

Department Mineral
and Energy Resources

BOUGAINVILLE MINING LEGISLATION AND REGULATIONS DEVELOPMENT

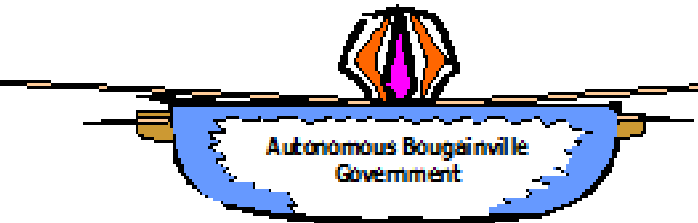
A PRESENTATION TO THE PEOPLE OF
BOUGAINVILLE

DATE: WEDNESDAY 12TH NOVEMBER 2014





ORDER OF PRESENTATION



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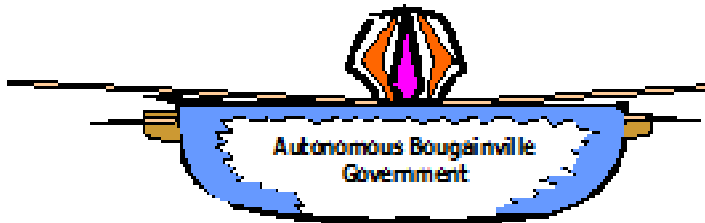
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1. **PRESENTATION 1- PROJECT BACKGROUND**
2. **PURPOSE**
3. **INTRODUCTION**
4. **15 Step strategic frame work – Where we are**
5. **TRANSITIONAL ACT**
6. **DEVELOPMENT OF BOUGAINVILLE SUBSTANTIVE MINING POLICY, LEGISLATION AND REGULATIONS**
7. **APPROACHES AND CONCEPTS**
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11. **FINAL MINING ACT AND REGULATIONS – KEY ISSUES**
12. **SUMMARY**
13. **CONCLUSION**



PRESENTATION 1: PROJECT BACKGROUND

PURPOSE



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- ▶ To prepare Members of the BEC to be aware of issues covered in the Final Draft Mining Policy Document and the Final Mining Act and Regulations before it is presented to BEC for approval
- ▶ Receive feedback intended to improve Bougainville Mining Policy and Law
- ▶ Part of Awareness and Consultation before the finalization of the Draft for BEC approval and presentation to Parliament



PRESENTATION 1: PROJECT BACKGROUND

INTRODUCTION

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Background

- ✓ Development of Bougainville Mining Policy, Mining Act and Regulations and the Development of the Transitional Act is in accordance with Various Agreements (Peace Agreement, Alotau MOU, and Bougainville Constitution on the Draw down and transfer of Mining, oil and Gas Powers and associated assets from Nat. Govt to ABG)

PROGRAMS

1. Transitional Act (passed and certified on 08th August 2014 and gazetted Commencement of the Act on 08th September 2014)
2. Permanent Bougainville Mining Policy, Mining Act and Regulations.

These two programs are within Steps 4 of the 15 steps strategic framework as agreed under the Alotau MOU of 31st March 2008



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PRESENTATION 1: PROJECT BACKGROUND

15 STAGES STRATEGIC FRAMEWORK

- ▶ A WORKING PLAN AGREED TO BY ABG AND PNG GOVT THAT GUIDES THE TRANSFER PROCESS ON MINING, OIL AND GAS POWERS FROM THE NATIONAL GOVERNMENT TO ABG
- ▶ Initially gradual transfer of powers and functions by delegation under the PNG Mining and oil & Gas Acts in absence of Bougainville's own mining, oil and gas laws using the 15 steps S/F
- ▶ With the Development of Mining Laws under these two projects, the 15 steps process has been changed from delegation to actual powers and functions transfer including associated assets.
- ▶ WE ARE ON STEP 4 to 10 WITH THE TWO PROJECTS AS PER THE 15 STEPS
- ▶ ONCE STEP 4 IS ACHIEVED ALL POWERS AND FUNCTIONS UNDER MINING ARE TRANSFERRED
- ▶ STEPS 11 & 15 ARE TO DO WITH OIL AND GAS POWERS



MAIN STEPS IN TRANSFER PROCESS APPROVED BY JSB

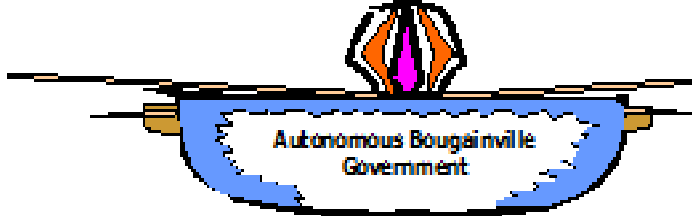


No.	Step(action needed, who, by,etc..)	Original Date	Revised Date	Current Deadlines
1.	PNG to agree no use of mining/oil/gas powers unless ABG requests or approves	Immediately March 2008	31 st March 2008	31 st March 2008
2.	Power to grant exploration license to be delegated	July 2008	January 2011	June 2014 powers transferred
3.	Review of BCA and BCL exploration licenses to be undertaken by a process involving all stakeholders	To commence mid 2008	Mid 2010 (Started 2011)	Ongoing (Mid 2015)
4.	ABG to begin developing policies	September 2008	Progress to continue in 2010	Jan 2014
5.	Alluvial Mining Powers delegated	January 2009	Jan 2011	August/Dec 2014 actual power transfer
6.	Powers to grant Mining tenements granted	January 2009	Mid 2011	2015 powers transferred
7.	Powers under laws related to mining (environment, land etc) delegated	January 2009	Mid 2011	Other Sectoral responsibilities 2015
8.	Powers on monitoring compliance by mining tenement operators delegated	July 2009	Mid 2011	2015 powers transferred
9.	ABG begins to develop own legislation	July 2009	2011	March 2014
10.	Powers regarding things such as safety (i.e. Mining Safety Act) delegated	July 2009	2011	2015 powers transferred
11.	Exploration license powers delegated oil and gas	July 2009	2012	2015
12.	Powers to approve extraction tenements delegated (oil and Gas)	January 2010	2012	2015
13.	Powers to monitor compliance by tenements operators delegated (oil and Gas)	January 2011	2012	2015
14.	Balance of powers in relation to oil and gas tenements delegated	July 2011	2012 – negotiations will start towards end 2014	2015
15.	ABG develops own policies and laws	2009-2010	2012 –	2015



PRESENTATION 1: PROJECT BACKGROUND

1.0 BOUGAINVILLE MINING (TRANSITIONAL ARRANGEMENTS) ACT



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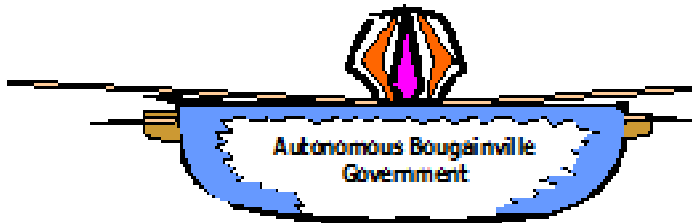
MAIN OBJECTIVES

Main objectives for passing a Mining law quickly for Bougainville

- 1. Transfer Mining powers and functions from National Government to ABG**
- 2. Unpredictable political leadership in PNG in regards to Bougainville resource security (Ok tedi)**
- 3. Situation in Bougainville – Illegal Activities, illegal Agreements,**



PRESENTATION 1: PROJECT BACKGROUND
1.0 BOUGAINVILLE MINING
(TRANSITIONAL ARRANGEMENTS) ACT



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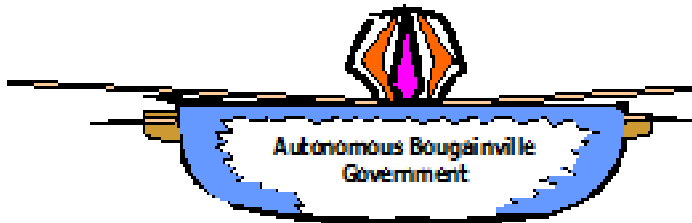
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- ✓ Passed and certified by ABG Parliament on 8th August 2014 and gazetted Commencement of the Act on the 18th September 2014.
- ✓ Cannot be implemented because it has no Regulations
- ✓ Incorporates mineral ownership by traditional landowners of land
- ✓ Incorporates current trends in dealings with landowner issues
- ✓ Extended the moratorium by BEC under this Act until such time the Permanent Act is passed



PRESENTATION 1: PROJECT BACKGROUND

1.0 BOUGAINVILLE MINING (TRANSITIONAL ARRANGEMENTS) ACT



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- Intended as Temporary Act
- Primary objectives of the transitional act:
 - Establish that minerals are owned by landowners not the PNG government
 - Transfer regulatory powers from PNG to ABG by
 - denounces the PNG Mining Act and the MRA Act and repeals the Bogenvil Resource Act
 - Cancels the BCL special mining lease, Denounces the BCA
 - Provide clarification that the BCL exploration licences are no longer valid
 - Act as a means to inform landowners and other stakeholders about the new role of ABG as the regulator
 - Provides a building block for the operational mining law
- These objectives have been achieved
- Not intended to be operational for licensing



