



PORGERA JOINT VENTURE

Project Information

Effective to 31 December 2002

INDEX

PORGERA JOINT VENTURE

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ANNUAL PRODUCTION

1. ANNUAL PRODUCTION

Year Ended	Gold (ounces)	Silver (ounces)	Gold (Shipment value) (kina)	Silver (Shipment value) (kina)	PNG Total Exports (kina million)	PJV Gold and Silver as % Exports
1990	265,890	224,227	91,011,247	846,308	1,122	8.2%
1991	1,216,101	593,312	424,564,536	2,329,144	1,391	30.7%
1992	1,485,077	139,619	492,361,251	507,685	1,863	26.5%
1993	1,156,670	129,860	410,526,969	542,768	2,527	16.3%
1994	1,032,768	133,890	405,042,681	722,928	2,662	15.2%
1995	848,870	90,770	417,366,379	596,108	3,400	12.3%
1996	854,822	106,535	441,548,735	714,717	3,314	13.5%
1997	712,693	100,479	335,956,895	680,354	3,052	11.0%
1998	726,806	91,614	448,268,441	1,041,657	3,688	12.2%
1999	754,754	100,694	515,615,076	1,336,105	4,985	10.4%
2000	910,434	110,276	701,247,142	1,506,528	5,586	12.6%
2001	760,622	113,043	699,368,416	1,664,835	6,085	11.5%
2002	641,811	126,772	772,645,118	2,251,718		
Total	11,367,318	2,061,091	6,155,522,886	14,740,855	39,675	15.7%

ROYALTIES / COMPENSATION

2. ROYALTIES/COMPENSATION

(a) Royalties - Payments to:

YEAR	Enga Provincial Government	Porgera Dev. Authority	SML Landowners	Childrens Trust	Porgera Landowners Association	Young Adults	Total
1990	K885,636	K57,509	K92,014	K115,017			K1,150,176
1991	K4,311,044	K279,939	K447,901	K559,876			K5,598,760
1992	K4,957,551	K321,919	K515,070	K643,838			K6,438,378
1993	K3,940,308	K255,864	K409,383	K511,728			K5,117,283
1994	K3,873,704	K251,539	K402,463	K503,079			K5,030,785
1995	K3,125,181	K269,576	K691,392	K539,152	K462,136	K304,087	K5,391,524
1996	K3,713,783	K371,578	K1,114,735	K743,157	K891,788	K594,525	K7,429,566
1997	K3,319,558	K331,956	K995,867	K663,912	K796,694	K531,129	K6,639,116
1998	K4,850,500	K485,050	K1,455,150	K970,100	K1,164,120	K776,080	K9,701,000
1999	K5,773,661	K577,366	K1,732,028	K1,154,732	K1,385,678	K923,785	K11,547,250
2000	K7,349,040	K734,904	K2,204,712	K1,469,808	K1,763,769	K1,175,846	K14,698,079
2001	K7,276,106	K727,611	K2,182,832	K1,455,221	K1,746,265	K1,164,177	K14,552,212
2002	K7,857,920	K785,792	K2,357,376	K1,571,584	K1,885,901	K1,257,267	K15,715,840
Total	K61,233,992	K5,450,603	K14,600,923	K10,901,204	K10,096,351	K6,726,896	K109,009,969

Royalties are 2.0% (increased from 1.25% on 1 July 1996) of sales less selling expenses.

In July 1995 there was a change to the distribution of royalties as follows

MOU with the Provincial Government	<u>Up to July 1995</u>	<u>From July 1995</u>
Provincial Government	77%	50%
PDA	5%	5%
SML Landowners	8%	15%
Children's Trust	10%	10%
Porgera Landowners Ass	0%	12%
Young Adults	0%	8%

