Porgera Mine Temporarily Suspends Operations

PORT MORESBY, PAPUA NEW GUINEA (PNG) – SATURDAY 25 April, 2020: Barrick (Niugini) Limited (“BNL”), majority owner and operator of the Porgera gold mine in the Enga province of Papua New Guinea (PNG), said today the Government’s decision not to extend its Special Mining Lease was tantamount to nationalization, without due process, and in violation of the Government’s legal obligations to BNL.

BNL said it remained willing to discuss the issue with Prime Minister James Marape and his Government in the hope of averting what it described as a catastrophic situation for the Porgera Valley communities, for Enga Province and for Papua New Guinea as a whole.

BNL intends to pursue all legal avenues to challenge the Government’s decision, and to recover any damages that BNL may suffer as a result. The Company also said it had no interest in discussing transitional arrangements for the management of the mine, as proposed by the Government, as this was not consistent with BNL’s rights. BNL’s right to the renewal was confirmed by the PNG National Court in August 2019.

Barrick (Niugini) Limited notes that it has yet to receive formal notification from the Government regarding the decision and that, in the absence of further detail regarding the proposed transitional arrangements, the company intends to temporarily suspend mining and mineral processing operations at the Porgera Mine, in order to ensure the safety and security of employees and communities. BNL remains ready to participate in further discussions with the State.

Critical safety, security and environmental personnel at the mine will remain operational during this period, and mine management are hopeful that full mining operations can resume in the future.

BNL applied for the extension of the SML in June 2017 and has been engaging with the Government on this matter for the past three years. In 2019, in response to a request from Prime Minister Marape, the company proposed a benefit-sharing arrangement that would deliver more than half the economic benefits to PNG stakeholders including the Government for 20 years.

Barrick president and chief executive Mark Bristow has met with Prime Minister Marape four times to discuss the extension issue and to re-affirm BNL’s commitment to a long-term partnership with PNG. After their first meeting in June last year, the Prime Minister wrote to Bristow stating that “the Government values our continued partnership with Barrick and it is our intention to do everything possible to ensure that arrangements are in place to enable continued operations of the Porgera Gold Mine once the current SML expires in August 2019”.

Despite this and other assurances, and numerous encouraging conversations with Government ministers and representatives, neither the Prime Minister nor anyone acting on behalf of the Government has at any point proposed alternative benefit sharing terms on which the SML could be extended, nor have they indicated that the SML would not be extended.

The Government has also ignored the wishes of the legitimate Porgera landowners, who overwhelmingly support the extension of the SML under BNL, and the Prime Minister has refused to consult, travel to Porgera to engage directly, or hear their views in Port Moresby.
BNL also notes that the Government has advanced the existence of alleged environmental damage claims and resettlement issues as a reason for the non-extension. The company notes that environmental management practices at the mine were studied and approved by the Government. The PNG Conservation and Environmental Protection Authority (CEPA) has carried out regular audits of the mine and has always found it to be in compliance with its permits. In fact, BNL’s environmental management system exceeds the requirements of its permits. As far as resettlement is concerned, BNL has compensated and relocated more than 1,400 households impacted by the mine’s operations, and at no stage has the government indicated that the mine had not complied with its obligations in this regard.

>ENDS<

ADDITIONAL INFORMATION

The Porgera mine is a joint venture between Barrick and the Zijin Mining Group, which each owns 47.5%, with the remaining 5% interest held by Mineral Resources Enga (owned equally by Porgera Special Mining Lease landowners and the Enga Provincial Government). The mine is operated by Barrick Niugini Limited (“BNL”).

Porgera Gold Mine – Part of the Community
Caption: Part of the Open Pit during the temporary suspension at the Porgera Mine.

Caption: Part of the mobile equipment now parked up at the Porgera Mine.

Caption: The autoclaves sit idle at the Porgera Mine.
Caption: Part of the mobile equipment now parked up at the Porgera Mine.

Caption: Part of the 789 truck fleet now parked up at the Porgera Mine.

Caption: Part of the 789 truck fleet now parked up at the Porgera Mine.

PJV Media Contact Details:
Email: PJVMedia@porgerajv.com
Phone: (+675) 547 8200