PRESENTATION 1: PROJECT BACKGROUND
2.0 DEVELOPMENT OF PERMANENT
BOUGAINVILLE MINING POLICY, MINING ACT
AND REGULATIONS



THREE WORKSTREAMS

1. BOUGAINVILLE MINING POLICY

First Draft Completed in March and approved for Consultation in June 2014

2 & 3 BOUGAINVILLE MINING ACT AND REGULATIONS

- 1. First Draft Completed in September (Did Consultations and amendments with Consultants)**
- 2. Final Draft received 20th October 2014. To be ready for BEC by 16th November and Parliament by Dec 2014**



PRESENTATION 1: PROJECT BACKGROUND

2.0 PERMANENT BOUGAINVILLE MINING POLICY, MINING ACT AND REGULATIONS Contd..

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- ✓ Development of long term or permanent Mining Policy, legislative and Regulatory framework with the assistance of consultants funded under the MRA managed World Bank project
- ✓ Work commenced in January 2014 with appointment of Adam Smith International as Consultants to assist DOM in this project.
- ✓ A counterpart committee on behalf of ABG was formed to work with the consultants for the development work under this project (involves officers of DOM and PLOs office)
- ✓ First visit by the Consultants in February after Draft Policy was completed and conducted ABG stakeholder consultations on the initial draft.
- ✓ Second visit by consultants in August where the Draft Mining Act and Regulations was Consulted on and issues refined



PRESENTATION 1: PROJECT BACKGROUND

2.0 DEVELOPMENT OF PERMANENT BOUGAINVILLE MINING POLICY, MINING ACT AND REGULATIONS Contd..



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- ✓ Captures the special needs and aspirations of Bougainvillean's from lessons learnt with the initial development of Mining Policy
- ✓ Adopts changes in mineral ownership from the transitional Bill
- ✓ Incorporates Equity participation by landowners
- ✓ Gives Royalty to ABG and Landowners and a Community Development royalty
- ✓ Incorporates a Community Small Scale Mining Licence to be managed by VAs and COEs
- ✓ Addresses all issues not in the transitional Bill which include other areas such as Mine closure, Offshore mining, Mining resettlement, compensation geothermal, quarrying and coal mining, Mine waste management, Geo-hazards management
- ✓ Bougainville Mining Policy (Approved in June for Consultation and finalization)
- ✓ Received Finalized Draft Bougainville Mining Act and Regulations on 20th October 2014
- ✓ Ready for presentation to BEC for approval by November 16 2014
- ✓ Presentation to Parliament in December 2014



PRESENTATION 1: PROJECT BACKGROUND

APPROACHES AND CONCEPTS



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New Concepts	transitional	Permanent
❖ Mineral Ownership by Customary Landowners	✓ Yes (new)	✓ Yes (new)
❖ Customary Landowner have right of Veto in Grant of Exploration License Applications	✓ Yes EL applic, stg	✓ Yes area specific
❖ Landowner have rights to withhold consent in Grant of Development Tenements (All Mining Leases types)	No	✓ yes
❖ Competitive Tendering	✓ yes	✓ yes
❖ Reconnaissance license	✓ yes	✓ yes
❖ community Small Scale Mining License (Issued by COEs at VA level)	No	✓ Yes (new)
❖ Gold Dealing	✓ yes	✓ yes
❖ Regulatory control with the Mining Safety Act giving ABG the Authority to inspect and control gold refining	✓ yes	✓ yes
❖ Does not recognize MRA ACT, Mining ACT 1992, BCA and Tenement Provisions, NO SML	✓ yes	✓ yes
❖ Controls number of major mining projects on Bougainville (only 2)	✓ yes	✓ yes
❖ Equity Participation and Royalty and benefit sharing provisions	No	✓ Yes



PRESENTATION 1: BACKGROUND PRESENTATION



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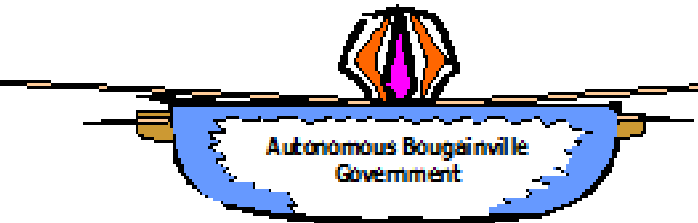
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END OF BACKGROUND PRESENTATION



PRESENTATION 2

FINAL DRAFT MINING POLICY



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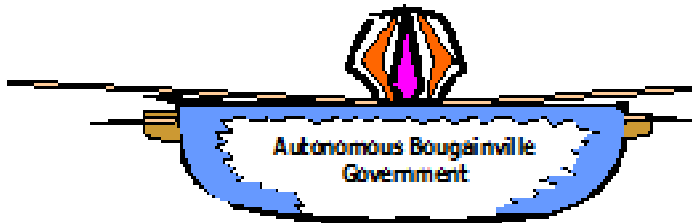
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- ▶ Part 1 - Preamble
- ▶ Part 2 – Acknowledgements
- ▶ Part 3 – Vision Statement
- ▶ Part 4 – Key Mineral Policy Objectives
- ▶ Part 5 – Policies and Approaches to Achieve Mineral Sector Objectives
- ▶ Part 6 – Expected Outcomes
- ▶ Part 7 - Evaluation and Revision



PRESENTATION 2: FINAL DRAFT MINING POLICY

3.0 Vision Statement



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3..0 Vision Statement

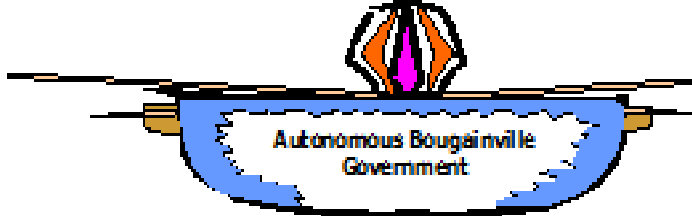
Mineral sector objectives and specific policies and approaches are guided by the following vision statement:

- ▶ *“The mineral resources of the Autonomous Region of Bougainville will be developed in a regulated, equitable manner that respects cultural, environmental and landowner values and that will result in broad-based sustainable growth and socio-economic development.”*



PRESENTATION 2: FINAL DRAFT MINING POLICY

4.0 KEY MINERAL POLICY OBJECTIVES



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4.0 The Key Mineral Policy Objectives (37 Key Mineral Policy objectives captured)

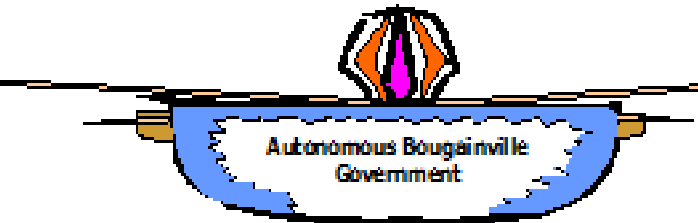
The mining of minerals resources in the Autonomous Region of Bougainville has the potential to accelerate the development of the Region and to provide a basis to achieve sustainable growth & development. To achieve its vision, the ABG has identified the following objectives:--

- 1.0 To implement an efficient, transparent and affordable minerals sector regulatory system that will facilitate the achievement of Bougainville's mineral sector vision and objectives and which provides clear guidance, procedures, rights and obligations for investors.
- 2.0 To establish that minerals existing on, in or below the surface of any land are owned by the owner of that land and that the ownership of minerals passes to a legally authorised miner, authorised by the ABG with the consent and to the benefit of the landowner, at the time the mineral is severed from the land.
- 3.0 To engage with the National Government to ensure that the equity ownership interest held by the National Government in Bougainville Copper Limited (BCL) shall be transferred to the ABG.
- 4.0 To encourage the development of Bougainville's undersea mineral resources in an environmentally sound and socially acceptable way.
- 5.0 To provide tenement types which accommodate a full range of exploration and mining activities.
- 6.0 To encourage the commercial mining of building materials, whether obtained from the on-shore or off-shore, subject to compliance with regulatory requirements and obtaining a quarry lease.



PRESENTATION 2: FINAL DRAFT MINING POLICY

4.0 KEY MINERAL POLICY OBJECTIVES Contd..



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- 7.0 To provide a legal means by which artisanal miners can operate in a safe and environmentally responsible way.
- 8.0 To provide a system of licensed gold buyers whereby alluvial gold miners may have a ready and reliable means by which to sell their gold at a fair price.
- 9.0 To establish an internationally competitive, stable and conducive business climate to attract and sustain foreign and local mining sector investment within the context of the Bougainville's vision of its future development.
- 10.0 To establish effective administration and cost-effective regulation of the mineral sector.
- 11.0 To acquire and make available geological information at a reasonable cost.
- 12.0 To monitor, assess and conduct targeted research on a wide range of geological hazards throughout Bougainville so that policymakers and the public have the understanding they need to enhance and manage preparedness, response and resilience.
- 13.0 To formulate a fiscal regime that assures the ARB and landowners of fair value for mineral resources, while offering equitable rewards to private investors.
- 14.0 To provide tax revenue transparency and accountability.



