

Legislation Paves the way for Porgera Mine to Reopen

Port Moresby, 30 November 2023 – New Porgera Limited (NPL) welcomes the passing of the *Mining (New Porgera) (Amendment) Act 2023* by the National Parliament on 29 November 2023 which paves the way for the mine to reopen this year.

Since the grant of SML13 on 13 October 2023, representatives of NPL have spent the last six weeks at Porgera and Tari holding face-to-face meetings with over 1,000 landowners and their legally designated agents, explaining the company’s proposal for compensation agreements prior to reopening the mine.

More than 1,200 landowner agents, representing more than 85% of the agents, have signed “Consent Compensation Agreements” with NPL to allow the mine to reopen as soon as possible with the parties agreeing to engage in substantive negotiations on new compensation rates after mining resumes. Importantly, to ensure that landowners are not disadvantaged by the deferral in negotiations, NPL has agreed to make a backdated “true-up” payment to landowners for any increase in compensation rates agreed or determined after the mine reopens.

The amendments to the Mining Act passed by Parliament yesterday do not affect those Consent Compensation Agreements that have already been signed by landowners, which will be fully honoured by NPL. NPL notes that the Amendment Act also preserves and protects the right of landowners to be properly and appropriately compensated.

The Amendment Act and the Consent Compensation Agreements that have been signed ensure that the wishes of the overwhelming majority of landowners to see the mine reopened before year-end and the benefits begin to flow again, will be realised.

About NPL

The applicant for the new SML, New Porgera Limited, is a company owned jointly by Kumul Mineral Holdings Limited (which holds the equity on behalf of the State), Barrick Niugini Limited and Mineral Resources Enga Limited, with a further 10% of the equity reserved for PNG stakeholders. Over the life of mine, PNG shareholders will receive 53% of Porgera’s overall economic benefits. BNL will receive the remaining 47%. The proportion of equity and economic benefits that belong to the landowners is a first in PNG’s agreements with international investors.

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