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PRESS RELEASE

Porgera CDA Initialed

PORT MORESBY: Four of the six parties to the Porgera Mining Project Community Development Agreement (CDA), yesterday (Oct 9, 2024) initialled the draft of the CDA after 6 months of negotiations.

The four are the Special Mining Lease (SML) landowners (excluding two agents), who initialled the CDA document as representatives of their individual clans, the Porgera Urban Local Level Government, the Porgera Rural Local Level Government and the State. The other two parties New Porgera Limited (NPL) and the Enga Provincial Government (EPG) did not attend the occasion and have given their reasons which cannot be disclosed. The State will continue to have dialogue with these two parties and is confident of reaching a consensus with them soon.

The initialling ceremony took place at the Hilton Hotel in Port Moresby. The draft CDA documents that have been initialled will go through the government vetting process, especially clearance on the fiscal and monetary terms and the legal aspects of the agreement. This will be done by the Department of Treasury and the Office of the State Solicitor respectively. After the legal clearance is given by the Office of the State Solicitor, the document will go the National Executive Council (NEC) for deliberation and endorsement after which, the parties will implement their various undertakings in the agreement.

Major clauses in the draft CDA which the Department of Treasury will look at are the equity and royalty break-ups between SML landowners, non SML landowners and the EPG. Under the Porgera Project Commencement Agreement (PPCA) which was signed between Barrick, SML landowners, EPG and the State, the equity break-up is as follows - SML landowners 5%, EPG 2.5%, Non SML 2.5%, Mineral Resources Enga (MRE) 5%. This adds up to 15 % equity out of the total 51 % owned by PNG parties. The balance of 36 percent is owned by Kumul Minerals Holdings Limited (KMHL) on behalf of the State. In terms of royalties, the PPCA provides for a total of 3 percent royalty.

The SML landowners have proposed their own break-up of equity and royalties, and a plan on their business development aspirations. These proposals will be attached with the draft CDA to the NEC for decision making.

CDA is a benefit sharing agreement whereby the National government shares benefits from mining projects with the host Provincial Government Local Level Governments and Landowners as required by law.

Seen below are clan agents initialling the CDA on-behalf of their individual clans. The agents make up the Porgera Landowners Association (PLOA).



Photo: Porgera Landowners Association Chairman Tony Mark Ekepa initialling the draft CDA as State Team Leader and Deputy Secretary Policy Department of the Department of Prime Minister & National Executive Council (NEC) Mr Frank Aisi looks on.







