

PORGERA INFORMATION BOOKLET 2024



INDEX

NEW PORGERA LIMITED

<u>Section</u>	<u>Page</u>
History	3
Summary	4
Annual Production	5
Mineral Royalties	6
Compensation	7
Education	8
Infrastructure Expenditure	10
Business Development	11
Employment	12
Taxes & Duties	13

PORGERA JOINT VENTURE

<u>Section</u>	<u>Page</u>
History	14
Summary	15

New Porgera Limited History

New Porgera Limited was incorporated on 22 September 2022. It is owned by Kumul Minerals, with 36%, Mineral Resources Enga Limited (equally owned by Enga Provincial Government and Special Mining Lease Landowners) with 5%, Porgera Jersey Limited with 49% (equally owned by Barrick and Zijin), with Mineral Resources Development Company holding 10% of the equity in trust for Porgera Project landowners and Enga Provincial Government. It is an incorporated joint venture.

Special Mining Lease 13 (SML 13) was granted to New Porgera Limited on 13 October 2023. A Mining Lease, Pangalita Limestone Quarry, 9 Leases for Mining Purposes and 4 Mining Easements which are ancillary tenements to SML 13 were also granted to NPL.

The Porgera Mine restarted mining operations on 23 December 2023, and first gold was poured in January 2024.

Summary

NPL		NPL + PJV
Description	2024	Life to Date
Gold Production (Oz)	176,684	21,835,687
Gold Revenue (PGK)	1,688,259,283	35,836,433,105
Royalties (PGK)	51,076,197	727,743,951
Compensation (PGK)	10,173,307	303,086,394
Donations (PGK)	1,996,494	48,900,881
Infrastructure (PGK)	10,625,379	513,049,080
Training & Education Costs (PGK)	238,592	21,558,601
Taxes Paid (PGK)	154,598,857	4,684,552,697

ANNUAL PRODUCTION

1. ANNUAL PRODUCTION - (GOLD SHIPPED)

Year Ended	<u>Gold</u> (ounces)	<u>Silver</u> (ounces)	<u>Gold</u> (Shipment value) (kina)	<u>Silver</u> (Shipment value) (kina)	PNG Total <u>Exports</u> (kina million)	NPL Gold and Silver <u>as % Exports</u>
2024	176,684	121,802	1,688,259,283	14,280,613	51,600	3%
Total	176,684	121,802	1,688,259,283	14,280,613	51,600	3%

MINERAL ROYALTIES

2. ROYALTIES/COMPENSATION

(a) Royalties - Payments to:

YEAR	Enga Provincial <u>Government</u>	Porgera Dev. <u>Authority</u>	SML <u>Landowners</u>	Childrens <u>Trust</u>	Porgera Landowners <u>Association</u>	Young Adults	<u>Unpaid Royalty Pending Final LO Compensation Agreement</u>	<u>Total</u>
2024	-	-	-	-	-	-	51,076,197	51,076,197
Total	-	-	-	-	-	-	51,076,197	51,076,197

- Royalties are 3.0% of gross sales (increased from 2% in 2024).

- For 2024, no royalties have been paid, whilst awaiting completion of the Community Development Agreement which will provide the division of the Royalties

This excludes a 0.5% Production levy used to fund the Mineral Resources Authority (increase by 0.25% in 2019).

COMPENSATION

2. ROYALTIES/COMPENSATION

(b) Compensation & Other Payments

	Occupation Fees Payments (1)	General Compensation (2)	Community Assets & Reloc. (3)	Environmental Compensation		Total Compensation	Donations (5)
				Porgera-Lagaip Rivers (4)	Kaiya River		
2024	K8,357,475	K807,354	K0	K759,032	K249,446	K10,173,307	K1,996,494
Total	K8,357,475	K807,354	K0	K759,032	K249,446	K10,173,307	K1,996,494

(1) Occupation Fees

These are paid once a year as rental/lease fees on the Special Mining Lease, Lease's for Mining Purposes and Mining Easements for use of various categories of land by the Porgera Joint Venture.
2001 includes Anawe North LMP

(2) General Compensation

These costs represent broad based compensation payments for damage to bush, gardens & bridges etc.
2001 includes Anawe North LMP

(3) Community Assets and Relocation

These costs represent relocation and transfer of misc. assets, roads, buildings, etc., to the community
2001 includes Anawe North LMP, relocation of 90 houses

(4) Environmental Compensation Kaiya River and Porgera-Lagaip Rivers

These costs include a one off payment for loss of alluvial gold and an ongoing payment for the disposal of sediment and tailings at a determined rate once per calendar year.

(5) Donations

Donations are made for Health Facilities, Schools (Community and High schools), Medivacs, Sporting Clubs and Youth Groups and SP Games. These donations are made to areas such as the Porgera District, Enga Province, Tari District, Strickland/Lake Murray and PNG generally.

