

POGERA ENVIRONMENTAL ADVISORY KOMITI (PEAK)

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MINUTES OF MEETING

18<sup>TH</sup> APRIL 2005  
(04/05)

HELD AT  
PLACER NIUGINI BOARD ROOM  
THE LODGE - PORT MORESBY

1. OPENING OF THE MEETING - 18<sup>TH</sup> APRIL, 2005

Nigel R. Agonia, OBE	Chairman
Bob Cogger	Director - Sustainable Development Group - PJV
Philip Gibbs	NGO - Melanesian Institute
Beris Gwynne	Technical Advisor - FDC
Barry Hart	Technical Advisor - Water Sciences Ltd
Ben Imbun	Technical Advisor - University of West Sydney
Michael Kiap	PNG Government Technical Advisor
Martha Macintyre	NGO
<b>Sheroll Marsipal</b>	Department of National Planning
<b>Evelyn Mopafi</b>	Department of Mines
<b>Mel Togolo</b>	Placer Dome Asia Pacific
Maryanne McDonald	Executive Officer

APOLOGIES: Peter Siba, Pat Pepena and Kay Kalim

The Chairman welcomed the Committee members to the first meeting for 2005, and introduced Maryanne McDonald as the newly appointed Executive Officer to PEAK.

The Chairman introduced the new Committee members: Martha Macintyre, Barry Hart, Beris Gwynne and Ben Imbun, and stated that he was looking forward to their professional input in which PEAK would benefit from their vast knowledge and experience.

A motion was moved to accept the new Committee members onto PEAK. Moved by Mel Togolo and seconded by Michael Kiap. Motion carried.

2. MINUTES OF THE PREVIOUS MEETING:

The minutes from the previous meeting (18<sup>th</sup> October 2004) were reviewed and *accepted as a true and correct record*. Moved by Mr. Togolo and Seconded by Mr. Gibbs.

3. PRESENTATIONS BY GUEST SPEAKERS:

The following Guest Speakers were welcomed by the Chairman to the PEAK October Meeting:

Brad Gordon	Placer Dome Asia Pacific
Charlie Ross	Environmental Manager - PJV

Phil Stephenson	Mine General Manager - PJV
Mark Van Dusen	Manager - Socio Economic Development PJV

### 3.1 OPERATIONAL PERFORMANCE

Phil Stephenson provided a brief overview of the leadership team. He elaborated on the 2004 performance of Porgera and provided a general forecast for 2005 with emphasis on two current significant issues: West Wall Failure and Illegal Miners, both of which have escalated in the last two months.

#### 3.1.2 REVIEW OF 2004:

**Occupational Health and Safety (OH&S):** Porgera has an excellent OH & S track record over the past decade however the fatality in December 2004 has directed the PJV Management Team to refocus its efforts back onto the issue of improving safety performance. On the illegal mining issue, each area within Porgera is currently engaged in discussions with the community and is attempting to secure Government support to curb its continuance.

PJV has adopted a 'whole of business' approach to Risk Management and OH & S Management. This includes: Plant Operation, Human Resource Development and Environmental Risks.

**First Aid Injury** was static for 2004, and this is attributed to a more efficient reporting system. Serious Injury Frequency rate slowly reduced throughout 2004. Phil Stephenson explained the differential between Lost Time Injury (LTIFR) Frequency Rate and HIPO (High Potential) Frequency Rate.

**Lost Time Injury Frequency Rate (LTIFR):** The safety record at Pogera is favourable compared to other operations. Pogera is in the top 10% of Placer Dome's operations over the past 5 years.

**Physical Performance for 2004:** The amount of gold poured over the past twelve months has exceeded expectations with over 1.0 million ounces being extracted from the site. This represents 13% above budget forecasts for 2004.

**Financial Performance for 2004:** It was reported that overall the Unit Costs were good in comparison to the increase that had occurred in commodity prices.

**Additional Reserves:** It was further noted that the reserves for 2004 (Open Pit; Stockpiles and Underground) were 7.3% above those reported for the previous twelve months. The perception by management is that the mine could extend beyond its close by date of 2012.

**Underground Exploration:** A detailed slide presentation was delivered to the Committee, outlining the extraction of the underground reserves for 2004, particularly from the North Zone and the East Zone with further opportunities for 2005 in the location of reserves in these two areas.

#### 3.1.3 EXPLORATION 2005 OBJECTIVES:

The objective for 2005 is to convert 400 koz from resources to reserves through delineation drilling. The 2005 Underground Targets include: Roamane Fault (High grade); East Zone; Cubby Zone; Link Zone; East Zone above Drainex; Upper North; Lower North and the East Zone. Additional reserves will be located through existing known targets, the exploration of known zones and the study into new and deeper zones.

## **West Wall Issue:**

The West Wall issue was one of the largest production concerns currently being confronted by PJV. A number of failures (mud-flows) had occurred in stage 5 which had hindered further mining in the area. High rainfall was one of the main contributing factors along with the design of the area and drainage.