PRESENTATION 2: FINAL DRAFT MINING POLICY

4.0 KEY MINERAL POLICY OBJECTIVES contd..



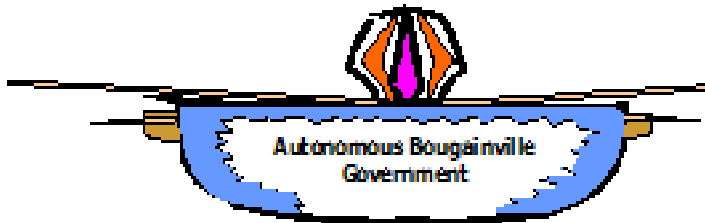
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- 15.0 To encourage corporate charitable contributions to support institutions that provide basic services and promote and instil Christian and similar moral and spiritual principles.
- 16.0 To obtain and maintain social acceptance of mining projects through consultative and inclusive processes.
- 17.0 To develop the mineral endowment on a phased basis that favours long term ecological, economic and social viability instead of maximizing short term investment.
- 18.0 To require large-scale mining operations to participate in the sustainable development of local communities and to invest in the future.
- 19.0 To encourage integrated development with regard to infrastructure, other enterprises and development planning.
- 20.0 To ensure that persons who are displaced physically or economically by mineral activities enjoy better circumstance than their circumstances before they were displaced.
- 21.0 To provide sustainable, self-ownership of lasting high quality worker and employee housing.



PRESENTATION 2: FINAL DRAFT MINING POLICY
4.0 KEY MINERAL POLICY OBJECTIVES contd..



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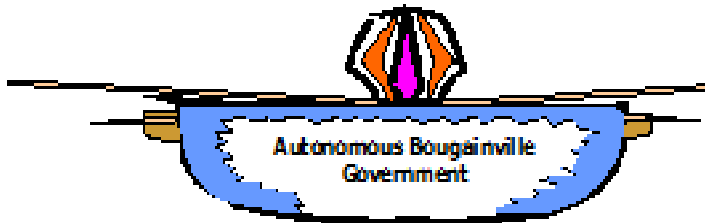
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- 22.0 To provide a clear and efficient process by which investors can seek to obtain the prior informed consent of landowners to do exploration and mining and whereby landowners may consent or decline to accept a mining project on their lands.**
- 23.0 To provide that landowners shall be entitled to a free equity share in mining projects that are subject to a mining lease and that are located on their land and may subscribe on a paid basis for an additional contributing share.**
- 24.0 To ensure that women are involved in all aspects of the mineral sector.**
- 25.0 To identify and legally protect areas which are not suitable for mining operations.**
- 26.0 To minimize and manage environmental and social degradation due to mining activities.**
- 27.0 To insure that during every phase of a large-scale mine's life that attention is paid to the rehabilitation of the affected area to an approved condition and that planning for closure has taken into account the environment and the socio-economic impact that closure will have on its neighbouring communities.**
- 28.0 To ensure that mine wastes are handled, treated, stored or disposed of in such manner that the wastes do not pose a hazard to mine workers, the public or to the environment now or in the future.**



PRESENTATION 2: FINAL DRAFT MINING POLICY

4.0 KEY MINERAL POLICY OBJECTIVES Contd..



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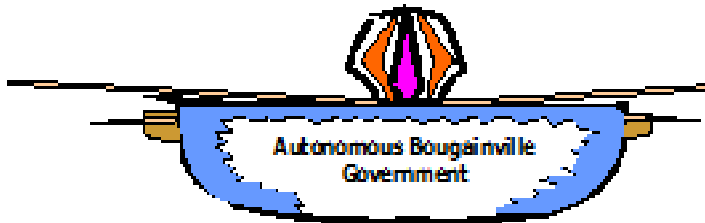
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- 29.0 To develop the capacity of Bougainvillean's to participate in the provision of goods and services to the mining industry.**
- 30.0 To require that mine operators make available to mineral processors, on commercially competitive terms, a portion of their output at such time as such processors are established in Bougainville or in Papua New Guinea.**
- 31.0 To achieve a diversified economy using the minerals industry as one means to promote development of businesses, both at the micro and larger scale, outside the minerals sector.**
- 32.0 To require foreign companies doing business in Bougainville to register their businesses with the ABG and to conform to ABG legal and policy requirements.**
- 33.0 To provide a workable legal system in which mineral sector business can be contracted while recognizing and accepting the global nature of international business contracting practices.**
- 34.0 To train and employ qualified Bougainvillean's in all aspects of the mining industry.**
- 35.0 To provide equality in pay between Bougainvillean and non-Bougainvillean employees and workers.**
- 36.0 To align the total amount paid to employees for work done in Papua New Guinea with the earnings used to determine income tax payable in Papua New Guinea.**
- 37.0 To provide a healthy and safe work environment.**



PRESENTATION 2: FINAL DRAFT MINING POLICY

5.0 Policies and Approaches to Achieve Mineral Sector Objectives



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► Go to Draft Policy Paper

5.1 Regulatory Framework

5.2 Mineral Ownership

5.3 ABG and Landowner Equity ownership in BCL

5.4 Undersea Minerals/Seabed Mining

5.5 Tenement types

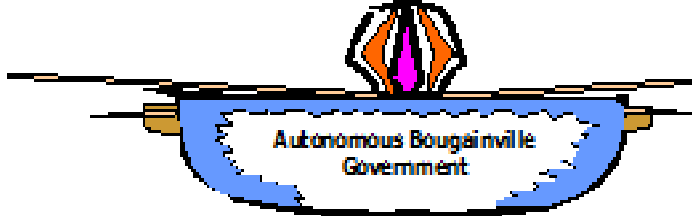
5.6 Quarrying

5.7 Artisanal Mining and Specified Alluvial Minerals



PRESENTATION 2: FINAL DRAFT MINING POLICY

5.0 POLICIES AND APPROACHES



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5.8 Alluvial Gold Trading

5.9 Business Climate

5.10 Building Capable Institutions

5.11 Geological Information

5.12 Geological Hazards Management

5.13 Equitable and Competitive Fiscal Framework

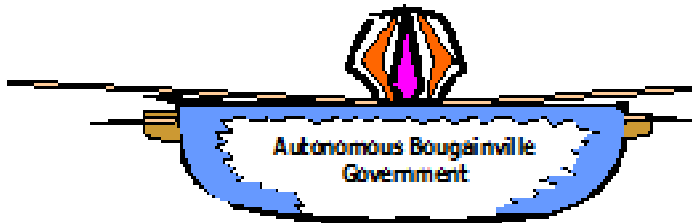
5.14 Transparent Benefits from Mining

5.15 Charitable Contributions/Tithing

5.16 Developing with Broad participation



PRESENTATION 2: FINAL DRAFT MINING POLICY
5.0 POLICIES AND APPROACHES



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5.17 Rate of Development

5.18 Investing for the Future through Sustainable Community Development

5.19 An Integrated System of Infrastructure

5.20 Resettlement/Economic Displacement

5.21 Employee and Worker Housing

5.22 Protecting the Interests of Landowners

5.23 Landowner Equity ownership in Mining Projects

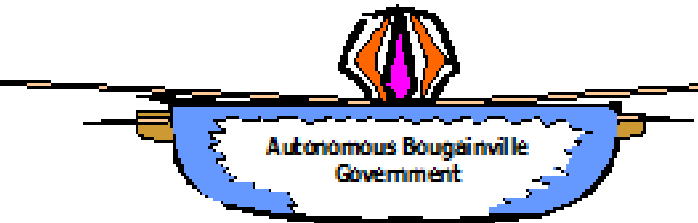
5.24 Woman to Play a role

5.25 Protected Areas



PRESENTATION 2: FINAL DRAFT MINING POLICY

5.0 POLICIES AND APPROACHES



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- 5.26 Environment Stewardship
- 5.27 Rehabilitation and Mine Closure
- 5.28 Waste Management
- 5.29 Building the Mineral Sector
- 5.30 Minerals Processing and Refining
- 5.31 Business Development and Assistance
- 5.32 Business must be registered
- 5.33 Choice of law in Private Party Contracts
- 5.34 Education, Training, Employment and Residency
- 5.35 Workers, Salaries and Wages
- 5.36 Foreign Employees wages
- 5.37 Occupational Health and Safety



PRESENTATION 2: FINAL DRAFT MINING POLICY

6.0 EXPECTED OUTCOMES



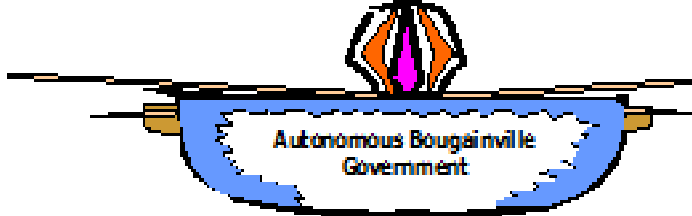
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- ▶ The overall goals of this Mining Policy can be expressed in terms of broad-based development, growth and poverty reduction and the assumption of mineral sector governance by the ABG. In the end, the performance of the ABG needs to be measured by reference to its contribution to these broad goals.
- ▶ The impact of the minerals sector on the ABG goals will be assessed in terms of its contribution to:
 - ▶ social stability,
 - ▶ self-sufficiency,
 - ▶ capable and efficient regulation,
 - ▶ the creation of sustainable employment,
 - ▶ the improvement in social and physical infrastructure,
 - ▶ the development of ancillary businesses and the stimulation of new economic activities,
 - ▶ positive managed impacts on the environment,
 - ▶ positive impact on local communities,
 - ▶ positive impact on landowners,
 - ▶ the improvement in human capital, and
 - ▶ revenue earnings.



