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PRESS RELEASE

New Porgera is a Better Deal: PM

Prime Minister Hon James Marape said Papua New Guinea will benefit from a total economic value chain of 53 % from the new Porgera mine, in the first 10 years of the total of 20 years of the mine's operations.

He said this when addressing parties to the Porgera project Community Development Agreement (CDA), who are negotiating benefits sharing arrangements in Wabag.

The PM said the balance of 47% will go to Barrick and its partners.

He said the 53% include all benefit streams such as royalties, equity, compensation and local content amongst others. In terms of equity ownership of the project, PNG parties own 51 %, where 36% is owned by the National Government through Kumul Minerals Holdings Limited (KMHL), 10 % (currently owned by SML landowners and is a subject of further discussions) and 5 % by EPG. PM Marape said that this makes the new agreement for the project, a far better deal than the past agreement.

He assured the landowners that the National Government and the Enga Provincial Government, had always advocated for a greater ownership and benefits sharing arrangement for landowners, EPG and PNG parties.

Mr Marape said the new Porgera agreement which the government struck with Barrick, is for a total of 20 years. However, the potential for benefits from the project could go beyond that period.

The CDA negotiations have been going on since last month and is expected to be completed soon. After the successful conclusion, the documents will go through the government process for vetting, especially in terms of the fiscal commitments. Fiscal clearance will be done by the Department of Treasury, while legal clearance will be given by the Office of the State Solicitor. Once that is done, it will go to the National Executive Council (NEC) for the final approval, before implementation.

The State Team that is involved in the CDA negotiations come from the various relevant departments. They are the Department of Prime Minister & National Executive Council (NEC), Office of the State Solicitor, Department of Labour & Industrial Relations, Department of Lands & Physical Planning, Department of Commerce & Industry, Department of National Planning & Monitoring, Department of Mineral Policy & Geohazards (DMPGM) Management, Internal Revenue Commission, State Negotiating Team, PNG Extractive Industries Transparency International (PNGEITI) and the Mineral Resources Authority (MRA).

Minerals for Life

Photos:



Photo: Hon Marape delivering his speech at the CDA negotiations in Madang



Photo: Enga traditional dancers and EPG officials welcoming the PM to the Innovative University of Enga, Irelya Campus where the CDA meeting is being held



Photo: PM with Hon Mirisim



Photo: State Team members welcome the PM



Photo: State Team with PM