1981 – Ok Tedi Mining Ltd (OTML) is incorporated as operator after a feasibility study is presented

1984 – Gold production begins

1987 – Copper production begins

1993 – BHP's share in the mine increases to 60%

1997-1998 – El Nino drought forces the mill to shut down for more than six months

2002 – BHP Billiton officially withdraws from the business

2007 – Mine life extended to 2013

2013 – OTML becomes a state-owned enterprise

2014 – Life of mine extended by 11 years

2015 – El Nino weather conditions force a temporary closure of the mine.

### **Fiji: Full compensation denied**

Luke Rawalai, The Fiji Times, August 04, 2015

A Fisheries Impact Assessment report prepared by the Fisheries Department in 2007 valued the impact of bauxite mining on the qoliqoli of Nawailevu at \$2.7million. This was revealed at the Standing Committee on Natural Resources meeting held in Nawailevu last week where it was also heard that the company — Aurum Exploration Fiji Ltd — carried out their own assessment and valued damage of the same qoliqoli at \$270,000. It was also heard at the meeting that Government opted for the company's report pushing aside the \$2.7m damage forecasted by the Fisheries department. Lekutu District representative Tevita Raiova said qoliqoli owners in the district had been denied full compensation of their pristine fishing grounds.

He told the committee that the frustrating issue of this was that their fishing grounds were part of the Great Sea Reef, which was home to most marine organisms in the world. Mr Raiova expressed how landowners have been talking about the way Government had chosen to deal with the compensation of these pristine marine ecosystems. He said there was a dire need for Government to change and amend current Acts governing the use of iTaukei-owned natural resources. Out of the \$270,000, Mr Raiova said qoliqoli owners received 10 per cent of the \$270,000 that was given to them as compensation for destruction sustained by their fishing grounds because of bauxite mining. He said he was aware of TLTB's (iTaukei Land Trust Board) recent distribution of \$51m in lease money to landowners around the country.

But he said when considering that this money was shared between 14 provinces with a 1000 plus landowning units, the total money would be near nothing. When chairman of the committee Joeli Cawaki enquired about the Fisheries report, he was told that the report was carried out in 2007. North senior Fisheries officer Alifereti Tuinamata said they were given one month to prepare the FIA report. Mr Tuinamata said the report was carried out by their team from Lami. The company's manager Sireli Dagaga confirmed that they had paid \$270,000 for the surrendering of qoliqoli rights to the landowners while executive officer Derek Qiu said they could not release copies of the EIA report.

### **Nautilus: Impact on environment will be minimal**

Post-Courier, August 04, 2015

CANADIAN Miner Nautilus Minerals Inc has assured the environmental footprint of its Solwara-1 project will be minimal. The assurance was given by Nautilus chief executive officer Mike Johnston while giving a project update towards production of this deep sea mine in 2018. Mr Johnston said the company would be mining very deep water at depths of 1600 metres. "The environmental footprint of sea floor mine is much smaller than surface mine. You won't even see it on the surface," he said. Mr Johnston had expressed satisfaction over the environmental work which had been done by the company so far stating: "It was going really well." While he did not elaborate on what it entailed he stated that the company was working closely with relevant authorities. He stated that upon arrival at the provincial capital of New Ireland - Kavieng, that he had attended a development forum which had been hosted by the Governor Sir Julius Chan and had given an undertaking of an independent monitoring of the site that they would be mining. "Because it is 1600 metres down you don't see anything and the impacts don't rise more than 200 metres," Johnston said.

### **Commentary**

#### **Reinventing the wheel once more**

Giff Johnson, Pacific Institute of Public Policy, 3 August, 2015



How many times shall we reinvent the wheel? This is the question that needs to be asked as most islands in the region get set to adopt domestic legislation and policy governing deep-sea mining provided by donors. Over the past 18 months or so, a 'Deep-Sea Minerals Project' run by the Secretariat of the Pacific Community and funded by the European Union, has dispatched experts to all

independent Pacific islands to bring them up to speed for future mining in 200-mile exclusive economic zones. The SPC-EU teams promote template legislation that is domestically driven by trade and resources and development ministries and agencies who are already, in some islands, engaged in promoting donor-driven development initiatives. The SPC-EU project states on its website that it is ‘helping Pacific Island countries to improve the governance and management of their deep-sea minerals resources in accordance with international law, with particular attention to the protection of the marine environment and securing equitable financial arrangements for Pacific island countries and their people.’

The goal is laudable. The question is, can a donor that represents countries with mining interests protect and advocate for the rights of Pacific islands? It sounds like a serious conflict of interest, much as the PACER (Pacific Agreement on Closer Economic Relations) negotiations are, with Australian funding providing training to Forum island officials, paying for island officials to attend PACER negotiations, and financing an Office of the Chief Trade Advisor. All of this creates its own industry, a legion of trade officials who have a vested interest in promoting trade negotiations, whether or not they are, in fact, in the interests of the different island nations. Face the facts: Deep-sea mining potentially offers a serious economic opportunity for the islands, but one that by its nature is not sustainable for the long-term and comes with possibly serious environmental consequences. In addition, experience with onshore mining is limited to a few Melanesian countries, while deep-sea mining experience and legislation is embryonic, at best.

Why keep reinventing the wheel when we have experience and examples of regional cooperation that works? The best of these are in fisheries. The Forum Fisheries Agency is a good example of a regional body that has provided solid management, monitoring and surveillance for the Pacific tuna fishery that has worked for the interests of the islands. But the Parties to the Nauru Agreement (PNA) is probably the body that is the most relevant for deep-sea mining. Instead of going it alone, with each country establishing its own legislation and negotiating deals with mining companies individually, why not use the PNA formula that shows how rights can be managed and, through a unified effort, maximized for all parties. What should be happening at the regional level is discussion aimed at establishing regional or sub-regional agreements so that island nations can agree to minimum terms and conditions for deep-sea mining. Drawing on the experience with the Pacific tuna fishery, the region could be working to set minimum terms and conditions that could be enacted through implementing arrangements to ensure national legislation is not undermined and small island economies are not played off against each other and exploited inequitably. This is exactly what PNA is now doing with the tuna industry.

What is needed is a Forum leaders declaration to address deep-sea mining at the regional level, where agreed-to regional strategies can ensure fair returns for the islands. Given that the International Seabed Authority, which was established by the United Nations to regulate these activities and develop a mining code for management and monitoring of deep-sea mining, is already reported to be issuing licenses for the Pacific, the islands need to get a better grip on what is potentially a multi-billion dollar industry, with significant side effects. Do the islands get a decent return and find ways to successfully manage environmental problems? It seems so obvious that what is needed is a Forum Leaders declaration to address deep-sea mining at the regional level, where agreed-to regional strategies can ensure fair returns for the islands. The ability of PNA’s eight members to maintain unity in setting minimum prices for fishing days and enforce management measures for the tuna fishery has resulted in the PNA skipjack fishery holding the highest global certification for sustainability through the Marine Stewardship Council, setting a minimum price for access to fish, controlling fishing effort, establishing compulsory satellite-based surveillance, enforcing 100 percent observer coverage of purse seiners, and implementing other requirements.

Of even more relevance to deep-sea mining is PNA's restriction limiting the transshipment of catch to export carrier vessels in designated ports, where species composition and harvest tonnage are checked and verified. This also provides significant additional direct and indirect economic benefits to the island ports. Similar transshipment requirements should apply to deep-sea mining ore carriers so independent inspectors can monitor and verify volumes and types of ores being exported. This is unlikely to happen in the absence of a regional approach to mining. Instead of continuing down the path of individual islands negotiating their own separate deep-sea mining arrangements with all the poor governance opportunities this presents, what does the Forum region have to lose by convening a meeting with the goal of establishing a regional deep-sea mining agreement? Member countries through PNA have experience in developing successful regional agreements that establish rules and minimum standards for resource management and exploitation — to the great benefit of their members. Let's use this experience for the benefit of all the islands in the area of deep-sea mining. With the Forum summit in Papua New Guinea just six weeks away, this is an initiative that needs the leaders attention and action.

*Photo caption: The Parties to the Nauru Agreement management of the Pacific skipjack tuna industry has resulted in a five-fold increase in revenue to its eight members since 2010.*

### **Gulf gas volume is bigger: Expert**

The National, August 3rd, 2015

By MALUM NALU

THE Papua (Gulf) LNG project can easily surpass the K19 billion PNG LNG project, it has been revealed. PNG oil and gas expert Peter Ken Gemar, who runs a mineral, mining, and oil and gas exploration consultancy, said the volume of gas in Gulf was bigger. Ken Gemar believes that the new field at Triceratops is bigger than Elk-Antelope. "So we're definitely looking at big numbers in this place (Gulf)," he said. Ken Gemar said from his experience in Saudi Arabia, no exact figure could be given as new reservoirs would be found. "I see the same story in Gulf. I'm talking 25 years from now. In our lifetime they will happen." Ken Gemar said Gulf needed the support of all provinces to make the LNG project happen. "Before it gets in, we need to get our agreement locked in and done properly," he said.

He said a Gulf gas hub should be established at where all kinds of business could be done at special purpose vehicles (SPVs). These included agriculture, power, manufacturing, medicine, processing of iron ore, and others. Ken Gemar said condensate was an industry on its own which could be developed at this gas hub. "We have the resources to develop all these industries for the next 25 years based on 15 TCF, we can do it," he said. Petroleum and Energy Secretary Rendle Rimua agreed with Ken Gemar. "Only in Gulf, we have about 14.85 TCF, and as I said, these numbers never come down," he said. "They will continue to go up, they will appreciate over time. Elk is sitting on 8TCF. We're thinking that it will not go down. "We have 14.85 TCF but it could be 15. In the next six months it could be 20. May be 10 years from now, it's going to be 30. That's going to keep appreciating."

### **Tolokuma: Goilala Association suspend hearings**

Post-Courier, August 03, 2015

An association from the Tolokuma Gold mine affected area suspended a Mining Wardens hearing scheduled by Petromin for last Wednesday. Auga-Dilava Resource Association has used this as an opportunity to reach out to the Goilala based mine's operator and stakeholders to consider their call on meeting all outstanding issues. In a letter addressed to the Register of Tenants Stan Nekitel on July 21, Auga Dilava chairman Billy Aia expressed their dissatisfaction on Tolokuma gold mine

operations for the past 21 years. The letter which also served as a notice to the applicant Petromin PNG Holdings Limited, chief Mining Warden and the Stakeholders, highlighted that the ongoing issues regarding TGM affected communities, environmental damages, loss of human lives have yet to be addressed and properly compensated.

"Auga Dilava Resource Association has come together and stand firm to say no to all Mining Wardens Hearing Exploration and other activities on EL:1661 and other EL's surrounding the TGM area," the letter stated. Furthermore, Mr Aia said all other hearings of such will be suspended for an indefinite period until such time, when all outstanding issues mentioned are properly addressed by TGM management, the State and its shareholders immediately. The letter has been carbon copied to other authorities in the likes of the Office of Prime Minister, Chief Secretary, Mining Minister, Goilala District Administrator, Governor Central Province, managing director Petromin PNG Holding Ltd, chairman TGM impacted area and Ox Fam International (PNG), among others.

### **Final design of Nautilus vessel expected in October**

Post-Courier, August 03, 2015

THE final design of the Nautilus Mineral Inc's production support vessel (PSV) is expected to be completed by September/October this year. This was revealed by Nautilus chief executive officer Mike Johnston in New Ireland Province last week and while giving journalists an update on the Solwara-1 deep sea mine and the preparations towards production in 2018. Mr Johnston had travelled there to officially launch a water and sanitation pilot project for several schools along the West Coast area. "The preliminary designs are all being done and final design should be finished by about September/October and then they (builders) start cutting the steel and physically build the boat. He said PSV would be built by Fujian Mawei Shipbuilding Limited (FMSL), a very experienced shipyard in China, with the company expected to take delivery of it by the end of 2017.

He said the seafloor production tools (SPT's) had been built in the United Kingdom and were in the process of being commissioned. These include the auxiliary cutter, bulk cutter and the collecting machine. He said he was pleased that Mining Minister Byron Chan and officials from the Mineral Resources Authority (MRA) had, already had the opportunity to see the work being done on them in person. In other developments Mr Johnston announced that the Canadian mining firm would soon be awarding a contract to build a simulator for the mining machines. The CEO explained that the simulator would be used to train the operators of these machines. "We are mining very deep water about 1600 metres, which is a long way down. The project is high tech and everything will be done remotely by robots. We have plans to train local people. They will have to have a reasonable level of education to drive and maintain these machines and work on the vessel," he said.

### **PM: Global Nations Not Sharing Returns From Niue Resources**

*Niue PM also advocates sustainable harvesting*

WELLINGTON, New Zealand (Radio New Zealand International, July 31, 2015) – The Premier of Niue says other nations are making it poor by not sharing returns made from Niue's resources. 3.4 billion US dollars worth of tuna was caught in the Exclusive Economic Zones of Pacific Countries last year with an additional 400 million dollars worth of tuna estimated to be taken illegally. Pacific owners receive around 14 per cent of the market value of the resource. Toke Talagi told the United Nations Security Council Niue is often described as poor despite having plenty of fish and sea-bed minerals. He says other countries need to rethink their behaviour in the Pacific. "Give us a fair share if the returns from the fish that you catch in our waters. You need to do that to help us. You need to do that with the minerals that we're looking at at the present moment under the sea. We are not

poor, we are rich, but you make us poor, some of you." Toke Talagi says true partnerships need to be developed that endorse sustainable harvesting of resources in Niue. Mr Talagi is in New York for an open debate on the peace and security challenges faced by Small Island Developing States.

### **Miner enthuses over high quality coal in PNG**

Radio New Zealand, July 31, 2015

*An Australia-based miner says its drilling efforts in a 1.5 square kilometre-area in Papua New Guinea have revealed there is enough high quality coal to run a 50-megawatt power station for 30 years.*



Vailala River, Gulf Province, Papua New Guinea, Photo: Mayur Resources

Mayur Resources has rights to explore a 120 km stretch of land in Gulf Province, close to the Purari and Vailala rivers. Its chief executive officer Paul Mulder told Business Advantage PNG, that if his company keeps drilling as it intends to, the next five to 15 kilometres will reveal tens of millions of tonnes of coal. He adds that the coal is some of the cleanest coal in the world, with low ash and sulphur levels. The company is planning for the mine to be open cast, shallow at the surface, using local workers to provide the majority of the support required, he says. Mr Mulder says a 50-megawatt power station would help fulfil the government's stated aim of providing electricity to 70% of the country, from the current level of 11%.

### **Nautilus: Vessel dewatering plant contract awarded**

Post-Courier, July 31, 2015

NAUTILUS Minerals Inc has awarded the contract for the detailed design of the Solwara-1 dewatering plant to DRA Group's Brisbane office. The dewatering plant will be used on Nautilus' Production Support Vessel (PSV). This was announced by the Canadian miner in its market report in Toronto this week. According to the report DRA is a global multi disciplinary engineering group which delivers mining, mineral processing and infrastructure services from concept to commissioning in addition to comprehensive operations and maintenance services. The scope of work awarded to DRA involves the detailed design of the vessel-mounted material processing facilities.

With a design capacity of 400 t/h, the plant will include screening the Seafloor Massive Sulphides into a number of size fractions, followed by dewatering using centrifuges and filter presses, eventually filtering to 8 microns. The combined dewatered product will then be temporarily stored in the vessel's hold, prior to trans-shipment via Handimax vessels to the company's processing partner in China. The remaining filtered water is then returned via the enclosed riser system to drive the sub-sea lift pump and discharged within 50m of the seafloor from where it originally came. The detailed

design phase is expected to be completed in the fourth quarter of 2015. following that the vessel-mounted modules will be fabricated and pre-commissioned onshore prior to integration onto the completed vessel.

## **PNG Parliament Approves Sovereign Wealth Fund On Second Try**

*Resources revenue to be invested for future generations*

By Gorethy Kenneth

PORT MORESBY, Papua New Guinea (PNG Post-Courier, July 31, 2015) – The Government mustered two-thirds absolute majority of 76-4 votes to see pass the Sovereign Wealth Fund (SWF) Bill in Parliament yesterday. After the confusion on Wednesday, East Sepik Governor Sir Michael Somare this time voted for the Bill while only four Opposition MPs voted against. The passage of this important Bill means that all revenue from the mineral and petroleum resources can be saved for the future generations (savings fund) and also have a certain percentage deposited into the stabilisation fund, a cushion against fluctuating world commodity prices. "In Money- laundering and terrorist financing are a global phenomena – they are highly lucrative crimes that flourish in the face of weak laws and weak enforcement.

Although money-laundering and terrorist financing are separate offences, the two are linked by key similarities. Both involved the illegitimate use of a country's financial system – both undermine and stability and sovereignty of a nation – and both flourish in weak states with weak regulatory environments," he said. "Indeed, PNG is already 'grey-listed' by the Financial Action Taskforce – identified by our international peers as having strategic deficiencies in our current anti-money laundering and counter-terrorist financing laws. We have been given until this month, August 2015, to pass this legislation or face the prospect of sanctions associated with being 'blacklisted'. We are already seeing some costs of grey-listing, with some overseas banks are becoming more wary of financial transactions coming from our shores," he said.

## **Civil Society Organizations Call For Sea Bed Mining Ban In Pacific**

*Exploratory leases already granted for 1.5 million square kilometers*

WELLINGTON, New Zealand (Radio New Zealand International, July 30, 2015) – Civil society organisations in the Pacific are joining a growing international call for a moratorium on mining exploration of the sea floor. In the Pacific EEZ alone exploration leases have already been granted for an estimated 1.5 million square kilometres of the ocean floor. The Pacific Network on Globalisation and the Bismarck Ramu Group in Papua New Guinea are particularly worried about the rapid pace at which PNG is moving towards being the first country in the world to carry out seabed mining. The Pacific Network on Globalisation's campaigns officer Joey Tau says not enough is known about the potential effects of seabed mining and is calling for a halt to mining exploration to allow the science to catch up. "To call for a moratorium on ESM (Experimental Seabed Mining) this experiment that is to take place in our oceans and seek more knowledge on the basis of to what extent this experiment will affect the lives of our pacific people."

## **Drilling at Harmony's Kili Teke confirms 'fantastic copper-gold find' 3**

By: Megan van Wyngaardt, Mining Weekly, 30 July 2015

JOHANNESBURG (miningweekly.com) – In a world where new discoveries are rare, Harmony Gold is encouraged by the prospect that Kili Teke could well develop into another major copper-gold discovery, commented CEO Graham Briggs. Additional drilling at the JSE-listed miner's Kili

Teke prospect in the Hela province, in Papua New Guinea (PNG), has returned porphyry copper-gold-style mineralisation, similar to deposit grades outlined for the company's Frieda River and Ok Tedi projects. Copper-gold mineralisation, defined by a 0.2% copper envelope, outlined over 600 m of strike, in excess of 200 m wide and extended 700 m below surface, grading at 0.72 g/t of gold and 1.02% copper.

Kili Teke's early exploration drill results, including its KTDD013 and KTDD007 holes, yielded 0.55% copper and 0.43 g/t of gold. The miner advised that more upside potential existed at its 100%-owned exploration licence, with mineralisation being open at depth and along strike, while drilling to scope out the extent and geometry of the system was still ongoing. "The latest drilling results are extremely encouraging and confirm that this asset is yet another fantastic copper-gold find by Harmony in PNG. The mineralised footprint is growing as the drilling progresses with zones of higher-grade stockwork mineralisation and intervals of mineralised skarn breccia developing within the broader envelope," outlined Briggs.

### **Talks underway for mine operator**

Post-Courier, July 30, 2015

BY GORETHY KENNETH

THE Government through Petromin is in the final stages of negotiating a potential buyer and operator for Tolukuma mine, Prime Minister Peter O'Neill revealed in Parliament yesterday. He said a company and its investor have already agreed to mine Tolukuma but he will make a formal announcement once Petromin finalises the instruments and agreement. PM O'Neill told Parliament that Tolukuma had shut down under his instructions recently because Petromin had lost over K100 million and as a company could not afford to maintain that kind of exposure. He was responding to questions from Deputy Opposition Leader Sam Basil who queried on behalf of a group of landowners and people affected economically by its closure. "They shut down to undertake care and maintenance. But I must assure the Member that Petromin is now in the final stages of negotiating a potential buyer, they have gone to tender and a new investor is soon to come," PM O'Neill said. and invest in that mine and we are trying to encourage them to operate that mine and tenements around the Tolukuma area," he said. "Once concluded I will make a formal announcement," PM O'Neill said.

### ***Letter to the editor***

### **Writing was on wall for Ok Tedi mine**

The National, July 30th, 2015

JUST over 18 months after Prime Minister Peter O'Neill announced the 100% takeover and ownership of the giant Ok Tedi mine by the PNG Government, OTML announces a temporary shut-down of operations. One wonders whether the environment and the market conditions really had anything to do with this temporary closure. We are told that more than 300 national employees will be made redundant. Another 1,500 will be stood-down and more than 5,000 contractor employees will either be stood down or also made redundant. This exercise affects more than 6,800 employees involved in the Ok Tedi mine. Within the corridors of OTML headquarters, in the work places, streets and outskirts of Tabubil, it is too common a story that there are chronic underlying issues then the so called "dry weather" and "low metal prices" window dresser pictures being painted to the rest of the country. Its roots go back to the Government's takeover of the mine from. Through poor strategic planning, imprudent and mismanagement of OTML, the once great company was laid bare for the taking.