PRESENTATION 2: FINAL DRAFT MINING POLICY 7.0 EVALUATION AND REVISION




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- ▶ Evaluation and Revision
- ▶ For this policy to remain relevant requires periodic revision to reflect evolving circumstances. It is anticipated that this policy will be evaluated and updated on a periodic five-year basis, and based on any of the following occurrences: -
 - ▶ a change in the Bougainville development strategy, or
 - ▶ a change in the perception of mining sector stakeholders, or
 - ▶ failure to achieve an expected outcome.



PRESENTATION 2: FINAL DRAFT MINING POLICY
FINAL DRAFT MINING POLICY



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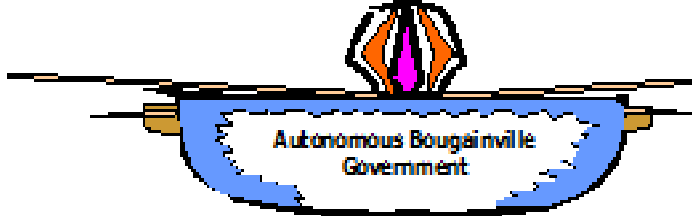
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END OF POLICY PRESENTATION



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS



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BOUGAINVILLE MINING ACT AND REGULATIONS



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

OUTLINE



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1. Objectives of The Act and Regulations	15. Types of Mining Leases
2. Layout of the Act and Regulations	14. Small Scale Mining
3. Officers of the Act	15. Gold Trading
4. Tenement types	16. Rehabilitation and Mine Closure
5. Risk Management tools	17. Enforcement
6. Specific Issues – Mineral Ownership	18. Penalties
7. Specific Issues – Landowner Rights	WHATS NEW
8. Specific Issues – ABGs Role	1. Two major Mine limit
9. Specific Issues –Benefit Streams	2. Quarry Lease
11. Landowner and ABG Equity	3. Community Mining license
12. Benefit Sharing and Participation	3. Offshore and Dredging permits
13. Indirect Benefits	4. Rehabilitation and Mine Closure Plan
14. Two Mine Limit	



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PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS

COMPARISON WITH TRANSITIONAL ACT

Transitional Act

105 pages
No regulations
Key issues not addressed

No application/approval procedure

Permanent Act

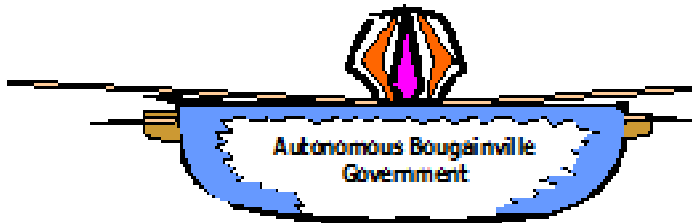
Act 236 pages
Regulations (272 pages)
Community development
Community mining license
Rehabilitation and closure
Royalty
Equity
Employment and training
Local procurement
Resettlement
Mine waste management
Tendering
Application/approval procedures
much more



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

OBJECTIVES OF THE ACT AND REGULATIONS



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- 1. Fulfil all Obligations under various Agreements in Relation to Transfer of Powers and Functions in Mining from the National Government to ABG**
- 2. Completes mining powers and functions transfer.**
- 3. To open up exploration and Mining in Bougainville through the implementation of the Act and associated set of detailed and comprehensive Regulations and enabling the BEC to lift the Moratorium on exploration and Mining In Bougainville which is currently maintained by the Transitional Act.**
- 4. Empower the Department to implement the transferred mining powers and start accepting tenement applications**



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

LAYOUT OF THE ACT AND REGULATIONS



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

Part	Provisions	Part	Provisions
PART 1	Preliminary (compliance, interpretations)	PART 9	General Provisions Applicable to tenements
PART 2	Application (land availability, Ownership, powers)	PART 10	Compensation to Landowners and Damaged Parties
PART 3	Administration (Secretary, Registrar, MAC, Wardens..)	PART 11	Special Provisions relating to Gold
PART 4	Landowner matters (L/O permission, L/O organizations, L/O equity)	PART 12	Miscellaneous (LIS, SMS, TA, Confidentiality, TI)
PART 5	Exploration and Mining Development Agreements	PART 13	Enforcement
PART 6	Tenements and Community Mining License	PART 14	Regulations
PART 7	Offshore and Dredging Activities	PART 15	Application, Savings and Transitional Provisions
PART 8	Rehabilitation and Mine Closure		



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
OFFICERS OF THE ACT



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

Officer/Office	Responsibility	
BEC	Approve and Grant	Political
MINISTER	Grant	Political Head
MAC	Approve and endorse	Advisory
SECRETARY	Director of the Act	Administrative
REGISTRAR	Point of contact	Administrative
CHIEF WARDEN/WARDENS	Warden Courts/Hearings	Administrative
Officers	Duties to implement/enforce	Administrative
Police/Courts	Assist to enforce	Administrative



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS TENEMENT TYPES

Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

Tenement	Term	Purpose	Granting Authority
1. Reconnaissance	2 years	Preliminary Exploration	Minister
2. Exploration	5 years	Exploration	BEC
3 Mining Lease	20 years	Development- Small Scale	BEC
4. Mining Lease	20 years	Development- Large Scale	BEC
5. Quarry Lease	10 years	Mining of Quarry minerals	BEC
6. Artisanal Mining lease	5 years	Alluvial Mining	Minister
7. Community Mining Licence	1 year (Reserve area 5 years)	Non mechanized alluvial mining	COEs and VAs
7. Lease for Mining Purpose	As per the associated Development lease	Leases associated with Development leases	BEC
8. Mining Easements	As per the associated Development lease	Corridor to allow services to mine development	BEC
9. Channel and Dredging Permit	To be determined by Minister	Excavation of Channels using dredging	Minister

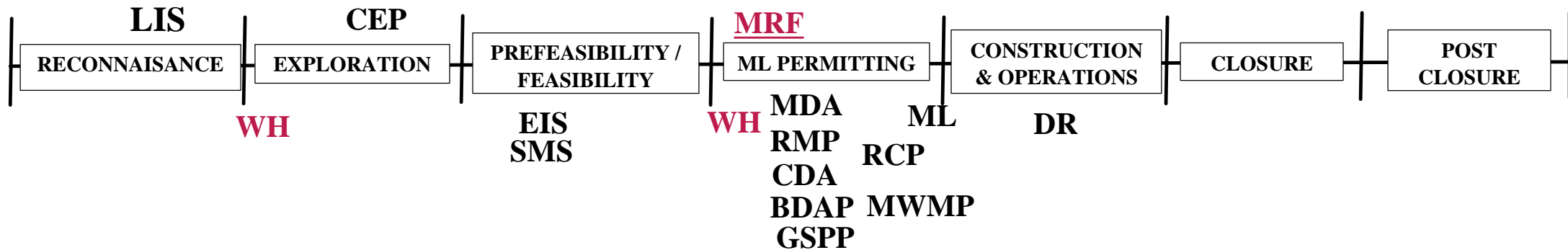


PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS PROJECT CYCLE

Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

Project cycle starting from exploration - development - Mine closure



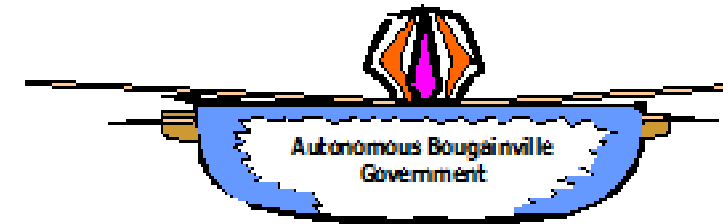
LEGEND

LIS – Landowner Identification Study
-to establish relations with LO's.
-enter into “Access Agreement”
-Registration of LO permission Agreement with Registrar

CEP – Community Engagement Plan
EIS – Environmental Impact Statement
SMS – Social Mapping Study
MDA – Mine Development Agreement
ML – Mining Lease
WH – Warden Hearing

MRF – Mineral Resource Forums
-stakeholder consultations regarding terms and conditions of proposed operations
-to achieve agreement on mine related socio-economic and environmental issues including grievance mechanisms, compensation, resettlement, waste management, employment and training, business opportunities, benefits and equitable sharing, etc...

