

PEAK ASSOCIATION INC.

MINUTES OF MEETING

11TH JULY 2005

HELD AT

PLACER DOME NIUGINI LTD'S BOARD ROOM
THE LODGE - PORT MORESBY

1. OPENING OF THE MEETING - 11th JULY 2005:

Nigel Agonia	Chairman
Bob Cogger	Director - Sustainable Development Group - PJV
Philip Gibbs	NGO Melanesian Institute
Barry Hart	Technical Advisor - Water Science Pty Ltd.
Benedict Imbun	Technical Advisor - University of West Sydney
Michael Kiap	PNG Government Technical Advisor
Patricia Pepena	Department of Mining
Peter Siba	Technical Advisor - PNG Institute of Medical Research
Mel Togolo	Placer Dome Asia Pacific
Beris Gwynne	Technical Advisor - FDC
Maryanne McDonald	Executive Officer

OBSERVERS:

Charlie Ross	PJV Environmental Manager
Cheryl Kelly	Institutional Strengthening Advisor - ACIL
Wilfred Peters	Provincial Response Advisor - National Aids Council.

Apologies: Martha Macintyre.

The Chairman welcomed the Committee to the second meeting of PEAK, and briefly explained the background to the July "special meeting", which was to review the administrative matters and line of communications within PEAK.

2. MINUTES OF THE PREVIOUS MEETING:

The minutes of the previous meeting were reviewed and *accepted as a true and correct record*. Moved by Mel Togolo and seconded by Ben Imbun.

3. REVIEW OF REPORTS:

A copy of the CSIRO recommendations and 2001 Review of Riverine Impacts of PJV were circulated. A response report from PJV is to follow.

4. MATTERS ARISING:

4.1 FINANCIAL SERVICES/HIV AIDS/ WEST WALL MITIGATION/ILLEGAL MINING REPORT:

A brief presentation followed by PJV - PEAK representative - Mr. Bob Cogger - Director, Sustainable Development Group on the following: Financial Services; HIV AIDS; West Wall Mitigation, and Illegal Mining and related issues.

4.1.1 FINANCIAL SERVICES: Several mechanisms are being explored by PJV on the potential of Micro Finance facilities into the Porgera Region. The community will need to endorse any commercial arrangement that will be entered into. The Committee endorsed the involvement of the Porgera District Women's Association in long-term discussions. The issue of PJV's exit strategy with regard to facilitation of financial services was raised.

4.1.2 HIV/AIDS: The increase in the number of reported cases is a grave concern to PJV management, who are working closely with several Committees to address the issue. PJV will be approaching additional stakeholders such as the private sector, churches and NGOs to gain their involvement in the District Aids Committee.

4.1.3 WEST WALL MITIGATION: Currently losing more than 1Million tonne of unstable brown mudstone per month. This is preventing access to Stage 5, which is estimated to contain significant quantities of gold. Stage 4 is approaching the end of its economic life (Dec 2005).

4.1.4 ILLEGAL MINING AND RELATED ISSUES: The numbers of illegal miners still remains large in the open cut (active mining area) area. PJV are currently addressing a range of initiatives. These include: discussions with National Research Institute, strengthening existing procedures for Community Affairs staff, designing a suitable fence to prevent access to the open pit area and discussions with Porgera community leaders to conduct awareness campaign in the Valley. Safety remains the most significant concern.

4.2 ENVIRONMENTAL REVIEW/PROGRESS REPORT/CSIRO REPORT AND REVIEW:

Mr. Charlie Ross - PJV Environmental Manager delivered a brief overview:

4.2.1 REVIEW OF CSIRO REPORT AND UPDATE

Many of the recommendations referred to in the CSIRO report related to specific monitoring programs of the mid 1990's. The Committee reviewed the collection of data and data analysis, reporting mechanisms and the impact on the river system.

Clarification was sought on the need to look for the potential for Human Health Implications in more detail, to improve the river monitoring program, statistical analysis of data and to improve the reporting of information and communication to the Department of Environment and Conservation.

Since the review, PJV has been working through the recommendations and is implementing the recommendations as far as practicable. In addition, a Review of the Environmental Monitoring Program was established at the end of 2004, and a number of specialists are currently engaged in a program to review specialised areas and data such as: Water Data, Sediment Chemistry Data, HRA Data and Biological Monitoring Data for the River System. Upon completion, the monitoring review outcomes will provide an up to date study of PJV environmental operations and will align the monitoring programs.

The possibility of benchmarking was raised in terms of regulatory mechanisms (such as waster quality monitoring, ARD initiatives) amongst mining companies in PNG as this could provide some motivation for innovative technologies, methodologies which could assist in policy formulation achieving outcomes such as appropriate water quality standards using data generated by mining companies through respective monitoring programmes.

The Committee noted that the discharge of tailings and waste rock into the river system is not the world's best practice. Options are being explored by PJV to reduce the amount of tailings discharged into the river system.

