

NOTES OF MEETING HELD AT PLACER NIUGINI BOARD ROOM,
PORT MORESBY, 8-9 OCTOBER 2001

Attendees:

Komiti Members

- Mel Togolo - Acting Chairman - Placer Dome Asia Pacific
- Graeme Batley - CSIRO (PJV/Placer Technical Advisor)
- Gunther Joku - PNG Government (Department of Environment and Conservation) Monday only
- Michael Kiap - PNGUT (PNG Government Advisor)
- Kay Kalim - PNG Government (Department of Environment and Conservation) Tuesday only
- Dr Charles Mgone- NGO (Institute of Medical Research)
- Pete Neilans - Porgera Joint Venture
- Bob Pidgeon - ERISS (NGO Advisor)
- Patrica Pepena - PNG Government (Department of Mining)
- Michael Rynkiewich - NGO (Melanesian Institute)

Apologies:

- Michael Rae - World Wildlife Fund

Regular Observers:

- Tim Omundsen - Manager Environment, PJV

Invited Guests:

- Evelyn Mopafi - Department of Mining (Monday only)

Agenda Item 1

Due to the resignation of the Chairman, Yati Bun, it was agreed by the komiti that Mel Togolo would chair this meeting. Introductions were made, new members (Dr. Charles Mgone and Gunther Joku) acknowledged and apologies were recorded.

Agenda Item 2

Notes of Previous Meeting

Notes of the previous meeting were accepted.

Agenda Item 3

Action Items / Matters Arising

Matters arising out of the previous meeting were dealt with and action items reported upon.

Action Items

Item 1

Personal Biodata for PEAK Website

In the absence of Evert van den Brand, Mel Togolo made a brief report and requested new members to provide and existing members to update their personal biodata. All personal biodata to be emailed to Evert van den Brand. (Evert van den Brand and Mel Togolo to action)

Item 2

CSIRO Matrix of recommendations

It was reported that PJV Management and Environmental staff had met with key environmental consultants to the PJV in Brisbane in May to discuss, amongst other matters, progress on the CSIRO recommendations. The consultants were tasked to evaluate the PJV's response to each recommendation, provide references to where information relating to each recommendation can be found and to provide a report on the status of the recommendations. PJV has very recently received a draft report from the group and this will be circulated to PEAK and placed on the website.

The matrix of CSIRO recommendations were reviewed and a number of actions undertaken by PJV since the last meeting were acknowledged by the komiti. The matrix will be updated with this new information and posted on the website. (Tim Omundsen to action)

Item 3

Rural Health Training Module

The Health Training Module has been completed and a draft budget and cost estimates were sent to PJV for its review. No response as yet has been given. Gerard Saleu was to follow up on this but no information has been provided on his progress (Dr Charles Mgone to action with assistance from Gerard Saleu)

Item 4

Meeting with Wep Kanawi

To clear allegations made by Wep Kanawi that unknown diseases in the Strickland area were a result of toxic waste from the Porgera mine, the Komiti at its meeting in February decided that the Chairman and Gerard Saleu meet with Wep Kanawi. It was agreed that they explain the situation and why there is no scientific evidence that the deaths were in any way related to the operations of the mine. Unfortunately this meeting did not eventuate.

It is proposed Wep Kanawi will visit the Porgera mine in mid October and the situation regarding the mystery deaths down river will be explained to him. (Tim Omundsen and Mel Togolo to action)

Item 5

Attendance at Meetings

The Komiti was concerned about non-attendance of government representatives at PEAK meetings. Representatives from the Departments of Mining and the office of Environment and Conservation attended the October meeting. (Actioned)

Item 6

Terms of Reference of PEAK

Following the result of the evaluation of the performance of PEAK and its future role, an amended version of the Terms of Reference of PEAK was distributed to the Komiti. After further discussion the changes to the Terms of Reference were agreed. Mel will finalise the document and circulate to Komiti members for approval. (Mel Togolo to action)

Item 7

Notes on Evaluation

The notes on the PEAK Evaluation Meeting held in February were distributed to members of the Komiti. (Actioned)

Item 8

PJV Annual Environmental Report

It was agreed all members would review the 2000 PJV Annual Environmental Report and provide comments and suggestions for improving future reports. Tim Omundsen made a commitment to circulate the 2001 PJV Annual Report

prior to publication to all Komiti members for their input. (Komiti Members & Tim Omundsen to action)

Item 9

New Chairman & Komiti Members for PEAK

Efforts are to be made to find a suitable Chairman to lead PEAK through the next period of its existence; efforts are also to be made to recruit new NGO's to join PEAK. (All Komiti Members, Mel Togolo to action)

Item 10

Porgera Long-term Economic Plan

A request was made that the Komiti be briefed on the long-term economic plan when it is completed. (Mel Togolo to action)