ROYALTIES / COMPENSATION

2. ROYALTIES/COMPENSATION

(b) Compensation & Other Payments

	Occupation Fees Payments (1)	General Compensation (2)	Community Assets & Reloc. (3)	Environmental Compensation		Total Compensation	Donations (5)
				Lower Porgera (4)	Kaiya River		
To 1994	K908,656	K5,935,985	K32,992,000	K1,682,721	K497,252	K42,016,614	K1,924,352
1995	K230,052	K4,422,363	K220,000	K209,835	K204,153	K5,286,403	K587,439
1996	K277,725	K3,469,012	K4,000	K318,746	K89,523	K4,159,006	K788,613
1997	K278,646	K1,746,497	K862,484	K429,998	K210,041	K3,527,666	K734,287
1998	K353,834	K1,004,161	K577,938	K556,734	K198,474	K2,691,141	K1,690,584
1999	K378,624	K3,123,856	K257,053	K661,000	K165,000	K4,585,533	K1,435,106
2000	K488,803	K1,321,565	K814,945	K953,935	K215,179	K3,794,427	K1,666,537
*2001	K1,815,258	K2,735,718	K9,579,012	K1,014,768	K233,205	K15,377,961	K2,836,801
2002	K994,698	K1,152,296	K1,756,147	K1,756,147	K96,800	K6,924,848	K2,118,885
Total	K5,726,296	K24,911,453	K47,063,579	K7,583,884	K1,909,627	K88,363,599	K13,782,604

(1) **Occupation Fees**

These are paid once a year as rental/lease fees on the Special Mining Lease, Lease's for Mining Purposes and Mining Easements for use of various categories of land by the Porgera Joint Venture.

2001 includes Anawe North LMP

(2) **General Compensation**

These costs represent broad based compensation payments for damage to bush, gardens & bridges etc.

2001 includes Anawe North LMP

(3) **Community Assets and Relocation**

These costs represent relocation and transfer of misc. assets, roads, buildings, etc., to the community

2001 includes Anawe North LMP, relocation of 90 houses

(4) **Environmental Compensation Lower Porgera and Kaiya River**

These costs include a one off payment for loss of alluvial gold and an ongoing payment for the disposal of sediment and tailings at a determined rate once per calendar year.

(5) **Donations**

Donations are made for Health Facilities, Schools (Community and High schools), Medivacs, Sporting Clubs and Youth Groups and SP Games. These donations are made to areas such as the Porgera District, Enga Province, Tari District, Strickland/Lake Murray and PNG generally.

* Increased compensation payouts in 2001 due to payments for new Anawe North LMP.

EDUCATION

3. EDUCATION

(a) External

YEAR	NUMBER of STUDENTS		KINA		
	UPNG/Unitech Sponsorships	Sponsorships to Schools and Colleges	Total Education Sponsorships (Non Employees)	Total Training Costs	Total Training/Education Costs
	(1)	(2)	(3)		
1989	7	5			
1990	13	7			
1991	18	14		268,970	268,970
1992	20	14		378,874	378,874
1993	21	16	667,607	453,828	1,121,435
1994	33	9	109,420	505,698	615,118
1995	15	27	163,856	2,069,043	2,232,899
1996	12	13	235,652	1,006,356	1,242,008
1997	25	19	186,556	722,198	908,754
1998	19	23	269,887	790,387	1,060,274
1999	30	30	439,082	254,100	693,182
2000	17	8	152,340	185,200	337,540
2001	15	6	240,081	77,863	317,944
2002	15	6	217,557	91,027	308,584
Total	260	197	2,682,038	6,803,544	9,485,582

(1) University sponsorships refers to the PJV's external sponsorship program for degree students at PNG institutions.

(2) Sponsorships schools/colleges refers to PNG secondary and technical education sponsorships for external students

(3) Donations for students to supplement our formal sponsorship program and to others for further education, also includes donations to schools for books and other educational material and assistance.

