



MRDC

TOKAUT

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of tomorrow*

MRDC Tokaut | 1ST QUARTER JAN-MARCH 2017

Ok Tedi landowners sign 33% benefit sharing agreement



A CMCA village representative from Kiunga signs the benefit sharing MOA. Looking on (seated L-R) MRDC Managing Director Augustine Mano, President of CMCA Richard Zumoi and Deputy CEO OTML Musje Werror during the MOA signing in Alotau

Landowners from the giant Ok Tedi Mine now own a 33% stake in the mine's operation, becoming the first landowners to own a larger than mandated equity share in any resource project in Papua New Guinea.

In January this year in Alotau, the landowners from the six mine area villages and the 152 villages from the Community Mine Continuation Agreement (CMCA) regions signed a benefit sharing Memorandum of Agreement (MOA).

The MOA outlines how benefits from the equity interests will be distributed and applied. The MOA was finalised after over two years of negotiations between the landowners, the Fly River Provincial Government and the State.

Parties present at the signing on

Saturday, 21 January included Chief Secretary to Government, Isaac Lupari, the Core Group leaders and delegate representatives from the mine area villages, from the CMCA regions, Mineral Resource Development Company (MRDC), and Mineral Resource Star Mountain (MRSM), Mineral Resources Ok Tedi No. 2, Ok Tedi Mining Limited (OTML), and the State representative from Mineral Resources Authority (MRA).

Representatives of women and children's groups also participated in the entire process and were represented at the signing.

The share distribution of the 33% equity sees CMCA group owning 12%, the mine area villages owns 9% whilst the Fly River Provincial Government

(FRPG) will own 12%. FRPG's share is further shared between three districts (North Fly, Middle Fly and South Fly). The percentage breakup was agreed upon by all parties through a Share Distribution Agreement in July 2015.

The MOA also stipulates that 40% of the benefits from the respective shares will be paid in cash to landowners while the other 40% will go towards investment purposes and 20% towards infrastructure development programs and projects.

MRDC will manage the landowners' 33% interest.

Chief Secretary to Government and MRDC Chairman Isaac Lupari assured the landowners that the MRDC will

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Managing Director's Message



MRDC Managing Director - Augustine Mano

Welcome to the first issue of the MRDC Tokaut for the year 2017.

Happy New Year and we hope your projections for the first quarter was successfully executed. At MRDC, the year certainly started off on a high, having marked a first not only for the company but for the country.

Ok Tedi Mine landowners now own 33% shares in the mine in a move never before seen in any resource project in Papua New Guinea. The signing

of a benefit sharing MOA in Alotau in January by landowners of the six mine area villages and the 152 villages from the Community Mine Continuation Agreement (CMCA) regions comes after years of negotiations since the National Executive Council's decision to grant the free equity in 2014. The signing by landowners and some photos from the historical event is featured on pages 1, 2 and 4.

On page 3 we bring you an update on the construction of the K1.2 billion Hilton Hotel, its ownership and the investors who have partnered with the State and landowners in a project which will benefit landowners greatly. During the quarter, Port Moresby hosted the first PNG Petroleum and Energy Summit which featured stakeholders from the petroleum and energy sector. MRDC participated in the event in which it reiterated the need for more landowner participation in resource projects around the country. This is featured on page 5.

On page 6 we feature schoolteacher

Roselyn Tony who won the MRDC sponsored 'Women in Writing Award' in the 2016 Annual Crocodile Prize Literature competition. Her winning entry titled 'The Egin Bride' is also featured on the page.

On page 7, we bring you an update on upgrade works on the Pacific MMI and Pacific Place buildings as part of our plans to position the buildings as the preferred commercial office space in Downtown, Port Moresby.

Our contributions to raising the profile of sports in the country is featured on page 8. MRDC is proud to have assisted the PNG Pukpuks 7s team in their participation in the popular HSBC 7s sanctioned Hong Kong 7s tournament. The side finished in the top four, a satisfactory effort from the side particularly given the lack of domestic competition.