### **3.1.4 ILLEGAL MINING ISSUE:**

It was noted that the incursions of illegal miners into active mining areas over recent years have slowly but steadily decreased. This decrease was possibly a result of the message getting through of people being injured or killed in accidental falls from pit walls, being hit by fallen debris and rocks, through confrontations with police and PJV securities in self defence against perpetrators and through successful court prosecutions and fines. At the same time, it was noted that incursions into the open pit have dramatically increased, making mining in that area quite difficult.

PJV has increased security manpower and reduced the dumping of waste. A risk assessment of the situation was completed in October 2004 and a full time project manager was appointed to undertake an "Issue Management Plan". PJV has adopted a tripartite approach with the Government and neighbouring community leaders to consider what additional steps need to be adopted. PJV is also examining the illegal issue globally with other major mining companies.

It was reported that PJV had identified eleven key issues for consideration in the company's business plan of which the number one priority was Illegal Miners. PJV has recognised the enormity of the situation and is actively undertaking a range of opinions from various groups (government bodies/politicians and private representation). This could take another couple of months to finesse.

It was suggested that PEAK members visit the Porgera operations in order to obtain a feel for the site. During the on-site visit PEAK would also have the opportunity to view any strategic plans that were currently being undertaken by the company and the Government.

In summarising the discussion, the Chairman invited the members to consider a July meeting in Porgera to view the company's operations and to review the CSIRO recommendations. They would then be in a position to monitor procedures in place and any proposed implementation programs.

## **3.2 ENVIRONMENT REVIEW/PROGRES REPORT:**

Charlie Ross provided a detailed report on the aspects of the mines operation. This included a review of the mining and waste rock placement, ore processing and tailings treatment and the open pit west wall failure. He elaborated on the different types of waste produced and the breakdown of the waste as a result of its exposure to the air and moisture, ultimately resulting in mud flows. The presentation included a detailed over view of the open pit operation, the Anawe waste rock dumps, the 'tailings' treatment plant and treatment and the west wall failure.

The disposal of the sediment from the west wall was still a major concern, and was resulting in large mudflows to stage 4 and 5. Plans were underway to construct another drainage trench. Additionally disturbing was the evidence at the toe of the Anawe erodible dump, which is being pushed towards the Pongema River. Trenches are apparent along the valley wall ultimately causing further erosion. PJV explained in detail the remedial steps that were being undertaken by Pogera to stabilise the situation. This included a drainage interception trench, a west wall stabilisation project and a technical review of erodible dump performance. Technical evaluation of the area was being implemented on what the likely future landscape will look like and the impact this would have on the adjoining communities.

An issue of concern was the increase in the level of mercury at Lake Murray. A more detailed study is required to distinguish what percentage is mine-derived material against a natural occurring element.

**3.2.1 Progressive Land Rehabilitation:** PJV had addressed this in a number of ways and included: the establishment of groundcover for the control of runoff and erosion; accessibility to the mudstone areas along the west wall; groundcover to be planted along the slopes of the Kogai Dump and the trial planting of local tree species and the possible introduction into the area of new species.

**3.2.2 Closure Planning:** Projects included a draft matrix to be prepared that proposes a range of possible end land uses.

**3.2.3 Health Risk Assessment:** A 2004 Health Risk Assessment Report by Dr. Keith Bentley revealed that downstream there is a possible risk of exposure to metals through recreational contact with Porgera River water. Time activity data needs to be collected to enable a quantitative risk assessment of exposure to metals through the contact with water and soils. A dietary survey that examined the concentration of metals in the diet of communities between the mine site and the Strickland lowlands found elevated mercury around the mine site maybe a result of the consumption of tin fish.

**3.2.4 River Margins Study:** Professor Bill Dietrich has prepared a collaborative research proposal to seek funding under the National Science Foundation Project, which will examine the sediment coring in the southern end of Lake Murray. The aim of the research is to determine the rate and areal extent of the sediment deposition derived from the Strickland River and from the mine site. The assistance of OK Tedi and their research department was noted.

**3.2.5 Monitoring Program Review & Optimisation:** The current program has been in existence for the past 15 years and is based on compliance monitoring. Professor Stuart Bunn is carrying out a technical review of the monitoring program. The program will be revised to a 'risk based' approach, and will use conceptual models of cause and effect for the ecosystem health and human health. It was reported that the Department of Environment & Conservation and PJV were working closely on the report.

**3.2.6 Riverine Stakeholder Engagement:** A meeting was held with the Provincial and District Officers at Kiunga. Communication by all players was paramount for the full understanding of the concerns and issues at hand. Bob Cogger emphasised that PJV is committed to working closely with the Provincial Governments in order to add credibility and provide support to the various studies that have been undertaken. This includes a Dietary and Health Study in the Strickland Lowland region.

**3.2.7 Biodiversity Conservation:** A Memorandum of Understanding has been signed formalising an alliance with Conservation International. The first stakeholder's consultation meeting to be held within the next week and a biodiversity survey fieldwork is planned for the third quarter of 2005. The aim of the program is to establish a 'wildlife management area'.