EDUCATION

3. EDUCATION (CON'T)

(b) Internal

YEAR	NUMBER of STUDENTS				Apprentice Salaries	Expenses incurred by citizen employees attending professional training	Payment of School fees	Salary of training officers	Other Costs directly related to training	Total Salaries and other direct costs
	Apprentices Intake	Porgeran Trades Assistants	Graduate Intake	Attendance Overseas Courses						
	(1)	(2)	(3)	(4)	(kina)	(kina)	(kina)	(kina)	(kina)	(kina)
1989			1	1						
1990			2	6						
1991	14		1	10	145,151			1,001,453	311,372	1,459,967
1992	18		0	10	291,956	51,316	53,796	864,566	335,690	1,599,316
1993	17		3	17	422,047	11,990	14,188	1,529,803	492,671	2,472,692
1994	0	2	10	15	389,092	137,254	175,300	1,248,572	790,738	2,742,950
1995	30	30	8	20	562,793	234,260	81,970	1,447,083	830,776	3,158,877
1996	20	28	14	21	584,625	183,110	63,678	880,307	583,531	2,297,247
1997	20	66	3	27	580,917	136,852	174,750	2,605,304	320,099	3,817,922
1998	20	145	5	30	623,168	388,047	201,573	2,536,226	409,456	4,158,470
1999	18	200	14	5	802,837	264,026	295,265	3,202,451	708,572	5,273,151
2000	20	248	8	14	715,496	246,225	251,373	3,489,184	482,221	5,184,499
2001	0	293	7	28	494,515	199,541	647,016	2,977,130	354,896	4,673,098
2002	0	320	9	26	306,815	259,300	269,648	3,551,210	947,777	5,334,750
Total	177	1,332	85	230	5,919,412	2,111,921	2,228,557	25,333,289	6,567,799	42,172,939

(1) Apprentice intake refers to Pett student intake in all trades. This occurs in January and February.

(2) Apprenticeship program replaced with a Porgeran trades assistant training programme.

(3) Graduate intake refers to final year degree students who enter the PJV's professional development program.

(4) Courses overseas refers to employees sponsored to overseas institutions for full time study or short term courses

