

MSSP News

Mining Sector Support Programme

A quarterly newsletter published by the PMU – a project funded by the European Union's EDF programme for PNG

The Programme's Objectives

The objectives of the Mining Sector Support Programme are to sustain PNG's economic performance through mineral production and exports, to increase employment opportunities, to alleviate poverty, and to mitigate environmental impacts through mining.

To achieve the objectives, the following ten projects are implemented:

- A) Develop waste management guidelines,
- B) Investigate deep sea tailings placement,
- C) Construct a new 'Mining Haus',
- D) Construct three training centres and train small-scale gold miners, construct a Women Development centre
- E) Airborne geophysical survey,
- F) Geological mapping and mineral potential assessment of the Highlands,
- G) Develop a geoscientific information management and retrieval system,
- H) Procure hardware for the Mining Haus,
- I) Investment promotion, and
- J) Programme Management Unit

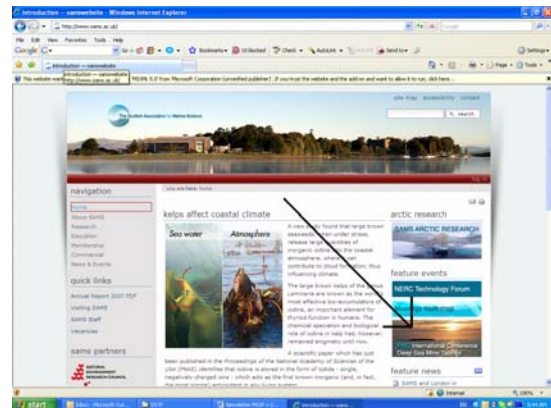
Progress during the 4th quarter of 2007

- **Project A - Waste Management Policy**
The tender procedure had to be cancelled, as no valid offers were received by the deadline. The project will be re-tendered in 2008, with a most likely project start in quarter IV/2008. The tender announcement is expected to be published on the EuropeAid website soon.

- **Project B - Deep Sea Mine Tailings Placement Investigation**

During the first quarter 2008 emphasis was on the analyses of the samples taken during the research cruise undertaken towards the end of 2007.

From 4 – 7 November 2008 an international conference on Deep Sea Mine Tailings Placement will be held in Madang. This shall result in DSTP – guidelines for PNG. Details of the conference and registration forms are available under: www.sams.ac.uk.



Website link to conference registration

- **Project C - Mining Haus**
The new Mining Haus was opened by the Prime Minister of PNG on Europe Day - 9th May 2007. The Mineral Resources Authority took possession of the building on 1st June 2007, and since then has been operational.



- **Project D – Small-scale Mining**

Project D will construct three small-scale mining training centres (at Wau, Paiam and Wewak), and kick-start these training centres.

In addition a Women Training and Development Centre (WTDC) will be built for the Porgera District Women Association at Paiam in Enga Province. Construction at Wau started on 22nd January 2007. Weather hazards causing road closures between Wau and the remaining world have delayed the project, and project completion was achieved on 31st of January 2008, with still some defects to be attended to.

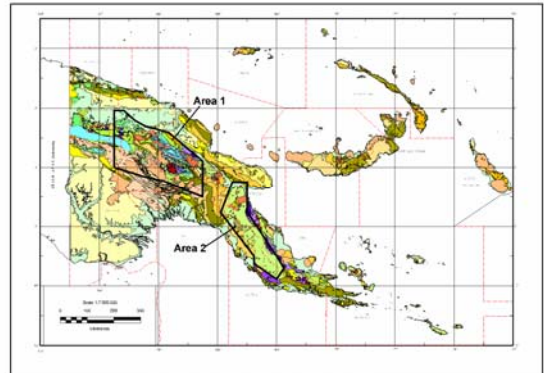


Small-scale Miners at work near Wau

The consultant (Project Consult) contracted to develop a curriculum and start the training at Wau commenced work on 1st December and will stay for three years. During the first quarter of 2008 the consultant's experts prepared the inception report. Commencement of the training activities at Wau is expected for later this year.

- **Project E – Airborne Geophysical Survey**

The helicopter-borne magnetic and radiometric survey of the PNG Highlands and Papuan Peninsula aims at providing pre-competitive information to attract exploration investments and eventually result in new mine developments. It is planned to fly a total of 212,968 line-km at 500m line spacing. After two successful flying seasons over the past two years, the consultant (Fugro) started data acquisition again on 8th March 2008. During this final flying season data acquisition will concentrate on Area 2 (Papuan Peninsula), where 5,850 line km were flown during March 2008. Of the total 64,705 line km to be flown in Area2, 14% were completed by the end of March 2008.



Airborne survey areas

Final processing of the Area 1 data set (comprising 148,263 line km) is still under way and is expected to be completed in late May / early June 2008. Soon afterwards the data set will be available from the Mineral Resources Authority in Port Moresby (info@mra.gov.pg).

- **Project F – Geological Mapping and Mineral Potential Assessment of the PNG Highlands**

This project is aimed at providing pre-competitive information by undertaking the ground follow-up survey of the Highlands provinces covered by the airborne geophysical survey.

The project was awarded to a consortium led by the British Geological Survey, and commenced on 1st April



2006. The 2008 field campaign started in early May 2008. During this year's field season geological mapping will concentrate on the 1:100,000 sheets of Jimi, Kubor, Bundi and Musak.

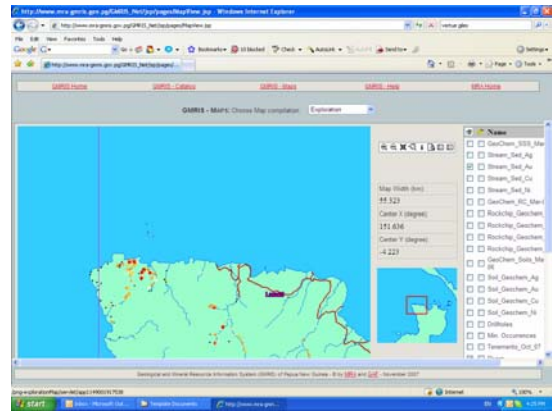


Stream-sediment sampling in Highlands creek

Also in May 2008, geochemical stream sediment sampling commenced. Analyses of the 2013 samples taken to date on the Hagen, Minj, Bundi, Goroka and Kubor sheets will commence in June 2008, after the contract has been awarded to a suitable laboratory.

- Project G – Geological and Mineral Resources Information System**
 The MapInfo-based Geological and Mineral Resources Information System (GMRIS) development has been completed, and the system was installed in the new Mining Haus starting on 19th November 2007. The GMRIS can be accessed under the following web address: <http://www.mra-gmr.is.gov.pg>, and gives online access to technical information available at the MRA. During the remainder of the project period the consultant will provide training in the use and administration of

the GMRIS to the staff of the MRA.



Gold sampling results – Gazelle Peninsula

- Project H – IT Hardware Procurement**
 The contract with the successful supplier was concluded in October 2007, and all hardware items had been provided to the Mining Haus by early December 2007. Since then all staff have standardized PCs networked to a up to date server system as well as a series of output devices, ranging from A4 size b/w printers to A0 size colour plotters in the Geological Survey.
- Project I – Investment Promotion**
 Project commencement was on 1st November 2007 and the project will run for 5 years. A draft promotional website for the MRA has been designed and is online (www.mra.gov.pg).



The first promotional event which was attended was the Prospector's and Developers Association of Canada's annual convention in early March 2008.