The signs were already there by early fourth quarter 2014 - Ok Tedi was struggling to keep afloat. At the changing of the guards in December 2014 the company barely survived. The signs were there again in March 2015. Through prudent management by a new national executive the reserves obtained were able to get Ok Tedi through to June and July of 2015. At the questionable changing of the guards again by the government in May 2015, it was only a matter of time before things fell apart - this time for the worst. The dry weather was the perfect excuse. Now the results are evident. It is quite disturbing recalling the events of the past 24 months, under the previous senior management's leadership: How decisions were made and approved to finance so-called Mine Life Extension projects like: the Parker donggas, the Rubber Crumb Plant, the Crusher and Batch Plant, the Motor Rewind Shop, the country club construction, the DIWAI Hospital accommodation and teaching facilities project, the major company redundancy and restructure of 2014, and the ensuing overhaul of work roster change to name a few.

I wish I had more space to put the data and figures down to show the startling costs of these projects compared to the actual benefits they have brought in for Ok Tedi while violating its own project management processes which would have prevented such fall outs. These major spending on so-called Mine Life Extension Projects were not for the Ok Tedi Mill Operations and Mine Production, the business units which make money for Ok Tedi. These major capital investments had no direct benefits to Ok Tedi at all. Yet they accounted for about 40% of the capital expenditure budget in 2013 and 2014. What a blunder. These projects never had any known proper formal technical feasibility study done to ascertain their viability and benefits through competent technical and economic evaluations. If they were done, certainly there was no technical capacity to evaluate them as the Engineering Services Department, the technical brain of this project, was already dissolved by the OTML Management on the eve of these projects.

Looking back, one thinks whether hard earned revenue was strategically squandered on these major projects since they have had no practical benefit to the company. It is startling to imagine how the OTML board and the PNG Government scrutinised these projects and major company changes. Was the Government ill advised? Did the government lack the competence to ask the right questions? Did the government consult the technical details of these projects? If so, were these details reliable? One thing is for sure, there is nothing to show for the benefits of most of these projects just 24 months on. The then senior executives and cohorts brought in their cronies who restructured the company to lure in more of their kind and siphon out money from OTML and PNG causing many job losses to PNG nationals during the major company redundancy in 2013. The 2013 workforce strike was to prevent the redundancy exercise and major company changes because this was foreseen. Neither the government nor the land owner leaders were able to see this coming! Even though the Prime Minister was given ample evidence and plea by OTML employees, on his visit to Tabubil during the 2013 strike, this far cry fell on deaf ears. No job loss was promised. It is sad to say that this never eventuated.

The company was restructured. Many employees lost their jobs. Systemic Failure commenced. Ok Tedi was set up for this fall. It is frightening to think that this happened right under the nose of the Government and the local land owner leaders - people who were mandated and entrusted with to look after the national interests of simple people. Now, after 18 months, the results of that day speak for themselves. And not only the remaining employees of that day but the local community, Western province and PNG will now bear the brunt of the lack of leadership. Whether the Government then was acting on poor advice or decided to ignore caution. The damage is done. OTML, once immune to external market forces, environmental conditions and political interference, is suddenly susceptible to "dry weather" and "low metal prices" condition, not to mention the lower than normal quality of gold and copper it is now producing. Only the OTML management and the PNG

Government know the primary reasons why the mine is now going into this shutdown mode.  
Abib Maan, Tabubil, Western

### **Ok Tedi: New road to help ore transport**

The National, July 30th, 2015

PRIME Minister Peter O'Neill says a new access road is being built to solve the problem of transporting ore by river at Tabubil, Western, for Ok Tedi Mining Ltd. "The Government is building a new access road to Aiambak that has much higher level of access in terms of the water levels," he said. "Larger boats can take food, fuels and medicine supplies through that area. We will use the new access road in the future to bring ore out of the mine and of course, continue the mine to have a long-term sustainable operation." Telefomin MP Solan Mirisim had asked whether the Government had in place a long-term solution to assist OTML. He suggested that the Government build other ports somewhere in Lake Murray or Aiambak or have a road link to the mine.

### **Price drop affects Ok Tedi**

Post-Courier, July 30, 2015

BY GORETHY KENNETH

THE drop in the global prices of copper and gold has significantly affected the revenue of the Ok Tedi Mine, Prime Minister Peter O'Neill explained in Parliament yesterday. And the mine was not able to export any copper because of the inability of the company to take the ore out of the Fly River because of the weather. But Mr O'Neill said the Government had a long term plan for the mine and gave assurance that the Government will do everything to help all the Papua New Guineans that have been laid off. He was responding to Telefomin MP Solan Mirisim's series of questions regarding the closure of the Mine, also demanding an investigation report on the issue and asking if the Government had any long term plans for the mine and the people affected.

"I was briefed by the chairman and the MD for Ok Tedi last week in relation to his particular matter," Mr O'Neill said. "The temporary matter is brought about by two factors, one – they are not able to export any copper because of the inability of the company to take the ore out of the Fly River because of the weather shut down –dry spell and river levels have dropped and as a result no ships can get in or out of Ok Tedi. "Second thing is they are not able to bring in supplies, food supplies and fuel supplies to keep the power supplies and other services going on in Ok Tedi as a result affecting the ability of the company to maintain services and of course community and families in Tabubil," he said. "It is a temporary shut down and they are going to put the mine into care and maintenance, so while this dry spell is continuing, they will repair assets and machinery that needs much of the repair that has been outstanding for quite some time.

"And they will keep as many Papua New Guineans as much as possible and of course, those who are not needed will be repatriated back to their destination as soon as the river level comes back to normalcy they will be able to be brought back to the mine to continue work. "It is something beyond our control and of course the second reason is that the drop of the global prices of copper and gold has significantly affected the revenue of the mine itself. "Both the Chairman and MD said to me that the last thing they want to do is lay off Papua New Guineans, but the circumstances is forcing them to take this measure." It's a measure that is temporary and of course as soon as water level comes to normal, they will in fact bring many of the Papua New Guineans back to work on the mine.

## **Ok Tedi funds withheld by Singapore court**

Post-Courier, July 30, 2015

BY GORETHY KENNETH

THE people of Western Province should know by September if they can have access to the US\$1.4 billion funds, parked under the PNG Sustainable Development (PNGSDP) in Singapore. Prime Minister Peter O'Neill told Parliament yesterday that there was one more issue before the Singapore Courts to be settled before the people of Western Province could have access to the funds. He has assured the people of Western Province that as soon as a resolution to the National Court on a landowner case against the State is settled they could have access to more than K350 million held in the Court Trust. Western Province Governor Ati Wobiro queried if there was a way Prime Minister O'Neill could assist with funds parked under PNGSDP and the National Courts. "The funds that are normally held by the Mining Department are now locked up in a court case, if there is anyway the Prime Minister can help us access these funds so we can address the many problems confronting the Province, especially in the North Fly areas resulting from the no rainfall and the impact it is having on the river," Governor Wobiro said.

PM O'Neill responded: "I want to inform the House that the matters before the Courts and issues relating to the PNGSDP has been in dispute for sometime because of the unwillingness of BHP to come and discuss this matter in a mature manner with Government, so that the people of Western Province can have access to funds that are being parked in Singapore, close to over US\$1.4 billion. "As we all know, the international arbitration has decided that on the application by PNG Sustainable, trying to get judgment against the Government, that matter was ruled in our favour and as a result we only have one more outstanding case before the Courts in Singapore. "We would know by September as the Courts make their ruling, our lawyers in Singapore is working hard at trying to have a resolution to this issue," the Prime Minister said.

## **Land Title Claims By Solomons Bauxite Miners Declared Legal**

*Rennel and Bellona Province landowners questioned validity of claims*

WELLINGTON, New Zealand (Radio New Zealand International, July 29, 2015) – The land title claims by two bauxite mining companies in Rennel and Bellona Province in Solomon Islands have been declared legal by the attorney general. Bintan Company Ltd and Asia Pacific Investment Development have been embroiled in complicated battles for land and mining rights which have resulted in the sackings of at least one minister and several staff from the Ministry of Mines. James Apaniai's declaration comes after the Renbell provincial government and the West Rennell council of chiefs and landowners questioned the validity of both companies land title claims. Mr Apaniai says both companies have legally acquired the titles for their respective holdings.

## **Ok Tedi: Firms winding down**

The National, July 29th, 2015

By ERIC BALARIA

BUSINESSES in the mining town of Tabubil in Western are preparing to lay off staff and wind down their operations. This followed the announcement by Ok Tedi Mining Limited to temporarily shutdown its mining activities because of the dry weather conditions and low prices. An official of Chemcare Pharmacy Ltd in Tabubil said some businesses had already been affected following the demobilisation of employees from the town. "Everyone, including businesses, are affected, especially with the company (OK Tedi) already moving its employees out of town," she said. "As it is, most of these Ok Tedi employees are valued customers of the businesses here in Tabubil and that

would be a loss. Businesses cannot continue when there are no customers.” She said some businesses in Tabubil which provided basic services to Ok Tedi Mining Ltd were waiting for advice from the miner on whether they should remain. She said banks and healthcare services would likely remain to serve the remaining employees and locals living there. “The shutdown follows a similar trend of what happened in 1997/98. We have not received any official word from Ok Tedi regarding the shutdown period although it has been reported that it will be for six months,” she said. OTML began operations in the area 1963 when copper mineralisation was found.

## 15 dead in Enga

by MIRIAM ZARRIGA, Post-Courier, July 29, 2015



ENGA, home to one of Papua New Guinea’s richest resource project, the Pogera mine, is likely to be declared a tribal fighting zone. This was announced by Enga Provincial Police Commander Acting Superintendent George Kakas after revealing 15 people have died in the past two weeks. A fighting zone after it is approved by the provincial law and order committee will mean that certain constitutional rights of people will be restricted and allow security forces the powers of arrest without any search or arrest warrants. The issue was mentioned on the floor of Parliament in which Prime Minister Peter O’Neill has assured all that discussions were ongoing and that the Government is aware of continuous call out and the presence of police and defence force from the Porgera mine area. “We are aware of discussions that are going on between Barrick, the operator of Porgera Mine and the local police command. And we understand the local police command have put in a comprehensive proposal including plans about the control of law and order issues around the Porgera mine area and we support the proposal,” PM O’Neill told parliament yesterday.

“We will assist in whatever capacity, in terms of providing equipment, manpower to build up the local capacity in Enga Province,” added PM O’Neill. PPC Kakas said that the first six deaths occurred on July 17 after a compensation ceremony on July 16, in which rival tribes met to compensate the death of two people in 2012. A person involved in the 2012 incident was lured with the promise of alcohol by several men, who after getting him drunk; the man was shot and then chopped. “In retaliation his clansman returned and killed six people who had no relation to the killings. These six were mining further downstream at the creek where the mine tailings are dumped. They were shot and chopped, one woman was seriously injured and is in a critical condition in the hospital,” Mr Kakas said.

Following the killings, Chief of Police Operations Raphael Huafolo and Mr Kakas flew in and met with the aggrieved relatives who said that the violence occurred because of security forces in the area were not doing enough to curb the law and order problems. Following the departure Mr Huafolo and his police officers, another three women were reportedly killed on Saturday while four more bodies were discovered in lower Porgera area. "All the deaths have now given me the reason to ask for the provincial law and order committee to declare the province a tribal fighting zone." "I have also asked the Provincial Liquor Licensing board to ban all alcohol effective immediately," Kakas said. The National Executive Council has declared state of emergency since last year in parts of resource provinces of Hela and Enga and the declaration of a fighting will enable security forces to move in to arrest the law and order situation on the ground.

## **Gulf disputes decision**

Post-Courier, July 29, 2015

THE Government and Total SA's decision to pipe the LNG from the Gulf Province to Caution Bay in Central Province has not gone down well with Gulf landowners. East Gulf landowners from the Umbrella Association (EGLOUA) representing five constituencies of East Kerema, from all the villages from Sepoe right down to Kaiipi Melariipi said they are against this decision because it is unjust and a slap in the face for the Gulf people and the Provincial Government's no pipeline policy. Spokesperson and Chairman of the group Moses Lavapo, Tony Savoia vice chairman, Linda Sujavi as the secretary said that their stand is of the following:

- Total SA and its developmental partners and the PNG Government's decision to pipe the LNG out of Elk Antelope at Wapo from the Gulf Province to Caution Bay in the Central Province.
- After Total SA opted out of the Bluff site we waited and hoped that it would decide for either Silo or Oiapu proposed sites. The technical and financial aspects were feasibly due to limestone and deep water favorable to accommodate and construct both the midstream and the downstream or Central plant site facilities and jetties.
- The Egloua is in alliance with Kikori landowners (Kegiruha Gas pipe line carriers and waterways limited).

"We support their calls plus our Hides brothers to shut down the multi billion kina PNG LNG project," Mr Lavapo said. He said the Exxon-Mobil who is the developer of the first PNG LNG project and the state bullied, suppressed and denied on the ignorance of Gulf people. He said from Omati falls all the way to Oiapu, Gulf border, a total of 870 kilometres of pipeline is free carry. This means that all pipeline corridor village landowners are missing out on 2.5 per cent pipeline royalties, 2.5 per cent pipeline equities and this also covers the Central sector. "We do not want Total SA to repeat the same denial of benefits to Gulf people. "We ask the developer Total SA and the State to reconsider and resign its decision and have the facilities in Gulf," they said.

## **Cook Islands To Lay Claim To 75,000 km<sup>2</sup> Of Mineral-Rich Seabed**

*15 countries have allocations in Clarion-Clipperton Zone*

By Florence-Syme Buchanan

RAROTONGA, Cook Islands (Cook Islands News, July 28, 2015) – The Cook Islands is poised to become the latest country to lay claim to an area in the mineral rich Clarion-Clipperton Zone (CCZ). The CCZ spans six million square kilometres and the Cook Islands will join around 15 other countries and private companies which have been allocated exclusive areas. Seabed Minerals Authority minister Mark Brown has been in Jamaica at the International Seabed Authority headquar-

ters to work out the final issues related to the signing of the contract with the International Seabed Authority for the three areas in the CCZ designated for the Cook Islands. The three areas total 75 thousand square kilometres. It was thought ISA Secretary-general Nii Allotey would travel to Rarotonga and the contract signed during the 50th Te Maeva Nui, but it's unlikely this will happen during the country's historic celebrations, says Brown. However, it is going to happen this year, he says.

Brown says ISA has been working on finalising some details of the contract as the Cook Islands wanted some changes made. "We had to delay the contract signing until we are happy with one component that deals with training opportunities that must be made available to the ISA by the contractors (the Cook Islands and their sponsoring states)." The Cook Islands wants to wait until details of the training opportunities are finalised before signing the contract, he says. Brown says the contract that the government signs will be handled by the Cook Islands Investment Corporation on behalf of government. The long-term aim is to establish a state-owned enterprise that will be responsible for operational aspects of the seabed industry. "This includes any partnership arrangements that we enter into with private companies." The Seabed Minerals Authority, headed by Paul Lynch, is responsible for regulatory aspects such as managing licensing processes for government. While in Jamaica Brown says he informed the Seabed Authority Council on the latest legislative changes that were passed by Parliament in June. The amendments allow for the establishment of reserved areas and open tender areas within the Cook Islands' Exclusive Economic Zone for seabed mining exploratory licenses.

Last year Cook Islands News reported that the government in partnership with G-TEC Sea Mineral Resources (GSR), a private Belgian company, had applied for an exploratory licence in the CCZ. International Seabed Authority rules require developed nations that apply to explore the CCZ to partner with a developing nation such as the Cook Islands. The developed nation, in this case Belgium, covers the cost of the application and subsequent exploration. Any revenue earned will be shared. The Cook Islands seabed minerals act passed in 2009 will be undergoing a full review later this year to bring the legislation up to speed with progress the industry has made in the last five years. Brown says the Act has gone through robust peer review by the International Seabed Authority, Commonwealth Secretariat and specialist seabed lawyers from the South Pacific Commission.

### **Axiom Mining bags A\$5M for ongoing development of Isabel Nickel**

Proactive Investors, July 28, 2015 by

Axiom Mining has raised \$5 million to fund the ongoing development of Isabel Nickel Project in Solomon Islands. Axiom Mining (ASX:AVQ) has received strong support from the investment community in securing a \$5 million private placement at \$0.37 from institutional, sophisticated and professional investors. This is a substantial raise and vote of confidence in Axiom's operations, especially considering the current difficult capital markets. Funds will be allocated to the ongoing development of the Isabel Nickel Project in the Solomon Islands. Axiom said that discussions with industry participants interested in providing structured finance are ongoing, and the company hopes to be in a position to make an announcement soon. Activities at the project continue to move forward, with resource drilling and camp upgrade activities are underway as Axiom moves towards the target of establishing a direct shipping ore operation by late 2015. Ryan Mount, CEO, commented: "Today's funding, plus the award of \$5 million in court costs along with \$9 million due from the exercise of options, puts Axiom in an enviable financial position. "We now have 50% of our mine development capital expenditure covered and expect the balance of funding to come from potential customers, this will see us through to production and a positive cash flow position."

## Analysis

Isabel is considered to be one of the largest nickel laterite deposits in the Pacific with a historic non-JORC Resource estimate of 159 million tonnes at 1.045% nickel and 0.07% cobalt. Recent orientation drilling confirmed the occurrence of high grade mineralisation, such as 20.7 metres at 1.74% nickel from surface, including 10.9 metres at 2.47% nickel. Last month, the company started resource definition drilling program with six rigs to determine a Measured and Indicated resource that can support the first three to four years of a direct shipping of ore operation. Even with the capital raising announced today, shares are still trading double where they were three months ago.

## Papua New Guinea's Ok Tedi mine suspends production, stands down workforce

By Wesley Manuai in Port Moresby, ABC Radio Australia, 28 July 2015

*Papua New Guinea's controversial Ok Tedi mine will slash its workforce and halt production due to weak copper prices and recent dry weather.*



The Ok Tedi mine is PNG's Western Province will halt production due to weak copper prices. (Credit: Audience submitted)

Papua New Guinea's controversial Ok Tedi mine will slash its workforce and halt production due to weak copper prices and recent dry weather, managing director Peter Graham has told staff. Low water levels in the Fly River have seen the company struggle to transport copper ore from their port in Kiunga to customers at the mouth of the river. It has also affected the supply routes for diesel and food. In a letter to staff, Ok Tedi's managing director Peter Graham said 15 per cent of the Papua New Guinean workforce and 30 per cent of its expatriate employees would be retrenched. "I know many people reading this [memo] will be shocked and find it hard to believe that such drastic action has to be taken," Mr Graham said. "These very difficult decisions have been taken to ensure that the business will be viable for the long term," he said. Aside from the retrenchments, Ok Tedi will be standing down most of its workforce without pay, but offering some allowances.

Employees who have children attending company-run schools in Tabubil, have been asked to transfer their children to schools in their home provinces. A board meeting on July 23 decided to declare a "force majeure" and advised shareholders the company would not be able to meet its obligations. Mr Graham said while most employees were being flown home, a skeleton crew would be on site for maintenance and security, while the company assesses the weather situation. Ok Tedi said weather reports predict only a 20 per cent chance of normal rainfall in the next six months. The company is coordinating with the Western Province administration on an emergency response given the likely impact the shutdown will have on communities dependent on the mine.

Ok Tedi faced a similar situation in 1997 and 1998, when its operations were shut down for more than six months, following an El Nino weather pattern. In 2015 global gold and copper prices have dropped to their lowest point for many years. Since the 1980s, the Ok Tedi mine created billions of dollars of revenue for Australian company BHP but waste dumped into the river system caused widespread damage. BHP handed over its majority share to a local trust in 2001 in return for legal immunity. In 2013, the PNG government passed legislation to take over the PNG Sustainable Development Program – effectively nationalising the mine. The Government approved an extension for mining and exploration within the area, but those plans have now ground to a halt.

### **Porgera: Illegal mining increases**

The National, July 28th, 2015

ILLEGAL mining at the Porgera gold mine is increasing every day and costing the company more than K10 million in lost production time, police say. Enga provincial police commander acting Superintendent George Kakas said the number of people entering the mine's open pit looking for gold was increasing and affecting the company's operation. Kakas said more than 200 people were illegally entering the mine site every day. He said the illegal miners were costing the company between K10 million to K15 million every day when machines had to stop work in fear of injuring illegal miners. "Illegal miners are increasing in numbers every year and we need to come up with a good plan to address it at the root cause of it like looking at the contributing factors," he said. He said he would stop hotels and lodges selling alcohol in Porgera. "Alcohol is another attraction that forces the locals to enter the mine site and steal gold to buy alcohol and enjoy with female friends," he said. Kakas said the recent spate of killings in Porgera were related to alcohol.