Also featured on page 8 is the change of chairmanship of the Mendi Muruks with Mark Sakai coming in for Isaac Joseph.

I wish you all a happy reading till the next issue of the Tokaut in June.

Ok Tedi landowners sign 33% benefit sharing agreement

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ensure that their money is looked after well.

MRDC Managing Director Augustine Mano echoed the same sentiments, thanking the landowners for their confidence in MRDC.

He admitted the responsibility is a huge ask, but reassured landowners that the MRDC will do its best.

"We will do our best. We will not let you down," Mano told landowners.

Meanwhile, the other parties to the agreement being the State and the Fly River Provincial Government will sign at a later date.



Mano congratulates an Ok Tedi landowner

State, landowners partner to build K1.2 billion iconic hotel

The partnership between the PNG Government and the landowners in building the K1.2 billion Hilton Hotel and Convention Center is a true partnership in all sense.

A proud Mineral Resource Development Company (MRDC) Managing Director Augustine Mano made the comments during a site tour of the Star Mountain Plaza area at the Hohola suburb in Port Moresby early March this year.

"We've had two NEC decisions. One in 2014 on the concept which the government has approved to the NEC and then on 2015 was the project agreement with the state. In early March, 2017, I think the government has identified the source of funding following up on the two NEC decisions that they have made and allocated K316 million to partner the landowners on this project."

Other investors in the building of the Hilton Hotel and the Star Mountain Plaza Convention Centre include Bank South Pacific with the provision of K200 million and landowners from the Petroleum Resource Kutubu, Mineral Resource Star Mountain and Mineral Resource Ok Tedi project areas.

"You've seen the partnership in the Pacific games where the government invested a significant amount of money in just one event and to maintain and operate these facilities



Levels of the Hilton Hotel structure going up.

is a challenge. This is APEC and I am proud to announce that Hilton Hotel will be ready by September, 2018 and I thank the government in having faith in the landowners," Mano said.

Mano said the main gala event which will showcase the countries around the world will be held at the convention center and Hilton.

"I am also happy with the partnership we've had with Hilton. The most important thing is that we've had resource development in this country and when we talk about partnership you have a project operator that comes in spends the money invites the government, carry and then invites the landowners and the project goes on," Mano said.

"This is unique. It is the first time that the landowners are becoming the developers. They are putting their money upfront and inviting the operator Hilton. Hilton is a world class

brand and to secure them in the next 20 years is not easy.

"I would like to thank the landowners, PRK, Mineral Resource Star Mountain; Mineral Resources Ok Tedi for putting their money upfront and having the confidence in this country and to invest in a major iconic infrastructure and to build a Hilton brand and Hilton to manage this is very significant," Mano said.

"The quality of this hotel is something that will raise the profile and standard of this country and I would like to thank the government also for having faith in us."

John Kapi Natto, a trustee representing the major landowner company PRK who are the major shareholders with 45% interest in the K1.2 billion project said that until Mano came to the fore to lead MRDC, the partnership between the State and the landowners had been limited to the distribution of equity and royalty.

"Under the leadership of Mr Augustine Mano, we've seen changes through investments and this is one of them," Kapi Natto said. "Today we see that the State coming in and believing in us landowners."

Fellow PRK director Mark Sakai thanked the government, cabinet and NEC for their commitment and having faith in the landowners and the project that would benefit the people of PNG.

PRK owns largest share in Hilton Hotel: Mano

Petroleum Resources Kutubu is the major shareholder in the Star Mountain Plaza Project. The State and landowners also own shares in the project.

MRDC Managing Director Augustine Mano told media friends and trustees during a tour to witness progress made in the project.

With an asset of K1.8 billion, PRK has 45 per cent interest in the K1.2 billion project, government has 20 per cent and the rest are owned by landowners including Mineral Resources Star Mountains and Mineral Resources Ok Tedi who had paid money upfront to make the project happen.