CDA – Community Development Agreement
RMP – Resettlement Plan
RCP – Rehabilitation & Closure Plan
MWMP – Mine Waste Management Plan
GSPP – Goods and Services Procurement Plan
BDAS – Business Development Assistance Plan
DR – Development Royalties



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
RISK MANAGEMENT TOOLS IN THE ACT

**Department of Mineral
and Energy Resources**

PROPONENT	ABG	LANDOWNERS
Mine Excess Agreement	Landowner Identification Study	Landowner Identification Study
Compensation Agreement	Social Mapping Study	Social Mapping Study
Landowner Identification Study	Compensation Agreements	Compensation Agreements
Social Mapping Study	Employment and Training Preference Plan	Employment and Training Preference Plan
Prefeasibility or Feasibility Study (Bankable)	Good and Services Procurement Plan	Good and Services Procurement Plan
	Business development Assistance Plan	Business development Assistance Plan
	Prefeasibility or Feasibility Study	Mine Waste Management Plan
	Mine Site Plan	Resettlement Management Plan
	Mine Waste Management Plan	Community Development Agreements
	Resettlement Management Plan	Mineral Resources Forum
	Community Development Agreements	Rehabilitation and Mine Closure Plan
	Mineral Resources Forum	
	Rehabilitation and Mine Closure Plan	



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Government

Department of Mineral
and Energy Resources

PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
AVENUES FOR EXERCISING THE RISK MANAGEMENT TOOLS

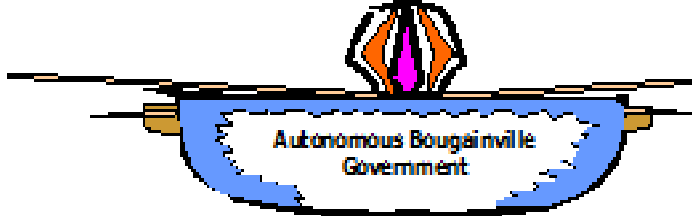
1. **WARDENS HEARINGS**
2. **Mineral Resource Forums**



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

MINERAL OWNERSHIP



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

In Mining Policy....

5.2 Mineral Ownership

Objective: *To establish that minerals existing on, in or below the surface of any land are owned by the owner of that land and that the ownership of minerals passes to a legally authorised miner, authorised by the ABG with the consent and to the benefit of the landowner, at the time the mineral is severed from the land.*

Specific policies and approaches:

As provided for in the Bougainville Mining Act, minerals existing on, in or below the surface of any land are owned by the owner of that land.

The ownership of minerals shall pass to a legally authorized holder of a mineral tenement at the time that the minerals are severed from the land.

Landowners are entitled to the benefits as set out elsewhere in this policy.

Offshore minerals belong to the ABG.

In the Act

Division 3 – Ownership of minerals and customary rights.

11 MINERALS CEASE TO BE PROPERTY OF THE STATE OF PAPUA NEW GUINEA.

All minerals existing on, in or below the surface of land in the Autonomous Region of Bougainville cease to be the property of the State of Papua New Guinea.

12 PROPERTY IN MINERALS - CUSTOMARY LAND.

All minerals existing on, in or below the surface of any customary land in the Autonomous Region of Bougainville are the property of the owners of the customary land.

13 PROPERTY IN MINERALS - NON-CUSTOMARY LAND.

1. All minerals existing on, in or below the surface of any land in the Autonomous Region of Bougainville that is not customary land are the property of the Autonomous Bougainville Government.

2. Nothing in Subsection (1) is to be construed as an acquisition of property by the Autonomous Bougainville Government in relation to Section 53 of the PNG Constitution



PRESENTATION 3

FINAL MINING ACT AND REGULATIONS

LANDOWNERS RIGHTS



Autonomous Bougainville
Government

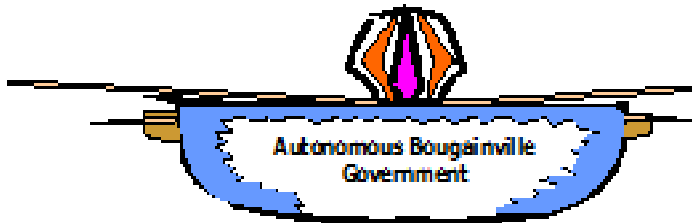
Department of Mineral
and Energy Resources

5.2 Mineral Ownership Comes Landowner Rights

- ✓ Without limiting the customary rights over minerals of the owners of customary land, the following rights are provided to landowners by this Act:
- ✓ customary landowners may apply to form landowner's organisations to represent their
- ✓ landowners may deny access to land the subject of a reconnaissance licence through an access agreement between the landowners and the licence holder.
- ✓ landowners may deny access to land the subject of an exploration licence through a land access and compensation agreement.
- ✓ landowners are entitled to receive the prescribed land access fee for land the subject of an exploration licence;
in the case of an application for a mining lease, a lease for mining purposes or a mining easement over the land,
- ✓ Landowners have the right to be consulted at a Mineral Resources Forum and to participate in a mediation (if any)



PRESENTATION 3
FINAL MINING ACT AND REGULATIONS
LANDOWNER RIGHTS



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

5.2 Mineral Ownership Comes Landowner Rights

- ▶ **RIGHTS PROVIDED FOR BY THIS ACT TO LANDOWNERS (continued)**
- ✓ **landowners have the right to acquire a free equity ownership interest and to buy a working equity ownership interest in mining lease projects located on their lands.**
- ✓ **landowners are entitled to receive Landowner's Royalties paid by the holders of mining and quarry leases;**
- ✓ **landowners are entitled to participate in employment, training, business and other opportunities arising from large-scale mining leases;**
- ✓ **landowner organizations and landowners of land that is not customary land, are entitled to receive rent paid by the holders mining leases, leases for mining purposes mining easements and quarry leases.**
- ✓ **landowners are entitled to compensation for losses and damages from mining development on the land.**



PRESENTATION 3 FINAL MINING ACT AND REGULATIONS LANDOWNER RIGHTS

Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

▶ RIGHTS PROVIDED FOR BY THIS ACT TO LANDOWNERS (continued)

CONSENT AND RIGHT OF VETO BY LANDOWNERS

(Landowner permission at Exploration License stage and at the Mining License application stage,)

Question? Should the Act target large major mining companies or only small risky juniors:

The Act Allows grant of exploration license upon consultation and landowner consent, before physical entry through a specific interest area by the EL holder through a land access and compensation agreement with the landowners in any particular part of the license area;)

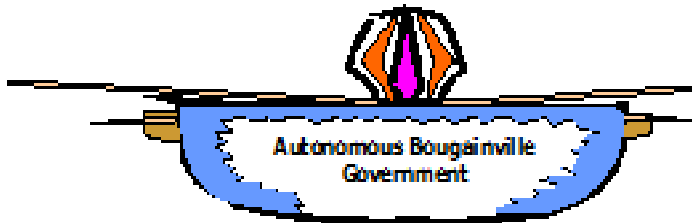
Landowners must also grant consent before granting of a mining license on their area (they are the mineral owners, thus they should have veto power)

This is now a recognized practice with major companies considering the risks at mine stoppage at development stage

(Major companies will not apply for exploration license if they must obtain landowner consent before acquiring the license; this means that only undercapitalized juniors may get involved)



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS ABGS ROLE



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

Autonomous Bougainville Governments Role through the Bougainville Mining Law is to:

1. Protect its People and be a custodian/ and or Guardian of their rights and encourage the development of their resource through environmentally friendly, and sustainable management manner considering the future generations of Bougainville in consideration of the Policy objectives captured in the vision statement thus, *“The mineral resources of the Autonomous Region of Bougainville will be developed in a regulated, equitable manner that respects cultural, environmental and landowner values and that will result in broad-based sustainable growth and socio-economic development”*
2. Make the AROB a conducive environment for investment including the protection of its investors and partners and other stakeholder in the Mineral sector



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS ABGS ROLE



Department of Mineral
and Energy Resources

EXCLUSIVE POWER OF THE AUTONOMOUS BOUGAIVILLE GOVERNMENT

1. Grant Tenements

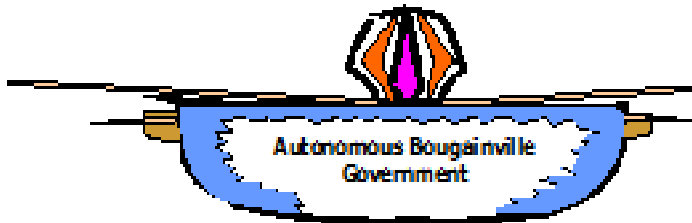
- (1) The Autonomous Bougainville Government has exclusive power to grant tenements under this Act because of the multiplicity of landowners' interests mentioned in Subsection (2) that are, or are likely to be, affected directly or indirectly by the grant of a tenement.
- (2) The interests include, but are not limited to, the interests of the landowners of:
 - (a) the land the subject of a tenement or community mining licence; and
 - (b) the land adjacent to the land mentioned in Paragraph (a); and
 - (c) the land that is the subject of, or likely to be the subject of, an application for an associated tenement; and
 - (d) any other land that can reasonably be expected to experience financial, environmental, social, cultural or other impacts should mining commence.