### **Gulf welcomes Philippines company**

The National, July 27th, 2015

GULF government has welcomed an offshore oil project in the province to be operated by Philippine-based company, Twinza Oil Ltd. Provincial administrator Mark Avai said the province welcomed another of the petroleum projects to be developed in the province. Gulf will be the host province for the Papua LNG project to be operated by French company, Total. Twinza will be operating the project in partnership with Petromin PNG Holdings Ltd through its wholly owned subsidiary, Eda Oil Ltd. "Let me commend Twinza and partner for a job well done," Avai said during announcement of the project in Port Moresby recently. "At the provincial level, and as head of the province, we are ready to give all the support that we can from the province to ensure that this project progress." Twinza chief executive Huw Evans said the company's total investment to full production would be US\$500 million (K1.38bn). "The concept is to put a platform offshore and that's the basis of our PDL (petroleum development application) application which has been submitted with the department (Petroleum and Energy)," Evans said. "Bring the gas and liquid to surface and separate the condensate, take out the other gas liquids and store those and re-inject the gas into the reservoir until the gas market is available. "It (project) will have small number of people on, maybe 30/40 people. "It's not going to be a big employer like we've seen onshore with the LNG projects."

### **Taken for enemy, 6 shot**

The National, July 27th, 2015

SIX men were shot to death and one woman was fighting for her life with serious injuries in Porgera hospital, Enga. Six men and a woman were gold-panning at the Porgera tailing dam when Nomali

tribesmen, thinking they were from their Pandan enemy tribe, shot the men on July 17. The woman was seriously wounded and was admitted to the Paiam Hospital. Enga police commander Acting Supt George Kakas told The National that the Pandan tribesmen from Tipinini in Porgera gathered for a compensation ceremony for their two men killed by the Nomali Yandan tribe in an election-related incident early this year. Kakas said during the ceremony that four men from the Pandan tribe lured a man from Nomali tribe into Paiam in a pretext of buying him alcohol and took him into a house and killed him. He said the police were alerted and went to the scene and arrested the owner of the house and one of the prime suspects.

He said that in retaliation, the tribesmen from the Nomali burnt down several houses and killed livestock worth thousands belonging to the Paiam villagers. They killed a landowner from Paiam village. Kakas said that on July 18, the Nomali tribesmen walked several kilometres following the Porgera River to where the mine tailing was flowing down and shot six men and seriously injured a woman. He said the killing brought the Paiam mining township came to a standstill. "I quickly intervened and instructed Porgera police to attend to the scene with the help of the call-out troop to ensure that trouble did not escalate or spill over and services were not affected," Kakas said. He said the killings did not ignite any tribal warfare and local police were monitoring the situation. Kakas condemn the killings, saying it was really saddening.

### **Ok Tedi Mine prepares for temporary shutdown but will continue to operate while critical supplies allow**

Post-Courier, July 27, 2015



Ok Tedi Mining Limited (OTML) is preparing to shut down its operations temporarily as a result of the dry weather event that is already significantly impacting its operations. River traffic on the Fly River into and out of Ok Tedi's main river port at Kiunga has been unreliable for some weeks due to low water levels. Diesel stocks for power generation and mining operations cannot be sustained, and replenishment of food stocks is also affected. Transport of copper concentrate product to Port Moresby for on-shipment has also been unreliable creating uncertainty with regard to cash inflows necessary to sustain operation. Further the low river flow impacts operation of the Ok Menga power station, which is the main source of power for Tabubil and the OTML operations. As a result power rationing has commenced in Tabubil and Kiunga.

Whilst from time to time rainfall may temporarily improve river levels the weather pattern is similar to that experienced in 1997/98 when operations were shut down for more than six months. Weather forecasts for the next six months indicate a twenty percent probability of normal rainfall. Demobilisation of non-essential personnel from Tabubil has commenced. The OTML workforce, contractors and families are being progressively demobilised and, once a final decision is made to temporarily shut down operations, a skeleton crew will remain on site for care and maintenance and security. In the meantime, operations at the Mine will continue as long as critical supplies allow. Concurrent

with the planned stand down of the workforce due to the dry weather event, the permanent workforce number of expatriates will be reduced by 30 percent and nationals by 15 percent.

These changes are essential to help position OTML to better cope with a low commodity price environment on resumption of operations. OTML enjoys long standing relationships with its customers and suppliers and discussions are being initiated to appropriately deal with the expected temporary interruption to production. Given the likely impacts on Western Province communities, OTML is coordinating with the Western Provincial Administration on emergency response planning. OTML management is focused on sensitively handling the changes that will impact the workforce and communities and ensuring that the Mine is positioned for an efficient restart when weather conditions allow, and for long term business viability.

### **Deep-sea mining looms on horizon as UN body issues contracts**

By DAVID McFADDEN, Associated Press, Jul 25, 2015

KINGSTON, Jamaica (AP) -- The deep oceans span more than half the globe and their frigid depths have long been known to contain vast, untapped deposits of prized minerals. These treasures of the abyss, however, have always been out of reach to miners. But now, the era of deep seabed mining appears to be dawning fueled by technological advances in robotics and dwindling land-based deposits. Rising demand for copper, cobalt, gold and the rare-earth elements vital in manufacturing smartphones and other high-tech products is causing a prospecting rush to the dark seafloor thousands of meters (yards) beneath the waves. With authorities at the Jamaica-based International Seabed Authority issuing exploration contracts, alarmed conservationists are warning that the deep ocean's fragile biodiversity must be protected and not nearly enough is known about the risks of extracting minerals from seabeds.

"The pace of activity has increased dramatically over the last five years," said Michael Lodge, deputy secretary-general of the obscure U.N. body in Kingston that acts as a global steward of the deep seafloor and is tasked with regulating this new mining frontier. "We're seeing the private sector invest in a big way." The U.N. agency, known by its initials ISA, presides over seabed outside the exclusive territorial waters of individual countries. So far, it has issued 27 exploration contracts, the large majority of them since 2011. The 15-year contracts allow for mineral prospecting on over 1 million square kilometers (over 390,000 sq. miles) of seabed in the Pacific, Atlantic and Indian Oceans. Governments and private companies have been moving so rapidly to stake claims and assess deposits that insiders forecast that commercial deep-sea mining could start within the next five years using robotic collectors equipped with cameras and sonar sensors along with pipe systems that can siphon crushed minerals to ships.

During a gathering this month in Jamaica of representatives from nearly 170 member states, ISA has started drafting a framework to regulate commercial exploitation of seafloor metals and minerals. The session ended Friday. A group of international scientists, in a July 9 article in the journal *Science*, urged ISA to temporarily halt authorization of new mining contracts until networks of "marine protected areas" are established around areas targeted for mining. "We owe it to future generations to ensure that we think before we act and gain a thorough understanding of the potential impacts of mining in the deep sea before any mining is permitted," said Matthew Gianni, co-founder of the Deep Sea Conservation Coalition, which sent observers to ISA's 21st session in Kingston. But despite the warnings, in recent days ISA authorized its latest exploration contract, a 72,745 square kilometer (28,087 sq. mile) permit in the Pacific to China Minmetals Corp., sponsored by Beijing. China now has the most permits from the U.N. body with four.

ISA was launched in 1994 and operates under the U.N. Convention on the Law of the Sea. The only major maritime power that has not ratified the convention is the United States, where lawmakers have argued it could impinge on U.S. economic and military sovereignty. The Department of the Interior has granted exploration licenses in the Pacific to Lockheed Martin Corp., a U.S. company that has also partnered with the United Kingdom, an ISA member, by setting up a deep-sea mining subsidiary there. So far, most of ISA's contracts have been issued for the deep abyssal plains of the Clarion-Clipperton Fracture Zone, a sprawling area of the Pacific Ocean off Mexico and the U.S. At depths of 4,000 to 6,000 meters, it is known to be rich in nodules containing copper, cobalt, manganese and significant concentrations of rare-earth elements. As part of an environmental plan, ISA has set aside nine areas in this zone, prohibiting them to contractors. Other coveted exploration areas contain copper-rich sulphides formed around hydrothermal vents and black cobalt crusts created along the slopes of seamounts and volcanic mountain ranges. These biologically complex areas are found in the Western Pacific, Atlantic and Indian Oceans. ISA literature estimates that one site could provide up to 25 percent of the annual global market for cobalt.

"The concentrations of minerals that you find in the seabed are very much richer than what's left on land. So demand is only going to increase," Lodge said. Douglas McCauley, an ecologist and conservation biologist at the University of California, Santa Barbara, said seabed mining and other industrial activities like ocean-based power generation and farming indicates that mankind is on the cusp of launching a "marine industrial revolution." Current proposals for the oceans over the next several decades "look uncomfortably similar to what we did to land in the 1700s and 1800s," he said, adding that the onset of the land-based industrialization was associated with a spike in animal extinction rates. But there are basic things humanity can do to approach seabed mining intelligently, he said. First, learn what biodiversity is down there before we mine. Second, go slowly on exploitation contracts and study the impacts of this mining as it is happening. Third, set up systems of protected areas before, not after, mining starts. "The terrestrial industrial revolution happened before we had the tools to manage goals for development and goals for sustaining biodiversity. You can't really blame people in the 1700s for the damage they did to the environment..." he said. "But we certainly are to blame if we don't do seabed mining properly."

### **First Chinese company acquires undersea mining approval**

WantChinaTimes, 2015-07-24



An ore cargo ship docks at the Dongjiakou Port in Qingdao, Shandong province, July 4. (File photo/Xinhua)

China Minmetals Group recently became the first Chinese company to gain the right to explore and mine underwater, according to China News Service (CNS). The Jamaica-based International Seabed Authority (ISA) on July 20 approved the company's plan to explore and mine an undersea area of nearly 73,000 square kilometers in the East Pacific Ocean, CNS said. On Aug. 8, 2014, China Minmetals submitted its application for the exploration of poly-metallic nodule resources to the ISA, which was established under the 1982 United Nations Convention on the Law of the Sea, CNS said. The company said it plans to sign a 15-year exploration contract with the ISA for the undersea areas that are believed to have millions of tons of mineral resources, including manganese, cobalt, nickel and copper. Apart from conducting environmental surveys and economic evaluations, China Minmetals will also be responsible for training technology personnel, under the contract, the company said.

Industry experts said seabed exploration of mineral resources is inevitable for China, since the country relies heavily on foreign imports and has seen restricted economic development as a result. Several companies have expanded into undersea exploration in recent years, including Canada's Nautilus Minerals, which has had underwater mining rights near Papua New Guinea for 15 years. The Canadian company plans begin productions in 2017 at a copper-gold mine it discovered in the region, CNS said. The Korea Ocean Research and Development Institute also acquired rights for underwater exploration in the economic zones of Tonga and Fiji, according to CNS. Deep sea mining technology has been developing rapidly to tackle issues like water pressure and sea water erosion, and industrial robots have been introduced for undersea mining, CNS said.

### **UBS says Newcrest Mining could write down Lihir by \$2.5b**

Sarah Thompson, Anthony Macdonald, Jake Mitchell, Australian Financial Review, July 24, 2015



UBS analysts reckon Newcrest Mining could be gearing up for a \$2.5 billion writedown of its troubled Lihir gold mine in Papua New Guinea. Rob Homer

UBS analysts reckon Newcrest Mining could be gearing up for a \$2.5 billion writedown of its troubled Lihir gold mine in Papua New Guinea. Analyst Jo Battershill said Newcrest's carrying value of \$6.1 billion for Lihir, assumes a \$US1300 an ounce gold price, which compares with the current price of \$US1090 an ounce. "Based on sensitivities provided in NCM's FY14 Annual Report, a US\$100/oz reduction in the gold price assumption lowers the carrying value by \$1.24 billion – so we think a potential \$2.5 billion write down is possible," Battershill said in a research note to clients. Blue Ocean Equities analyst Steuart McIntyre said in April that if an assumed gold price of \$US1200 an ounce was used then Lihir would likely be written down by \$2.2 billion. Newcrest reported strong production numbers for the June quarter on Thursday, with Lihir accounting for 30 per cent of the company's output of 647,000 ounces. "Our analysis shows that Lihir has generated

just \$330m of FCF (free cash flow) since Newcrest acquired it – which we consider a poor outcome for investors," Battershill said.

### **Landowners commit to help progress Papua LNG project**

The National, July 24th, 2015

LANDOWNERS in Baimuru, Gulf, say they are committed to working with the Government and developers of the Papua LNG, a spokesman says. Purari Development Trust Incorporation secretary general Ako John said the majority of landowners and people in Baimuru supported the project despite criticisms from the Gulf provincial government and Baimuru local level government. "The announcement had recently caused some division among everyone but after careful consideration from the silent majority of our affected Baimuru landowners and people, we have clarified our position to support the Government and the project developers," John said. "We, as the landowners, retract the negative comments made recently towards Prime Minister Peter O'Neill and his government by our Gulf provincial and Baimuru LLG governments in retaliation to the announcement of the proposed plans for the Papua LNG.

"We distance ourselves from the politics of Gulf and appeal to our provincial leaders to unite and work together for the project. "We want our leaders to advise other Gulf people to refrain from using the project as a means for airing their own agendas, but stand with the Baimuru people to support the Papua LNG project." He added that an awareness meeting for all Baimuru communities will be held at the end of July. "This meeting will be vitally important for our tribes and people to dispel confusion due to lack of information to fully understand the major projects so that the people are ready to work with the developers and ensure that the benefit packages adequately cover project impacted areas," John said.

### **Firm to develop Gulf oil field**

The National, July 24th, 2015

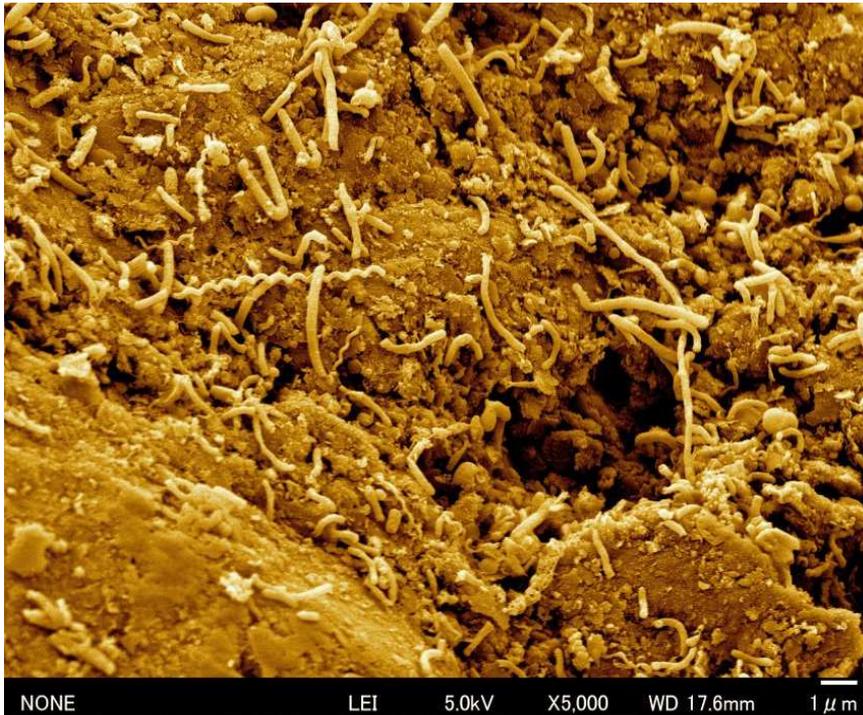
THE Pasca field offshore Gulf will now be developed for oil after it was abandoned for nearly 40 years by previous companies, an official says. Petromin PNG Holdings Ltd managing director Thomas Abe said Petromin had a 10 per cent joint venture partnership equity with Philippine-based company, Twinza Oil Ltd, in the development of the Pasca field. During the announcement on Wednesday, Abe said: "The Pasca field development will be the first offshore oil and gas development infrastructure in Papua New Guinea and will be the catalyst of similar offshore resources particularly in Gulf. "Based on our (Petromin) own technical and commercial work of the resource, it seemed very promising for us to continue working with the operator. "We are excited about the prospects of the Pasca resources and working to deliver the first offshore petroleum project in PNG." Twinza chief executive Huw Evans said the company's total investment to full production would be US\$500 million (K1.38bn).

"The concept is to put a platform offshore and that's the basis of our PDL (petroleum development licence) application which has been submitted with the department (Petroleum and Energy). "Bring the gas and liquid to surface and separate the condensate, take out the other gas liquids and store those and re-inject the gas into the reservoir until the gas market is available. "There's two storage facilities offshore to go with, one for condensate and one for LPG (liquefied petroleum gas). "It (project) will have small number of people on, maybe 30/40 people. It's not going to be a big employer like we've seen onshore with the LNG projects. He added that it took the company four years to discover that the Pasca field had potential to be developed. The Pasca field is 95km offsho-

re with 93m of water depth. Twinza is a company with oil and gas assets in Asia Pacific. The company focused on commercialising discovered, but as yet undeveloped, oil and gas field.

### **Pazifik: Forscher entdecken Lebewesen 2500 Meter tief im Meeresgrund**

Die bislang tiefste Bohrung in den Meeresboden hat Mikroben bis in 2466 Meter Tiefe zutage gefördert. Die Laboranalyse zeigte: Die Mikroben ähnelten Kleinstorganismen aus Wäldern. Forscher vermuten im Grund der Ozeane das größte zusammenhängende Ökosystem der Erde.  
Von Axel Bojanowski, Spiegel Online, 23.7.2015



Aufnahme im Labor in 1900-facher Vergrößerung: Sie zeigt Zellen, die Kohle als Energiespender nutzen - und Methan produzieren. JAMSTEC/ Hiroyuki Imachi

Im Grund der Ozeane leben offenbar mehr Wesen als in den Meeren selbst. Eine 2466 Meter tiefe Bohrung vom Forschungsschiff "Chikyu" im Nordwest-Pazifik beflügelt diese Vermutung. Der bislang tiefste Stich eines Forschungsschiffes in den Meeresboden förderte vor der japanischen Halbinsel Shimokita bis in eine Tiefe von knapp zweieinhalb Kilometern Mikroben zutage. Die Organismen ernähren sich von Kohle, berichten Forscher im Wissenschaftsmagazin "Science". Nie zuvor seien lebende Organismen in solch großer Tiefe entdeckt worden, bestätigt die Biologin Julie Huber vom Marine Biological Laboratory in Woods Hole in den USA, die nicht an der Studie beteiligt war. Der bisherige Rekord lag bei 1922 Metern. Woher stammen die Wesen? Die Laboranalyse brachte eine Überraschung: Die Mikroben ähnelten nicht anderen im Meeresboden - sondern Kleinstorganismen aus Wäldern.

### **Untergegangene Wälder**

Der Befund lasse vermuten, dass die entdeckten Bakterien aus Landschaften stammen, die vor Jahrmillionen im Meer versanken, meinen die Studienautoren um Kai-Uwe Hinrichs vom Zentrum für Marine Umweltwissenschaften (Marum) an der Universität Bremen. Die Organismen hätten offenbar 20 Millionen Jahre im Untergrund überdauert. Spuren der untergegangenen Wälder finden sich in der Umgebung der Mikroben: In der Tiefe liegen meterdicke Kohleschichten. Sie entstanden aus Landpflanzen, die nach ihrem Absterben von Sand zugedeckt und immer fester gequetscht wurden, bis sie zu Kohle wurden. Erdwärme heize die Umwelt der Mikroben auf 60 Grad auf, schreiben die Wissenschaftler. Methangas im Sediment zeige, wovon die Organismen lebten: Im Labor haben die

Forscher die Umwelt der Tiefe nachgebaut, dort wandelten die Mikroben Kohle zu Methan um. Die Analyse des Erbguts der Wesen ergab, dass sie mit einzelligen Urbakterien verwandt sind, die bereits in anderen Kohleschichten gefunden wurden.

### **Die Urform des Lebens?**

Die Marum-Forscher vermuten in den Tiefen "das größte zusammenhängende Ökosystem der Erde". Frühere Analysen hatten ergeben, dass sich das Erbgut vieler Untergrund-Mikroben aus verschiedenen Weltregionen - im Gegensatz zu den jetzt entdeckten - gleicht, egal ob sie unter Südafrika, Indonesien oder im Boden des Pazifiks lebten. Wie ist die nahe Verwandtschaft über Distanzen von bis zu 16.000 Kilometern zu erklären, wo sich die Mikroben doch in ihrem Leben kaum von der Stelle bewegen und kein Wind sie verweht? Es handele sich anscheinend um eine Kerngruppe von Mikroben, die an ganz unterschiedlichen Orten auftrete, meint Frederick Colwell von der Oregon State University. Die Wesen hätten sich wohl in der Frühzeit der Erde an einem gemeinsamen Ort entwickelt und wurden im Laufe der Jahrmilliarden mit der Drift der Kontinente in alle Welt verteilt. Sie könnten demnach die Urform des Lebens auf der Erde sein.

### **Tot und doch lebendig**

Besonders staunen die Forscher über das Lebensalter mancher Mikroben. Sie bauen den lebensnotwendigen Kohlenstoff so langsam in ihren Organismus ein, dass die Zellen sich nur alle hundert bis 500 Jahre teilen könnten. Sie scheinen tot zu sein und sind doch lebendig. Mit ihrer neuen Entdeckung seien sie womöglich nahe an die untere Grenze des tiefen Lebensraums gestoßen, meinen die Marum-Forscher: "In unseren Proben aus dieser Tiefe haben wir viel weniger mikrobielle Zellen entdeckt als erwartet", sagt Hinrichs. Zwar fände sich in zweieinhalb Kilometer Tiefe vor der japanischen Küste in einem Gramm Sediment tatsächlich nur noch durchschnittlich eine Zelle, ergänzt Biologin Huber. Doch die Bohrung im Pazifik war nur ein Nadelstich - die Erforschung der Tiefenwesen habe erst begonnen, betont Huber: "Die Grenze ist noch nicht erreicht."