INFRASTRUCTURE DEVELOPMENT

4. INFRASTRUCTURE EXPENDITURE

(a) Tax Credit Scheme

Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)
1**	Lake Murray - 12 village water supplies	162,955	59**	Mungalep/Yuyan - replace bridge & upgrade road	497,357	116**	Sirunki Comm. School - double classroom	44,481	188**	Tipininni Comm. School - double classroom	46,881
2**	Kairik Airstrip - expand PDA terminal facilities	49,009	61**	Kandep High School - double science block	161,048	117**	Kepelam Comm. School - double classroom	45,032	189**	Takopa Comm School - double classroom	79,028
3**	Wapen/Wabag Ovals & Wapen C.S. fences	29,994	62**	Pipi Comm. School - double classroom	44,142	118**	Pipingus Comm. School - teachers house	40,838	190**	Yengis Comm School - double classroom	112,387
4**	Porgera Highway - sealing (4.7km)	226,573	63**	Kandep Comm. School - double classroom	53,477	119**	Kasap Comm. School - double classroom	43,387	191**	Mang Comm. School - double classroom	47,519
5**	C.O.D.E - office & accommodation	57,539	64**	Kompam Comm. School - double classroom	46,743	120**	Koernal Comm School - access road & fence	110,356	192**	Sakarip Comm. School - double classroom	42,305
6**	Yampu/Kompam Rd - rehabilitation (37.6km)	1,053,361	65**	Mamale Comm. School - double classroom	46,191	121**	Yagenda Comm. School - double classroom	43,386	193**	Lakolama Comm. School - double classroom	42,305
7**	Yampu/Londol Rd - rehabilitation (27.0km)	691,502	66**	Laiagam Police - facilities upgrade	695,410	122**	Aiyak Comm. School - double classroom	48,402	194**	Kaindan Comm. School - teachers house	50,000
8**	Sirunki/Multitaka Rd - rehabilitation (22.0km)	1,638,270	67**	Tari Police - renovate station & barracks	91,792	123**	Apalaga Comm. School - double classroom	45,450	195**	Pupang Vocational Centre - teachers house	42,880
9**	Wapenamanda/Paware Rd - rehab (29.0km)	1,551,262	68**	Tiptip Sub Health Centre - security fence	25,216	124**	Tombaip Comm. School - double classroom	55,592	196**	Yalis Comm. School - security fence	27,239
10**	Tari / Pajaka Road - rehabilitation (9.0km)	400,000	69**	Longap Sub Health Centre - security fence	26,263	125**	Killiam Comm. School - double classroom	43,547	197**	Enga Vegetable Depot - security fence	18,466
11**	Mambiasanda - HC & Community water supply	21,926	70**	St. Paul's High School - administration block	407,451	126**	Ipalopa Comm. School - double classroom	44,169	198**	Laiagam High School - complete double classroom	33,750
12**	Lenki Village Library	13,960	71**	Enga University Centre - new complex	859,605	127**	Tukisenta Comm. School - double classroom	44,513	200	Wabag Women - resource centre	26,037
13**	Laiagam Comm. School - security fence	8,526	72**	Kaipores Comm. School - teachers house	43,000	128**	Par Comm. School - teachers house	39,919	201**	Paiam Town Development stage 1 - roads	4,319,000
14**	Kandep Local Govt. Offices - security fence	4,893	73**	Murip Comm. School - double classroom	47,662	129**	Tsikiro Comm. School - teachers house	39,652	202**	Paiam Town Development stage 1 - highway	3,004,345
15**	Kandep High School - security fence	5,328	74**	Kompam Comm. School - teachers house	42,000	132**	Yaibos Comm. School - double classroom	49,761	203**	Paiam Town Development stage 1 - sewage	2,640,542
16**	Wabag High School - renovate dormitories	29,418	75**	A.C.E. Comm School - double classroom	53,539	133**	Pompabus Comm. School - double classroom	49,611	204**	Paiam Town Development stage 1 - water supply	2,432,035
17**	Laiagam/Sirunki/Multitaka - 3 basketball courts	40,624	76**	Aipinimanda Water Supply	16,929	134**	Wamapisa Comm. School - double classroom	48,512	205**	Mamale Comm. School - double classroom	47,216
18**	Kandep/Margarima Rd - rehab. (28.5km)	1,972,848	77	Kumbaskam Water Supply	14,288	135**	Laiagam Comm. School - teachers house	41,874	206**	Tumundan Comm. School - teachers house	42,000
19**	Laiagam High School - gen. set & reticulation	29,848	78**	Lakopenda Water Supply	13,500	136**	Paiam Comm. School - double classroom	50,455	207**	Pumakos Comm. School - teachers house	41,864
20**	Yaibos Comm. School - renovate ablutions	12,415	79**	Takawas Water Supply	34,486	137**	Aiyultesa Comm. School, Double Classroom	48,626	209**	Community Schools - 6 x double classrooms	369,851
21**	Multitaka Comm. School - water supply	12,052	80**	Laiagam Schools - water supply Stage 1	274,476	139**	Longap Comm. School - double classroom	47,539	211**	Community Schools - 7 x teachers houses	345,423
22**	Aiyak C. S. - fencing & renovate buildings	12,739	81	Laiagam Schools - water supply Stage 2	3,622	141**	Laiagam H.C. renovate buildings & houses stg 1	360,462	212**	Irelaya Comm. School - double classroom	44,293
23**	Wabag Comm. School - 2 storey d/classroom	191,848	82**	Sopas Hospital - medical store/mortuary	541,829	143**	Nomad - teachers house	84,712	213**	Porgera District - 10 x staff houses	642,997
24**	ATC Vocational Centre - standby generator	16,999	83**	STC Vocational Centre - staff duplex	40,101	144**	Sisamin Comm. School - teachers house	89,485	214**	Yumbilyam Voc. School - d/classroom & 2 x houses	176,478
26**	Lake Murray Fish Co-op - equipment	19,404	84	Enga Comm. & High Schools - desks (1350 No)	223,323	145**	Guau Village - community hall	105,529	215**	Kompam Vocational Centre - teachers house	46,364
27**	Juni Creek Comm School - teachers house	32,561	85**	Porgera H.S. - science/home economics block	148,325	147**	Nomad - double classroom	95,253	216**	Tari District Comm Schools - 5 x double classrooms	252,600