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

ABGS ROLE



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

2.0 Distribute Mining Revenues – has the exclusive power to determine the amount and the distribution of revenue from mining development

The Autonomous Bougainville Government has exclusive power to determine the amount, and the distribution, of revenue from mining developments having regard to the following:

- (1) legislation imposing taxation on or in relation to minerals or mining developments;**
- (2) the outcomes of the Mineral Resources Forums;**
- (3) the agreements referred to in PART 5 {EXPLORATION AND MINING DEVELOPMENT AGREEMENTS};**
- (4) compensation under PART 5 {EXPLORATION AND MINING DEVELOPMENT AGREEMENTS} to landowners and approved landowner organisations;**
- (5) the distribution of royalties and production levy.**
- (6) the equity (if any) of landowners and approved landowner organisations in mining developments;**
- (7) achieving integrated development, sustainable development and enterprise development by distributing revenue to local government and organisations; and**
- (8) other prescribed matters.**



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

SHOULD THE ABG TAKE UP EQUITY?

Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

**Should the ABG have an working equity ownership option and risk its money?
(option to buy shares)**

- **Not provided for in the mining policy**
- **Investors will view this negatively**
- **Will delay or complicate the financing of projects**
- **Mining is high risk**
- **Can Bougainville realistically expect to raise the funds to buy an interest**
- **Which types of tenements (artisanal, quarry, small-scale mining license, large scale mining license?)**
- **Up to what percent of ownership?**
- **Valuation method?**

History in PNG:

OK Tedi, yes; Panguna, yes; Lihir, no; Porgera, no; Ramu, no; Tolukuma, yes; Simberi, no; Hidden Valley, no; Wild Dog, no)



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS BENEFITS SHARING



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

Landowner:

Rent (Kina per square hectare)

Compensation for actual damages

Landowner's royalty (1 ¼ % of sales revenue)

5% free equity share (5% of declared dividends, in early years no dividends)

Affected Communities:

Community development agreement direct expenditure (1 ¼ % of sales revenues)

ABG:

Regional development royalty (1 ¼ % of mineral sales revenue); can be expended by ABG on infrastructure agreed with Councils of Elders, allocated in an equitable manner throughout Bougainville)

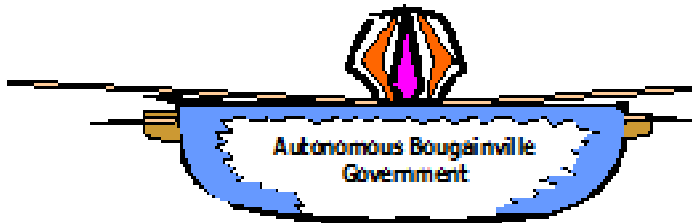
Department of Mineral and Energy Resources (DOMER)

Production levy for operations budget (0.5% of mineral sales revenue)

(If the combined Bougainville take exceeds around 5% of sales revenue, it is less probable that mines will be developed. No mines equals no revenue for anyone)



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
LANDOWNER AND ABG EQUITY



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

LANDOWNERS

5% free equity share (5% of declared dividends, in early years no dividends)
+5% additional available for acquisition

AUTONOMOUS BOUGAINVILLE GOVERNMENT:

20% right to elect to exercise the right to acquire a working equity ownership interest in large scale mining project within 60 days of registration of ML application.

If ABG is not able to obtain the necessary finances to acquire the 20% within 180 days from the date of registration of the ML application, the applicant company is no longer obliged to make available equity ownership interest for ABG

(For ABG to participate and fulfil this equity obligation, it should start now to secure funding in anticipation of participating in the Panguna project under this provision)



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

BENEFIT SHARING IN THE PANGUNA MINE UNDER BCL

LANDOWNERS

5% free equity share (5% of declared dividends, in early years no dividends)

+5% additional available for acquisition

Rent (Kina per square hectare)

Compensation for actual damages

Landowner's royalty (1 ¼ % of sales revenue)

Affected Communities:

Community development agreement (CDA) direct expenditure (1 ¼ % of sales revenues)

AUTONOMOUS BOUGAINVILLE GOVERNMENT:

20% right to acquire a working equity ownership interest in large scale mining project

Regional development royalty (1 ¼ % of mineral sales revenue); can be expended by ABG on infrastructure agreed with Councils of Elders, allocated in an equitable manner throughout Bougainville)

0.5% of mineral sales Revenue to Department of Mineral and Energy Resource (DOMER)

GoPNG
19% in BCL

ABG
20% option
1.75 Royalty

LANDOWNERS
5% free+5% option
2.5 Royalty

34 .25% ABG and Landowners maximum participation if ABG and L/Os exercise equity options



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
BENEFITS STREAMS SUMMARY (Fees, Rents, Royalty..)

Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

Payment	Who's entitled	Purpose
1. Fees	Landowners, ABG	Fees other than described below (Land Access fee, tenement application fees, etc..)
2. Annual Rents	Landowners,	For MLs, QL, MEs, or LMPs
3. Royalties	Landowners, ABG, Domer (production levy)	% of Mineral Sales Revenue L/O 1.25%, L/O CDA 1.25%, ABG 1.25%, Domer 0.5%
4. Security	ABG	Bond fee by tenement recipient to be refunded
5. Equity	Landowners, ABG	Landowner and ABG equity Participation L/O 5% free+ additional 5% option, ABG 20% optional
6. Fines	ABG	Breaches of any provisions under the Act



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Government

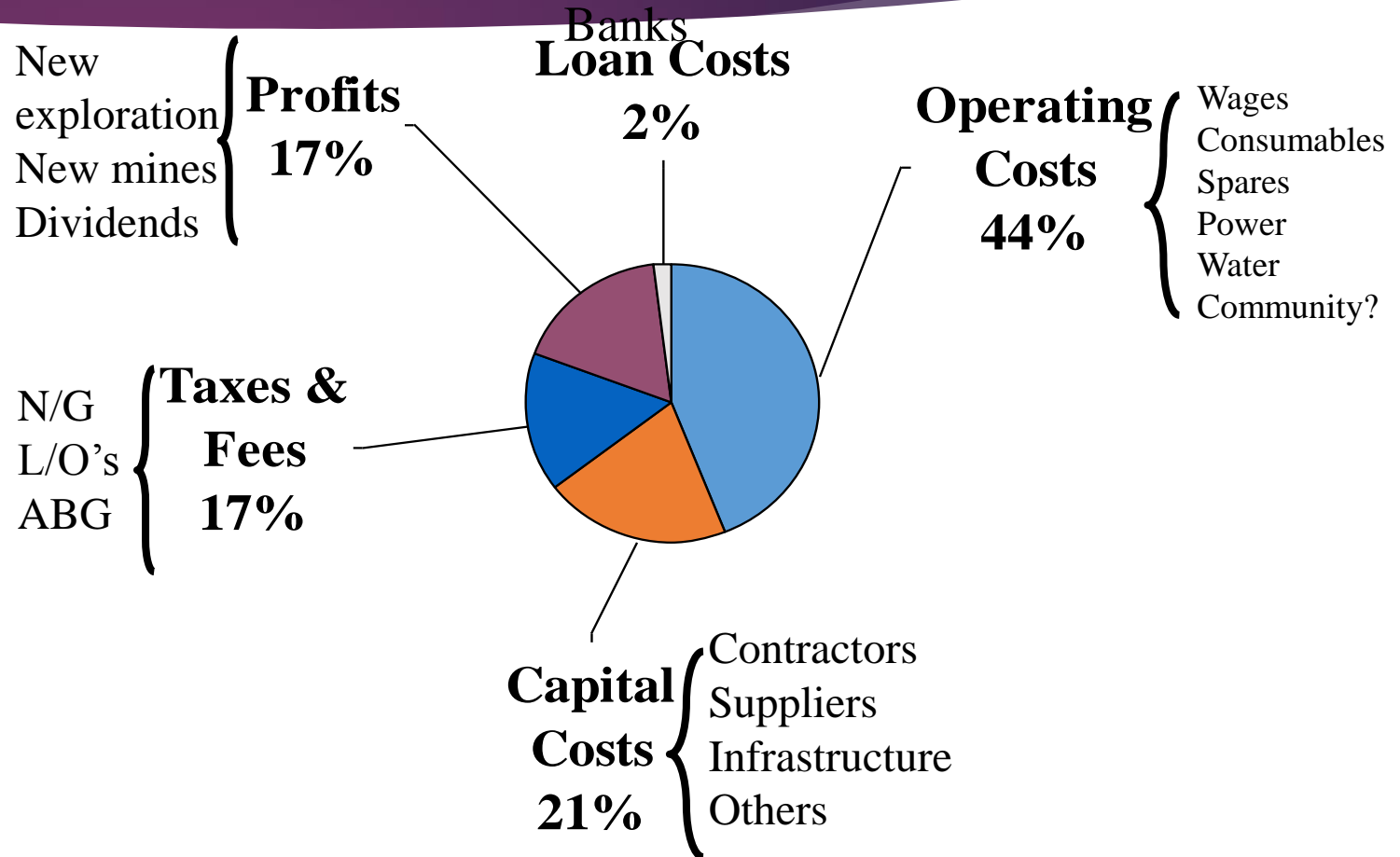
Department of Mineral
and Energy Resources