In terms of financing, Bank South Pacific will contribute K200 million, government has provided K316 million and landowners will cover the



Show of Unity. L-R MRDC's Augustine Mano, PRK Director Johnny Yawari, PRK Chairman Abraham Murepe, PRK Directors Mark Sakai and John Kapi-Natto on the top floor of the SMP car park

balance.

"I thank the government for having faith in us. You rarely see government have faith in landowners and putting the money in a true partnership that

will revolutionise the way we define entrepreneurship, the way we define partnership in this country and I want

(Continued on page 5)

MRDC completes Western Province awareness program

MRDC undertook a week-long awareness program in Western Province in March to enlighten the landowners on the company's role as the trustee of their 33% shares in the Ok Tedi Mine.

The program was aimed at informing the shareholders on the roles and functions of MRDC and how MRDC as the trustee would manage benefits from those shares through the existing companies Mineral Resources Star Mountain (MRSM), Mineral Resources Ok Tedi No 2 (MROT) and new company Mineral Resources CMCA Limited.

MRDC Managing Director Augustine Mano led a team made up of his executive management team and officers from the External Affairs Department. They travelled to Tabubil, Kiunga and Daru to meet with the shareholders.

The landowners were given an insight into MRDC's board and management structure, governance and support, compliance on operational matters, its subsidiaries- community focus beyond management of equity.

The key terms of the Heads of Agreement (HoA) of the share transfer process was also explained to the shareholders as well as clarification on the MOA signed in Alotau early this



Western Province Governor Roy Biyama speaking to CMCA group in Kiunga during the awareness program



Awareness talks in Tabubil with the Mine Landowners

year.

The response from the shareholders of the mine was positive while others expressed concerns on certain matters which the team took time to address.

The company hopes the people now have a better understanding of how

the Mineral Resources Development Company (MRDC) will manage each of their percentage of the shares.

Western Province's only remaining MP and Governor Roy Biyama and his provincial government team also travelled with the MRDC team during the awareness program.

Ok Tedi landowners sign 33% benefit sharing agreement

Background:

The National Executive Council (NEC) granted landowners free direct equity in the Ok Tedi Mine in 2014 in recognition of the suffering but more importantly the patience of the people of Western Province in allowing OTML to support the country since 1973 as well as after the closure of the Bougainville Copper Limited (BCL).

The sharing of the 33% direct equity interest in OTML was approved by the O'Neill-Dion Government in 2014.



Landowners who attended the signing of the benefit sharing MOA in Alotau

PRK owns largest share in Hilton Hotel: Mano

(Continued from page 3)

to thank all the landowners for making this happen," Mano said.

PRK directors Mark Sakai and John Kapi Natto said the partnership they have established with the government has significant economic benefits for the people of PNG.

"For the last 20 years we've been like that. Since the new management has come in under the leadership of Augustine Mano, we've seen changes through investments. This is one of them," Kapi Natto said.

"The Hilton brand and the convention center here is of a higher magnitude and for me as a landowner and as a trustee, I am very excited. For us, we just want to say thank you to the State for coming and supporting us in building this investment together.

"We see the state coming in believing in us that as landowners we are not only looking at our own people but as a nation that we want to work together and to build something like this iconic building is an investment for the country and good for the wellbeing of our people. For me, I am very excited," Kapi Natto said.

Sakai shared similar sentiments, thanking the government for having confidence in the landowners.

"This project is a Government and private business partnership as you can see. On behalf of the shareholders of PRK and Kutubu landowners we thank the government for the commitment it shows now as we have already committed ourselves where you can see the work so far here. We made our commitment and we are very pleased that the government has come on board now," Sakai said.

He also hit back at critics saying that the government's contribution is not a free gift but an investment as a partner.

"They will be shareholders of this development and for the benefit of the development of the people of this country. It's not free money to us. It's government's commitment as an investment for the people of this country. We thank the government for honoring its commitment and also believing in us," Sakai said.