28**	Porgera Highway - sealing (1.5km)	161,268	87**	Tari Station - 2 x basketball courts	76,600	151**	Taluma Comm. School - double classroom	36,293	217**	Aluni sub Health Centre - new centre	296,933
29**	Amapyaka - water supply	10,872	88**	Tumandan Comm. School - double classroom	42,867	152**	Kaipale Comm. School - double classroom	45,868	218**	Lake Kopiago H.S. - science/home economics blk	345,452
30**	Koroba High School - upgrade water supply	34,504	89**	Irelaya Comm. School - double classroom	54,143	153**	Pumakos Comm. School, Double Classroom	41,750	220**	HL Inter High School - upgrade existing facilities	220,000
31**	Tari Sports Oval - security fence	8,635	90	Kopen S.C. - science/computer/library/admin blks	418,361	154**	Tari Mobile Police - offices & houses	100,000	221**	Rakamanda HS science home economics block	331,048
32**	Porgera/Paiela Road - stage 1 construction	1,202,994	91**	Boboa H.C. - replace clinic & renovate buildings	20,889	157**	Saimanda Footbridge	195,727	222**	Anditale High School - renovate buildings & houses	500,000
33**	Mukuramanda/Sopas Rd - rehab. (23.4km)	808,010	92	Yalum Footbridge	147,503	160**	Par Comm. School - double classroom	45,498	223**	Kandep High School - 2 x teachers houses	197,605
34**	High School - double & single desks (502 No)	36,300	93	Lemongo Footbridge	488	161**	Birip Comm. School - teachers house	41,915	224**	Kompam H.S. - 2 x houses & 1 x double class	376,267
36**	Porgera Street Lights	28,192	94	Waeagan Footbridge	18,619	162**	Sari Comm. School - teachers house	43,680	226**	Wapenamanda Comm School - teachers house	43,000
37**	Tari Station - education resource centre	25,000	95**	Kuimas Footbridge	60,156	163**	Tsikiro Comm. School - double classroom	46,533	227**	Lagaip Comm Schools - 14 x teachers houses	847,413
38**	Juni Creek Comm School - double classroom	14,500	96	Kengas Footbridge	14,644	166**	Porgera Comm. School - teachers house	43,675	228	Wabag P.S. - 1 x house & 1 x two story class	547,184
39**	Lake Murray Fishing Co-op - freezer unit	11,535	97	Puaka Footbridge	809	167**	Multitaka Comm. School - teachers house	41,785	229**	Kumbaskam HS two story double classroom	570,816
40**	Paiam Comm School - double classroom	35,000	98	Kalan Footbridge	293	168**	Papayuku Comm. School - teachers house	40,987	231**	Kopen High School - 2 x double science blocks	829,362
41**	Kandep Market - security fence	7,572	99	Tuapuka Footbridge	608	169**	Yaibos Comm. School - teachers house	42,181	234**	Yuyan Politika Rd	319,447
42**	Kandep Comm. School - security fence	11,163	100	Tamakale Footbridge	2,398	170**	Raiakama Comm. School - teachers house	39,972	235**	Tari/ Hides Comm Schools 5 x houses & 1 x class	548,553
43**	Sopas Hospital - maternity ward	50,653	101	Takienda Footbridge	1,600	171**	Pompabus Comm. School - teachers house	42,480	236**	Porgera Station Roads upgrading & sealing	932,999
44**	Laiagam High School - ablution block	51,025	102**	Laiagam Station - renovate Govt staff houses	849,998	172**	Wamapisa Comm. School - teachers house	38,769	243**	Wapenamanda C.S - 5 x houses & 3 x classrooms	741,427
45**	Kumbas Voc. School - dorm & ablution block	40,634	103**	Sisamin Footbridge	442,283	173**	Kaipores Comm. School - teachers house	43,000	244**	Kumbaskam H.S. - 4 x houses & 1 x 2 storey class	829,492
46**	Lake Kopiago - 5 village water supplies	100,580	104	Yakona Footbridge	11,887	174**	Wabag Comm. School - teachers house	42,680	245	Mamale Vocational Centre - double classroom	76,564
47**	Sakarip Comm School - basketball court	17,575	105	Tamako Footbridge	2,649	175**	Murip Comm. School - teachers house	61,649	281	Kaipale Comm School - double classroom	55,292
48**	Pupang Vocational Centre - security fence	15,296	106	Laiagam High School - sewerage	1,779	176**	Kandep Comm. School - teachers house	41,630	282**	Takeanda Comm School - double classroom	105,876
49**	Wabag High School - admin block extension	59,988	107	Sirunki High School - water supply	3,962	177**	Wapele Comm. School - double classroom	43,014	283	Muris Comm School - double classroom	67,997
50**	Kolombi Comm School - double classroom	50,680	108	Sirunki High School - sewerage	867	178**	Wanepop Comm. School - double classroom	45,777	285**	Dauli Hydro Power Station - repairs	25,000
51**	Paiam Comm School - teachers house	35,000	109**	Rumbapes - basketball court	25,000	179**	Tambus Comm. School - double classroom	49,055	286	Multitaka Comm School - double classroom	94,537
52**	Wap Comm School - duplex & double class	150,592	110**	Birip Comm. School - double classroom	49,309	180**	Tumbilam Comm. School - double classroom	42,159	290**	Napotesa Comm School - double classroom	101,298
53**	Laiagam High School - double classroom	85,388	111**	Sari Comm. School - double classroom	49,832	183**	Yamondi Comm. School - double classroom	42,319	299	Wanakipa Development Project	66,632
54	Aiyak Road - bridge & approaches	65,093	112**	Porgera Comm. School - double classroom	48,334	184**	Laiagam Comm School - admin/library block	422,704	300	Porgera Paiela Road upgrade	72
55**	Tari Health Centre - 2 x staff houses	75,467	113**	Multitaka Comm. School - double classroom	42,867	185**	Tumbiop Comm. School - double classroom	42,591	303	Paiam Comm School - double classroom	54,009
56**	Yambali Footbridge	83,781	114**	Papayuku Comm. School - double classroom	47,008	186**	Yengil Comm. School - double classroom	37,797	304	Tipinini Comm School - double classroom	30,818
58	Laiagam Sports Field - upgrade	17,627	115**	Raikama Comm. School - double classroom	45,976	187**	Mapumanda Comm. School - double classroom	42,591			

