

BNL TO APPEAL RULING REGARDING JUDICIAL REVIEW OF GOVERNMENT DECISIONS ON PORGERA MINE, CHALLENGE GRANT OF SML TO KMHL

PORT MORESBY, PAPUA NEW GUINEA – TUESDAY 01 SEPTEMBER, 2020 – Barrick (Niugini) Limited (“BNL”), majority owner and operator of the Porgera Gold Mine in Papua New Guinea, intends to appeal the dismissal of its application for judicial review of the Government’s decision earlier this year not to extend the Porgera Special Mining Lease.

The Company disagrees with numerous grounds outlined in the ruling dismissing the application for judicial review handed down by Deputy Chief Justice Kandakasi in the National Court today, and intends to urgently appeal the ruling to the Supreme Court. In this regard, the Company notes that the dismissal of proceedings was not based on the substantive grounds advanced by BNL in its application for judicial review.

The Company also notes the Prime Minister has confirmed that his Government purportedly granted a special mining lease at Porgera to Kumul Mineral Holdings Limited, the State’s vehicle for participating in mining projects.

BNL considers any such grant of SML 11 to Kumul Minerals Holdings Limited to be unlawful and invalid under the laws of PNG, and the Company intends to take steps to legally challenge the purported grant.

The Prime Minister further claimed in a statement issued on 30 August that the Government has had “nothing” in terms of an interest in the Porgera Mine since 1989. This statement is incorrect. As the Prime Minister is aware, the Government of Papua New Guinea previously owned 20% of the Porgera Joint Venture – an interest which it chose to sell to Oil Search Limited, on commercial terms, in 2002.

Further, when the Government of Papua New Guinea acquired an additional 15% of the Joint Venture in 1996, it signed an agreement (the Placer Porgera Sale Agreement) that included provisions that the State, the state nominee or any government agency would not seek to acquire any further interest in the Porgera mine during the term of the agreement or anytime thereafter in the future unless such acquisition was made in accordance with the Porgera Joint Venture agreement. This issue is part of an International Conciliation request that has been initiated by BNL under the auspices of the International Centre for Settlement of Investment Disputes (ICSID) at the World Bank.

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, including the Placer Porgera Sale Agreement and other international trade and investment agreements.

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