Energy plan vital to increase participation of landowners



Mineral Resources Development Company (MRDC) Managing Director Augustine Mano says landowners need to actively participate across the oil and gas projects to counter any decline in royalties caused by falling oil prices and forex issues.

Currently landowners hold a passive two per cent participating interest in ongoing projects which is little when compared to private oil companies and foreign investors who have been successful in gaining a foothold in Papua New Guinea's energy sector.

Speaking at the inaugural PNG Petroleum and Energy Summit that was held early April in Port Moresby, Mano said that because of the low commodity prices and ongoing forex issues, royalties paid to landowners will continue to decrease unless there is equitable participation in power generation, pipeline ownership and LNG Shipment.

Having a master plan, he says can bring about equitable participation across the value chain because all stakeholders will engage on a

level playing field. It will also enable landowners and the provincial governments to properly plan and even increase their investments and interests in oil and gas projects in the country.

In fact, as landowners, Mano says their participation in the value chain should be across the board by owning and managing more elements of the value chain.

"Apart from the power sector, we will aim for full and direct ownership of gas supply and power plants like taking the ownership of the LNG shipping which is currently owned by foreign interests," Mano said.

These are but some of MRDC's focus as it works hard to grow landowners' wealth with the objective to make them self-reliant.

"We do this by investing today's resources for tomorrow's generations on behalf of the landowners and the provincial governments," he said.



Prime Minister Hon. Peter O'Neill having a chat with MRDC's Imbi Tagune at the MRDC Booth

MRDC through its project-specific subsidiaries led by respective landowner leaderships holds two per cent participating interest in Gobe Oil Project; two per cent in Moran Oil Project; 6.75 per cent in Kutubu Oil Project; and, 2.80 per cent in PNG LNG Project. In mining, MRDC has 33 per cent equity in Ok Tedi Mine, 2.5 per cent in Ramu Nickel Cobalt Mine; and, five per cent in Porgera Gold Mine.

Simbu teacher wins MRDC Women in Writing Award



MRDC donated K5000 Prize Money to the 'Women in Writing' category award winner

Schoolteacher Roselyn Tony added another award to her collection, claiming the MRDC sponsored 'Women in Writing' award in the 2016 Annual Crocodile Prize Literature competition.

Tony's winning entry is titled 'The Egin Bride' which is an account of a traditional singing ceremony that provides a platform for courtship in the Simbu culture.

The acclaimed local writer who hails from East Sepik and Simbu won the Rivers Award on Peach and Harmony twice in a row in 2014 and 2015. Since entering the competition in 2014, two of her short stories on Heritage were published in the 2015 Crocodile Prize Anthology.

Tony has taught for over 19 years in some of the remote areas of PNG.

The Crocodile Prize Award competition was established in 2010 as a vehicle to encourage creative and critical writing in Papua New Guinea and to provide Papua New Guineans with access to home-grown literature. MRDC was a sponsor of one of seven writing categories. The 2016 winners were announced during an awards ceremony at the Australian High Commission in February this year.

Entry is now open to all Papua New Guinean citizens for the 2017 competition.

The Crocodile Prize competition offers awards in seven (7) categories being Short Story, Illustrations, Book of the Year, Women in Writing, Essays and Journalism, Heritage and Children's writing.

Roselyn Tony's winning entry

The Egin Bride

(The Bride of the Traditional Singing)

Oooo...puooo....oooo (men echoed in unison)
Boom, boom, boom, boom, (beat of the kundu drums)

Aya uo...uo...uo (women hullabaloo in approval and admiration)

"Gosh! There are here. Hurry, load the sweet potatoes into the string bags," exclaimed Ambai excitedly. We loaded our string bags with sweet potatoes, collected some dried bush leaves, fold and balanced it on our heads. We made a knot at the long ends of the big string bag and swung it around, up, and onto the dried fold bush leaves in one swift movement. We then swung the second bag into place on top of the first and reached forward with one bare foot for our garden sticks. Grasping it firmly between our big toe and second toes we skillfully lifted it to our hands.