** Designates physically competed projects

TOTAL K 46,227,419

INFRASTRUCTURE DEVELOPMENT

4. INFRASTRUCTURE EXPENDITURE

(b) Infrastructure Development Programme

Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)	Proj. #	Project Name	Amount (K)
5202**	Police Stations & Houses- Birip, Mulitaka & Sirunki	529,937	5239**	Porgera High School Staff Duplex	99,984	6209	Kera Bridge - upgrading	95,167
5203**	Paiam Management Company - operating costs	5,553,408	5240**	Wabag National Courthouse & 6 x staff houses	1,232,209	6210	Pua Bridge - upgrading	58,484
5204**	Paiam Town - master plan	172,480	5241**	Paiam Town Stage 1 - civil works	599,999	6211	Andane Bridge - upgrading	69,645
5205**	Paiam Town - stage 1 road design	41,964	5242**	Paiam Community Radio Station	160,000	6212	Tau Bridge - upgrading	61,336
5206**	Porgera Highway - Paiam/Mine site road design	61,821	5243	Paiam Power Study	17,842	6213	Miso Bridge - upgrading	111,669
5207	EPG Provincial HQ - stage 2	9,568,567	5244	Paiam Management Company - miscel. Equipment	25,458	6214	Pongema Bridge- upgrading	178,340
5208**	Enga Police - vehicles	432,928	5246	Porgera District Projects 2000	795,156	6215	Aipulunga Bridge - upgrading	257,246
5210**	Laiagam Station - renovate Govt staff houses	200,200	5247	Paiam Town - land planning	141,394	6216	Porgera Highway - realignment at 87.7km & 88.2km	243,346
5212	Paiam Sports Oval - design	42,227	5248**	Paiam Town Post Office	49,926	6217**	Walya Slip repairs - Enga Highway	349,842
5216	Paiam Town, bus stops shelters & footpaths	72,403	5249	Lake Murray Fishing Company - rehabilitation	35,826	6218	Maipam Culvert - replacement	22,850
5217**	Porgera Police Housing 3 x L58 duplexes	350,373	5251	Paiam Sports Complex - oval construction	2,122,219	6219	Lagaip Bridge - replacement	1,659
5218**	Porgera Dev Authority - administration support	226,003	5254	Porgera District Projects 2001	225,406	6220**	Anjia Slip repairs - Enga Highway	8,612
5220**	Paiam Town - facilities & building designs	468,000	5256	Paiam Town - sect 20 boundary survey	47,759	6222**	Waip Bridge - deck replacement	59,066
5221	Kairik Airstrip - runway remedial works & resealing	18,152	5257	Paiam Town - street lights	28,268			
5223**	Wabag Police - renovate barracks & houses	2,570,311	5258	Paiam Town - public toilets	150,778			
5225**	Wapenamanda Airport - terminal design	70,446	5259	Paiam Town - telephone cabling	20,000			
5226**	ADB Roads project - 2001 counterpart funding	500,000	5260	Wabag Rugby League Field upgrading	41,675			
5227	Porgera District - 1998 projects	710,392	5264**	Paiam Radio Station - stage 2	94,000			
5228**	Porgera District Hospital - equipment and supplies	820,468	5265	Porgera Dist Hospital - houses, buildings & equip.	170,675			
5230**	Wabag Town - development plan TOR	31,829	5399	Panagaka Mungalep - power line construction	8,967			
5231**	Paiam Accommodation Dev. Co. - establishment	169,000	6202	Lama Bridge - replacement	656,938			
5233**	Wapenamanda Town - renovate Govt staff houses	302,388	6203**	Tau bridge - emergency repairs	14,972			
5234	Porgera District - 1999 projects	1,021,964	6204**	Wabag - Porgera Highway - maintenance	611,339			
5235**	Kandep Station - renovate Govt staff houses	192,628	6205	Lagaip Bridge - upgrading	163,371			
5236**	Kompam Station - renovate Govt staff houses	205,241	6206	Emergency bridge - purchase stock	33,075			
5237**	EPG Development Projects - site investigations	54,305	6207	Lai No 3 Bridge - replacement	510,352			
5238**	Porgera Station - road upgrading and sealing	931,039	6208	Waimbare Bridge - upgrading	40,689			