### **A call to stop mining the Pacific Ocean**

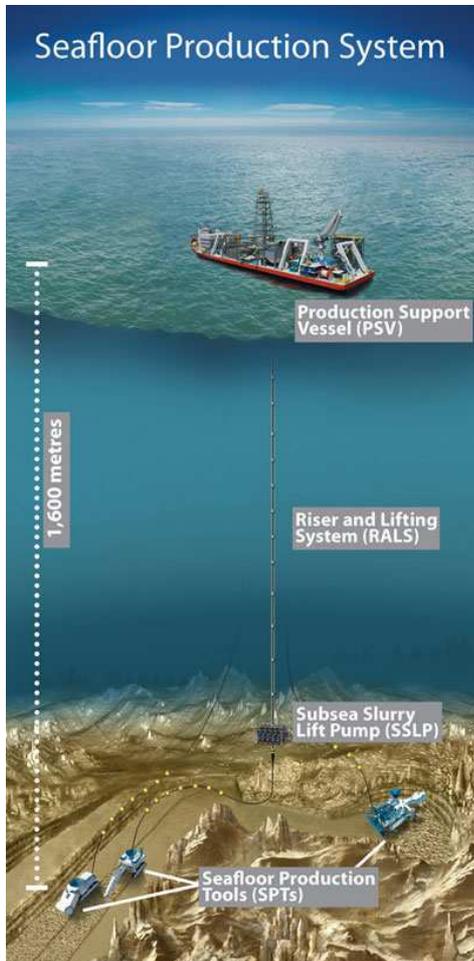
By Rowena Dela Rosa Yoon, AsianCorrespondent, Jul 23, 2015

A global civic movement is mounting a campaign calling to stop mining the Pacific Ocean and other deep seas. Citizens from all around the world have joined civil society, non-government organisations, and scientists in calling on the International Seabed Authority (ISA) to halt issuing further exploration licences and to establish a moratorium on deep sea mining. With over 1.5 million square kilometres of ocean floor already under exploration leasehold in the Pacific ocean alone, the ISA has approved 27 exploration licences for deep sea mining. Dr. Helen Rosenbaum of the Deep Sea Mining Campaign said,

"We, along with over 640,000 people internationally call on the ISA and nation states to agree to a moratorium on seabed mining unless and until it is proven safe and there is broad civil society consent for this unprecedented industry." The ISA, an intergovernmental body based in Kingston, Jamaica, was established to organise, regulate and control all mineral-related activities in the international seabed area beyond the limits of national jurisdiction. "It is disappointing that so many exploration licences have been issued without any understanding of the environmental impacts of exploration, let alone exploitation. It also facilitates the development of an industry that does not have the consent of potentially affected communities and wider civil society. This industry has not gained a social licence to operate," says Dr. Rosenbaum.

Dr. Catherine Coumans of Mining Watch Canada, said, "As the global steward of the world's oceans it is incumbent upon the ISA to protect the world's already stressed marine ecosystems. The deep sea is one of world's last ecosystems to have largely escaped devastating impacts of mining, and as an ecosystem that affects all life on earth it must be protected." According to Professor

Richard Steiner, Conservation Biologist of Oasis Earth, “The issue of deep sea mining is not just for scientists and mining companies. The debate has to be much broader and completely transparent. Presently, the ISA and sponsoring governments receive scientific advice and input primarily from companies with vested interests in a particular policy or regulatory result of the Authority. The authority’s decision making processes must be open to the participation of civil society and independent scientists.”



Nautilus provides image of deep sea mining.

“Governments and the ISA should take note that the Center for Biological Diversity is suing the United States Government over the granting of exploration permits for the Clarion-Clipperton Zone in the absence of environmental impact studies,” stated Dr. Rosenbaum. “There is insufficient scientific data about the impacts of deep sea mining, no regulatory frameworks in place to govern mining operations and the capacity to enforce such frameworks does not yet exist. This landmark legal case will set a precedent for application of the precautionary principle.” A joint submission was made to the International Seabed Authority on its draft regulatory framework for deep sea mineral exploitation by the Deep Sea Mining Campaign, Mining Watch Canada, Earthworks, Oasis Earth and the Mineral Policy Institute. The ISA’s 21st annual session in Jamaica began July 14 and ends July 24, 2015.

### **ExxonMobil not a party to disagreements**

Post-Courier, July 23, 2015

By JEFFREY ELAPA

THE developer of the PNG LNG project ExxonMobil said it has fulfilled all its obligations and was not a party to disagreements over benefits under the Oil and Gas Act between the state and the

landowners. In a recent statement, Exxon Mobil said it has honoured all its commitments to the state under the Oil and Gas Act and that it was unfortunate and a concern that the true landowners have not benefited. The developer said after the Hides landowners have threatened to shut the upstream gas project site including the processing facility at Hide 4 in the Hela province after the State failed to honor all of its commitment as per the Umbrella Benefit Sharing Agreements and the Landowner Benefit Sharing Agreements.

The landowners have given the state 7 days' notice through a petition but have decided to give the state a few more weeks to study the petition to respond to their petitions. It is understood most of the benefits are parked in a trust account awaiting the completion of clan vetting and landowner identification. However a consent order was obtained preventing the department of Petroleum and Energy to deal with an LNG issue to allow the ADR process to be completed. However the landowners have stated in the petition to the state that they do not want the ADR process to do the work of clan vetting and landowner identification program.

However the statement by ExxonMobil stated that it was monitoring the situation as it would affect the project. "ExxonMobil is continuing to monitor the situation. We are concerned that benefits associated with this project have not yet been received by the true landowners and encourage continued dialogue between landowners and the government to resolve the issue. ExxonMobil would like to assure landowners that it has honoured its responsibilities under the Oil and Gas Act and project agreements. Royalties are being paid into a government nominated trust account with the Bank of PNG while the government finalises their landowners identification processes. MRDC also continues to equity dividends from the PNG LNG project. We encourage anyone with concerns to contact the department of Petroleum and Energy and MRDC," ExxonMobil said in a statement.

## **PNG PM Urges Gulf Leaders To Unite Around LNG Project**

*Benefits of Elk-Antelope project must be maximized: O'Neill*

By Malum Nalu

PORT MORESBY, Papua New Guinea (The National, July 22, 2015) – Prime Minister Peter O'Neill has urged Gulf leaders to put their political differences aside in regards to the Elk-Antelope (Papua) LNG project. He was responding to a question in Parliament from Kikori MP Mark Maipakai on his association with jailed Gulf Governor Havila Kavov who was a member of the ruling People's National Congress Party. O'Neill said it was important that everyone, including Maipakai and the provincial government, worked together. He said the political leaders in Gulf owed it to the people to put their "politics" aside and "try to find a deal that is going to benefit our people". "We welcome the leaders of Gulf to be on the same table with the government while we are negotiating with Total and the partners in getting a better deal for Papua New Guinea," O'Neill said.

"I am very well aware of the obligations that this government has. These include meeting the domestic market obligations. "We must make sure that we create jobs in the petro-chemical industry that will create a lot of long-term employment opportunities for our people, not only during the construction phase. "That is why we are happy to discuss with Total and all the other partners about establishing methanol, urea, and all the fertilisers, and of course, the other byproducts of the LNG project that is about to start "I appeal to the leaders of Gulf province: Please, let us work together, let us have common sense discussions, rather than getting politics involved as it is not going to benefit anyone."

Maipakai has been at loggerheads with Kavov since he was jailed last December but released on bail two weeks later. It reached a head on Tuesday last week when Maipakai and a group of Gulf local level government presidents on his side failed to get the provincial assembly to meet in Kerema. A

public forum was held in Kerema on the same day in which Gulf people opposed the piping of the gas from the province to Caution Bay outside Port Moresby. They also opposed the renaming of Elk-Antelope project as Papua LNG project.

### **PNG clarifies gas plant decision**

Pacific Mining Watch, July 22, 2015

PRIME Minister Peter O’Neill says the decision on where the processing plant for the Elk-Antelope (Papua LNG) plant will be located is a “commercial” one made by developer Total. He said the decision should be respected. He explained in Parliament why Total and its partners were piping the liquefied natural gas from the Elk-Antelope fields in Gulf to Caution Bay outside Port Moresby in reply to a question from Kikori MP Mark Maipakai. O’Neill said the Elk-Antelope project had been on the drawing board for several years, ever since InterOil said it would develop the project. “Any sensible government will support a developer that is willing to invest in our country, particularly in a province that desires and wants to host such a development,” he said.

“When I visited the Gulf province, I merely reiterated the commitment by the then operator of that oil and gas fields. “Recently, the operatorship has been transferred from InterOil to Total, a France-based company that is now the operator of those fields and a developer which wants to invest in the development of those gas reserves. As the Government, it is our responsibility to try and encourage investors to come and invest in this very highly competitive sector. “Total has made a commercial decision (and) I have welcomed their decision to invest in the Elk-Antelope project in the Gulf province. The decision to host where the processing plant should be is a commercial decision the partners of that project will make.”

### **Deep Sea Mining – A new frontier for ecosystem destruction**

MiningWatch Canada, July 20, 2015

*This week the United Nations’ International Seabed Authority (ISA) is meeting in Jamaica to consider draft regulation for the exploitation of seabed mineral resources. MiningWatch Canada joins a growing global outcry over the speed at which the ISA is moving from licensing deep sea exploration to adopting regulations for mining the deep sea. MiningWatch joins scientists and concerned citizens in calling for the application of the precautionary principle in the form of a moratorium on ISA contracts for seabed mineral exploration, and on exploitation, until independent scientists have had a chance to fully understand the deep sea environment and provide advice on how it should be protected. MiningWatch’s assessment of, Canadian mining company Nautilus’s deep sea project in Papua New Guinea provides ample reason to support such a moratorium.*

Once again, a Canadian mining company is leading the way in pioneering a highly dubious mining practice. And again the country of choice for this latest environmental experiment is Papua New Guinea (PNG). Canada’s Barrick Gold is using the 800-kilometre-long Strickland River system in PNG as a dumping ground for its unconfined mine waste (a practice that is not permitted in Canada), and Canada’s Placer Dome used the sea as a dumping site for its mine tailings by piping them into the ocean from its Misima Island mine (also not permitted in Canada). Perhaps for the industry it is a short step from dumping unconfined mine waste into the ocean, to actually mining the ocean floor. This is what Canada’s Nautilus Minerals Inc. (Nautilus) plans to do in the Bismarck Sea, some thirty kilometres off the coast of PNG between the islands of New Ireland and New Britain.

Nautilus’s Solwara 1 project aims to mine copper, gold, and silver at a depth of 1,600 metres from seafloor massive sulphide deposits (SMSs), as well as from sediments on the seafloor around and

below these deposits.[1] Seafloor massive sulphide deposits are also known as hydrothermal vents, or “black smokers.” These hydrothermal vents thoroughly astounded the scientific community when they were discovered in 1977. They are formed when seawater penetrates deep under the seafloor through cracks and is subsequently heated to temperatures that may exceed 400 degrees Celsius, for example by a magma source. The heated water spouts back out of the seafloor carrying with it dissolved metals. As the water hits the seafloor and cools the metals are deposited in layers, creating over time the tall “chimneys” associated with hydrothermal vents. The concentration of metals in and around the hydrothermal vents is generally higher than in deposits on land,[2] making them a tempting target for mining.

### ***What is at risk?***

What particularly stunned the scientific community about hydrothermal vents was the discovery of abundant, diverse and never-before-seen life forms in what was considered at the time to be an environment far too harsh to support life (pressures associated with up to 5000 metres depth, permanent darkness, extreme heat, and high acidity). Among the species found were microbes that derive energy from chemicals rather than from sunlight. These microbes form the basis for other life around the vents. According to marine specialists at the Woods Hole Institute:

No two vents discharge exactly the same mixes of fluids, so no two vents are colonized by exactly the same life forms. Researchers continue to find new vent species just about every time they look for more. (...) So little is known about them that if vents are mined, we may never know what species have been lost.[3] Furthermore, marine experts readily admit that not only species unique to a particular mined vent will be lost, but biodiversity critical to ecosystem resilience as a whole is at risk: “The result could be the subsea equivalent of replacing an old-growth forest with a field of dandelions. (...) Too little research has been conducted to know for sure.”[4]

### ***Lack of regulatory oversight***

Very little is known about the deep sea environment - it is often commented that more humans have walked on the moon than have visited the sea at these great depths[5] and that we have more detailed maps of Mars than we have of the deep sea. Why, then, are mining companies such as Nautilus granted the opportunity to mine and destroy what has not yet been fully explored, with undetermined consequences for the marine environment, for associated terrestrial communities and natural systems, and for human knowledge about the origins of life on earth? Part of the answer lies in the fact that within the territorial waters of a nation, where the Nautilus project is located, that country can issue permits for exploration and exploitation at will.

Outside territorial waters, the International Seabed Authority (ISA),[6] established under the United Nations some five years after hydrothermal vents were discovered, has the authority to grant exploration contracts for the seabed. The ISA has been doing just that, granting 26 mineral exploration contracts, 18 of which came in the last 4 years[7] even in the absence of regulations for deep sea mining in international waters. Approximately 1.5 million square kilometres of the seabed is already covered by exploration licences.[8] Of the 26 mineral exploration contracts granted, 22 have entered into force, five of which are for polymetallic sulphides, or hydrothermal vents. [9]

This week the ISA is meeting in Jamaica to consider draft regulations for the exploitation of seabed mineral resources. The framework being considered at this point is only for the exploitation of polymetallic nodules.[10] However, there is growing global concern over the speed at which the ISA is moving from licensing exploration of deep sea mineral resources to adopting regulations for mining the deep sea. Scientists and concerned citizens are calling for the application of the precautionary principle in the form of a moratorium on ISA contracts for seabed mineral exploration, and on exploitation until independent scientists have had a chance to fully understand the deep sea en-

vironment and provide advice on how it should be protected.[11] MiningWatch's assessment of Nautilus's Solwara 1 project provides ample reason to support a moratorium on deep sea mining.

***Lack of appropriate technology for reliable deep sea environmental impact assessment and for mitigation of unintended or accidental impacts***

In 2011 MiningWatch Canada joined with local partners in PNG and Australia to form the Deep Sea Mining Campaign.[12] A critical focus of the campaign has been Nautilus's Solwara 1 project. The Deep Sea Mining Campaign has commissioned independent reviews[13] of the Environmental Assessments for the Solwara 1 project. These reviews point to significant deficiencies, some of which are related to very real difficulties inherent in carrying out a credible environmental assessment for a deep sea project. For example, the Solwara 1 project consists of 11 hectares that will be mined, but the company acknowledges that its impact footprint will be larger, in part because sediments kicked up in the mining process will disperse through ocean currents. The problem is that no one knows exactly how much larger the footprint will be due to a lack of reliable deep sea modelling of physical and biological forces that transport sediments. This point has been proven over and over again in the case of the dumping of mine tailings into the deep sea via a submerged pipe. In most known cases mine tailings have spread for more widely than predicted by consultants and by modelling prior to the operations.[14]

Of particular concern in the Solwara project is the disposal into the deep sea environment of waste effluent from initial processing on board a ship. This effluent is meant to spew out of a pipe about 25-50 metres above the seabed creating a waste plume that is expected to be carried outside the immediate impact zone of the mine. Lack of reliable modelling makes it impossible to pre-determine the ultimate horizontal and vertical reach of the plume with a high degree of accuracy. Toxicity testing for the effluent that will be discharged into the deep sea environment shows that it is toxic to shallow water species typically used in such studies, and would need dilutions up to 700 times to lose toxicity to these species: "The undiluted elutriate waters prepared from the cold sediment, and crushed active and weathered chimney mineral samples were found to be toxic to both the algae and copepods" (EIA 9.4)[15] Nautilus's consultants used shallow water species for this toxicity test because they recognized that it would be impossible to do the tests on the deep sea species that will actually be affected by this effluent as these will not withstand being brought to the surface for testing. "No tests using local species from Solwara 1 were available or practicable, animals living at Solwara 1 do not survive for very long under conditions found at the surface." (EIA 9.4)

Having done the toxicity tests on shallow water species, the consultants subsequently dismissed the results of these tests as irrelevant as "species that exist at Solwara 1 have both differing exposure pathways (e.g., water versus food) and sensitivity to metals." So while the consultants acknowledge unique characteristics of deep sea species on and around hydrothermal vents, they have failed to conduct toxicity testing on them. Nonetheless, the toxicity testing on shallow water species is important in regard to possible shallow water discharges of the toxic waste products from on board processing. This could happen, for example, through a leak or breakage of the pipe system that is meant to carry the waste effluent into the deep sea environment. Surprisingly, while the EIS considers possible leaks of fuel and hydrocarbons at the surface from the operation, as well as maybe a little ore as it is transferred from the processing ship to a barge, and even acknowledges that it will discharge sewage at surface levels, the EIS dismisses the possibility of discharge of the toxic process effluent at shallow or mid-water depths:

During operations at the MSV [the ship], the only discharge to surface waters will be the discharge of sewage, treated to meet MARPOL standards (see Section 9.9 for further detail). This may elevate nutrients locally and the resultant plankton productivity. Minor quantities of spills of ore may occur during transfer to and from barges. As discussed in Section 9.4, there will be no discharge of water

from the dewatering process within the surface or mid-water (mesopelagic) depths in the ocean, therefore no thermal changes to these layers will occur. (EIS 9-14) A long history of pipe breaks in the dumping of mine tailings into the deep sea,[16] not to mention ongoing leaks and breaks in mine waste pipe conveyance systems on land, indicate that such leaks or breakages have to be expected, particularly in the dynamic marine environment. The important point here is that in a marine environment, it is much harder, if not impossible, to mitigate the impacts of leaks or accidental discharges of, for example, toxic process effluent into shallow water. The examples provided here explain why the upbeat conclusions drawn by Nautilus consultants about the expected lack of significant environmental impacts from the project, are too often based on best case scenarios, speculation and hopeful “expectations” rather than on hard data.

### ***Desperate measures to justify Deep Sea Mining***

Based on scientific knowledge of hydrothermal vents, Solwara 1 will destroy biodiversity as it will likely destroy species that have not yet been discovered, even at the relatively better-studied Solwara 1 site, and that are endemic and unique to the individual hydrothermal vents mined.[17] In a recent report commissioned by Nautilus the company appears to seek to divert attention from this reality by arguing that deep sea mining will be *less* damaging than terrestrial mining. To this end, Nautilus hired Earth Economics (EE) to compare the potential impact of the Solwara 1 project with terrestrial copper mines, two existing and one proposed.[18] Earth Economics does not explain why it only ran its comparison on the copper component of the ore from the Solwara 1 site and not on the significant gold content that will be obtained by Nautilus. The three copper mines chosen as comparison sites by EE are particularly nasty projects. MiningWatch can only applaud the irony that a mining company has paid for a comprehensive review of very well-known, well-researched, and well-documented devastating social and environmental impacts associated with mining as it occurs all over the world. However, the confidence that EE displays that deep sea mining of hydrothermal vents will be less environmentally damaging remains unsupported. It is more factual to describe it as an expansion of environmental damage of a new and different kind, with as yet largely unknown impacts, in a previously un-mined environment.

Earth Economics relies for its analysis on studies paid for and supported by Nautilus, but does not critically assess these studies or address the kinds of concerns with the EIS that are raised above. Furthermore, EE seems to be willing to adopt the same kind of unsupported optimism that other paid consultants display. For example, in regard to potential recovery of the mined out Solwara 1 site EE says that “[a]s Nautilus indicates (...) the mine site could recover quickly following disturbance, if adequate hard substrates and larval recruits are available.” The fact is that independent scientists have long pointed to the slower than usual recovery of deep sea ecosystems due to harsh conditions in the deep sea[19] and even the EIS notes that “[i]t is thought that rates of colonisation and growth of organisms such as the bamboo coral *Keratoisis* on hard inactive substrates are slow (Van Dover, 2000a) and hence, recovery of *Keratoisis* and its associated fauna may take longer than recovery of active vent communities.” (EIS 9-23) While discussion of recovery of the mine site is based on hypothesis, it is at least as realistic to be pessimistic as to be optimistic.

The EE report relies heavily on an analysis of copper as facing steadily increasing demand, essential to human development, and decreasing in terms of economic deposits on earth. These arguments set EE up to argue that recovery of the high grade deposits that Nautilus is seeking to mine as important for human development. Leaving aside the current collapse in demand and prices for copper, it must be understood that hydrothermal vents are not abundant, and hydrothermal vents that are economic to mine even less so. And while the metal grades in hydrothermal vents are higher than most metal grades on earth, it has been noted that the total metal content of hydrothermal vents is lower than that of ore deposits on land. “It is therefore unlikely that the marine mining of massive sulphides will have a significant impact on global resource supply.” [20] In other words, terrestrial mining will continue unabated. In that case, the harm caused by terrestrial mining will only be supplement-

ted by harm to the marine environment. Finally, there is an obvious observation which must nonetheless be made, namely, that changing operating environments from terrestrial to marine does not change the nature of the industry itself, which is responsible for often-unnecessary harm in terrestrial mining. It is the very same industry that is associated with ongoing devastation at existing and planned mines around the world, devastation well described by EE, that is now seeking profits from the sea: the same industry, the same investors, the same funders, the same profit motives. It is simply not believable that just by changing ecosystems this beast will also change its spots.