### **3.3 SUSTAINABLE DEVELOPMENT:**

Mark Van Dusen presented a detailed report covering the socio-economic issues that are currently being confronted by Porgera. Mark Van Dusen's report included the following discussion points.

The Sustainable Development Group covers three main areas: the environment (rehabilitation) community affairs (interaction) and socio-economic development (end users) and is managed by: Business Development (contracts, business advice and training), Social Development (food security, adult literacy and PDWA) and Government Liaison and Capacity Building (closure planning, youth and sports). The main aim of the Socio-Economic Department is the implementation of the closure of the mine and the adoption of long-term sustainability

strategies. This includes capacity building, partnership and network development through open dialogue with stakeholders, of which PEAK is seen as one of the main contributors that will ultimately assist in the smooth transition of the mine closure.

It is essential for Porgera to clarify and establish a clear vision for the closure of Porgera. This includes Government interaction throughout the various stages.

**3.3.1 HIV / AIDS:** Mark Van Dusen delivered a disturbing overview of the growth of HIV/AIDS carriers, revealing an explosive increase over the past 3 years. (700 employees tested, 2% HIV +; in 2004, approximately 700 tests at Paiam hospital, of which 5.8% were positive; first quarter 2005, approximately 700 tests done, of which 12.8% were positive).

PJV is searching for an associate to drive both the compliance aspect and education programs forward. The first step is to get a 'lid' on the issue. The accessibility and use of retro viral was discussed in detail.

### **3.3.2 Capacity Building:**

This was seen as an important aspect of the success of the closure of the Porgera mine site. PJV elaborated on the need for management to work closely with Government and civic organisations to ensure service delivery and the ongoing maintenance of infrastructure within the region. Training was also a priority and this was being promoted through the HR department and associated partnerships to assist with management capacity.

### **3.3.3 Partnership Links:**

PJV is playing an active role in this area to ensure that effective communication is being delivered to the region. Partnership linkages include:

Canadian Hunger Foundation (CHF) and partners in the rural market where constantly under review; Pacific Enterprise Development Facility (PEDF); A radio station at Paiam has also been established in order to deliver relevant programs to the community. Topics covered include HIV / AIDS and Illegal Mining; Australian Business Volunteers involvement will capture business expertise and the National Aids Council.

### **3.3.4 Stakeholder Engagement Mechanisms:**

Regular meetings and forums are conducted to ensure the dissemination of relevant information to the community. Various Committees have been established to ensure a smooth transition prevails over the coming years. The Committees include: Community Issues Committee; Porgera Mine Closure Committee; Porgera District Mine Closure and Sustainable Committee; the Local Level Government ward survey and planning exercise, and finally, PEAK.

In conclusion, PJV outlined the next steps that Porgera need to undertake. There is a need to broaden, formalise and document the stakeholder's input into the Mine Closure Plan. This will ensure that PJV is heading in the right direction. It was also paramount that the Company nurtures new partnerships, which will be formulated as a result of the recommendations (i.e. adult literacy). In terms of partnerships with external agencies, PJV needed to reflect on the current and future hurdles the region will face with the resurgence HIV /AIDS, and how the company can improve awareness and counselling capabilities. Finally, PJV must find the most appropriate partners to deliver effective training to the community.

## **4. PEAK REPORTING:**

**4.1 Annual report 2004:** The Annual Report was circulated to all attendees for their comments. The report was unanimously approved by the Committee.

4.2 **Terms of Reference:** The Committee were invited to comment on the proposed Terms of Reference.

5. **ADMINISTRATIVE ISSUES:**

At future meetings it was agreed that the following procedures would be incorporated into the format of the agenda:

Upon the completion of the presentations by 'observers and/or invited guests', all non-Committee members are to be excused from further participation. All Presenters are to be available should clarification be sought by the Committee.

**Recommendation:** The Executive Officer and PJV to prepare appropriate reports for circulation to the Committee members.

The Chairman reiterated the significance for PEAK in applying pressure on PJV and evaluate the company's performance as outlined during the course of the meeting.

**Logistics:**

6. **FUTURE MEETINGS:**

PJV Mines Manager invited the Committee Members to Porgera for a July meeting. A three-day visit was recommended to allow for interaction between the PEAK members and the Porgera community.

It was agreed that the next meeting would take place at **Porgera Mine Site** on **11<sup>th</sup> July**.

The last meeting for 2005 was scheduled for **October 17<sup>th</sup>** in **Port Moresby**.

7. **CLOSURE OF MEETING:**

The Chairman thanked the Guest Speakers for their valuable contribution and presentations. PEAK members were also thanked and in particular the new members who provided a platform for constructive interaction between the Committee and PJV. Mel Togolo was thanked for his contribution as the 'interim' Secretariat of PEAK.

The meeting closed at 4:40 p.m

**Signed as a true and correct document**

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**Chairman - Nigel R. Agonia, OBE**