Soon we were on our way, concentrating on carrying the load and stepping carefully as our bare feet sought out good grips in the slippery rigid trail. We sang our favourite courtship songs in choir all the way back. We left the string bags of sweet potatoes in our huts and hurried along to the dancing arena.

The dancers were already dancing. Their heavily oiled skin glittered in the afternoon sun. Their head dresses made from the choicest plumes of Bird of Paradise sway to and fro to the beat of kundu drums. It was a splendid sight. The women's high pitched hullabaloo continued as the singsing took momentum.

Ambai and I found our way through the crowd. We stationed ourselves at a position where we could take a good view of the dancers. Comfortable with our location, we joined in the fun of hullabaloo with the women, whilst the dancers sang and danced to beat of the kundu drums.

The egin (traditional singsing) is performed in a rectangular formation. The four song leaders stand in each width of the rectangle formation. Other dancers lined up on each side of the rectangle formation. In the middle are four song carriers. Their job is to bring the song from the song leader to the dancers and back to the song leaders. Once the song reaches the end of the rectangle formation, the song leader starts the same song again. This time the song is accompanied with the beat of the kundu drums. The kundu drum is beat one's in front, then to the left and right side and back in front simultaneously, whilst the dancers all danced into the middle, then jog backward to form the rectangular formation. They then turn and face the spectators then turn in again with their backs to the spectators. When their backs are to

the spectators, the next song is sung. Jog on the spot is the dancing pattern. Songs of achievement and success are sung. The same song is not sung twice.

It is during traditional singsing time that a dancer wins an Egin bride. If a young girl is attracted to a particular dancer, she intercepts the dancing formation, holds the hand of the dancer and dances along with him to the beat of the kundu drum. The dancer who wins an Egin bride is the Egin hero.

It is also a tradition of the Simbu's that a Simbu female must know how to hullabaloo (agun) in the Simbu way. It is offending not to hullabaloo in appreciation. So Ambai and I got deep into the applause and excitement of the day. We screened every young looking dancer in the dancing group. The young dancers knew very well that screening was on so they sway beautifully to the beats of the kundu drums.

My eyes could not resist this particular dancer. The way he swayed, sang and beat the kundu drums was just perfect. The desire to intercept his dance formation was burning in me. I tried to brush aside the feeling but it was irresistible. In a flash of light, I felt my arm around his sweaty, oily arm and found myself swaying in tune with him to the beat of the kundu drum. His arm felt relaxed as if he was waiting for that moment all along.

Applause of achievement filled the air when the singsing group noticed that it had won an admirer. The danced stopped abruptly and the kundu drums kept rolling simultaneously. The women hullabaloo and the men yodeled in unison.

For a singsing group to win an admirer during the performance is the talk of the day. It is a custom that tallies were kept on the number of admirers won during singsing time which will then be a tale to tell in time.

After the dance the egin bride goes with the dancers to their village. She remains in their village for a week or so until her relatives go to pick her up. If she decides to stay, marriage arranged is settled. If she decides to return home with her relatives, then valuable items like shell money, bilums made of cuscus fur and food were given to her to take back with her. These valuable items are symbols of thank you for appreciating the dancing group's performance.

That afternoon, I walked with the dancers back to their village. Words have already reached the village and applauses were coming from all directions. I was the center of the attraction, for I was the Egin bride. It gave me a feeling of pride and value. ■

Renovation starts on Pacific MMI and Pacific Place

Pacific Property Trust (PPT) through the Mineral Resources Development Company (MRDC) has started renovation on the Pacific MMI Building and Pacific Place in Downtown, Port Moresby.

Located at the corner of Champion Parade and Hunter Street, and the corner of Champion Parade and Musgrave Street, the buildings had been the premier commercial buildings in the capital city. Until MRDC took control of the buildings, they have been mismanaged and left to run down.