** Designates physically competed projects

Total 34,934,013

(c) Wabag - Porgera Highway Maintenance (Kina)

1997	1,147,000	1999	2,189,073	2001	3,186,910	
1998	1,892,127	2000	2,373,817	2002	3,507,712	
					total	14,296,639

INFRASTRUCTURE DEVELOPMENT

4. INFRASTRUCTURE EXPENDITURE

(d) COMMUNITY PROJECTS

The Community Facilities Grant was an agreement between the Porgera Joint Venture and the Porgera Development Authority (PDA) for use by the PDA on projects agreed upon by the PDA board on which the PJV is represented.

Many villages near the Porgera Joint Venture have benefited from the Community Facilities Grant to the Porgera Development Authority. These funds were used as follows:

PROJECT	Kina	PROJECT	Kina	PROJECT	Kina
Alumaka Comm Sch	60,487	Paiela-Cardmon Rd	10,286	Tipinini - Taipoko Rd	95,827
Apalaka Comm Sch	122,124	Politika Aidpost	16,574	Tipinini B/Camp Rd	178,992
Aspringa Aidpost	37,319	Porgera Community Hall	87,638	Tipinini B/Camp Taipk	44,818
Kaiya River-Yuyan Rds	257,024	Porgera Community School	182,301	Tipinini Comm Sch	66,971
Mungalep Aidpost	40,330	Porgera Comm School & Hall	282,505	Tipinini Rd	172,675
Mungalep Comm Sch	83,754	Porgera Health Centre	30,231	Waiamalama Aidpost	22,883
Paiaam - Ingau Rd	239,948	Porgera Ambulance	30,468	Waiyonga Aidpost	32,417
Paiaam Community School	128,848	Porgera LGC Chamber	151,185	Waimala Aidpost	21,021
Paiaam High School	283,584	Porgera Water Supply	32,533	Yaparep - Politika Rd	103,747
Paiaam RDU Police	58,170	Porgera Womens Centre	13,785	Yaparep Aidpost	4,535
Paiaam Sport Complex	226,568	Porgera, Misc.	49,494	Yuyan - Politika Rd	341,523
Paiaam Town Subdivision	14,230	Porgera-Paila Rd	50,000	Yuyan Water Supply	10,651
Paiaam Volunteers Hse	71,111	Tagoba Comm Sch	49,276	Yuyan Comm Sch	88,923
Paiaam-Ingau Rd.	50,800	Taipoko Aidpost	21,647	Misc.	47,849
Paiela-Alumaka Rd	27,952	Tipinini Aidpost	4,089	Misc. Basket Ball Courts	39,200
Paiela Water Suply	13,708				
TOTAL PROJECT COST					K4,000,000

