

Porgera restart on hold until Shareholders Agreement executed by all parties; election-related violence a tragedy

Port Moresby 20 July 2022: Barrick Gold President and Chief Executive Officer Mark Bristow arrived in Port Moresby this afternoon as a part of his regular quarterly visits to all Barrick operations globally. During his 3-day visit to PNG, Mr Bristow will meet with the Prime Minister, James Marape and will visit Porgera to meet with project area landowners and business, church and community representatives.

Before his visit to Porgera, Mr Bristow expressed his deep disappointment at the current conflict in Porgera Valley and elsewhere in Enga that has led to numerous deaths, assaults on Porgera residents, including women and children, the burning of houses and businesses, and the closure of critical government services such as the Paiam Hospital and Porgera Secondary school.

“What we are seeing take place in Porgera is inhumane and uncalled for. Barrick (Niugini) Limited (BNL) made a commitment to the community, especially the women and children, to keep Paiam Hospital’s essential services open even after the mine was placed on care and maintenance (C&M). To see the services now closed due to the tribal conflict and violence related to the elections is deeply saddening. The conflict is impacting C&M operations and we remain concerned for the safety of our Porgera employees. BNL urges the national and provincial governments to intervene and restore peace to the Porgera Valley,” Bristow stated.

Porgera Mine is currently into its third year of C&M and restart plans remain on hold, awaiting the completion of the conditions for the mine to reopen, the first of which requires the full execution of the Shareholders Agreement by Mineral Resource Enga Limited (MRE).

Bristow said BNL continues to maintain regular discussions with the State Negotiation Team and concerned parties, including MRE and the Porgera Landowners Association, with the hope that MRE will sign the Shareholders Agreement at the earliest possible date.

“The Porgera Project Commencement Agreement (PPCA) provides a 1% increase to the royalty rate to 3% and an additional 10% free carry equity to be shared between the Enga Province and the wider project-impacted landowners. This is on top of the 2.5% held by each of the Enga Province and the Special Mining Lease landowners through MRE. The PPCA demonstrates that BNL and the national government are committed to providing more tangible benefits for project-impacted landowners and Enga. It is an unprecedented agreement for any project in PNG,” Bristow said.

Once MRE signs the Shareholders Agreement and other associated agreements, the first step towards restart preparations can commence with incorporation of the new project company, New Porgera Limited, and the submission of a new SML application to the Mineral Resources Authority.

“Further delaying the restart of the Porgera Mine denies benefits to every one of the stakeholders including the Porgera community and the National Department of Treasury. Care and Maintenance is currently costing K35 million a month which will have to be repaid” Mr Bristow said.

Bristow said that Barrick stands ready to finalize all remaining matters to allow the restart of the Porgera Mine for the benefit of all Porgerans, especially the project-impacted landowners, Enga Province, Papua New Guinea, and BNL shareholders.

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