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PRESS RELEASE

MRA Refutes Claims Of Unlawful Practices Regarding New Porgera Mine

The signing of the Mining Development Contract (MDC) and the Grant of Special Mining Lease (SML) 13, for the New Porgera Project, complied with due processes and laws, said Mineral Resources Authority's Acting Managing Director Jerry Garry.

Mr Garry said the ongoing consultations and negotiations pertaining to Community Development Agreements (CDA) formerly called Memorandum of Agreements (MoA), also conform to the established processes.

Mr Garry was responding to recent public statements by individuals who claimed unlawful practices in the signing of the MDC and CDA for the project.

He said with regards to Compensation Agreements (CA), the National Government would ensure these mandatory agreements, between New Porgera Limited (NPL) and landowners, are signed before NPL can commence mining operation.

Section 155 of the Mining Act requires a compensation agreement to be in place between the holder of the tenement and the landholders, before the tenement holder can enter and occupy the land, for the purpose of mining.

The AMD has assured the Porgera Mine landowners that as a responsible government, the MRA would ensure NPL is compliant with the laws.

"We are committed to our landowners, and we are in constant dialogue with NPL and landowners, to ensure compensation agreements are progressed and signed," said Mr. Garry.

He added that New Porgera was not a green field project but a brown field project. This means BNL has been on the ground and had already been permitted entry under the care and maintenance Agreement, pursuant to an order of the National Court for the upkeep of the mine until it reopens.

The AMD explained that CA does not affect the grant of SML13 and its Mining Development Contract, thus, the SML 13 grant and execution of MDC were lawful.

He said, unlike CA, the CDA was not a mandatory requirement to the re-opening the mine, hence, it could be concluded after the grant of the SML and also after the re-opening of the mine. Any benefits agreed to will be paid retrospectively to the date of the grant or other mutually agreed commencement date.



Photo: Mr. Garry.