[1] Other potential targets of future deep sea mining operations are polymetallic or manganese nodules, which are found at depths below 4000 metres and cobalt crusts on the sides of undersea mountains at depths of 1000-3000 metres.

[2] For example, copper concentrations in mineable deposits on land will be around 0.6 % while copper grades at the Solwara 1 site are around 7.2%. Canadian Geographic. May 13, 2014.

<http://www.canadiangeographic.ca/blog/posting.asp?ID=1160>

[3] What is seafloor mining? Woods Hole Institute. Accessed July 2, 2015.

<http://www.whoi.edu/main/topic/seafloor-mining>

[4] Ibid.

[5] Twelve humans have walked on the moon. The greatest depth achieved by humans in submersibles is about 1100 metres. Only three humans have reached this depth.

<http://news.nationalgeographic.com/news/2012/03/120325-james-cameron-mariana-trench-challenger-deepest-returns-science-sub/>

[6] International Seabed Authority. See <https://www.isa.org.jm/> The ISA was established under the 1982 United Nations Convention on the Law of the Sea.

[7] Center for Ocean Solutions. “Managing mining of the deep seabed: Contracts are being granted, but protections are lagging.” ScienceDaily, 9 July 2015.

[www.sciencedaily.com/releases/2015/07/150709145151.htm](http://www.sciencedaily.com/releases/2015/07/150709145151.htm). For a list of the sites see

[https://www.isa.org.jm/sites/default/files/files/documents/isba-21lrc-8rev1\\_1.pdf](https://www.isa.org.jm/sites/default/files/files/documents/isba-21lrc-8rev1_1.pdf)

[8] See <http://www.deepseaminingoutofourdepth.org/>

[9] Another 14 ISA licences are for exploration for polymetallic nodules, and 3 for exploration for cobalt crusts. See <https://www.isa.org.jm/news/isa-council-debate-exploration-contract-extension-hears-status-report>

<https://www.isa.org.jm/sites/default/files/files/documents/sb-21-2.pdf>

[10] See <https://www.isa.org.jm/sites/default/files/files/documents/sb-21-2.pdf>

[11] The meeting of the ISA in Jamaica to discuss regulations for deep sea mining is attracting a significant amount of attention. Avaaz has a petition calling for a moratorium at

[https://secure.avaaz.org/en/deep\\_sea\\_mining\\_loc/?copy](https://secure.avaaz.org/en/deep_sea_mining_loc/?copy); see also The Center for Biological Diversity sent out the following media release:

[http://www.biologicaldiversity.org/news/press\\_releases/2015/deep-sea-mining-07-16-2015.html](http://www.biologicaldiversity.org/news/press_releases/2015/deep-sea-mining-07-16-2015.html)

[12] See <http://www.deepseaminingoutofourdepth.org/> MiningWatch has served on the management committee of the Deep Sea Mining Campaign since its inception. The campaign is staffed by Dr. Helen Rosenbaum and Natalie Lowrey and is a **Project of The Ocean Foundation, a Partner of Mission Blue/Sylvia Earle Alliance and a Member of the Deep Sea Conservation Coalition.**

[13] See <http://www.deepseaminingoutofourdepth.org/report/>

[14] See <http://www.miningwatch.ca/submarine-tailings-disposal-toolkit>

[15] For the Environmental Impact Assessment see

<http://www.cares.nautilusminerals.com/Assets/Documents/Main%20Document%20Text.pdf>

[16] See Submarine Tailings Disposal Toolkit <http://www.miningwatch.ca/submarine-tailings-disposal-toolkit>

[17] Earth Economics notes that “High levels of genetic diversity amongst microorganisms have also been found at the Solwara site, with few “dominant” species. Typical ranges for any given species are generally below one metre. Species only feet away from each other might have little or no relation

or shared genetic material.” <http://www.nautilusminerals.com/i/pdf/Environmental-and-Social-Benchmarking-Analysis.pdf> p.25.

[18] See <http://www.nautilusminerals.com/i/pdf/Environmental-and-Social-Benchmarking-Analysis.pdf>

[19] See for example Center for Ocean Solutions. “Managing mining of the deep seabed: Contracts are being granted, but protections are lagging.” ScienceDaily, 9 July 2015.

[www.sciencedaily.com/releases/2015/07/150709145151.htm](http://www.sciencedaily.com/releases/2015/07/150709145151.htm).

[20] See [http://worldoceanreview.com/wp-content/downloads/wor1/WOR1\\_chapter\\_7.pdf](http://worldoceanreview.com/wp-content/downloads/wor1/WOR1_chapter_7.pdf)

### **Consortium favoured for Solomons' gold mine**

Radio New Zealand, July 20, 2015

*The local owners of the abandoned Gold Ridge mine in Solomon Islands are courting a consortium of companies to help restart operations at the gold mine.*



The sun setting at Gold Ridge mine, Solomon Islands; Photo: Koroi Hawkins

Gold Ridge Community Investments acquired the mine from Australian company St Barbara in April, a year after flash floods forced its closure. The chairperson of the landowners company, Walton Naezon, says they are looking at taking a different approach to the way the mine has been run in the past. Mr Naezon says they are hoping to partner with several companies who can specialise in different aspects of the mine operation. "We have already talked to a few companies. We have made some commitments and agreements with a few companies already on site. They are here already in the country. That is the commitment we need to rebuild the confidence. Those are things that I am working on at the moment with a few investors that I spoke to." Walton Naezon says the first order of business is to empty the mine's dangerously full tailings dam, which has been declared a disaster zone by government authorities. He says a functioning tailings dam is an integral part of the plan to resurrect the mine.

### **Newcrest Papua New Guinea gold mine remains suspended after worker's death**

Reuters, SYDNEY, July 20, 2015

Gold and silver mining remains suspended at Papua New Guinea's Hidden Valley mine following the death of a worker on July 18, joint venture partner Newcrest Mining of Australia said on Monday. "Safety is our number one priority and production at Hidden Valley is suspended until

further notice," spokeswoman Rachel Eaves said in an email to Reuters. It is the second incident in little over a month where a Newcrest mine in Papua New Guinea has been forced to suspend production. The company's larger Lihir gold mine on Lihir Island in the Bismark Sea was shut for 36 hours in June due to a dispute over a compensation package.

The Hidden Valley mine is owned 50-50 by Newcrest and Harmony Gold Mining Ltd of South Africa. The employee was fatally injured in an incident on a road at the mine site and an investigation was underway, according to an earlier Newcrest statement. It was not immediately clear what had led to the fatality, according to Eaves. The Hidden Valley mine has a production target of a quarter of a million ounces of gold and 2.5 million to 3.0 million ounces of silver annually. Because the incident occurred after the end of the fiscal 2015 year on June 30, analysts were not expecting any impact annual production figures scheduled to be released on July 23

### **Local firm likely to start mine exploration**

The National, July 20th, 2015

By ERIC BALARIA

A LANDOWNER company in Goroka, Eastern Highlands, will soon begin mine exploration on their own land. Giopa Holdings Ltd got their exploration licence from Mineral Resources Authority to explore copper and gold in Kufia-Kombofari prospect area on the border of Eastern Highlands and Madang last week. Managing director Kondango Wau said it was their objective to have ownership of the resources and the licence would allow them to explore their own resources without foreign control. "Our resources were formerly owned by a foreign miner that owned the exploration licence to our land. We saw that we were missing out from any development that was supposed to come to us from the exploration that was happening on our land.

"We saw that there were other areas in PNG that were owned by foreign companies that went in for exploration activities. Their exploration report did not indicate the to landowners of what was available on their land. "For us, we couldn't be just landowners and claim for environmental damages and royalty issues but we wanted to take ownership, 100 per cent equity and not royalty.

"And that was the main aim for us to have ownership of the land so that we have exploration data available so that we could eventually venture into mining if the data proved viable. Wau said the company was locally funded by the 59 clans of the prospect area with support from provincial and National governments.

### **Landowners agree to force closure of LNG operations in Hides**

Post-Courier, July 19, 2015

By ANDREW ALPHONSE

THE \$US18 billion PNG LNG project will be forced to close down this Wednesday by angry landowners from the Hela province. This is if the State fails to respond in the next two days favorably to a series of demands delivered by the landowners two weeks ago. Prime Minister Peter O'Neill is aware of these issues raised by the landowners. Copies of the 21 points petition has also being delivered to key government ministers, departmental heads and line government agencies aligned with the LNG project. LNG project developer ExxonMobil (PNG) Ltd led consortium has also being given copies of the petition. ExxonMobil last week said that they have fulfilled their obligations in the LNG project and it was up to the landowners to pursue the matter with the State. Mr O'Neill when commissioning the Port Moresby LNG powered electricity project two weeks ago reportedly said that all the benefits for the landowners in the LNG project will be honored and paid.

However, as days wind down and the 21 days notice delivered lapses on Wednesday, the landowners are adamant of shutting down the LNG project at Hides PDL 1 and Hides 4 PDL 7 in Komo. Last Friday, in a show of solidarity to emphasize their intentions of shutting down the LNG plant at Hides, landowner leaders from Hides PDL 1 and Hides 4 PDL 7 called a media conference indicating their unanimous decision to close down the LNG conditioning plant site at Para village in Komo. The landowners made these known through their selected spokesmen Andy Hamaga (Haja clan-PDL 7), Wandiago Kau (Topani-PDL 1), Chief John Kaloma (Aku-PDL 1), Ngini Mabuli (Takuali-PDL 7), Hamule Ngiame –Pi Koma-PDL 1), Hiwa chief Amaya Ola (Kopiya-PDL1 and 7) and. The landowners blamed the State for not coming good and honoring its part of the LNG agreement signed during the umbrella benefits sharing agreement (UBSA) in May 2009 in Kokopo and the licensed based benefit sharing agreement (LBBSA) at projects.

They said as landowners they were important party to the UBSA signing yet to date with more than 100 shipments of the LNG cargoes sold the landowners benefits in equity and royalties which is legally binding and signed in the UBSA and LBBSA are not being honored by the State and the developer. They said the lame excuse of landowners cannot be paid as the State and developer have not completed the landowner identification studies (LIS) and social mapping is unaccepted as both the State and the developer has failed them. Amongst the list of demands, they called on the State to deliver the K29.28 million outstanding business development grants (BDG) for the six Hiwa- Tuguba blocks in Hides PDL 1 project area. In the petition dated 30 June 2015 and signed by more than 50 landowner leaders, they warned of forceful shut down of all LNG operations in Hides like the gas conditioning plant, Kopeanda land- fills, well-pads B, C, D, E, F and G, Juni Training Centre, access road, spine-line, Pit 1 & 2, Hides gas power plant site, Kirapo water source, pipeline and Hides gas electricity project.

### **Hela Landowners confirm LNG closure**

Post-Courier, July 17, 2015

LANDOWNERS of the Hides gas field in Hela Province have agreed to shut down the multi-billion kina project toda. The decision to shut down the project was made during a gathering by landowners yesterday following claims that the State and the developer, ExxonMobil, have failed to respond to a petition they had delivered two weeks ago. Hides PDL 7 landowner umbrella association chairman Chris Payabe said the decision to close the project was regrettable but the landowners were left with no other option. Payabe said it would remain closed until they receive a favourable response. They have called on the Government and the Hela and Southern Highlands Provincial Governments and ExxonMobil to go to Hides and explain to the people why they should not close the project. He said the landowners have been denied their rights to the benefits as per the umbrella benefit sharing and the landowner based benefit sharing agreements.

Payabe said the partners in the PNG LNG project like the Kumul Petroleum Holdings Limited, formerly the National Petroleum Company of PNG has declared profit and paid a dividend of more than K870 million to the state this week while Oil Search also declared its profits from the PNG LNG Project. However, he said the landowners who are suppose to benefit once the first shipment leaves the shores of PNG as per the agreements are still waiting. ExxonMobil PNG when contacted said the company is concerned that benefits associated with this project have not yet been received by the true landowners. "ExxonMobil PNG has fulfilled its responsibilities under the Oil and Gas Act and project agreements. PNG LNG continues to pay landowner royalties into a government nominated Trust Account with the Bank of PNG and MRDC continues to receive equity dividends from the PNG LNG project. We encourage anyone with concerns to contact the Department of Petroleum and Energy and MRDC. Government authorities could not be reached for comment.

## **PNG LNG Landowners Call Benefit Sharing Agreement ‘Failed’**

*\$423 million in grants ‘misappropriated’ or ‘pending’*

By Merolyn Ten

PORT MORESBY, Papua New Guinea (PNG Post-Courier, July 17, 2015) – PNG LNG Project landowners want an explanation and investigation on the "failed commitment" for the Umbrella Sharing Benefit Agreement grant of 2010-15 phase one. Behalf of the LNG Project sites Landowners, Bobby Pari, one of the claimed landowner and Chief consultant to the project said a total of K1.2 billion [US\$423 million] Umbrella Sharing Benefit Agreement (USBA) grant is believed to be misappropriated or still on pending due to unknown reasons. "The USBA agreement signed at Kokopo by over 300 landowners and the Government was a complementation of the 2000 purchase of the Environmental impact assessment reports which were bided together to access the K12 billion [US\$4.23 billion] loan from the Arab International Petroleum company.

"While the K12 billion was obtained from Arab Internation by Independent Public Business Corporation, it is our understanding that the money is not in the country," Mr Pari said. He said they believe that there is still a massive deplete in the PNG LNG Project benefits for the landowners. "This holdup has greatly affected about 80 per cent of the UBSA signatories and as a result, they have never participated in the macro economical projects in the rural economic since 2010. "Also, we were committed with Infrastructure Development Grants and High Impact grants for 2010- 2015 but no commitments have been met so far," Pari said.

### ***Press Release***

## **Deep-sea Mining Regulations Need Stronger Environmental Protections**

Center for Biological Diversity, July 16, 2015

KINGSTON, *Jamaica*— Scientists and conservationists are calling on the International Seabed Authority, now meeting in Jamaica, to adopt stronger-than-proposed protections for wildlife and oceans in setting environmental standards for deep-sea mining projects. The Center for Biological Diversity, which recently sued the United States government for issuing deep-sea mining permits that circumvent the ISA’s nascent environmental review process, warns that the current push to start strip-mining the ocean floor could do irreparable damage to marine life. “Big corporations are rushing to mine our deep seas before scientists fully understand these mysterious ecosystems or how to protect them. We need to slow this process down and do whatever we can to shield them from the new gold rush,” said Miyoko Sakashita, oceans program director for the Center. “And we don’t think the United States should be defying the international system and breaking its own environmental laws to permit deep-sea mining.” In May the Center sued the U.S. government for issuing exploratory permits to a Lockheed Martin subsidiary for mining work in the Clarion-Clipperton Zone halfway between Mexico and Hawaii. That claim is independent of the ISA, which includes the 161 nations that have adopted the United Nations Convention on the Law of the Sea.

Also in May the Center submitted comments to the ISA on the development of its regulatory process, supporting proposals by the Deep-Ocean Stewardship Initiative to establish an independent review board and to broaden the ISA’s focus on individual projects to take into account regional and cumulative impacts. In addition the Center urged the ISA to improve its public noticing and comment procedures and to deny applications that involve significant environment impacts. Meanwhile the Center for Ocean Solutions published a study in the July 9 issue of *Science* calling for the ISA to create marine-protected areas in international waters where mining would be banned, a proposal the Center also supports. “This sort of large-scale industrial mining on our ocean floors is

inherently destructive, so we need to do all we can to protect sea life from its impacts,” Sakashita said.

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 in the past, but technological advances and skyrocketing prices for these materials have led to a strong push by the mining industry. The ISA has issued 26 exploratory mining permits in international waters, and another project permitted by Papua New Guinea in its territorial waters, Solwara I, could soon become an active commercial mining operation. The ISA’s 21st annual session in Jamaica began July 14 and ends July 24. Learn more and read about the Center’s lawsuit at [www.biologicaldiversity.org/campaigns/deep-sea\\_mining/](http://www.biologicaldiversity.org/campaigns/deep-sea_mining/).

## **Deep seabed mining regulation in the Pacific**

By Robert Makgill and Ana P Linhares, New Zealand Law Society, 16 July 2015

Deep seabed mining is increasingly seen as commercially feasible within the Pacific region. This is because it has vast seabed mineral deposits located outside sovereign territory.<sup>1</sup> Despite advances in seabed mining technology, scientific knowledge concerning the unique biophysical character of the deep sea environment remains sparse. This means there is relatively little information concerning the potential risk of environmental damage associated with proposed seabed mining activities.

### **Obligations**

The exploration and development of natural resources outside sovereign territory is governed under the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Mining the seabed located under the high sea, more commonly known as the Area, is controlled under Part XI of the UNCLOS. Likewise, the right of states to undertake mining within their Exclusive Economic Zone (EEZ) and continental shelf is also established under UNCLOS. These rights to develop natural resources located within the seabed are attended by the corresponding obligations to protect and preserve the marine environment. States and state-sponsored companies proposing to engage in exploration or exploitation of resources in the Area must obtain approval from the International Seabed Authority (ISA).

The Republic of Nauru and the Kingdom of Tonga applied to the ISA to explore the Clarion-Clipperton Zone in April 2008. Located in the Pacific Ocean, to the south and south-east of the Hawaiian Islands, this part of the Area is considered to hold the most promise in terms of commercially viable manganese nodule recovery. Nauru and Tonga subsequently became concerned about their potential liability for damage to the marine environment resulting from seabed mining and postponed their applications. Nauru then requested the ISA obtain an advisory opinion on state parties’ obligations and liability for seabed mining from the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea (the Chamber).

### **Advisory opinion**

The Chamber delivered an advisory opinion on 1 February 2011 answering that each state party has a general obligation of due diligence to adopt “laws and regulations” and to take “administrative measures which are, within the framework of its legal system, reasonably appropriate for securing compliance by persons under its jurisdiction”.<sup>2</sup> The Chamber identified a number of direct obligations through which law-making and enforcement might be given effect. Key obligations identified included the precautionary approach, best environmental practices and environmental impact assessment (EIA).<sup>3</sup>

These obligations would feature strongly in future regulatory efforts within the Pacific region designed to address the lack of information and uncertainty in relation to the impacts of mining on the marine environment. The Chamber went on to find that state parties would be liable for damage arising from the failure of a state to carry out its obligations. On the other hand, adoption of the precautionary approach, best environmental practices and EIA within a state's legislative framework would reduce the risk of liability in cases where environmental damage did occur as the result of seabed mining activities.

### Wave of action

The Chamber's opinion led to a wave of regulatory action throughout the Pacific region. The precautionary approach, best environmental practices and EIA have since found their way into a number of regulatory initiatives including the:

1. European Union and Secretariat of the Pacific Community Regional Legislative and Regulatory Framework for Deep Sea Minerals Exploration and Exploitation (Regional Framework);<sup>4</sup>
2. Cook Islands National Seabed Minerals Policy 2014;
3. Tongan Seabed Mining Act 2014; and
4. New Zealand Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act).

These initiatives can be said to have firmly established the key obligations within the Pacific as central to regulating seabed mining activities. Moreover, the recent decisions of the Environmental Protection Authority (EPA) in *Trans-Tasman Resources and Chatham Rock Phosphate*,<sup>5</sup> concerning applications for seabed mining under New Zealand's EEZ Act, have demonstrated that consideration of the precautionary approach, best environmental practices and EIA require an adequate understanding of the existing marine environment before development can proceed. In declining both applications, the EPA has made clear that lack of information and uncertainty does not require regulators to prevent exploration and development from taking place.

However, the precautionary approach does require the collection of adequate baseline data on existing environments before commencing exploration or development. This is to ensure that any potential environmental changes arising out of lack of information or uncertainty as to the impacts of seabed mining are able to be monitored and controlled to avoid significant adverse effects. The key obligations identified in the Advisory Opinion have been adopted in the Pacific region as regulatory prerequisites to deep sea exploration and development. The decisions made in New Zealand have, in turn, signalled that baseline data is required to proceed where there is imperfect information. It might be said that the obligations identified by the Chamber are serving the regulatory function for which they were intended.

1. See forthcoming publication – Makgill, R. and Linhares, AP., 'Chapter 15: Deep Seabed Mining – Key Obligations in the Emerging Regulation of Exploration and Development in the Pacific', in Warner, R. and Kaye, S. (eds.) Routledge Handbook of Maritime Regulation and Enforcement.
2. *Seabed Disputes Chamber of the International Tribunal for the Law of the Sea Responsibilities and Obligations of States Sponsoring Persons and Entities with Respect to Activities in the Area* (Advisory Opinion) (1 February 2011) ("Advisory Opinion"), at para 110.
3. Anton, D., Makgill, R. and Payne, C., 'Advisory Opinion on Responsibility and Liability for International Seabed Mining (ITLOS Case No. 17): International Environmental Law in the Seabed Disputes Chamber', (2011) 41/2 Environmental Policy and Law 60 to 65, at 63.
4. Secretariat of the Pacific Community (SOPAC Division), Pacific-ACP States Regional Legislative and Regulatory Framework for Deep Sea Minerals Exploration and Exploitation prepared under the SPC-EU EDF10 Deep Sea Minerals Project, (1st ed. July 2012).

