

BNL TO CHALLENGE GRANT OF SPECIAL MINING LEASE TO KUMUL MINERAL HOLDINGS LIMITED

PORT MORESBY, PAPUA NEW GUINEA – WEDNESDAY 02 SEPTEMBER, 2020 – Barrick (Niugini) Limited (“BNL”), majority owner and operator of the Porgera Gold Mine in Papua New Guinea, intends to challenge the purported grant of a Special Mining Lease covering the Porgera Mine and surrounding areas to Kumul Minerals Holdings Limited.

The Register of Mining Tenements records that the Head of State purportedly granted Special Mining Lease No 11 (**SML 11**) to Kumul Minerals Holdings Limited (KMHL) on 25 August 2020 for a period of 20 years. SML 11 purports to cover 2135 hectares of land at Porgera.

BNL notes that the Special Mining Lease purportedly granted to KMHL covers areas of land which are the subject of valid BNL tenements. As such, the area that is the subject of KMHL’s application was not available for grant.

Furthermore, the purported grant to KMHL seemingly does not comply with relevant provisions of the Mining Act 1992, which include, among other conditions, a requirement that a Mining Warden’s Hearing must be held prior to the grant of any mining lease to obtain the views of stakeholders. BNL notes that the SML application by KMHL was purportedly lodged on 27 July 2020 and the SML was purportedly granted on 25 August 2020. The speed within which this occurred is a seemingly new record considering projects such as Wafi and Frieda have taken several years for assessment of the technical, environmental and financial viability of those projects, and for the views of affected stakeholders including affected landowners to be obtained.

BNL queries the capacity of KMHL to submit the required technical proposal for development, environmental management plan, a landowner benefits plan (and if so what data it contained) and other documents as part of its application for a special mining lease in circumstances where KMHL has no resource model, has not undertaken any visits to the Porgera Mine and has not engaged in any consultations with BNL, with respect to the assets, plant and infrastructure of the mine owned by BNL. BNL also queries whether KMHL consulted with the landowners and other interested stakeholders.

These issues, in turn, raise serious questions as to how the regulatory authorities, particularly the Mineral Resources Authority, in scarcely a month were able to responsibly and appropriately assess the KMHL application on technical, environmental, financial and social grounds, and to assess the capacity of KMHL to maintain and manage an operation as complex and capitally intensive as Porgera, safely and efficiently.

BNL reiterates that it considers any such grant of SML 11 to KMHL to be unlawful and invalid under the laws of PNG, and BNL intends to take steps to legally challenge the purported grant.

BNL will continue to defend its rights and interests in accordance with the laws of Papua New Guinea, and pursuant to the terms and conditions of long-standing prior agreements that are binding on the Government of Papua New Guinea.

BNL remains ready to enter into good faith negotiations to chart a way forward that can result in a win-win for all stakeholders and lead to the re-opening of the Porgera mine.

>ENDS<

Porgera Gold Mine – Part of the Community

PJV Media Contact Details:

Email: PJVMedia@porgerajv.com

Phone: (+675) 547 8200