* This also includes a K1.6m Mulitaka Landslip Humanitarian donation.

Increased compensation payouts in 2024 due to release of back-dated payments withheld during Care and Maintenance

EDUCATION

3. EDUCATION

(a) External

YEAR	NUMBER of STUDENTS		KINA		
	UPNG/Unitech Sponsorships	Sponsorships to Schools and Colleges	Total Education Sponsorships (Non Employees)	Total Training Costs	Total Training/Education Costs
	(1)	(2)	(3)		
2024	20	-	238,592	-	238,592
Total	20	0	238,592	-	238,592

(1) University sponsorships refers to the NPL's external sponsorship program for degree students at PNG institutions.

(2) Sponsorships schools/colleges refers to PNG secondary and technical education sponsorships for external students

(3) Donations for students to supplement our formal sponsorship program and to others for further education, also includes donations to schools for books and other educational material and assistance.

EDUCATION

3. EDUCATION (CON'T)

(b) Internal

YEAR	NUMBER of STUDENTS				Apprentice Salaries	Expenses incurred by citizen employees attending professional training	Payment of School fees	Salary of training officers	Other Costs directly related to training	Total Salaries and other direct costs
	Apprentices Intake	Porgeran Trades Assistants	Graduate Intake	Attendance Overseas Courses						
	(1)	(2)	(3)	(4)	(kina)	(kina)	(kina)	(kina)	(kina)	(kina)
2024	0	0	0	0	-	97,141	0	4,933,787	0	5,030,928
Total	0	-	0	0	0	97,141	0	4,933,787	0	5,030,928

(1) Apprentice intake refers to Pre-Employment Technical Training student intake in all trades. This occurs in January and February.

(2) Apprenticeship program replaced with a Porgeran trades assistant training programme.

(3) Graduate intake refers to final year degree students who enter the NPL's professional development program.

(4) Courses overseas refers to employees sponsored to overseas institutions for full time study or short term courses

INFRASTRUCTURE DEVELOPMENT TO DATE

4. INFRASTRUCTURE EXPENDITURE

(a) Tax Credit Scheme - General & Highlands Highway Projects

Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)
	General Projects			General Projects -cont'd			General Projects -cont'd			General Projects -cont'd	
		0		** Designates physically competed projects	0			0			0
											0

(b) Infrastructure Development Programme

Proj, #	Project Name	Amount (K)	Proj, #	Project Name	Amount (K)	Proj, #	Project Name	Amount (K)	
General Projects			General Projects -cont'd			Lae Porgera Highway Projects			
								Total	0

** Designates physically competed projects

(c) Wabag - Porgera Highway Maintenance (Kina)

	2024			
	Mulitaka Bypass-(C6555.0086.1)	6,576,250		
	Highlands Highway - Emergency Works	611,036		
	Lakolam Slip-March-2024	1,163,470		
	Unda Slip	41,511		
Total				8,392,267

(d) Relocation Roads, Porgera (Kina)

	2024 Porgera Valley Roads	2,233,112		
Total				2,233,112

Grand Total 10,625,379

BUSINESS DEVELOPMENT

5. BUSINESS DEVELOPMENT

Operations Contracts

2024

	PORGERAN		ENGAN		NATIONAL		PNG TOTAL	
	Value	Number	Value	Number	Value	Number	Value	Number
Bus Hire	K6,684,010	20	K0	-	K0	-	K6,684,010	20
Field	K3,403,914	6	K1,046,098	3	K5,631,692	3	K10,081,703	12
Freight	K10,693,766	1	K31,225,375	6	K23,671,384	7	K65,590,525	14
Plant Hire	K6,008,232	4	K9,614,021	5	K156,903,818	-	K172,526,071	9
Service	K69,983,065	19	K7,002,844	19	K363,171,103	215	K440,157,011	253
Works/Goods	K43,243	1	K1,152,728	4	K75,680,297	80	K76,876,269	85
TOTAL	K96,816,230	51	K50,041,066	37	K625,058,294	305	K771,915,590	393

	INTERNATIONAL	
	Value	Number
Bus Hire	K0	0
Field	K805,714	3
Freight	K10,130,747	4
Plant Hire	K13,414,881	1
Service	K419,794,458	327
Works/Goods	K444,971,128	438
TOTAL	K889,116,929	773

GRAND TOTAL	
Value	Number
K6,684,010	20
K10,887,417	15
K75,721,272	18
K185,940,952	10
K859,951,469	580
K521,847,397	523
K1,661,032,518	1,166

These figures are the estimated value of all operations contracts awarded (construction contracts not included)

Bus hire is contracts to supply personnel transport to the mine

Field is contracts to supply locals for minor works in or around the minesite

Freight is contracts to supply freight services, mainly between Lae and the minesite

Plant hire is contracts to provide equipment to the minesite on a rental basis

Service is contracts to provide specialist labour to the mine on a short term basis

Works is contracts let to construction projects on site

There are no reliable manpower figures for contractors or joint ventures.

