

# K17 BILLION MINING PROJECT SIGNED

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THE special mining lease for the K17 billion Wafi-Golpu gold project is expected to be granted by September, says Prime Minister James Marape.

Touted as one of major resource projects in the pipeline urgently needed to boost the economy, the Morobe-based investment is expected to create around 2,500 direct jobs during construction, another 850 ongoing operations jobs and more indirect jobs.

Capital investment is expected to be around K9.1bil (US\$2.8bil), with total capital expenditure estimated to be around K17.4 billion (US\$5.4bil) over the estimated 28-year life of the mine.

Yesterday in Port Moresby, the Government and the Morobe provincial government agreed on a tentative timeline for the initial stages of the project located in the districts of Huon Gulf and Bulolo.

Morobe Governor Ginson Saonu and Mining Minister Johnson Tuke signed the documents.

The developers are Newcrest Mining Limited from Australia and Harmony from South Africa.

Marape said the signing signalled the start of project negotiations.

"We have had some roadblocks and court cases challenging the memorandum of understanding signed with the developers during the O'Neill-led Government," he said. "I thank the developers for (now cancelling that) the agreement.

"We should get moving with this new process and in the right direction."

Marape said the Morobe government initiated the talks yesterday on behalf of the landowners and the districts.

"We envisioned to expedite this processes without me as PM preempting the entire length of this process," he said.

"From May to July, we want to complete this process.

"Our investors are in the loop.

"They know what we are doing. It is important that the Government, provincial government and landowners come up with a paper before we talk to the developers."

The proposed timeline is:

- May 31 to June 30: Government, Morobe government and landowners to meet in Lae to agree on a joint position;
- July 1 to July 15: They through the State Negotiation Team meet with the developers to submit their position;
- July 20: Signing of the memorandum of agreement to mark the completion of the development forum, and a joint communique;

- Aug 1: Agreement on the timetable for the signing of the mine development contract, granting of the special mining lease.

Under the agreement signed previously, Marape said about 10 per cent equity was lost. It was why the matter was taken to court.

Morobe Governor Ginson Saonu said no stay on the development forum or the progress of the mine would be sought in the Supreme Court, "provided all parties are committed to working together."

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