BUSINESS DEVELOPMENT

5. BUSINESS DEVELOPMENT

Operations Contracts

	PORGERAN		ENGAN		NATIONAL		PNG TOTAL	
	Value	Number	Value	Number	Value	Number	Value	Number
Bus Hire	K24,930,327	100	K2,090,800	5			K27,021,127	105
Field	K10,218,895	5,753	K887,033	1275	K1,523,762	434	K12,629,690	7,462
Freight	K27,795,300	23	K84,517,000	60	K15,351,000	8	K127,663,300	91
Plant Hire	K16,756,844	219	K31,296,560	325	K3,367,052	17	K51,420,456	561
Service	K68,113,861	378	K1,268,190	64	K277,167,379	175	K346,549,430	617
Works	K3,121,270	2,233	K1,218,570	758	K21,993,473	1660	K26,333,313	4,651
TOTAL	K150,936,497	8,706	K121,278,153	2487	K319,402,666	2294	K591,617,316	13,487

	INTERNATIONAL		GRAND TOTAL	
	Value	Number	Value	Number
Bus Hire			K27,021,127	105
Field	K2,940,920	9	K15,570,610	7,471
Freight			K127,663,300	91
Plant Hire			K51,420,456	561
Service	K227,342,601	475	K573,892,031	1,092
Works	K30,018,792	183	K56,352,105	4,834
TOTAL	K260,302,313	667	K851,919,629	14,154

These figures are the estimated value of all operations contracts awarded (construction contracts not included)

Bus hire is contracts to supply personnel transport to the mine

Field is contracts to supply locals for minor works in or around the minesite

Freight is contracts to supply freight services, mainly between Lae and the minesite

Plant hire is contracts to provide equipment to the minesite on a rental basis

Service is contracts to provide specialist labour to the mine on a short term basis

Works is contracts let to construction projects on site

There are no reliable manpower figures for contractors or joint ventures.

The largest employers as a result of PJV contracts are:

Ipili Porgera Investments Pty Ltd.

EJ Sisters LTD

Tupa Resources

Yambu BG

Pakien Womens BG

Maiyam BG

Samson Munaka

Porgera Camp Services Pty Ltd

EMPLOYMENT

6. DIRECT EMPLOYMENT BY PJV

YEAR	PORGERANS	ENGANS (less Porgerans)	PNG NATIONALS (less Engans)	EXPATRIATES	TOTAL	% Nationals
1990	384	228	275	261	1,148	77.26%
1991	637	245	343	403	1,628	75.25%
1992	481	294	402	410	1,587	74.17%
1993	583	332	463	392	1,770	77.85%
1994	653	314	589	322	1,878	82.85%
1995	756	278	683	335	2,052	83.67%
1996	805	254	707	302	2,068	85.40%
1997	703	202	645	257	1,807	85.78%
1998	875	187	487	264	1,813	85.43%
1999	991	188	488	259	1,926	86.55%
2000	1046	182	496	248	1,972	87.42%
2001	1171	86	499	211	1,967	89.27%
2002*	1263	79	515	224	2,081	89.24%

*Underground mining recommenced in 2002.

TAXES & DUTIES

7. TAXES & DUTIES

YEAR	Taxes Deducted From Employees' Wages	Customs Duties etc. (3)	Fuel & Excise Tax (1)	Income Tax (2)	TOTAL
To 1993	K22,493,484	K7,513,538		K205,029,560	K235,036,582
1994	K7,101,400	K4,755,477		K27,422,980	K39,279,857
1995	K10,514,413	K14,737,296		K57,158,596	K82,410,305
1996	K12,589,024	K10,254,719		K41,001,864	K63,845,607
1997	K11,823,213	K7,697,976	K2,640,000	K31,290,000	K53,451,189
1998	K13,977,000	K8,060,000	K3,579,602	K32,392,318	K58,008,920
1999	K19,413,888	K23,810,421	K3,468,610	K26,756,000	K73,448,919
2000	K20,092,630	K23,577,346	K3,757,929	K35,157,044	K82,584,949
2001	K21,526,274	K26,482,682	K4,578,300	K30,115,928	K82,703,184
2002	K24,906,675	K21,494,997	K3,500,961	K24,022,000	K73,924,633
Total	K164,438,001	K148,384,452	K21,525,402	K510,346,290	K844,694,145

(1) Based on litres supplied @ K0.06 per litre

(2) Income tax is paid by each Joint Venture partner and is dependent on their respective revenues and tax deductions. PJV estimates are based on a prorata of Placer & Highlands Gold.

(3) Includes the Mining Levy.