4.2.2 WEST WALL/ERODIBLE DUMP:

An Independent Technical Panel has reviewed the West Wall and the Erodible Dump. It was noted that a program to actively revegetate the eroding walls, surface water diversion work and rock lining would reduce the amount of mudstone impacting on mining operations. Clarification was sought by the Committee on the volume of waste disposal from the sites, and the social impact this is having in the community.

As a result of the discussion, the following recommendations were noted for incorporation into the October Mine Site visit:

- A walkover of the dumpsites followed by an aerial overview (by helicopter)
- PJV to provide imagery of the site to make clear what is happening.
- Report/slide presentation of the dumpsites.
- If available, satellite photographs and/or aerial photography of the mine site and the dump impact zone.

It was also recommended that a map be made available at future meetings as a reference point during discussions by the Committee.

The Committee also queried what the best solution for data interpretation and utilisation by in-house/country expertise. PNG partnerships were to be encouraged.

5. PRESENTATION FROM HIV/AIDS HIGH RISK MANAGEMENT:

The Chairman welcomed Ms. Cheryl Kelly - Institutional Strengthening Advisor - ACIL and Wilfred Peters - Provincial Response Advisor - National Aids Council Secretariat who provided a brief presentation on HIV/AIDS infections in PNG and Porgera's commitment to intensify the approach.

On going areas that require attention include: Long term sustainable programs with private sector organizations and an increase in the intensity of a combined approach to the situation; behavioural patterns on and off mine sites; education curriculum and training of educators and the workforce; legislation and commitment to a vigorous national and provincial response.

Reports made available to PEAK include: HIV/AIDS Management and Prevention Act, Social Mapping Project - Enga Province (January 2005), report of the 2004 national Consensus Workshop of PNG and HIV, AIDS, STA, and Sexual Health in PNG - a multi-method, multi-sited study.

In summarising the presentation, The Chairman encouraged the work being done by Ms. Cheryl Kelly and Mr. Wilfred Peters and suggested a review within the coming 12-18 months.

6. GENERAL COMMENTS BY PEAK MEMBERS

The committee noted the following comments as a result of the presentations

- The distribution of relevant information is to be directed through the Executive Officer;
- The consideration for Committee members to attend conferences that are relevant to PEAK/PJV matters such as HIV/AIDS seminars;
- The setting up of a Community Telecentre that would embrace Micro Finance, Business Development (website development) as part of the equation.
- It was recognised that the people of Porgera would welcome a proposal from PEAK and/or a nominated organizations that would strengthen the social development of the area such as HIV/AIDS, IT, Micro Finance and community development, and

- PEAK may have a role in conducting independent validation studies for other mining projects. This could result in a long-term partnership and the development of combined studies.

7. PEAK – ADMINISTRATIVE MATTERS:

The Chairman led a general discussion on the scope/focus/ and terms of reference of PEAK. The following procedures were unanimously agreed to:

- **Name change:** PEAK Association Inc.
- **Budget:** The Executive Officer to liaise with PJV on 2006 Budget.
- **Registration of an Association:** The Executive Officer is to initiate. Independent Legal Body to be engaged.

PEAK's Terms of Reference (TOR) was not discussed due to time constraints however; some members expressed redefining the respective role of PEAK and the intention on PEAK.

The above resolution was moved by Philip Gibbs and seconded by Peter Siba.

A general discussion followed on several additional matters, which included the establishment of a Bank Account; the development of a 2006 Work Plan; Future Travel Arrangements and the development of a 'new look' PEAK website.

8. PEAK 2006 Meetings:

The first PEAK meeting for 2006 will be held in Port Moresby on the 13th of March.

The second PEAK meeting for 2006, subject to confirmation with PJV Management, will be held at the Porgera Mine Site on the 15th - 16th October, 2006.

9. ANY OTHER BUSINESS:

9.1 PEAK MEMBERSHIP:

Provision was noted in PEAK's TOR for additional PEAK membership. The committee is to identify what it is looking for in the new member (s) and that the final nomination (s) should be above "Porgera Politics". The Committee should give some thought on this matter for the October meeting and will formulate part of PEAK's 2006 Work Plan.

9.2 REVIEW OF THE MINING ACT:

The current Mining Act is being reviewed by the Department of Mining. The Department has consulted stakeholders on the amendments, as well as the draft mine closure policy. Provisions of the policy will also be incorporated as part of the amendments to the Act.

9.3 2006 WORK PLAN:

For consideration: Environmental issues - rehabilitation of the site; reforestation and diversification of species; tailings containment; flood plan deposition; flood plan ecology and the engagement of external consultants.

10. INWARD/OUTWARD CORRESPONDENCE:

Noted.

11. NEXT MEETING - 18TH OCTOBER 2006:

It was proposed that the PEAK Members incorporate a tour of the mine site, open pit and mill into the October visit. Several Porgera community groups/stakeholders are to be visited by members. The Executive Officer was assigned to prepare a two-day itinerary for circulation to members for due consideration.

12. CLOSURE OF MEETING:

The Chairman acknowledged the attendance of all Committee members and thanked them for their attendance and invited all to submit comments by the end of July.

Being no other business the meeting closed at 4:15 p.m.

Signed as a true and correct document

Chairman - Nigel R. Agonia, OBE