5. Trans-Tasman Resources Ltd Marine Consent Decision, *Environmental Protection Authority, dated 17 June 2014*; and Decision on Marine Consent Application by Chatham Rock Phosphate Limited, *Application Ref: EEZ000006, Environmental Protection Authority, 10 February 2015*.

### **Emergency waste disposal planned for Solomons mine**

Radio New Zealand, 16 July 2015

Hundreds of millions of litres of untreated waste water is to be pumped into a major river in Solomon Islands Guadalcanal province over the next few months. The authorities have been forced into declaring a state of disaster for the area and truck in huge amounts of water for the communities which rely on the river for their water supply. Koroi Hawkins reports. Heavy rain in recent weeks has filled the tailings dam from the Gold Ridge mine to bursting point and the government says the risk of the dam breaching is extremely high. Highly toxic sediment in the dam is a potential hazard for communities living downstream once water is released. The Director of the Ministry of Environment Joe Horokou says a licence to discharge the waste is in the process of being approved. JOE HOROKOU: It allows the company to a temporary controlled release of water from the TSF. Their application was for 540,000 cubic metres that is the total that they have applied for to be released from the excessive water level in this TSF. The water set to be released into the Matapono River equates to 216 Olympic sized swimming pools.

A local company Gold Ridge Community Investments Ltd are in talks with investors to reopen the mine after buying it from the Australian company St Barbara in April. St Barbara had repeatedly tried to release the water in a controlled way but its attempts were opposed by the government and local communities who wanted it treated before release. The local company's chairperson Walton Naezon says it is ready to go ahead and release 12 million litres per day at the same time monitoring and testing the downstream water quality. WALTON NAEZON: And it will be controlled by all parties the downstream (communities), the company and the government and the NGOs. So I think I am confident that we are going to discharge clean water not anything related to any chemical. Despite the chairman's reassurances one of the conditions of the license is that all downstream communities be provided with water tanks and an alternative water supply source before any pumping begins.

The people are represented by the Gold Ridge Community and Landowners Association. Its chairperson Dick Douglas is overseeing the delivery and installation of water tanks in the communities. He says they are only agreeing to the release of water as a temporary emergency measure. DICK DOUGLAS: The position of the people is that they would like to treat that water. The treatment plant has to be installed and it has to be treated. But because of the risk is very high at the moment. We are working with the government and working with the company to ensure that the community has to be safe. In order for the gold mine to reopen the tailings dam has to be operational and that cannot happen until all the excess water is released. Tests conducted by the World Health Organisation in December last year found the untreated dam water is not toxic to humans and any traces of toxins would be further diluted in the rivers.

### **Gulf people say no to LNG pipeline in Central**

The National, July 16th, 2015

PEOPLE in Gulf are resisting an LNG pipeline being built from their province to Port Moresby. They are resisting the Elk-Antelope project being called Papua LNG Project. They made their stand clear at a rowdy public forum in Kerema, Gulf, on Tuesday morning, attended by convicted Gulf Governor Havila Kavo, Kerema MP Richard Mendani and Kikori MP Mark Maipakai. The forum

was organised by a community-based monitoring group, Focus Gulf, to demand the developer, French company Total, and the Government to respond to their petition on the announcement of the name change from Gulf LNG to Papua LNG and why the pipeline would run to Caution Bay in Central. "Landowners from the Elk-Antelope and people of Gulf expressed dissatisfaction in the manner in which the developer, without much consultation with the landowners and the Gulf provincial government, had gone ahead to advertise in the media on the second LNG plant site at Caution Bay in Central," group patron Jim Taparu said.

The group presented a petition to Kavo calling for no LNG pipeline to Central and the setting up of a Gulf petroleum umbrella association. They want Total, InterOil, other developers and Prime Minister Peter O'Neill to meet with landowners and the people of Gulf at another forum in Kerema on July 25. They warned that failure to do so could result in shutdown of all major projects, including Elk-Antelope, Bob Cat, Rapture, Triceratops, Wahoo, Moko and Pandora. Maipakai, meanwhile, yesterday accused Kavo and his supporters, including public servants, of using the forum for their gain. "A number of top public servants were spotted taking sides with Kavo at the forum," he said. "The involvement of public servants in the power struggle has frustrated the system of governance in the province." Maipakai said the people of Gulf should be wary that Kavo was a member of the ruling People's National Congress which made a decision on the Gulf LNG Project.

### **Billion dollar coal mine on prime Aussie farmland**

Post-Courier, July 14, 2015

A BILLION dollar coal mine owned by a huge overseas company that is located in prime Australian farmland inched closer to reality this week — but no one wants to claim responsibility for approving it. The latest victory for the proposed Shenhua Watermark coalmine happened on Saturday when it managed to secure federal government approval for its environmental assessment to build a \$1 billion mine near Gunnedah in northern NSW. Once operational, it is expected to run 24 hours a day, seven days a week and will extract 10 million tons of coal a year for 30 years. It is also expected to create up to 600 jobs. Coalmines have rarely been popular with local communities but this one has been particularly controversial because it is situated in the Liverpool Plains, an area of sorghum and legume farms, which is often described as a food bowl for Australia.

The plans will see a large open-cut coalmine constructed across about 35sq km with three large extraction pits. NSW Farmers Association president Fiona Simson said an area the size of 4000 football fields would be disturbed. Prime Minister Tony Abbott was careful to point out yesterday, that the mine was not situated on the fertile "black soil" that is seen as so valuable to agriculture in this region. "It's a mine in the hill country, it's not a mine that is on prime agricultural land," Mr Abbott said. But one of the biggest concerns is whether it will impact on the availability of water. Agriculture Minister Barnaby Joyce, who is also the member of Parliament for the area, has been vocal in his opposition to the mine, saying the "world had gone mad" after federal Environment Minister Greg Hunt gave the project conditional approval.

Defending his decision, Mr Hunt said the federal approval is "subject to 18 of the strictest conditions in Australian history". It has also been subject to four expert reviews and two reviews by the Independent Expert Scientific Committee. "There will be no impact on the availability of water for agriculture," Mr Hunt said. But Mr Joyce has not fallen in line on the issue and said this morning that he was suspicious of scientific advice that found no proof the mine would destroy the nearby water table. - *news.com.au*

## **MRA slams Sinivit miner**

The National, July 14th, 2015

NEW Guinea Gold, the Canadian developer of the abandoned Sinivit gold mine in East New Britain, has been totally irresponsible and ignorant of their duties and responsibilities in taking care of the mine site, Mineral Resources Authority (MRA) managing director Phillip Samar says. He highlighted this yesterday when responding to concerns on risks of further environmental damage and pollution from the mine after resource owners moved into the mine site recently and tampered with cyanide filled vats and vandalised residential camp buildings. He said under the Mining Act, the company currently still had mining lease licence of Sinivit and that had not been cancelled. The process for renewal was still going through motions. "NGG is the owner of the abandoned mine and in this instance they are responsible to ensure that regulations are in place and safety measures are being followed," Samar said.

He said the company had submitted a care and maintenance application to MRA in 2014 which included processes and conditions on a closed mine site where there was a potential to recommence operations at a later date. Samar said, during a care and maintenance phase, production was stopped but the site was managed to ensure it remained in a safe and stable condition. However since then, provincial authorities in ENB have continuously raised grave concerns on possible risks of cyanide spillage into river systems due to tampering of unattended vats by locals in the area. Samar said the Environment and Conservation Department had conducted its own assessment on possible environmental damage and would be taking action while MRA had completed its assessment and would be prosecuting those responsible.

## **Miners told to adhere to law**

Post-Courier, July 14, 2015

SMALL scale miners in the Wau/Bulolo areas, Morobe Province, who have applied for conversion on their mining lease tenements, have been cautioned against using mechanised methods. This is while the applications they have lodged with the Mineral Resources Authority (MRA) are being assessed. MRA had warned penalty notices will be issued on person(s) contravening these regulations. Further that blatant disobedience could result in the closure of the mine site and confiscation of the equipment used to support these "illegal operations." The statement follows concerns raised by locals that there had been a decline in business activities as a result of new laws that MRA had put in place regulating the alluvial mining sector. MRA had in response clarified there was no new law in place, rather that the only one in operation was the Mining Act of 1992. MRA's managing director Philip Samar had explained that Wau and Bulolo areas held the majority of historical mining leases, many of which were issued before the Act had come into effect. Mr Samar said when the act was passed that all these old lease types were required to be converted - this is if mining on them was to continue to either a mining lease-for alluvial purposes or an alluvial mining lease.

He said between 1992 and 1994 applications were lodged for the conversion of these historic tenements but that there had been a time lag in getting them approved. "One of the new lease types required for any mining operation involving mechanised methods. If no machinery including excavator or pump were to be used and only manual labour then the miner need not apply for a conversion." Mr Samar said pre-requisites for the conversion included surveyed boundaries, proposal for development supported by a statement of technical and financial capability and an environment permit. He said many applicants could not afford a survey so the applications were incomplete. Work was further stalled following the organisational restructure that MRA had to undergo. However, he said work had recommenced in 2014 on all the applications that had been lodged between 1992-1994 and was progressing. "The key message is that applicants must complete their documen-

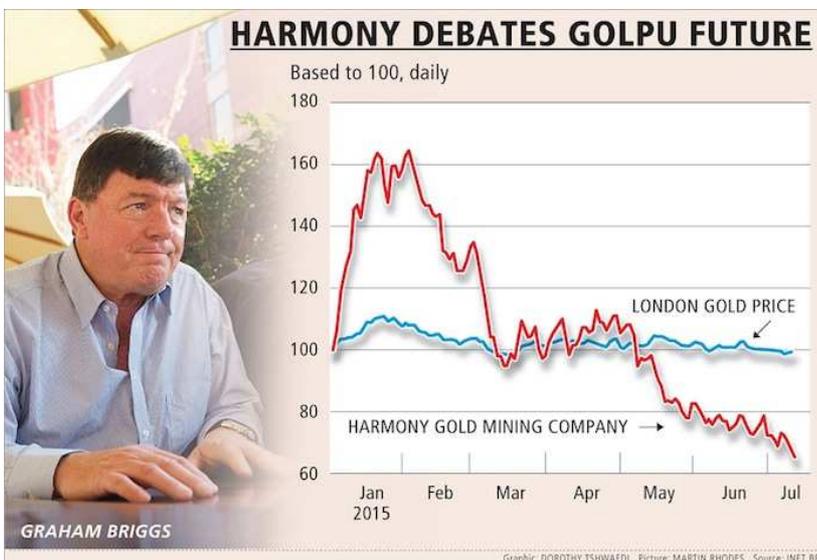
tation requirements as soon as possible so they can commence legal mining if they intend to use mechanised methods to increase their production."

### **Gold Ridge mine: Toxic tailings dam on the brink of overflow; environmentalists fear mass contamination** By Michael Walsh and staff, ABC Radio Australia, 13 July 2015

As heavy rain continues to fall in the Solomon Islands following Tropical Cyclone Raquel last week, fears the Gold Ridge mine's toxic tailings dam will overflow are starting to intensify. The local government declared the area a disaster zone, but experts fear hardly enough precautions are being taken to prevent looming disaster to surrounding communities. The Gold Ridge tailings dam contains millions of tonnes of hazardous chemicals like cyanide and arsenic, and was purportedly not designed to accommodate overstrain. An overflow would heavily contaminate the water supplies for the many people living downstream from the site whose livelihood depends on the same water supply. The dam now sits at 20 centimetres below maximum capacity. Lawrence Makili, the Earth Island Institute's Solomon Islands director, said while some landowners were aware of the rising situation, the majority were not even aware anything was happening or the danger they potentially faced.

"Only those who are aware of the risk or the dangers of what is going to happen are preparing at the moment," Mr Makili said. He said the majority of those living around the mining dam were rural and farming communities who live directly off of the same systems of water. A mass contamination would be catastrophic, and as of yet, there has been no major precautions taken outside of the announcement that the dam might overflow. Australian miner Saint Barbara sold off the mine to the Gold Ridge company in May, after production was suspended for over a year in the midst of disputes over rejected recommendations that the polluted water needs to be released. Part of the handover deal entailed that contamination issues would be dealt with, but Mr Maliki said nothing has been done since. "Nothing as such is happening at the moment," he said, adding that no experts had been sent to the site to perform assessments, create awareness, or put evacuation plans in place. Due to independent campaigning, a few farmers have relocated, he said, but those people constitute a minority. While Mr Maliki fears that government inaction might be due to a lack of means, he maintains that given the direness of situation, the government could, and must do more.

### **Harmony weighs up options for Papua New Guinea project** by Allan Seccombe, BusinessDayLive, 13 July 2015



HARMONY Gold is assessing how best to extract value from its Golpu copper and gold deposit in Papua New Guinea, which is not recognised in its share price. CEO Graham Briggs said the company was aware that investors in the metals had different strategic requirements. Over and above dealing with ageing, low-grade, deep-level mines in SA, Harmony's board is weighing various options around the Golpu deposit it shares with Australia's Newcrest Mining, Mr Briggs said last week. Shareholders balked at the initial \$5bn cost to mine Golpu, forcing the partners to adopt a cheaper, staged plan at a cost of \$2.3bn for the first 27-year phase to extract 3.7-million ounces of gold and 2.2-million tonnes of copper. Harmony would need to find R14bn to fund its half of the project, more than twice its R6bn market capitalisation. The options around Golpu potentially range from an outright sale to unbundling the asset or separately listing it, with the option of Harmony retaining a stake in Golpu.

There is a remote possibility of Harmony retaining the project and other assets in Papua New Guinea and separating the South African mines. The question is also whether Harmony will bundle all its Papua New Guinea assets, which include wholly owned exploration tenements, into a single vehicle or keep the Hidden Valley mine and other prospects within Harmony. Splitting Golpu out of Harmony could "release some of the Golpu project's inherent value", JP Morgan's Allan Cooke said. While Mr Briggs declined to say what options were under consideration by the board, with copper generating 77% of Golpu's revenue and gold 23%, the thinking was that Harmony needed to tailor its portfolio to cater for gold-focused shareholders and those who wanted copper exposure. "My view is we have to look at a different structure and one that can finance Golpu.

"My opinion is if we have that different structure with different shareholders, then we'd be able to attract those investors prepared to invest in Golpu," Mr Briggs said. "Personally, I believe the South African assets can be restructured in the right circumstances to satisfy the gold investors, who are generally shorter-term, dividend-focused shareholders," he said. Harmony has just completed restructuring its Masimong mine after it reshaped its Kusasalethu mine and it is now busy with a similar process at its Doornkop mine as it grapples with soaring costs in SA. It has closed a number of exhausted mines. "It's about looking at investors, the markets and timings to see how we change our strategy to fit the realities we are seeing," Mr Briggs said. The board had asked for information before debating options and going into the finer details of the various plans. "We have not got into the mechanics of what we are going to do and how to do it yet," Mr Briggs added.

Harmony shareholders had to realise the financial benefit of any disposal of Golpu or the Papua New Guinea assets as a whole because cash generated from the South African mines had funded those assets instead of paying dividends, said an analyst who declined to be named. Mr Briggs said the definitive feasibility study into the first phase at Golpu would be completed by December, which would give potential investors firm data to value Golpu. "If you were going to split or separate somehow, you could maybe do it when the next project report is out. If you were to do something, that's the time you'd do it," Mr Briggs said. Timing was critical to any decision, he said and pointed to the turbulent nature of the global commodity market, uncertainty about Chinese demand for resources and investors' appetite for resource companies.

### **Somare supports Frieda mine's progress**

Post-Courier, July 13, 2015

BY GORETHY KENNETH

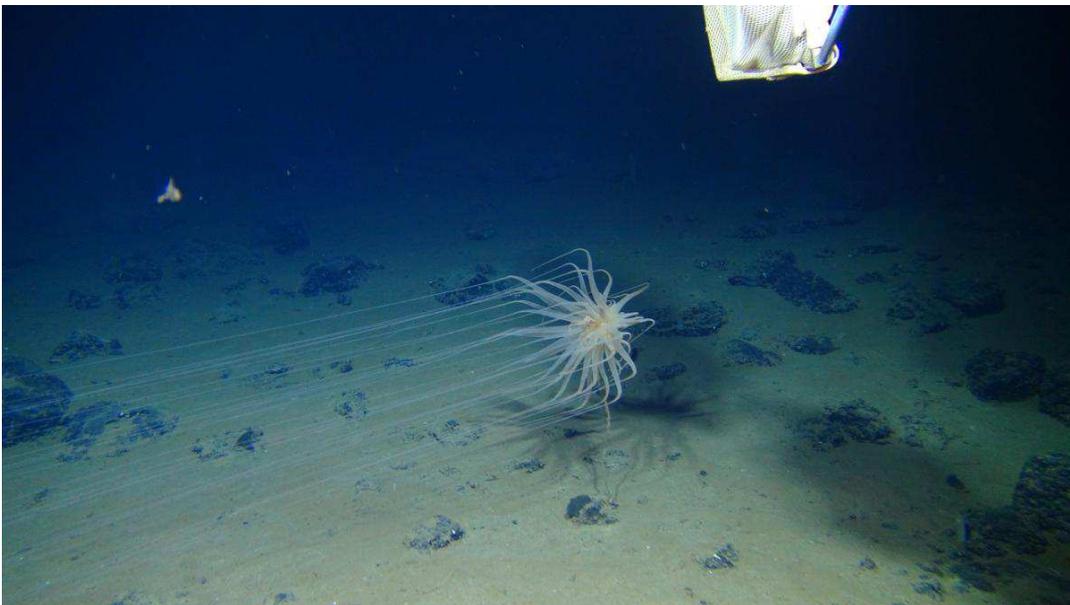
EAST Sepik Governor Sir Michael Somare supports the development of Frieda River copper and gold mine on the border of East and West Sepik Provinces. He said in a statement at the weekend it was with interest that he had followed the movements of players in the marketplace in relation to

this prospective mine. "I acknowledge the recent acquisition by Guangdong Rising Asset Management (GRAM) of China of PanAust Limited of Australia," he said. "And I am encouraged by the assurance that I have so far received that PanAust will remain as project managers for the development of the Frieda River mine project." Highlands Pacific own 20 per cent interest in the Frieda River Gold Project which is PNG's largest underdeveloped copper-gold opportunity, containing a resource inventory of 13 million tons of copper, 20 million ounces of gold and 49 million ounces of silver. "I also note that the PNG Government has a right to acquire up to 30 per cent of the interest and therefore I have been in constant discussion with the National Government through Treasury Minister Patrick Pruaitch on the development of the Frieda River Mine Project.

"In addition, the provincial administrations of both Sepiks have been in dialogue with PanAust for a considerable period and I have been briefed of these ongoing discussions through the acting Provincial Administrator for East Sepik Mrs Elisabeth Kaprangi. "As GRAM is predominantly an asset management company and not a project developer or operator, it intends to maintain the management team PanAust. "PanAust can now rely on a stronger Chinese-backed balance sheet to help finance the Frieda River Project when it goes towards final investment decision (FID), giving greater financial certainty to the project," Sir Michael said. PanAust operates in other markets including Chile and Laos where it has received accolades for its high operating standards and its social and community endeavours. Sir Michael said he was hopeful that PanAust would continue to maintain these high standards of performance in all aspects of its operations in PNG, specifically the Sepik, noting that it had already started work on a new feasibility study in the Frieda River Project.

### **Protecting the deep sea: a call for balancing mining and ecosystem protection**

Center for Ocean Solutions, July 9, 2015



*Relicanthus* sp. - a new species from a new order of Cnidaria collected at 4,100 meters in the Clarion-Clipperton Fracture Zone (CCZ) that lives on sponge stalks attached to nodules. Credit: Craig Smith and Diva Amon, ABYSSLINE Project.

Monterey, CA - Thousands of feet below the ocean's surface lies a hidden world of undiscovered species and unique seabed habitats—as well as a vast untapped store of natural resources including valuable metals and rare-earth minerals. Technology and infrastructure development worldwide is dramatically increasing demand for these resources, which are key components in everything from cars and modern buildings to computers and smartphones. This demand has catalyzed interest in mining huge areas of the deep-sea floor. In a paper published this week in *Science*, researchers from the Center for Ocean Solutions and co-authors from leading institutions around the world propose a

strategy for balancing commercial extraction of deep-sea resources with protection of diverse seabed habitats. The paper is intended to inform upcoming discussions by the International Seabed Authority (ISA) that will set the groundwork for future deep-sea environmental protection and mining regulations.