PRESENTATION 3 FINAL MINING ACT AND REGULATIONS

INDIRECT BENEFITS THROUGH PARTICIPATION

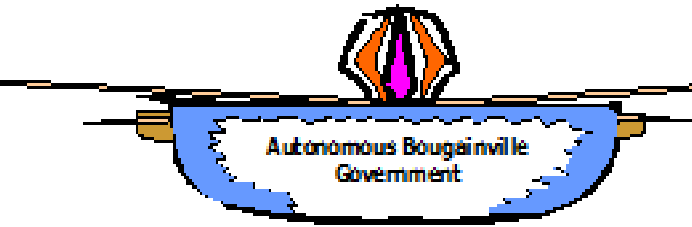
Benefit Distribution

- a fair share for both Bougainville, landowners and the investor
- distribution of fiscal benefits





PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
INDIRECT BENEFITS



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

► **Indirect Benefits Accrued through participation**

**Under Indirect Benefits and Linkages to the
Economy**

- Social mapping studies
- Employment and training plan
- Business development assistance plan
- Goods and services procurement plan

Under Sustainable Development

- Rehabilitation and closure plan
- Community development agreements
- Community development plans
- Coordinated infrastructure development
- Regional development royalty



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

LIMIT ON THE NUMBER OF LARGE SCALE MINING LEASES

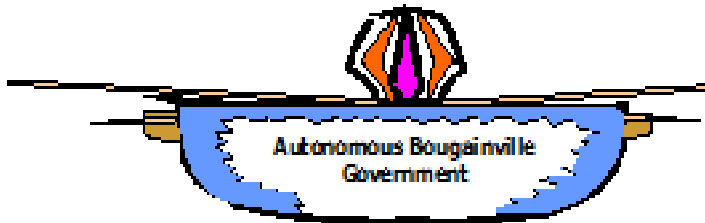
100. LIMIT ON NUMBER OF LARGE-SCALE MINING LEASES.

- 1. No more than two (2) large-scale mining leases granted under this Act are to be in force at any one time.**
- 2. If the holder of an exploration licence has applied for a large-scale mining lease and the application is complete but there are already two (2) large-scale mining leases in force:**
 - (a) the application shall be registered but shall not be processed until such time as one of the two (2) large-scale mining leases is no longer in force; and
 - (b) the holder of the exploration licence may request a waiver by the Bougainville Executive Council of the annual exploration expenditure, annual reporting and any other obligation required of the holder imposed by this Act, and the Bougainville Executive Council, upon the advice of the Bougainville Mining Advisory Council may grant such a waiver; and
 - (c) the term of the exploration licence is deemed to be extended until such time as the application is decided by the Bougainville Executive Council.
- 3. If two (2) or more applications for a large-scale mining lease have been registered pursuant to Subsection (2)(a), the first registered application shall be decided before any other application for a large-scale mining lease is considered.**



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
Small Scale Mining.

Mining Leases (Development Leases)



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

1. Mining Leases (Two types)

- Large Scale (Panguna and Ok tedi, Lihir, Porgera types)**
- Small Scale (Tolokuma, Simberi, Wild Dog, Eddie Creek Wau (Alluvial))**

2. Community Mining lease (License)

3. Artisanal Mining lease (License)

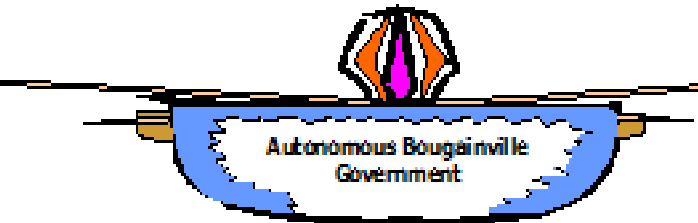
4. Quarry Lease

5. Channel Dredging permit (not a development license)



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS

Small -Scale Mining



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

Small Scale mining can be undertaken by traditional Landowners in their own land utilizing the three tenements under the Act and Regulations

1. **Community Mining License**
2. **Artisanal Mining License**
3. **Mining lease under Small- Scale Mining**



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
Small Scale Mining

COMMUNITY MINING LICENCE



Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

- **For Mining of Alluvial Minerals**
- **Landowners have exclusive right to a community mining license (allows for tribute agreements)**
- **Council of Elders can apply for a community mining license reservation area**
- **BEC may approve that area for community mining license applications**
- **Council of Elders can grant community mining licenses in the reservation area, can delegate to village assemblies (after the Council meets training requirements set out by the Secretary, can collect as fee up to maximum specified by Secretary)**
- **controls:**
 - **only non-mechanized methods**
 - **5m depth limit, no explosives**
 - **mercury training**
 - **Shall be managed under a CML reserve area management plan devised by COEs with assistance of DOMER**
 - **COES can make CML reserve area rules in consultation with DOMER**



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
Small Scale Mining
Artisanal Mining License



Autonomous Bougainville
Government

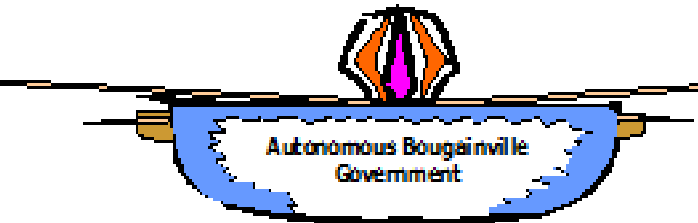
**Department of Mineral
and Energy Resources**

- **For Mining of Alluvial Minerals**
- **For Bougainvillean or group of Bougainvilleans or a approved landowner organization**
- **Can use mechanized means utilizing water and gravity separation methods with restricted use of chemicals**
- **Excavator/ Trommel/ shaker combination operations – Wau Eddie Creek operation**



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
Small Scale Mining.

Mining Lease (Small-Scale Mining)



Autonomous Bougainville
Government

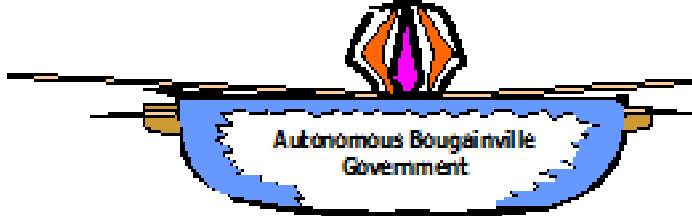
**Department of Mineral
and Energy Resources**

- **Open to both Bougainvillean or non bougainvilleans or a company duly registered under the PNG Companies Act 177 (IPA Registration) and has financial and technical competence to fulfill Small-Scale Mining lease obligations**
- **Landowners can take up free equity and working ownership equity as per landowner equity under this Act.**
- **ABG will also have the right to take up the 20% but not an obligation to take up equity**
- **Eddie Creek mine to Tolokuma and Simberi type operations**



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS

QUARRY LEASE



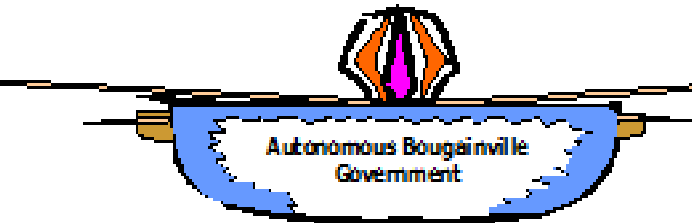
Autonomous Bougainville
Government

**Department of Mineral
and Energy Resources**

- **Open to an individual or a company duly registered under the PNG Companies Act 177 (IPA Registration) and has financial and technical competence to fulfill quarry lease obligations**
- **For Mining Quarry Minerals**



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS GOLD TRADING



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

293. AFFECT OF APPLICATION OF PAPUA NEW GUINEA GOLD REGULATION.

1. Except for Sections 298 and 299, nothing in this Part affects the application of the *PNG Central Banking (Foreign Exchange and Gold) Regulation 2000* to the buying, selling or other dealings in gold in Bougainville.
2. Nothing in this Part affects the application of the *PNG Central Banking (Foreign Exchange and Gold) Regulation 2000* to the export of gold from Papua New Guinea

Minister may grant a Gold Dealers license (valid for one year) for AROB to:

- ▶ Any licenced bank
- ▶ A company incorporated under IPA
- ▶ An Individual Bougainvillean
- ▶ Holder of a gold dealers licence has right to buy gold from all alluvial mining lease holders
- ▶ Holder of gold dealer licence should maintain a register of transactions of reporting and inspection purpose to DOMER
- ▶ DOMER has authority to inspect gold assaying, smelting and refining facilities under the Mine Safety Act and Regulations



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS SAVINGS AND TRANSITIONAL PROVISIONS



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

Savings and transitional Provisions from The PNG Mining Act 1992 AND THE Bougainville Mining (Transitional Arrangements) Act

In passing the Transitional Act, it

- ▶ superseded the PNG Mining Act 1992 and made the MRA act redundant
- ▶ Repealed the Bogenvil Resources Development Act or the “Kabui Model”
- ▶ Made the BCA redundant and not applicable in Bougainville
- ▶ Maintains the moratorium and vests the power of lifting on the BEC
- ▶ Makes all agreements prior to passing of transitional Act with respect to exploration and Mining in Bougainville redundant
- ▶ Converted or reduced the SML held by BCL to an Exploration license. The EL will be used by the holder to apply for a Mining lease under the tenement applications process of the Permanent Bougainville Mining Act and Regulations once passed.