Agenda Item 4

Environmental Performance

- PJV was in compliance with Government criteria at SG3.
- PJV Annual Environmental Report for 2000 was distributed.
- Nine Water Use Permits under renewal of which two are new applications have received a Ministerial exemption until the 10 December 2001
- Waste rock dumping quantities from Jan - Aug 2001 as follows;

Anjolek 6.99 MT (total 137.7 MT)

Anawe 2.18 MT (total 79.1 MT)

- OEC undertook independent sampling at SG3, SG2, SG1 and local creeks in January and June 2001. The results from January confirmed PJV's compliance with PNG Government's criteria. Results from the June sampling are pending.
- Mine derived sediment signature study report has been completed and copies given to PEAK members. The results indicated that particulate lead and silver have the greatest potential as mining tailing tracers as they are typically present at enrichment factors of greater than 45 and 140 respectively in mine tailing compared to natural riverine sediments.
- Purse seine net sampling to measure fish densities in Lake Murray began in May 2001. Five net samples were taken at the North, Middle and South areas of the Lake. Additional sampling will be carried out in late October

and the results will be available in the 2001 Annual Environmental Report.

- Co-disposal studies on paste and metal removal continue (refer to Item 4.3.2 Co-disposal of Mine Waste Studies).
- Pacrim 2 - remote sensing of Lower Strickland - flight occurred in August 2001 - results still awaited.
- Co-disposal of mine waste studies continuing.
- Sampling of air emissions from the mine undertaken by Simtars - awaiting results.
- Final dietary report on Tomu and Wankipe by UPNG received. Dr Peter Sapak visited Tomu and Wankipe and explained the results of the study.
- Draft preliminary mine rehabilitation / revegetation plan completed by Dr Vele Ila'ava.
- Mill trial to lower pH from 6.5 to 6.0 commenced in April 2000.
- Incentive fund proposal for capacity building at Laiagam, Tari and Porgera/Paiela has been lodged. It requires further development.
- The Anawe North LMP Agreement is progressing well and proving very successful with the sustainability elements (Trusts & Real Estate) proving very popular.
- The 'Long Term Economic Study" which is being funded by the National Government is well advanced.
- Most Riverine Compensation due this year has been paid. Remainder in Trust Account due to land disputes.
- Community Affairs have conducted two of a three-part workshop to prepare for mine closure planning.

Agenda Item 4.1

CSIRO Recommendations

Most recommendations have been implemented and according to protocol have been acknowledged by the Komiti. See action item 2.

Agenda Item 4.2

Operational Performance

The Komiti noted the following;

- Planned production for 2001 - 702,000 oz's of gold - latest estimate of actual for the year is close to 750,000 oz's gold.
- Stage 3 of the production phase will be completed at the end of October.
- Planned production for 2002 is 630,000 ozs gold.
- The lower production will cause cash flow shortfalls in 2002 and 2003.

- The Anawe North Stable Dump will provide savings to the project with its downhill haul (savings in fuel, maintenance and the need to buy additional trucks).
- Rehabilitation/revegetation has commenced on some upper benches of Stage 5.
- Underground exploration results have been encouraging. There is the possibility underground mining may recommence for a short period.
- PJV has completed 60 houses at Paiam. Not all commitments by the National and Provincial Governments at Paiam have been met. Education facilities at Paiam cannot cater for the influx of new people.
- The only bank at Porgera has closed due to an attempted robbery in which three people were shot.
- There are many illegal miners on waste dumps at Porgera especially Anawe North. It is very hard to control the movement and actions of these people even with the PJV Loss Control staff. The potential for a serious accident is high.
- The PJV reached six and half million-man hours LTI free in March 2001. There were three LTI's in March. Presently PJV is at three and half million man-hours LTI free.
- Porgera will stop open pit mining in 2006, stockpiles will be milled until 2011. The work force in the open pit will start to be reduced in 2003/2004.

Agenda Item 4.3

Briefings as required

Item 4.3.1

Porgera Closure Planning Process

Graham Johnson, Mine Closure Coordinator, gave a presentation on the Mine Closure Planning Process at Porgera. The main points were:

- • Known and finite mine life. Current mine plan, finish open pit 2006, finish milling stockpiles 2011 with site decommissioning and rehabilitation lasting until 2013.
- • Process to be followed (many aspects in parallel) - PJV Vision & Policy, Stakeholder & Issue Identification, Strategic & Tactical Plans, Mine Closure Plan & Other Vehicles, Implementation & Greater Vision.
- • Consultation with all stakeholders integral to the closure planning process.
- • Potential Biophysical Closure Issues - metal leaching from waste dumps, stability of erodible waste dumps & pit and drainage tunnel closure options.

- • Potential Social Closure Issues: high expectations of community, sustainability of services and infrastructure, need for alternate economic activities, food security and land pressure.
- • Consultation will involve common issues and coordinated solutions.
- • Draft Mine Closure Plan to be completed in 2002.