The major upgrade program which was initiated in 2015 is not only an effort to restore the status and operating condition of the buildings, but also a strategic undertaking in order to compete with new additions to the commercial building market. Once renovations are complete, it is envisioned the buildings will be recognised as the preferred commercial office space, the safest, most secure and fully functional in Downtown, Port Moresby.

The upgrade program include interior and exterior refurbishment, complete replacement of air condition systems, modernisation of the lift systems, energy and lighting upgrade, security system upgrade and fire safety system upgrade.

At Pacific Place, we are converting the podium level above the carpark into a restaurant and bar complete with outside seating areas, private meeting rooms, and a sizable conference centre, thus providing a one stop shop for tenants to conduct business without stepping out of the building.

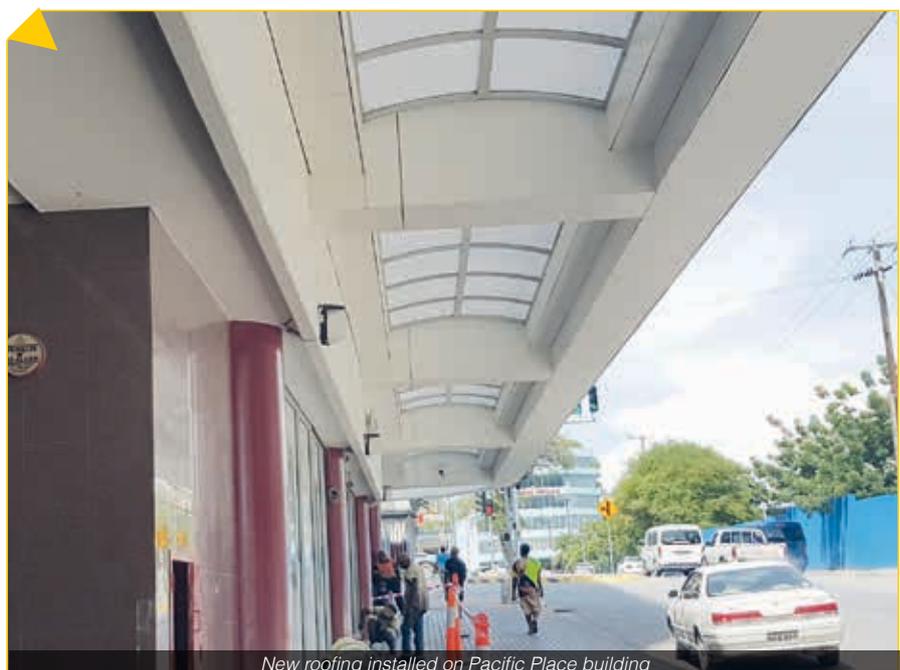
Costs are being managed. Progress is on target for a December 2017 completion.



New tiling to give Pacific Place front a refreshed look



A crane lifting the brand new cooling tower onto the roof top of the Pacific MMI building



New roofing installed on Pacific Place building

MRDC PNG Pukpuks 7s finish in top 4 at qualifiers



The Pukpuks pose with their new uniforms

The MRDC PNG Pukpuks finished in the top 4 of the 2017 Hong Kong 7s Qualifiers, bowing out to eventual winners Spain 21-12 in the semi-finals.

It was their second match-up in the competition, but with notable improvement from the MRDC PNG Pukpuks this time around after a one-sided match in their Pool G encounter earlier which went to the Spaniards favour who won 15-0.

In their semi-final match, the national side overcame a 21-0 deficit at half-time with tries from Wesley Vali and Willie Thirang, to close the gap on Spain, but it was too little too late. Spain went on to beat Germany 12-7 in the final to earn a spot in the elite World 7s Series among top teams in the likes of Fiji, South Africa, New Zealand, Australia and England.

Meanwhile, of the 12-man MRDC PNG Pukpuks side that featured in the Hong Kong 7s qualifiers, Vali finished as top points scorer with 28 points from four tries and four conversions. Gairo Kapana finished as second points scorer with three tries at 15 points.