“Our purpose is to point out that the ISA has an important opportunity to create networks of no-mining Marine Protected Areas (MPAs) as part of the regulatory framework they are considering at their July meeting,” says lead author Lisa Wedding, an early career science fellow at the Center for Ocean Solutions. “The establishment of regional MPA networks in the deep sea could potentially benefit both mining and biodiversity interests by providing more economic certainty and ecosystem protection.” The ISA is charged with managing the seabed and its resources outside of national jurisdictions for the benefit of humankind. According to the United Nations Convention on the Law of the Sea (UNCLOS), the deep seabed is legally a part of the “common heritage of mankind,” meaning that it belongs to each and every human on the planet. “The ISA is the only body with the legal standing and responsibility to manage mining beyond national jurisdiction,” said Kristina Gjerde, an international high-seas lawyer and co-author on the *Science* paper.

Since 2001, the ISA has granted 26 mining exploration contracts covering more than one million square kilometers of seabed, with 18 of these contracts granted in the last four years. Researchers recommend that the ISA, as part of its strategic plans to protect deep-seabed habitats and manage mining impacts, take a precautionary approach and set up networks of MPAs *before* additional large claim areas are granted for deep seabed mining. “Given our paltry understanding of deep-sea environments, regional networks of MPAs that designate significant portions of the deep seabed as off-limits to mining would provide key insurance against unanticipated environmental impacts,” said co-author Steven Gaines, dean of the Bren School of Environmental Science & Management at the University of California at Santa Barbara.



A 26-year old test mining track (1.5 m wide) created at the seafloor of the CCZ illustrating the extremely slow recovery of these abyssal ecosystems from physical disturbance. Credit: Copyright Ifremer, Nodinaut cruise (2004).

Mining impacts could affect important environmental benefits that the deep sea provides to human beings. For example, the deep sea is a key player in our planet’s carbon cycle, capturing a substantial amount of human-emitted carbon which impacts both weather and climate. Mining activities could disturb these deep-sea carbon sinks, releasing excess carbon back into the atmosphere. The deep sea also sustains economically important fisheries, and harbors microorganisms which have proven valuable in a number of pharmaceutical, medical and industrial applications. “Deep-sea areas targeted by mining claims frequently harbor high biodiversity and fragile habitats, and may

have very slow rates of recovery from physical disturbance,” said Craig Smith, a co-author and professor of oceanography at the University of Hawaii at Manoa. Smith and a team of scientists, helped the ISA pioneer the deep sea’s first regional environmental management plan in 2012. Located in an area of the Pacific Ocean known as the Clarion-Clipperton Zone (CCZ), the plan honored existing mining exploration claims while protecting delicate habitats by creating a network of MPAs. The CCZ serves as a model for how future deep-sea ecosystem management could unfold.

“This kind of precautionary approach achieves a balance of economic interests and conservation benefits,” said Sarah Reiter, a co-author and former early career law and policy fellow at the Center for Ocean Solutions who now works as an ocean policy analyst at the Monterey Bay Aquarium. The upcoming ISA session on July 15th represents a critical juncture for defining the future of deep-sea mining and protection. “The time is now to protect this important part of the planet for current and future generations,” said Larry Crowder, a co-author and science director at the Center for Ocean Solutions and senior fellow at the Stanford Woods Institute for the Environment. “Decisions that affect us all will be made by the ISA this summer.”

*The Center for Ocean Solutions is a collaboration among the Stanford Woods Institute for the Environment, the Hopkins Marine Station at Stanford University, the Monterey Bay Aquarium and the Monterey Bay Aquarium Research Institute. The Center works to solve the major problems facing the ocean and prepares leaders to take on these challenges. For more information see [center-foreceansolutions.org](http://center-foreceansolutions.org).*

### **Solomon Islands mine declared 'disaster zone' over dam collapse fears**

Stefan Armbruster, SBS, 9 Jul 2015



Gold Ridge mine in the Solomon Islands (supplied)

A gold mine sold for A\$100 by an Australian company to landowners in the Solomon Islands in May has been declared a disaster area by the government. Solomons Environment minister Samuel Manetoali said the tailings dam at the Gold Ridge mine, 30km outside the capital Honiara, is in a perilous condition. Heavy rain after unseasonal Tropical Cyclone Raquel last week has now filled the dam to about 20 centimetres below capacity, its highest ever recorded level. The dam holds tens of millions of tonnes of toxic sludge and was not designed as a water storage facility. Landowners and the government fear the dam wall will erode and could collapse, if there is an uncontrolled release of water. The tailings contain concentrated levels of arsenic and cyanide and other heavy metals. A condition of the sale by Australian miner St Barbara to GoldRidge Community Investment Limited (GCIL), a local landowner company, was the transfer of all legal liability.

Thousands of people live downstream from the dam and have welcomed the government's disaster declaration. "We will continue to discuss with the government other things related to dewatering," said Walton Naezon, GCIL manager and former local MP, told the Solomon Islands Broadcasting Commission. "(It) must be perfectly done and then once we are all satisfied and all stakeholders satisfied and communities well-informed then we will continue with the dewatering process." Australian miner St Barbara sold the mine to landowners in May after it was shut down by a flash flood and then looted in April last year. Landowners hope to find a new investor to restart the mine and maintain the tailings dam. St Barbara abandoned the operation after the Solomons government repeatedly refused to allow it to release untreated water from the already dangerously full tailings dam.

The Australian Stock Exchange-listed company lost over \$300m in the two years it operated the almost 20-year-old mine. As part of the A\$100 deal, St Barbara must install a new water treatment plant so clean water can be pumped out of the dam into the local river system. A World Health Organisation report commissioned by the Solomon Islands government earlier this year found the untreated water would pose a limited environmental risk if released. Bob Vassie, managing director and CEO of St Barbara said in a statement to SBS: "New ownership of the mine has finally focused the Solomon Islands Government on the urgent need to start pumping to lower the water levels." "This is something the Government repeatedly rejected during our tenure, even when the World Health Organisation recommended it in February this year". The Solomon Islands government has been contacted by SBS for comment.

### **Potential in petrochemicals**

The National, July 9th, 2015

A NATIONAL petrochemicals industry has great potential for our nation, Prime Minister Peter O'Neill says. He said Papua New Guinea would improve its own energy security by using more of the gas for power generation. O'Neill's comments followed the decision by Total SA and partners on locations for plant site and central processing facility for Elk/Antelope Gulf gas field to be known as Papua LNG. He said Papua New Guineans should benefit the most from the gas resources. "We have to ensure that the people of Papua New Guinea have the opportunity to utilise our gas for domestic economic activity," O'Neill said. He said there would be a number of announcements made by the joint venture partners in the coming months as they continue to complete surveys and analysis on specific construction items.

"The next two years will see work underway that will include social mapping and land identification studies, societal impact assessments, and the finalisation of construction requirements," O'Neill said. "The Government stands ready to move ahead with preparatory work, including ensuring regulatory requirements are met and processed, and environment studies are undertaken. "There will be further clarification of arrangements between the project and the Government and the marketing of Papua LNG will be underway. "The gas from the Elk-Antelope field is high quality and despite current global energy prices, by the time Papua LNG reaches the market it is anticipated energy prices will have improved. "Our proximity to the constantly growing Asian market places Papua LNG in a very strong competitive position," O'Neill said.

### **Mining graduates without jobs**

post-Courier, July 09, 2015

GOVERNMENT should partner with mining companies to creating avenues for the growing number of mining engineering graduates who are without jobs. This was the sentiment expressed re-

cently by Norman John Puk, a mining engineering graduate from the Papua New Guinea University of Technology. Mr Puk said that the mining engineering graduates from Unitech are world-class but the National Government was not creating enough jobs for the new graduates. The mining engineering department in support of Government's Vision 2050 has increased the number of its intakes for the mining engineering and mineral processing studies every year. However, there is not enough space to cater for the graduate programs from the mining companies operating in PNG.

Mr Puk said that he has found from his own research that out of every 50 graduates each year, less than 15 graduates are accepted up by the mining industry while the rest remain jobless. "The number of unemployment is increasing every year and the current mining graduates without jobs may mount up to over hundreds," Mr Puk said. He said that the Mining Ministry should look into this and create opportunities for the growing number of intellects out in the streets. He suggested that the PNG Government should sign a partnership agreement with the mining companies to include mining graduates to undergo compulsory graduate training so that they can qualify for mining jobs abroad or in PNG.

### **PNG PM Welcomes Plans For Another LNG Project**

*Total SA, venture partners decide to proceed with Papua LNG*

PORT MORESBY, Papua New Guinea (The National, July 9, 2015) – Prime Minister Peter O'Neill has welcomed the decision by Total SA and venture partners to proceed with the Papua LNG project. Negotiations will continue to ensure that gas not only derives export income, but provides a strong direct input to economic development through downstream industries and electricity production. "The third train of LNG is the next major economic development project for our nation, and will employ 10,000 workers in the construction phase," he said. "Most of the workforce will be Papua New Guineans. And as we saw with the PNG-LNG construction, it will provide a major boost to skills and capacity in our workforce.

"We have to keep moving forward with the next phase of this project, as agreed with Total and partners, so that we reach project milestones on time and the economic benefits of the project can be realised. "Very importantly there will be ongoing negotiations to ensure clear national benefits from each stage of the process are shared with Papua New Guineans. "We have to ensure that the people of Papua New Guinea have the opportunity to use our gas for domestic economic activity. "A national petrochemicals industry has great potential for our nation, and we want to improve our own energy security by using more of our gas for power generation." "The next two years will see work underway that will include social mapping and land identification studies, societal impact assessments, and the finalisation of construction requirements."

### **Solomons Government Declares State Of Disaster At Gold Mine**

*Gold Ridge tailings dam threatens downstream communities*

HONIARA, Solomon Islands (Solomon Islands Broadcasting Corporation, July 8, 2015) – Gold Ridge downstream communities have welcomed the announcement by the Democratic Coalition for Change Government to declare a state of disaster over the Gold Ridge area. The Minister of Environment, Climate Change, Disaster Management and Meteorology Samuel Manetoali yesterday declared a state of disaster over the Gold Ridge area, following water threats from the Tailings Storage Facility at the mine site. Speaking to SIBC News, Gold Ridge Mining Investment Limited (GRMIL) Manager Walton Naezon said downstream communities are pleased with the initiative taken by the national government. Mr Naezon said GRMIL is discussing the de-watering process with the Government and stakeholders. "We will continue to discuss with the government other

things related to dewatering must be perfectly done and then once we are all satisfied and all stakeholders satisfied and communities well-informed then we will continue with the dewatering process."

### **Cyanide spill a risk**

The National, July 8th, 2015

By ELIZABETH VUVU

CONTAINERS holding two tonnes of cyanide have been forced open, with spills making their way into the main waterways in the closed Sinivit Gold Mine in East New Britain. Another container filled with explosives and other detonating devices was ransacked recently and all its contents stolen. Acting provincial administrator and disaster committee chairman Akuila Tubal said: "The risk of further environmental damage and pollution from Sinivit has escalated to new levels when a group of people removed what was left of the cyanide-filled vats." "In addition, cyanide and other dangerous chemicals had continued to drain into the soil. Canvas covering all 17 vats there have been removed and stronger layers holding the ore in each vat have been ripped open, posing greater risks for people and environment. People downstream are exposed to these dangerous chemicals."

The main administration block at the site was allegedly burnt down by a group of people last month. Reports said the people were helping themselves to material from the residential camp areas and the processing plant. Tubal said a task force team last weekend inspected the damage and the administration was awaiting its recommendations. "Our aim is to protect our people's lives and counter the risks stemming from the cyanide and other dangerous chemicals flowing downstream. "We do not want to see further damage and vandalism by a few disgruntled people," he said. "We are at greater risk here because of the approaching rainy season and flooding, especially our people downstream."

### **Bid to find 'saviour' for Solomons gold mine amid toxic sludge fears**

Stefan Armbruster, SBS, 7 July 2015

A gold mine abandoned by an Australian company and threatening a possible environmental disaster in the Solomon Islands is up for sale. Australian-based mining company St Barbara sold Gold Ridge to the landowners in May for just \$A100 after losing hundreds of millions of dollars on the project. Land owners are now in a race against time to find a new investor to reopen the mine and secure its tailing dam. "That's the most difficult thing we are trying to do," said Ben Afuga, a local landowner and a director of GoldRidge Community Investment, the mine's current owner. "So we do a make-up, put on some cosmetic and hopefully attract someone who hasn't seen this woman before and is happy to go with her in bed, so we are looking for someone to sleep with and hopefully that will be our husband for the full life of this mine," he said, alluding to the mine's chequered history. In the mountains behind the Solomon Islands capital Honiara there are fortunes to be made and lost. Four owners have tried to tap the fortunes of Gold Ridge. The mine has gone from promising an economic bonanza for the Solomon Islands to an environmental hazard.

Gold Ridge was shut down after it was hit by devastating flash flood and then looted in April last year. St Barbara pulled out, leaving the mine's tailings dam critically full. "It needs active management, the chemistry of the water, the volumes going in, the volumes going out, potentially through evaporation or discharge," said Dr Gavin Mudd, an environmental engineer from Monash University. "If that's not being actively managed that does raise concerns that you could get to a very risky scenario." The mine's water treatment plant was destroyed in last year's looting. "If it was working that would be another way to reduce the water volumes in the dam and help reduce the risks overall, but for a dam like this it needs to be actively monitored and managed, and it doesn't appear to be

the case,” Dr Mudd said. The land owners are poor and they cannot even afford an office in the capital Honiara to sell their mine but they try to maintain the tailings dam. “It’s not properly managed, it’s not properly designed for the highest waters go across [the spillway] because it will cause erosion and there are slides going down and also the toxin of the chemical, so it is risky,” said former mine worker and landowner Densley Tari.

He says the tailings dam is at the highest level he has ever seen it. Last week Tropical Cyclone Raquel just missed the mine. Landowners fear it would take just one more flash flood for the spillway to overflow, eroding the dam wall. “It will break, causing the dam wall [to] collapse,” he said. The government last year rejected St Barbara’s application to release untreated water. A World Health Organisation (WHO) report commissioned by the government supported emptying some water in the short-term, saying pollutants would be naturally diluted. “The science used by the World Health Organisation ... is quite reasonable, I don’t disagree with that at all,” said Dr Mudd. “The way that should be handled is better oversight and better governance to address community concerns, but that requires a lot more active role from government, but that seems to be obviously missing.” The water is not the main concern. A more serious problem is the tens of millions of tonnes of toxic sludge in the tailings dam that could be released. “What are more dangerous are the levels of arsenic and cyanide in the tailing sediments which are extremely higher than the ANZECC (Australian and New Zealand Environment Conservation Council) and WHO guidelines in the order of 30 and 30,000 times higher for cyanide and arsenic respectively,” the government said in a statement in April.

“Once things get out of hand, it will be treated as a natural disaster and the government has an obligation to help in that situation,” said Mr Afuga adding the government had given guarantees. Previous owners, Australia’s St Barbara lost \$A300 million in two years digging holes at Gold Ridge. When the government banned the release of untreated water on environmental grounds, a frustrated St Barbara sold Gold Ridge and all legal liability to the local landowner group for \$A100. “We think it’s a good deal, very cheap for us. We took this opportunity and grabbed it,” said Mr Afuga. “Just like in any business there are risks, and it depends on how you manage the risk, and we’re prepared to take on the risk.” In a statement to SBS, St Barbara said the land owners’ group is experienced in the mine’s operation. “The chairman of GCIL is a former minister of mines involved in the original state agreement for the Gold Ridge Mine and many of the directors and the landowners represented by the deal have previously been employed at the mine since its inception in the 1990s and have a long history with the mine,” it said. “All indications, through the Solomon Islands media and feedback received directly from Solomon Islands government representatives, indicated full support for the ... sale.” “St Barbara is also funding construction, delivery and installation of a water treatment plant (the prior two plants having been destroyed through vandalism) and left pumping equipment in place for the immediate controlled dewatering of untreated water.” The Solomon Islands minister for mines was unavailable for comment. One potential suitor has already walked away and another is wanted, before the next extreme weather event hits.

## **Mining Heads Into The Deep Sea, Raising Environmental Concerns**

HuffingtonPost, Kate Sheppard, 07/07/2015

Mining in the deep sea for minerals is uncharted territory, but one company is well on its way to making it a reality. Now, the company is trying to convince skeptical audiences it's a good idea. Shontel Norgate, chief financial officer of Nautilus Minerals Inc., pitched a roomful of ocean advocates at last month's World Ocean Summit on the idea of deep-sea mining for minerals like copper and gold. Mining offshore, said Norgate, has a smaller environmental footprint than mining on land. Plus, she said, it doesn't require relocating communities or accounting for other human consequences of terrestrial mining. Deep-sea mining, she argued, "appears to be significantly better from

environmental and social perspective." Moreover, Norgate said, many energy technologies of the future, including wind, solar, and hybrid and electric cars, use copper components. "If we're saying no to fossil fuels, we're effectively saying yes to more copper," Norgate told the crowd. "Where is that copper coming from?"

Toronto-based Nautilus has received permission to move forward with a plan to mine one mile below the ocean's surface, off the coast of Papua New Guinea -- the first project of its kind in the deep sea. While oil and gas operations have ventured into deep waters for years, it's new territory for mining. Nautilus expects to begin production at its Solwara 1 mine in 2018. The company predicts the mine will yield around 80,000 tons of copper and 150,000 ounces of gold per year. If the project is successful, the company will seek to expand to two other sites, in Papua New Guinea, and off the coast of the Polynesian nation of Tonga. Many are skeptical of deep-sea mining's supposed benefits, and its environmental implications are relatively unknown. Nautilus has hired the environmental consulting firm Earth Economics to try to assess how a seabed mine might compare with a terrestrial mine. The analysis, released last month, compares likely impacts of the Solwara mine with three terrestrial mines of similar proportions -- Bingham Canyon in Utah, Prominent Hill in Australia, and the proposed Intag mine in Ecuador.

The analysis found that, unlike with terrestrial mines, there aren't issues like community displacement, use of freshwater supplies, erosion, or loss of land for other uses like food production, recreation, or cultural and historic conservation. Deep-sea mining would cause a loss of habitat and genetic resources, affect air and water quality, and use energy and raw materials, according to the analysis. But the overall environmental impact of deep-sea mining would not be as severe as that of an onshore mine, the analysis said. The report also predicted that demand for copper, for wiring and other needs, is likely to continue, and neither land-based mines nor recycling are likely to supply enough. Maya Kocian, a senior economist at Earth Economics, said the firm was cautious in taking on the analysis. Earth Economics normally studies the value of parks and recreation areas, she said. "Nautilus had to come to Seattle to convince our board to do it," said Kocian. "There was hesitation to move forward."

In the end, Kocian said, the firm found that there would be environmental impacts, but the comparison yielded interesting findings. "Mining destroys habitat," said Kocian. "But we have to make tradeoffs." And a full accounting of the impacts can help set appropriate standards for mining, she said. "The mining industry is going to move forward and continue to mine for copper," said Kocian. "It is important that we set standards in place now for both mining on land and in the deep sea." But environmental groups are skeptical of the supposed benefits of deep-sea mining. "We are opening up a totally new industry in the deep-sea environment, and the deep-sea environment is a vulnerable environment," Monica Verbeek, executive director of Seas At Risk, a Brussels-based association of European environmental groups, told The Huffington Post. "It's low in light, energy, and it takes forever for these deep sea creatures to grow and mature. You can do a lot of damage there very quickly." Verbeek argued that the more environmentally sound option would be to invest more in recycling existing minerals and finding alternatives to copper. "Why start this whole industry in a very deep, very fragile environment where working conditions are very difficult?" she asked.

"The truth is that we don't yet know what the true environmental impacts of deep seabed mining are as yet," said Richard Page, an oceans campaigner with Greenpeace, via email. Because the Nautilus operation will be the first, it is being watched with special interest said Page. "We know little about the ecology of the deep sea and the resilience of the system, and the effectiveness of the proposed efforts to assist natural recovery are unknown." Nautilus' Norgate argued that the newness of the exploit into the deep sea gives the company a chance to do things differently. "I certainly believe that if we get this right -- and I am a great believer that we will get this right because of the amount of work we've done -- it does have the potential to start a new industry and change the way we've

been mining copper for decades," Norgate said in an interview. "We have a clean piece of paper here to decide how we want to do this, how we want this industry to be," Norgate continued. "We don't have the baggage that comes with the terrestrial mines or the oil and gas industry. We can take the best of all of those and create a new industry."

## *Editorial*

### **Learning lessons from our past**

The National, July 7th, 2015

The news just gets better and better for Papua New Guinea's liquefied natural gas (LNG) sector. Nine months after the Spirit of Hela carried the first cargo of LNG export to Japan in May, 2014, PNG started reaping the benefits. In February this year, Oil Search Limited announced its first share of cash flow from the PNG LNG project – a whopping US\$850 million (K2.2 billion). The State is a shareholder in Oil Search through the National Petroleum Company PNG (NPCP), which is a partner in the project and received its share of US\$418 million (K1.1 billion). And last Friday, the joint venture partners in the country's second LNG project announced the location of their central processing facility and plant site. According to the announcement, the central processing facility on which the project was based, would be near Purari River in Gulf, about 360km north-west of Port Moresby and would be connected to the LNG facility by onshore and offshore gas and condensate pipelines. Caution Bay near Port Moresby has been selected as the site for the LNG plant. The sites were chosen for their technical, economic and environmental benefits and followed extensive surveys and studies by Total over the past year.

