

Barrick Niugini Limited denies claims regarding gold exports

PORT MORESBY, PAPUA NEW GUINEA – 06 JUNE, 2020 – Barrick Niugini Limited (BNL), majority owner and operator of the Porgera Gold Mine in the Enga province of Papua New Guinea (PNG), refutes claims that it has sought to unlawfully export gold as alleged in a public release dated 5 June 2020 issued by the PNG Minerals Resources Authority.

The Public Statement made by the Mineral Resources Authority of Papua New Guinea (the MRA) and its Managing Director Jerry Garry, based on unnamed “intelligence” alleging attempts were by Barrick Niugini Limited (BNL) made to unlawfully export gold, is incorrect.

As acknowledged in the MRA press statement, BNL exported gold on April 29th following the same process and with the same governmental approvals it has obtained for all gold shipments over many years. As BNL was compelled to put the mine into care and maintenance as a result of the government’s decision not to extend the Special Mining Lease on April 24, 2020, the Porgera Joint Venture immediately stopped mining, and worked over subsequent weeks to clean out the processing facilities. This is consistent with international standards for placing a mine on care and maintenance, and results in the production of the remaining gold dore that is now ready to be shipped for refining. This in-process material has been generated by the efforts of, and at the expense of, the Porgera Joint Venture, and is the property of BNL and its partner Mineral Resources Enga.

BNL approached the government in a fully transparent manner for permission to export the dore from placing the mine on care and maintenance and was informed that it could no longer use the same approval processes it had used since the mine commenced production many years ago. BNL was advised that NEC approval was now required. BNL now faces a claim by the government that the dore belongs to the government.

In light of the impediments placed on this shipment, BNL subsequently informed the MRA that it had no present intention of exporting that dore for refining, after being denied permission by the MRA itself. BNL categorically rejects any claim that it or its representatives have acted unlawfully, or that BNL has not acted with full and complete transparency with the government. BNL at all times has complied with its legal obligations with respect to its gold exports.

It is unfortunate that the MRA has taken this step almost immediately after the PNG courts issued a ruling on June 5 against the government. Such decision found that it was arguable that the government had failed to follow a proper process in denying BNL’s application for SML extension. It is particularly disturbing that the MRA has now chosen to make threats against the lawyers who have appeared on BNL’s behalf in that court proceeding. Doing so is inconsistent with any

reasonable notion of the rule of law and represents a dramatic and unfortunate escalation in the government's attempt to deny BNL due process and fairness.

BNL remains prepared to negotiate with the government in good faith to resolve the dispute over the Special Mining Lease extension in a manner that will provide materially enhanced benefits for all Papua New Guinea stakeholders.

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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

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