The side's participation in the qualifiers was made possible via a K100, 000 funding from Mineral Resources Development Company (MRDC) which was timely and assisted the side in their preparation for the Hong Kong 7s tournament. The K100,000

sponsorship by MRDC marks another milestone under the leadership of Managing Director Augustine Mano.

12-man MRDC PNG Pukpuks 7s squad to the 2017 Hong Kong 7s Qualifiers: Henry Kalua (ENBP-Co-captain), Authur Clement (ENBP-Co-captain), Gairo Kapana (Central), Willie Thirang (ENBP), Wesley Vali (Mendi), Dean Manale (CRU), Hensley Peters (ENBP), Nathan Baramun (AROB), Patrick Tatut Junior (Manus), Eugene Tokavai (ENBP), Freddie Rova (Central) and Emmanuel Guise (CRU).

Hong Kong 7s Qualifiers Scorers

PNG Pukpuks 12-21 Spain
2017 HK 7s Qualifiers Semi-Final
Half-Time: 0-21

Scorers: Tries – W.Vali, W Tirang;
Conversions: W.Vali, E Tokavai (Missed)

PNG Pukpuks 14 – 10 Uganda
2017 HK 7s Qualifiers Quarterfinal
Half-Time: 7 - 10

Scorers: Tries: AA Clement, G Kapana
Conversions: EC Guise (2)

PNG Pukpuks 0 – 15 Spain
2017 HK 7s Qualifiers Match 3
Half-Time: 0-0

PNG Pukpuks 31 – 5 Guyana
2017 HK 7s Qualifiers Match 2
Half-Time: 19 - 0

Scorers: Tries: H Kalua, G Kapana (2), F Rova, W Vali; Conversions: W Vali (3), W Vali (missed), EC Guise (missed)

PNG Pukpuks 26 – 21 Uruguay
2017 HK 7s Qualifiers Match 1
Half-Time: 14-7

Scorers: Tries: AA Clement, W Vali (2), H Peter; Conversions: AA Clement, EC Guise (2) EC Guise (missed)

Sakai accepts appointment to lead PRK Muruks



L- R Incoming Chairman Mark Sakai and Outgoing Chairman Isaac Joseph

Newly appointed Mendi Muruks Chairman Mark Sakai has promised to do his best for the Petroleum Resources Kutubu (PRK) sponsored side for this 2017 Digicel Cup competition.

Sakai who is also a director on the PRK Board took over the reign from Pastor Isaac Joseph of Mendi, Southern Highlands Province during a handover ceremony at the Mineral Resources Development Company (MRDC) boardroom at downtown, Port Moresby in March this year.

In handing over the post, Joseph thanked PRK for its continued support over the years particularly in ensuring the Muruks returned to their home province. The side had been based in Lae over the past four years due to lack of sports infrastructure in Mendi.

"I would like to take this time to thank PRK for the support given to Muruks during my reign as the chairman. I have confidence that Mr. Sakai will continue to build a strong management and carry forward the flagship of SHP," PS Joseph said.

The change of leadership also saw PRK announcing its continued support for the Southern Highlands franchise with another K750, 000 sponsorship for this year.

The PRK Mendi Muruks will be coached by former Hela Wigmen's head coach Andrew Andiki.

"Muruks is a household name and a flag barrier of SHP and we will do our best this season," Andiki said.

Meanwhile, Sakai's appointment is also part of MRDC's social responsibility strategy.

The other sports that MRDC oversees at board level are soccer (football) and basketball which are being headed by PRK directors John Kapi Natto and Johnny Yawari.

"It is truly a big step to have MRDC through its subsidiary PRK coming on board to help support sports. I am sure respective people in those respective sports are well versed with their roles and we would like to thank MRDC for supporting a worthy course," said National Souths Basketball League (NSBL) President Silas Nicky.

The Digicel Cup kicked off in April this year.