Item 4.3.2

Co-disposal of Mine Waste Studies

Graham Johnson gave a presentation on the progress of co-disposal of mine wastes at Porgera. The main points being:

- • Issues examined included; Tailings Cost Benefit Analysis, Co-disposal Research & In-pit Tailings Disposal Concept.
- • This research is in response to recommendation 17 of the CSIRO report "to pursue the possibility of containing all or part of the tailings solid and waste rock on-site.
- • A risk assessment was carried out in February 2000 which identified the following major potential risks; potential bioavailability of metals, cultural impact of the red river, the negative impact of riverine disposal to corporate reputation.
- • A pilot plant, paste cells and field trials (aimed at different methods of storing CIP tailings) have been trialed at Porgera.
- • Presently the second phase of research into the co-disposal of waste at Porgera is underway. This is a column test to determine the consolidation and drainage properties of different mixtures of tailings and waste rock under self-weight consolidation.
- • Co-disposal appears technically feasible, for Porgera capital and operating costs appear prohibitive and research is ongoing.
- • The possibility of In-pit disposal of tailings when mining is completed and stockpiles are being treated is also being investigated.

Item 4.3.3

Porgera Rehabilitation /Revegetation Plan

Dr Vele Ila'ava gave a presentation on his work on producing a rehabilitation / revegetation plan for the Porgera Mine. Main points of his presentation were:

- • Dr Vele Ila'ava has spent 4 weeks at Porgera as consultant advising on a rehabilitation / revegetation plan for the Porgera Mine.
- • Requirements for plan, characterise areas both physical and chemically, decide on best bio-stabilisation species, define required rehabilitation endpoints and monitor progress.

- At Porgera land above 2,400 metres needs to be returned to natural forest as it is too high for gardening.
- At present there is a narrow plant focus. More local plant species need to be trialed.
- Dump Rehabilitation Plan should be completed by December 2001.

Agenda Item 5

Community Consultation

Item 5.1.1

Medical Investigations to Tropical Diseases

Dr Amos Benjamin from UPNG, briefed the Komiti on the investigation into the "unknown diseases" reported in the Upper Strickland River area. The briefing was only preliminary, as laboratory results have not yet been received. The main points of his presentation were:

- A medical patrol was carried out in the Lake Kapiago District, Southern Highlands Province and Oksapmin District, West Sepik Province during April 2001.
- Medical members of the team were: Team Leader, Dr T Taufa, Associate Professor, James Cook University, Dr P Spicer, Cairns and Dr A Benjamin Lecturer, UPNG.
- The patrol visited 9 villages and carried out the following
 - Interviewed villagers to determine if there were any new deaths from the mystery disease since last reported.
 - Examined children under five years old for any symptoms of motor neuron disease.
 - Examine close relatives of each reported victim and 10 other unrelated villagers.
 - Collected relevant specimens for laboratory tests.
 - Vaccinations were given to infants, children and pregnant mothers.
 - Examination and treatment of any sick villagers.
 - Focus group discussions carried out with men and women.
 - Inspection of Aid Posts
 - Inspection of village's water supply, houses, toilets etc.
 - Collected water samples from drinking sources.
- Two specific cases of people purportedly suffering from the unknown disease were brought for examination. One from Sisimin Village was diagnosed as suffering from Septic Poly-arthritis and was treated. The other, a 50-year adult male from Kunanap Village, was diagnosed as suffering from Arthritis of the ankle joints.
- Focus Group Discussions

- • Men - blame the river for the deaths.
- • Women - deaths not a major concern to women; they are more concerned about general health and women's issues.
- • During the patrol no patients were found with symptoms consistent with Mystery Disease.
- • Results of laboratory tests not yet available.
- • Final report expected by January 2002.

Agenda Item 6

Recommendations to PJV

Circulate to PEAK members PJV Annual Environmental Report for 2001 prior to publishing (see Action Item 8). Concentrate on finding a new Chairman and additional NGO members for PEAK (see Action Item 9).

Agenda Item 7

PEAK Reporting

Agenda Item 7.1

Annual Report

A draft PEAK Annual Report will be distributed to Komiti members during December for comment. It was agreed that a short history of PEAK would be given in the introduction to the annual report.

Agenda Item 8

Administrative Issues

No administrative issues were raised.

Agenda Item 9

Other Business

The Komiti agreed with the changes made to the PEAK's Terms of Reference (see Action Item 6).

The Komiti discussed Yati Bun's letter of resignation from PEAK and Evert Van den Brand's response in detail. It was agreed that Evert van den Brand's response adequately responded to the issues raised by Mr Bun. None of the members brought up any reason why PEAK would not continue its constructive work into the future. It was agreed every that effort be made to find a new

Chairman who would have the necessary qualities to lead PEAK during the next period. Efforts should also be made to recruit new NGO groups to join PEAK (see Action Item 9).

Agenda Item 10

Future Meetings

The next meeting will be in Porgera on 6-8 February 2002._