The project will be known as Papua LNG and will be operated by Total SA and partners InterOil and Oil Search. The long-awaited decision is a milestone for the joint venture partners and will be welcomed by all stakeholders, including the landowners and people of Gulf. In the midst of the excitement, there is every reason for PNG to be on guard to avoid falling into the same pitfalls of squandered and misspent revenues from previous resource projects. Moreover, PNG must learn its lessons from the past. In the 1970s, with the opening of Panguna, touted as the world's largest copper mine then, PNG shifted from purely an agricultural economy to start earning foreign exchange from its mineral wealth. Years later, more mines such as Ok Tedi, Porgera, Lihir, Tolukuma joined the club of mineral exporters pumping millions of kina into the economy. Then in the 1990s, PNG became an oil exporting nation, albeit a somewhat insignificant one in comparison to the Arabs and North Africans. Yet that signalled another page in our economic history. So we had money coming in from agricultural produce, minerals and crude oil. LNG has been added to our list of high-earning commodity exports.

Many learned commentators, including international experts, have pointed out the fact that ours is not an issue of resource availability but one of managing those resources. Panguna, at one stage, gave the country's its largest slice of revenue from its 19 per cent stake in the mine yet there was growing discontent among Bougainvilleans as little was going to them in the 17-year mine life. That was compounded with claims of environmental destruction which led to its closure and 10 years of civil war on the island. When oil began flowing from Oil Search fields at Kutubu, Gobe and Mananda, the country again realised a fresh injection of foreign earnings. While the principal company and others indirectly associated with the export of oil, saw significant growth in capital and expansions, the local resource owners have had mixed fortunes. A handful of landowner companies have been outstanding success stories but elsewhere the story is rather bleak. "There is nothing to show for all oil flow," has been an oft-repeated cry from some quarters. Admittedly, governments, landowner groups and individual tribal leaders have missed great opportunities to properly manage and invest the revenues. There has been a lot of wastage, resulting in misery for families and clans. Due

to the anticipated billions of kina from the LNG sector, there are well-founded reservations about PNG's ability to use the benefits prudently. The proposed Sovereign Wealth Fund gives hope that such revenue will be stowed away for the future. Natural resources belong to the country and people. Extraction of these resources can lead to economic growth and social development. However, when poorly managed this has resulted too often in corruption and conflict. We have walked down this road before.

### **Porgera: No more damage**

The National, July 7th, 2015

THE Jijin Mining Group, the new partner in the giant Porgera gold mine, says it will ensure there is no more environmental damage to the project impact area. Group president Jianhua Wang said the company had plans in place to cater for waste from the gold mine in Enga. "We have the capability and capacity to take measures to improve our environmental protection and we are confident that we will incorporate those best practices of environmental protection to Porgera," he said yesterday. The company had built a tailings dam at its Zijinshan mine in China to protect against a once in 500-year flooding events. Wang assured local employees that they would not lose their jobs under the 50 per cent ownership and partnership agreement with Barrick Gold Corporation. "Zijin's engagement in Porgera will not cause any local employees any worry that they will lose their jobs to the Chinese employees because it's our commitment to protecting the interest of the local communities' employees," he said.

"If we don't have any Chinese employees come and work at Porgera that is still ok too," he said. Wang noted that if changes were to take place at Barrick through the arrangement, the pre-conditions would be benefit to the community, the life of the mine would be extended and the company would ensure there was efficiency in how the project was operated. In May this year, Barrick announced it had formed a joint venture with Zijin after the two companies signed a long term strategic cooperation agreement, which outlined their intent to collaborate in future joint investments. Zijin operates gold, copper, zinc and platinum mines throughout the world, including Australia, Congo, Kyrgyzstan, Peru, Russia, South Africa and Tajikistan. Last year, it generated US\$9.6 billion (K26.4bn) from its global operations.

### **MRA: Alluvial gold mining exports in 2014 up**

Post-Courier, July 07, 2015

ALLUVIAL gold mining exports were up in 2014 with exports exceeding K373 million, the Mineral Resources Authority (MRA) has reported. This is contrary to claims by locals in Wau, of a fall off in mining business in Wau and Bulolo, MRA managing director Philip Samar has said. Mr Samar was responding to claims by locals that a policy that had been introduced by MRA, banning the use of excavators, had negatively impacted small scale mining activities in the area. He said 2014 had been a record year for alluvial gold and silver production with a significant percentage of that production from the Morobe gold fields. "Data compiled by MRA indicates that alluvial production in 2015 is tracking similar volumes to date," he said. He clarified there was no new law regulating alluvial mining, adding the only law that was in operation was the Mining Act of 1992. The MD clarified that the Wau and Bulolo areas have the majority of mining leases, many of which were issued before the Mining Act of 1992 was passed.

However, he said when the Act was passed that these old lease types were required to be converted if mining on them was to continue. "A time frame was set for applications to be made for these leases to be converted between 1992 and 1994 applications were lodged for the conversion of these

historic tenements. "If no machinery for instance, an excavator or pump were to be used and only manual labour, then the miner need not apply for a conversion of their old lease type, and non mechanised mining could be undertaken provided it was safe," he clarified. Mr Samar said the Mining Advisory Council has now commenced lease recommendations for several of the conversion applicants and numerous leases have now been granted by the minister. He said this will enable intensive mechanised operations to commence and MRA anticipates further increases to production as a result of this. He said the key message is that applicants must complete their documentation requirement as soon as possible so that they can commence legal mining.

### **World Bank funding project for mining closes**

PNG Loop, July 7, 2015

Representatives of the beneficiary of the US\$17 million World Bank Technical Assistance 2 (WBTA2) project to Papua New Guinea's Mining Sector have met at the Mineral Resources Authority last week. They gave presentations on their achievements, challenges and recommendations as to whether a similar assistance package should be considered by the World Bank and the PNG Government. The WBTA2 which started in 2009 is a follow-up of WBTA1 (2000-2006). This year's WBTA2 project to Papua New Guinea's Mining Sector officially closed on Tuesday June 30. The development objectives of the project are aimed at improving benefits from the extractive industries to the national budget, mining affected communities, and to mitigate mining's health and safety risks for artisanal miners.

The project was implemented in four components:

1. Strengthening the policy and regulatory frameworks for mining sector by the Department of Mineral Policy & Geohazards Management (DMPGM);
2. Strengthening the mining sector governance, regulation, and sustainable development outcomes by the Mineral Resources Authority (MRA);
3. Improving revenue collection and audits of the sector by the Internal Revenue Commission (IRC); and
4. Strengthening the foundation for a conflict-free mining sector in Bougainville by the Autonomous Bougainville Government Department of Mineral Energy and Resources (ABG DoMER).

MRA managing director Philip Samar said the government expected to write to the World Bank requesting a similar kind of assistance as WBTA2. He pledged MRA's support and willingness to manage WBTA3 if it is approved by the World Bank. Meanwhile, World Bank country manager for PNG, East Asia and the Pacific Region Stefanie Stallmeister, said the bank was happy to have been associated with the different government agencies and assist Papua New Guineans through the government, given the importance of mining sector to the country's economic welfare.

### **Presenting the Basamuk Red Sea**

PNG Mine Watch, July 6, 2015

A lot has been said about the toxic chemical spills into 'Beautiful Madang's' Basamuk Bay seawater, but have you pictured how it might look like from how the people described it? Brace yourselves and look no further than the pictures in this article that have surfaced, taken by the people themselves using their mobile phones, to show you what they are currently treading on and living with.



This is how the sea looked in the last chemical spill in the month of March this year, and the Ramu Nickel Mine's 'Community Affairs' officers bounced into the villages and told the people 'Everything is ok', and then left, the same way they arrived. Off course as you know, they've not produced any reports to back up their assurances – as usual. The national government's Department of Environment and Conservation (DEC) workers are as useless in giving hope to the people, maybe far more worse than the Chinese Miners because as the people put it, 'they are outright dumb'. They've been flying in and out of the province but as you may have already guessed, they've been residing at top hotels and when they are in Basamuk, they are stationed with the Chinese at the ever smoking processing site. Now be reminded again that the DEC workers may be working for the government, meaning they're getting paid with your tax money, but they're also getting paid by 'these toxic waste dumping' Chinese, to 'falsely' attend to the problem, so long as they carry the 'Department of Environment and Conservation' name tag.

To be specific, one of the DEC representatives announced to a young girl he clearly admired, at Madang's Krunget market that's right in front of the Madang Resort last year, that the Chinese owned Ramu Nickel Mine is paying him K2000 a day, just for making his presence known. All he has to do is pretend to dive, then tell the villagers everything's ok and then leave. He was still at the resort in Madang, not gone to Port Moresby yet to file a report on his findings when a story ran on the daily newspapers said nothing is wrong, everything's ok. So you see, these department of environment SALES workers are being used to scare people that they are 'the government' and that the government today will use its power to get the police to beat the people up and arrest them and even take them to court, if they decide to go further in proclaiming their rights to a better sea and environment. You see, after four chemical spills so far, the toxic sediments have been building up on the sea bed, and is fast spreading to the people's coastline, according to the latest on the ground reports. As seen in this photograph, this toxic waste is still red-ish in color though it's been under water for some time now.



You see this is the sticky substance that gets stuck onto the people's fishing lines and baits when they are dipped into the sea to catch fish. That being said, the best fish are said to be those that are usually on the seabed, attracted to the surface and caught using baits. Now what do you suggest these fish have been feeding on down there, before the people catch them and in turn consume them. Their garden foods mysteriously drying up and getting sores all over, the reefs and fish are dying. Meanwhile the chemical spills are still happening and not investigated by anyone, not the government departments, and not even journalists, leaving these people in total isolation. Tell me that you will touch the sea as red as it is in the photographs or eat fish caught from it. Tell me you will gladly swim and splash around in it. You have not the faintest idea of how these people, the people of Madang Papua New Guinea are coping with these toxic Chinese men-made changes. You may say it the Basamuk's or the Madang people's problem but it's definitely coming your way with a different name and face, as the Chinese Developers.

### **Porgera: Security forces nab 56 miners**

The National, July 6th, 2015

By ELIAS LARI

SECURITY forces involved in the state of emergency call-out in Porgera have arrested 149 people so far, including 56 illegal miners, according to contingent commander Chief Superintendent Norman Kambo. They were caught trying to enter the Porgera mine to look for gold. Porgera in Enga has been described as one of the most dangerous areas in terms of law and order problems and tribal fights. The forces had attended five mediation gatherings among tribes involved in tribal fights, carried out seven roadblocks and conducted five community awareness drives on law and order issues and HIV. Kambo said the callout was progressing well because they were seeing some order. Meanwhile, the Government has extended the callout operation for another month. It began in April last year. Kambo said the operation had slowly changed people in the area, with security officers working hard to curb lawlessness. "We can see that things are turning out right and people are getting involved in positive activities. I thanked the troops who have been working very hard to carry out their duties."

### **Elk-Antelope JV selects LNG project sites**

Post-Courier, July 06, 2015

French Energy giant Total SA has announced key project infrastructure sites for the development of the Elk-Antelope gas field in Gulf Province. The proposed sites have the unanimous support of InterOil Corporation and the Petroleum Retention Licence 15 (PRL 15) joint venture participants, in-

cluding InterOil Corporation. InterOil in its report to the market last week stated the central processing facility for the Elk-Antelope gas field, on which the project is based, will be near the Purari River in the Gulf Province. This is about 360km north-west of Port Moresby, and will be connected to the LNG facility by onshore and offshore gas and condensate pipelines. Caution Bay near Port Moresby has been selected as the site for Papua New Guinea's second liquefied natural gas plant. The project will be known as Papua LNG.

Papua LNG, which will be operated by Total SA and includes InterOil and Oil Search, will further refine site locations and pipeline corridors as part of project development. Selection of the final development concept, including the size and capacity of facilities, is expected in early 2016 when appraisal of the Elk-Antelope field has been completed. This will be followed by front-end engineering and design with early works scheduled to begin later in 2016. InterOil chief executive Dr Michael Hession said the venture would now enter basis of design, a significant milestone for the Papua LNG project. "Sites were chosen for their technical, economic and environmental benefits and followed extensive surveys and studies by Total over the past year," Dr Hession said. "These sites represent the best locations. The central processing facility in the Gulf Province will be near the gas field with river access.

### **PanAust: Frieda project going well**

The National, July 3rd, 2015

THE Frieda River copper-gold project in West Sepik is progressing well under the stewardship of PanAust and joint venture partner Highlands Pacific, PanAust managing director Dr Fred Hess says. Hess underlined the commitment of the project partners to develop Frieda, adding that significant progress had been on the feasibility study for the project. During a visit to Port Moresby last month, he met with senior ministers including the Mining Minister and managing director of the Mineral Resources Authority (MRA) Philip Samar. "The project stands to benefit from the support provided by long-term PanAust investor Guangdong Rising Assets Management (GRAM) which recently took control of PanAust after a successful takeover offer.

"The change in control will assist in the realisation of PanAust's development plans for the project. "Frieda River remains on track to become a world-class copper-gold operation which will be an important driver of economic growth for local landowners, communities, the provinces of East Sepik and Sandaun and Papua New Guinea as a whole," Hess said. Samar noted the good cooperation between government officials and the Frieda River Project. "The MRA is working closely with PanAust and Highlands Pacific to ensure the full potential of the world-class Frieda River deposit is realised. Bringing the project to production is an important national priority," he said.

### **Hides seven days petition**

Post-Courier, July 02, 2015



By ANDREW ALPHONSE

Prime Minister Peter O'Neill and the State have been given seven days by Hides gas project landowners in the Hela province to respond to a number of outstanding benefit payments related to the \$US18 billion PNG LNG project. The landowners have warned that by next Wednesday if Mr O'Neill and the State fail to respond favourably to their demands, they would have no option but force the shut-down of the several LNG project sites in the area. About 58 representatives including ILG chairmen from the Hiwa Tuguba Hides association have signed and delivered the petition in a letter dated 30 June 2015 to Mr O'Neill.

The copies of the petition has being made to Nixon Duban, Petrol Minister, Richard Maru, Commerce and Trade minister, Hela Governor Anderson and all other relevant state ministers, department secretaries and agencies. Copies have also being given to Andrew Barry, ExxonMobil PNG managing director, Peter Botten, Oil Search PNG managing director, all police and PNG defence force hierarchies. The landowners wrote to Mr O'Neill warning that they will forcefully shut all LNG operations in the area like the Hides gas conditioning plant, Kopeanda land- fills, well-pads B, C, D, E, F and G, Juni Training Centre, access road, spine-line, Pit 1 & 2, Hides gas power plant site, Kirapo water source, pipeline and Hides gas electricity project. The landowners demanded that more than 100<sup>th</sup> LNG cargoes have now being exported and as important partners in the LNG project, the State has failed miserably in paying their benefits as signed and legally locked in the umbrella benefits sharing agreement (UBSA) in Kokopo in 2009.

### **NEC extends Porgera state of emergency operations**

Post-Courier, July 01, 2015

THE National Government-sanctioned state of emergency operation in the Porgera Valley, Enga Province, has been extended to next month by the National Executive Council. The SOE callout operation has been in force for the past 14 months, coming into force in April last year. Under the command of Chief Superintendent Norman Kambo, both the police mobile units and PNG Defence Force have tirelessly performed tasks within the Porgera Mine perimeters and also covering other parts of Enga Province, when required. Rotation of both the police and defence personnel since the callout has been three with the fourth beginning soon. Supt Kambo has praised both police mobile unit and the PNG Defence Force support battalion for their commitment and dedication in carrying out their operational duties. "During the operations, a total of 149 arrests were made by the force support and more than 56 illegal miners were arrested," he said. He said in a media statement that the illegal miners issue was deep-rooted and one that required all relevant government agencies and Barrick Gold to address. Chief Supt Kambo said liquor bans have been uplifted with two liquor outlets given back their liquor trading licences by the provincial liquor board. Alcohol-related problems rose to an extent which was a concern and Chief Supt Kambo has appealed to all liquor outlets to be careful when serving beer to the general public.

### **Bougainville: DANGEROUS MINING**

By Tom Kathoa, New Dawn, 30 June 2015

Small gold mining operations by the local people particularly the landowners is not only a good business, but is also a risky and dangerous business. Many people involved in alluvial mining are not aware of the dangers associated with this type of mining. Concerned leader, Patrick Haromate told New Dawn that while miners get good money for their work, people must also be made aware of the dangers of such and industry. He clarified that the dangerous part of this industry is on the side of the miners themselves because they directly exposed to toxic acids from chemicals like mercury.

Because of lack of knowledge on the dangers of these chemicals, people do not wear protective and safety gears to protect them from being infected. He said the waste created by these local alluvial miners is much higher than that of big mining companies operating in the country. The harm or side effects from direct contact and exposure to mercury and other chemicals include deformed babies, twisted limbs and other defects on people. There are reports that the Arawa General Hospital has seen some cases that could be linked to chemical exposure. The ABG government should carry out a vigorous awareness on this matter as more people are now turning to alluvial mining for quick money.

## **China looks to mine Papua New Guinea assets**

Oxford Business Group, 30 Jun 2015

Chinese miners are looking to increase their presence in Papua New Guinea's minerals industry, with two recent acquisitions giving companies from the mainland a firm hold on assets in the extractive sector. China already has a presence in the PNG economy, through investments in the mining, infrastructure and property sectors, attracted by the country's relatively untapped mineral wealth. Recently, firms have been looking to raise their profile in the minerals sector, taking advantage of the depressed commodities market to buy into ventures where existing operators are in need of a cash injection, as well as secure supplies to meet domestic demand.

### **Buying up**

In May, Australian miner PanAust accepted a revised takeover offer worth about A\$1.2bn (\$923m) from Guangdong Rising Assets Management Company (GRAM). The move will see the state-owned Chinese company gain control of a large-scale gold and copper development on PNG's Frieda River, building on its 22.5% stake in the firm. According to Greg Anderson, the executive director of the PNG Chamber of Mines, Chinese investors are better placed than most to fund developments, particularly large-scale mining projects such as Frieda River, because they have the capital. "It is a mega, world-class project and raising the funds for it, particularly in the current market, would be extremely difficult," he told Australia's ABC radio in June. "With the entry of the Chinese into the project, it's far more likely that it will go ahead, certainly within the next five years or so."

The Chinese drive gained further impetus when Zijin Mining Group acquired a 50% stake in Canadian-based miner Barrick Gold's PNG Porgera gold operation for \$298m in cash, at the end of May, as part of a broader strategic partnership. Barrick's take from the mine was 493,000 ounces of gold last year, and it is expected to have an operational life of five years or more. Barrick Gold is selling assets as it looks to reduce a \$13bn debt pile, after investing heavily in assets when the market was high, only to see commodities prices dip. Chairman John Thornton noted that Chinese firms would increasingly have a central role in the mining industry as the country's appetite for minerals grows. "A 21st-century mining company with global reach and the intention to become an industry leader must, by definition, have a distinctive relationship with China," he said.

### **Local opposition**

Chinese miners have not always enjoyed a warm welcome in PNG. There have, for example, been clashes between locals and employees of the Metallurgical Corporation of China, which operates the Ramu nickel cobalt project via its subsidiary Ramu NiCo. At least four people were killed in 2009, when riots were sparked by fights between local and Chinese workers during the construction of the project, located near Madang on the north coast. Last August, production was halted for three days after five Chinese workers were injured in an attack by locals.

The \$2.1bn Ramu mine was the first large-scale foray by China into the PNG minerals extraction sector. In 2014, the mine produced 21,000 tonnes of nickel, according to the Chinese firm's junior partner Highlands Pacific, which is forecast to increase to 31,000 tonnes a year when the facility reaches full capacity over its 40-year lifespan. Though global demand for many minerals remains sluggish, some analysts are forecasting a rebound for the mining industry in 2016. In particular, metals such as copper, gold and nickel – all of which are found in PNG – are expected to post solid price increases, in part on the back of higher demand from China.

### **COAL – PNG's next big thing?**

Islands Business, Published in 2015 June

COAL might be the next big thing for Papua New Guinea after gold, copper, silver, nickel, oil and gas. Though research into coal mining potential is slow, it is now being religiously pursued with the Papua New Guinea Government for the first time ever taking ardent interest. The Government has committed K10 million to Mineral Resource Authority (MRA) for research into coal mining and coal seam gas industries in the country. Three international private backers are also behind the investigations to determine whether Papua New Guinea has feasible resources to underpin future coal mining and coal seam gas industries. Mining Minister Byron Chan said in a unique cooperative approach, the three exploration companies are spearheading the coal exploration initiative.

Mr Chan said Waterford, Mayur Coal and Pacific Mining Partners have come together in Gulf province where highly-prospective discoveries have been made and a drilling program has started. He said coal has also been identified in various other provinces and it is a mineral that provides much opportunity for PNG, including direct export, power generation and manufacturing. MRA has confirmed this strong potential for coal and coal seam mining based on its ongoing research. MRA team leader for mapping Chris Wamugl indicated this in a presentation in November 2014 during the 50th annual session of the Coordinating Committee for Geoscience Programs in East and South East Asia, in Kokopo, East New Britain Province. He said PNG had the potential to go into coal mining and there was a need to develop this mining activity.