The largest employers as a result of NPL contracts are:

IPI Catering Limited
IPI Transport Limited
Wizzy Transport Limited
G & G Transport Pty Ltd

MMK Transport Ltd
Geps Limited
Paki Limited
Niera Ipsakale Plant Hire Limited

Aluma Contractors
Betani Keo
Mupa Kipungi Limited
Munaka Alepai Plant Hire

Pawe Family Business Group Inc
Ipili Wanda Investment Ltd
Enga Aukapae Seraman Limited
Marfejo Construction Ltd

EMPLOYMENT

6. DIRECT EMPLOYMENT BY NPL

YEAR	PORGERANS	ENGANS (less Porgerans)	PNG NATIONALS (less Engans)	EXPATRIATES	TOTAL	% Nationals
2024	988	564	1160	96	2,808	96.58%

TAXES & DUTIES

7. TAXES & DUTIES

YEAR	Taxes Deducted From Employees' Wages	Customs Duties (4)	MRA Production Levy (3)	Fuel & Excise Tax	Withholding Taxes	Income Tax (2)	TOTAL
2024	108,380,545	2,383,422	8,398,686	1,049,651	19,629,498	14,757,054	154,598,857
Total	K108,380,545	K2,383,422	K8,398,686	K1,049,651	K19,629,498	K14,757,054	K154,598,857

- (1) For 2024 all amounts are reported on a cash paid basis.
- (2) Income tax paid is dependent on respective revenues and tax deductions.
The amount disclosed for 2024 of K14,757,054 represents BNL's actual payment made to the Internal Revenue Commission in 2024 being final Settlement and release deed for income years Dec 2006 to Dec 2015
For 2024, includes GST Credits offset against BNL (as operator of Porgera) and NPL as holder of SML13 income tax liabilities
- (3) MRA Production Levy increased from 0.25% to 0.50% in 2018
For 2024, actual payment made to MRA in 2025
- (4) For 2024, includes payments to PNG Customs for Customs and Excise duties
- (5) For 2024, Withholding Taxes have been disclosed. Included in this number is withholding tax paid to the Internal Revenue Commission in relation to Interest, Management Fees, and payments made to Contractors

Porgera Joint Venture History

Special Mining Lease 1P was granted to the Porgera Joint Venture (PJV) in May 1989. At the time of the grant of the Special Mining Lease (SML) the ownership, under an unincorporated joint venture, of PJV was:

Placer (PNG) Ltd 30%

Highlands Gold Properties Pty Limited 30%

RGC (PNG) Holdings Pty Limited 30%

Mineral Resources Porgera* 10%

*PNG Government 5%, Enga Provincial Government 2.5%, and SML landowners 2.5%

Prior to the grant of the SML discussions and negotiations were undertaken between the National Government, Enga Provincial Government (EPG) and Porgera Landowners regarding the proposed mine development. This was first such consultation for the development of a mine in PNG. It eventually led to consensus on the distribution of benefits and responsibilities amongst the parties which were recorded in a set of three Porgera Memorandums of Agreement. This process of consensus was referred to as the “Development Forum” and was later incorporated into the Mining Act 1992.

In 1996 the Government of PNG purchased an additional 15% (5% from each of the non-State Joint Venturers) in the mine making the ownership of PJV, Placer PNG, Highlands Gold Properties, RGC (PNG), 25% each, PNG Government 20% and Mineral Resources Enga 5% (shared equally by EPG and SML Landowners).

In March 2006, Barrick completed the takeover of Placer Dome Inc giving it 75% equity in the Porgera mine. In April 2007, Barrick purchased from Emperor Mines its 20% equity in the Porgera Project increasing Barrick’s equity-holding in the Porgera Project to a total of 95%.

In May 2015 Barrick sold 50% of Barrick (Niugini) Limited (the holder of Barrick’s equity in the Porgera mine) to Zijin Mining Group of China. This gave Barrick and Zijin an equal indirect equity holding of 47.5% of the Porgera mine, with Mineral Resources Enga Limited (equally owned by EPG and SML Landowners) holding the remaining 5%.

In April 2020, the PNG Government refused the extension application for Porgera SML1P and the mine was placed in care and maintenance from that time until December 2023.

Summary

Porgera Joint Venture	
Description	1990 - 2023
Gold Production (Oz)	21,659,003
Gold Revenue (PGK)	34,148,173,822
Royalties (PGK)	676,667,754
Compensation (PGK)	292,913,087
Donations (PGK)	46,904,387
Infrastructure (PGK)	502,423,701
Training & Education Costs (PGK)	21,320,008
Taxes Paid (PGK)	4,529,953,839