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PRESS RELEASE

PJV responds to PRAMA advert

PORT MORESBY, 20 JUNE, 2019, 0900HRS: Barrick Niugini Limited (“BNL”), the company that operates the Porgera Mine on behalf of the Porgera Joint Venture owners, provides the following response to claims made by the Porgera River Alluvial Miners’ Association (“PRAMA”) in an advertisement in the Post Courier on June 17 2019.

Under Papua New Guinea law, the Porgera Joint Venture is required to pay river impact compensation to landowners of affected riverine areas for loss of resource use. The Porgera mine is required to make these payments to meet the conditions of the PNG Water Resources Act 1992, which places an obligation on the mine to pay compensation at agreed rates for riverine impacts arising from its operations.

An independent study undertaken by the Government in 1991-92 recommended various payment rates for impacts on the river system from tailings, sediment and loss of access to alluvial gold.

A small number of Lower Porgera River landowners disagreed with the calculated rate of compensation and requested that the Minister for the Environment make a determination about compensation rates using the regulatory powers accorded to the Minister under the Water Resources Act.

The Minister ultimately agreed with the 1992 study rates for tailings and loss of access to alluvial gold but determined that the rate for sediment deposition be increased from K0.01/tonne to K0.025/tonne.

Lower Porgera River landowners again disagreed with the compensation rates set by the Ministerial Determination and initiated a court case which continued until 2014 until it expired due to inactivity by the complainants.

In the interim period, compensation payments followed the rates set by the 1992 Impact Study and 1996 Ministerial Determination, in accordance with individual agreements made with landowner clans

Following the expiry of the court process, the Porgera Joint Venture has made payments for sediment compensation in compliance with the rates set by the 1996 Ministerial Determination, including the rate of K0.025/tonne for sediment deposition compensation.

The mine made “once-off” back-payments in late 2015 to settle the amount due for the difference in compensation rate per tonne of sediment that was adjusted for interest and CPI growth from 1996. The total back-payment obligation under the Determination was approximately K10.5million. To date over K9.5million has been paid on this basis. An amount of K934,000 has been retained pending resolution of certain landowner disputes. This amount is held in an account for the benefit of affected landowners and will be distributed upon resolution of the current landowner disputes.

Total environmental compensation paid by the Porgera Mine in accordance with the Ministerial Determination is in excess of K48 million, as of 31 December 2018.

The Porgera Joint Venture pays all environmental compensation payments directly to the impacted landowners in accordance with the wishes of those landowners and relevant Ministerial instructions, and not through third parties such as PRAMA.

Contrary to the claims of PRAMA, all 2015 back-payments and subsequent payments have been made in accordance with advice from the Department of Environment and Conservation and instructions from the Minister for the Environment.

The Minister determined that the back-payment only applied to landowners in areas directly affected by sediment deposition immediately below the erodible dumps, and instructed that payment be made in accordance with the Ipara Genealogy Study, meaning it was paid to eligible registered clan agents who had already been receiving previous annual sediment payments on behalf of their clans.

The Porgera Joint Venture has met, and continues to meet, all obligations to pay environmental compensation as required under the 1996 Ministerial Determination.

ENDS

ADDITIONAL INFORMATION:

The Porgera Gold Mine in Enga Province, Papua New Guinea, is operated by Barrick (Niugini) Limited (“BNL”)– through an equal partnership between Barrick Gold Corporation and Zijin Mining Group Company Limited – which owns 95 percent participating interest in the Porgera Joint Venture (PJV). The remaining 5% in PJV is owned by Mineral Resource Enga (MRE) Limited – a consortium consisting of the Enga Provincial Government and the Porgera landowners.

The Porgera Mine employs over 3,300 Papua New Guineans, and over the life of the mine has produced more than 20 million ounces of gold and contributed approximately 10% of PNG’s total annual exports.

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