

## **BARRICK (NIUGINI) LIMITED RESPONDS TO TREASURER IAN LING-STUCKEY**

**PORT MORESBY, PAPUA NEW GUINEA – Sunday November 29, 2020** - Barrick Niugini Limited (“BNL”) provides the following response to a statement titled “*Fact Check – Porgera’s Company Taxes*” issued by PNG Treasurer Ian Ling-Stuckey on Saturday November 28.

BNL disagrees with the premise of the calculations used by the Treasurer in making his assertions regarding “missing” financial benefits for Papua New Guinea through the operation of the Porgera Mine, and particularly with respect to company tax payments.

BNL notes that it has always administered its financial affairs - including the calculation of its tax obligations - in accordance with the laws of Papua New Guinea. Any assertion to the contrary is incorrect.

As the Treasurer notes in his statement, company tax obligations are calculated using a range of variable costs and inputs – variables that the Treasurer does not quantify or consider in making his assertions. Examples of such variables would include significant expenditures on plant and equipment, and mine development costs – all of which are legitimate business expenses for the purpose of calculating company tax obligations.

Further, the company rejects any insinuation that 2019 tax payments by Barrick Niugini Limited have been manipulated to coincide with the timing of processes relating to BNL’s application to extend the Porgera Special Mining Lease.

In fact, contrary to his most recent statement, in March of this year the Treasurer himself welcomed BNL’s initiative to pay tax in advance as a way to help the Government’s fiscal situation, held up BNL as an exemplary corporate citizen and urged other companies to follow its example.

Mr Ling-Stuckey issued a statement at that time saying, “***I commend Barrick Niugini Limited for contributing K59.3 million to the national government as a forward payment of its taxes...The business community understands many of the challenges faced by the government delivering goods and services when cash flow targets are not met. Barrick has shown that the private sector wants to assist in improving efficiency of service delivery by making funds available. This is extremely timely given the importance of finding the cash to prepare for the coronavirus...I welcome other businesses that are willing to step forward and also pay their taxes early.***”

As the Treasurer would also be aware, BNL lodged its application to extend the Porgera Special Mining Lease in June 2017 – more than two years prior to the end of the 2019 tax year.

Barrick Niugini Limited notes that the Porgera Mine has made significant financial contributions to the economy of Papua New Guinea since mining commenced in 1991 in the form of tax and royalty payments, national contracts, employments and infrastructure developments.

Over the life of the mine to date, these contributions have totalled approximately Kina 13.2 billion in unadjusted terms – representing a value of approximately Kina 26.6 billion at 2019 prices, and equal to approximately 40.9% of total export values arising from the mine.

>ENDS<

## **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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