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MEDIA RELEASE

Chamber congratulates Government and Wafi Golpu JV Partners on MOU

The PNG Chamber of Mines and Petroleum says the signing of the Memorandum of Understanding (MOU) between the Government and the joint venture partners of the Wafi-Golpu project, Newcrest Mining Ltd and Harmony Gold is a significant step forward for the project and the country.

Chamber Executive Director Dr. Albert Mellam while congratulating the parties, said the project is important to Papua New Guinea particularly at a time when major mining projects like the Ok Tedi mine and Porgera gold mine are at mature stages.

Dr. Mellam said the decision by the Government and the project partners to reach an understanding on a way forward to bring the copper-gold project to development is commendable.

The Government and the joint venture partners signed the MOU on December 11th in Port Moresby. In a statement released by Newcrest Mining, it stated that “as a result of entering into the MOU, the WGJV was completing approval processes to commence a substantial work program, including establishment of underground access for further drilling of the Golpu deposit and the construction of a bridge over the Markham River, which is an integral feature of the proposed new Northern Access road from the Highlands Highway to the mine site”.

It further stated that the MOU was also an indication of the parties’ intent to proceed with the Wafi-Golpu Project, subject to finalisation of the permitting process and Newcrest and Harmony Board approvals.

Dr. Mellam also pointed out that like all other resource projects, the Wafi-Golpu project will inject significant revenue into the country’s economy, and provide substantial socio-economic benefits to the project impact communities including the local landowners, the host province of Morobe, and the country.

“The resource industry has underpinned the growth of the PNG economy for decades, providing considerable social and economic benefits that have flowed to the government and the people of PNG, and with the expansion of existing projects like the PNG LNG, and the development of new ventures such as the WGJV, we are optimistic these projects will provide the country further economic growth,” he said.

The project, a 50-50 joint venture between Newcrest Mining and Harmony Gold, will have an initial capital investment expected to be US\$2.8 billion, with total capital expenditure expected to be around US\$5.4 billion over the estimated 28-year life of the mine.

The MoU re-affirms the intention of the parties to complete the permitting process and achieve grant of a Special Mining Lease by June 30 2019.

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Since 2010, WGJV has worked with the Lower Watut Farmer's Cooperative Society in Morobe and other partners to create a vibrant cocoa industry among the 1,000 cocoa growing families in the project area.

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