Autonomous Bougainville
Government

Department of Mineral
and Energy Resources

PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS SAVINGS AND TRANSITIONAL PROVISIONS

Savings and transitional Provisions from The PNG Mining Act 1992 AND THE Bougainville Mining (Transitional Arrangements) Act

In the permanent Act

- ▶ Repeals the Transitional Act
- ▶ Maintains that, the Mining Act 1992, the MRA Act, the BCA ceased to apply in Bougainville
- ▶ Maintains that the Bogenvil Resources Development Act is or the “Kabui model” stays Repealed
- ▶ Makes all prior tenements or applications for grant or renewal preceding the Transitional Act WRT exploration and mining in Bougainville redundant
- ▶ Makes all agreements prior to passing of transitional Act with respect to exploration and mining in Bougainville redundant
- ▶ Maintains that the SML held by BCL is converted or reduced to an Exploration license. The EL will be used by the holder to apply for a Mining lease under the tenement applications process of the Permanent Bougainville Mining Act and Regulations once passed.



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS REHABILITATION AND MINE CLOSURE PLAN



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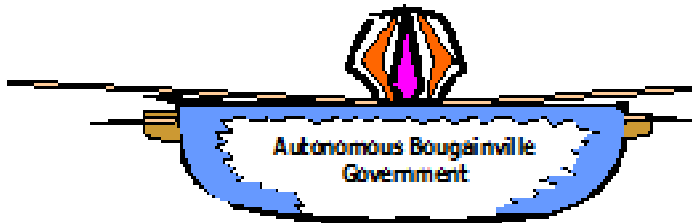
A Mining Lease application will be accompanied by a mandatory Mine rehabilitation and mine closure plan

A typical Mine closure plan will include

- ▶ Physical closure plan
- ▶ Rehabilitation plan
- ▶ Environmental rehabilitation plan
- ▶ Social mitigation plan for workers and affected communities
- ▶ Post closure monitoring
- ▶ Financial Security (a recipient of a ML will not commence until all security obligations have been met a trust fund created and managed for that purpose)



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS ENFORCEMENT



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This Act empowers the Secretary to appoint appropriately qualified persons as authorized officers of the Act to implement and enforce any provisions of the Act. The Authorized officers have the following powers:

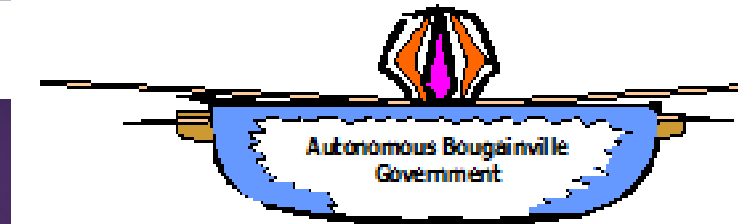
1. The Powers to require a name and address
2. Powers to require answers to questions
3. Powers to arrest without warrant (Police service personnel)
4. Powers to seize and sell minerals
5. Secretary may require appearance
6. Secretary may suspend operations
7. Secretary may seize or destroy equipment at illegal mining sites
8. Search Warrant for minerals through a district court issued warrant
9. Police to assist authorized officers under the Act and Regulation



PRESENTATION 3

FINAL DRAFT MINING ACT AND REGULATIONS

PENALTY FINES & FEES



**Department of Mineral
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Offences	Penalties	Fines/Fees
Offences in relation to exploration and mining on any land	A fine not exceeding K100,00.00 or imprisonment for four(4) years or both	K100,000.00
Offence to unlawfully possess minerals	A fine not exceeding K20,00.00 or imprisonment for two (2) years or both	K20,000.00
Offence to receive minerals unlawfully obtained	A fine not exceeding K20,00.00 or imprisonment for two (2) years or both	K20,000.00
Offences in relation to unauthorised officers	A fine not exceeding K50,00.00 or imprisonment for two (2) years or both	K50,000.00
Offences of failing to comply with suspension orders	A corporation- Fine not exceeding K1,000,000 ; and the additional penalty of K10,000 each day Other than a Corporation - Fine not exceeding K50,000 ; and additional penalty of K1000 each day or imprisonment for term not exceeding two (2) years Default Penalty- A fine not exceeding K50, 000.	Corporation – K1,000,000.00 Other than a corporation – K50,000.00
Salting	A fine not exceeding K250,00.00 or imprisonment for two (2) years or both	K250,000.00
Using false or fraudulent scales	A fine not exceeding K250,00.00 or imprisonment for two (2) years or both	K250,000.00
Interfering with operations authorised by this act	A fine not exceeding K25,00.00 or imprisonment for a term not exceeding thirty (30) calendar days	K25,000.00
Demand for money resulting in interference, obstruction or threat	A fine not exceeding K10,00.00 or imprisonment for a term not exceeding one (1) years or both	K10,000.00
Disturbances to boundary lines	A fine not exceeding K25,000.00 or imprisonment for a term not exceeding 30 calendar days or both	K25,000.00
False Information	Guilty of an offence	



PRESENTATION 3 FINAL DRAFT MINING ACT AND REGULATIONS OTHER SUPPORTING LEGISLATION



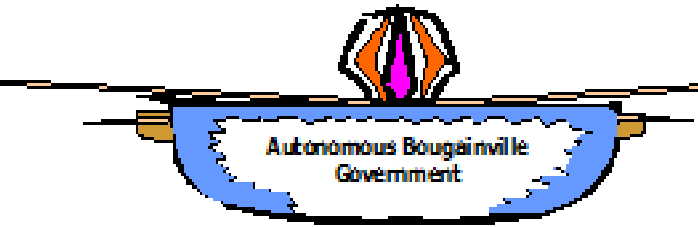
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ACT	WHO ADMINISTERS	JURISDICTION	Future Acts
1. Environment Act 2000/Water Resource Act	Dept of Environment and Conservation	PNG	Bougainville Act 2016
2. Mine Safety Act	MRA	PNG	Bougainville MS Act 2015
3, Industrial Acts, explosives	Dept of Labour	PNG	Bougainville ???
4. Lands Act, Survey Act and Regulations	Lands and Physical Planning	PNG	Bougainville 2015-2016



PRESENTATION 3
FINAL DRAFT MINING ACT AND REGULATIONS
WHATS NEW IN THE ACT



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**Department of Mineral
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- ❖ **APART FROM ALL THE RISK MANAGEMENT TOOLS**
- ❖ **TWO MAJOR MINE LIMIT**
- ❖ **CONSENT BY LANDOWNERS TO SPECIFIC AREA OF EL AND AT DEVELOPMENT APPLICATION STAGE**
- ❖ **QUARRY LEASE**
- ❖ **COMMUNITY MINING LEASE**
- ❖ **OFFSHORE MINING AND DREDGING PERMIT**
- ❖ **REHABILITATION AND CLOSURE PLAN**
- ❖ **GOLD TRADING**
- ❖ **ENFORCEMENT**



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SUMMARY AND CONCLUSION

- ▶ Development of Mining Laws under this Two programs are in accordance with Various Agreements (Peace Agreement, Alotau MOU, and Bougainville Constitution on the Draw down and transfer of Mining, oil and Gas Powers and associated assets from Nat. Govt to ABG
- ▶ Transitional Act – Temporary Act until this Draft Act and Regulations are passed
- ▶ Permanent Bougainville Mining Policy, Act and Regulations is Permanent Mining law in Bougainville, completes total transfer of powers, functions and assets from Nat. Govt to ABG. Also incorporates, Mine closure planning, seabed mining, Mining resettlement, compensation, quarrying, Mine waste management, Geo-hazards management, Equity Participation.
- ▶ Final Draft Completed 20 October 2014 for approval by BEC and enactment by Parliament in December 2014
- ▶ Adopted Significant Changes in Mineral ownership. Fulfilled Section 23 of the Bougainville Constitution
- ▶ Real Recognition of landowner rights. Rights to veto and right to withhold Consent to application and grant of tenements
- ▶ This Policy and Act will regulate the alluvial gold dealings and also enforce regulatory monitoring and compliance of preliminary refining in conjunction with the Mining Safety Act



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ACKNOWLEDGEMENTS

- ▶ MRA and GoPNG for extending the WBTA2 program to ABG DOMER under World Bank loan
- ▶ Prof Otto and Adam Smith International for putting together a policy document and drafting the Act and Regulations
- ▶ President and BEC for the support and Guidance
- ▶ Development team of the Transitional Act
- ▶ Sam Kauona and ex combatant team for criticism and providing a truly Bougainvillean perspective on issues
- ▶ Landowner Associations and their executives and entire membership
- ▶ Chief Administrators past and present and the senior ABG management
- ▶ Secretary Mr. Stephen Burain and the Counterpart Committee for all the home grown Bougainville policy ideas and concepts which forms the basis of a truly Bougainvillean, Mining Policy, Mining Act and Regulations.



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THANK YOU

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