



# MRDC

## TOKAUT

*Custodians  
of tomorrow*

MRDC Tokaut | SPECIAL EDITION 2015

## Pearl Resort Project Fiji opens



*The new and refurbished Pearl Resort nestled in Pacific Harbour, Fiji set to reclaim its status as a premier tourist destination*

The Mineral Resource Development Company and its subsidiaries celebrated a milestone development project in Fiji on 12th September with the launch of their five-star 'Pearl South Pacific Resort and Championship Golf Course development'.

This is the first and biggest ever development project MRDC has undertaken in its 40 years of existence. The project represents another milestone investment by landowner companies Petroleum Resource Kutubu (PRK) and Mineral Resources Ok Tedi (MROT).

The Pearl South Pacific Resort was acquired in 2012 and the company immediately went on to develop plans to expand the resort.

The Project which was completed two months ahead of schedule and under budget features 220 rooms, a world class marina, new multiple conference room facilities, modern spa and wellness Centre, a fine dining beach side restaurant, new gymnasium complex, a wedding chapel and the 200 acre Championship golf course. The project is being hailed as the third largest project that will impact the Fijian economy and is regarded

as one of the largest freehold resort properties in Fiji.

"Not many understood that when we bought the resort in 2012, it also came with a 200 acre free- hold land and Championship golf course," said Mr. Mano, Managing Director of MRDC.

With Fiji a popular tourist destination in the Pacific, the resort is well placed to cater to the industry demands and meet the desired returns for the PNG landowner trustee company.

Mr. Mano said the investment signifies Papua New Guinea's growing economic status in Fiji and the greater Pacific.

"Since taking over the ownership of the property, the resort has averaged a 75% occupancy rate and even while under construction it has been profitable. This project is part of our strategy to diversify MRDC's investments and reduce our resource owners risk outside of the mining and petroleum sector," said Mr. Mano.

Board Members of MRDC, PRK and MROT, management, landowner representatives, Members of Parliament and other important dignitaries were invited to celebrate the opening of this milestone event which was officially opened by the Fijian Prime Minister, Voreqe Bainimarama.



*The Pearl Resort's stunning night view. MRDC MD Augustine Mano is confident in the future of the Resort saying it has the profile to attract international guests. The Resort previously hosted beauty contests and international pageants and production of two Bollywood movies.*

# Managing Directors Message



It gives me great pleasure to bring to you this special 2015 edition of the MRDC TokAut Newsletter.

2015 has been a huge year having achieved several milestone events in the company's 40 years of existence.

MRDC is the single biggest custodian of the wealth of people from our rich resource project areas; we are responsible for the prudent management and investment of all our subsidiary landowner companies, to make sound investment decisions for them and their future.

Page 1-3 features the opening of the 5 Star Pearl South Pacific Resort in Fiji. This is the first and biggest development project MRDC has ever undertaken in its 40 year existence and outside of the country. A joint investment between MRDC, PRK and MROT, this is one of our proudest achievements.

Through the company PNG will now have its very own and first ever Hilton Hotel brand. This world-renowned iconic hotel brand will be built as part of the Star Mountain plaza, a project that will transform the Port Moresby landscape and set a new benchmark for high-rise building in PNG. Page 4 and 5 gives you all the insight into this game changing project never seen before in PNG.

On page 6, subsidiary company PRK declared one of its highest recorded dividends of K40 Million for 2014. MRDC successfully paid it out to all beneficiaries in the Gulf and Southern Highlands provinces.

This year we also rolled out the installation of Click TV into villages in the Moro area through a partnership between Click TV and PRK. A life changing experience for these rural communities.

MRDC's focus has always been to better the quality of life of our beneficiaries through health, education and community initiative work and funding, some of those stories are featured here as we continue to work towards improving the lives of our beneficiaries.

In line with the company's vision, we are surely making our mark in history by shifting away from being a passive investor to a proactive but prudent investor. MRDC is moving towards diversifying our investment portfolio into real estate, aviation and hospitality industries and we will continue to pursue other sound investment opportunities to enable us to achieve our objectives.

## MRDC entity APNG rebrands to PNG Air



PM Peter O'Neill (centre) cuts the ribbon to launch the rebrand of Airlines PNG to PNG Air as Director of PNG Air Watt Kiddie (second from left), MRDC MD Augustine Mano (second from right), Enga governor Peter Ipatas and other shareholder representatives look on

Airlines PNG has now rebranded itself as the new PNG Air.

The rebranded airline company is 40 per cent owned by MRDC in partnership with other PNG shareholders and individuals.

At the launch and presentation of PNG Air's new ATR 72-600 series aircrafts (which will be the company's new fleet to service the country) the Prime Minister, Hon. Peter

O'Neill CMG MP, highlighted that Papua New Guinea had the potential to become the air transport hub of the Pacific.

He assured the industry and shareholders that his government would continue to build the capacity of the air transport sector in the country.

Mr. O'Neill thanked MRDC for its proud investments on behalf of landowners and for supporting and investing in the airline.

# Pearl Resort Opening



*Fijian Prime Minister, Voreqe Bainimarama cuts the ribbon to mark the official opening of the Pearl Resort while MRDC Managing Director Augustine Mano and Minister for Finance James Marape look on.*



*Guests enjoy the Marina front of the Resort during the opening night.*

# Groundbreaking for iconic Star Mountain Plaza

The Mineral Resource Development Company (MRDC) has officially launched the country's first and single biggest landowner investment project on behalf of its subsidiary companies – with the groundbreaking of the Star Mountain Plaza project in partnership with the world-renowned Hilton Group.

MRDC announced the Star Mountain Plaza (SMP) development project in Port Moresby from the project site at Ward Road, Hohola.

Launched by Prime Minister Hon. Peter O'Neill and witnessed by Hilton executives, cabinet ministers, diplomatic corp, landowners and other dignitaries, the Star Mountain Plaza will soon appear and dominate the horizon of Port Moresby's landscape.

The Star Mountain Plaza project is an iconic and timely development for the country as it prepares for the APEC Leaders' summit in 2018.

The Star Mountain Development will be constructed over two stages, the first stage to consist of a 212 room Five Star Hilton Hotel, 3,900 square feet of the Art Multilevel Convention



PM Peter O' Neill (centre) unveils a plaque to mark the groundbreaking of the SMP project witnessed by (L-R ) VP Governor Hon. Ati Wabiro, MRDC MD Augustine Mano, Hilton Hotel Australasia Operations VP Paul Hutton and SHP Governor Hon. William Powi

and Performing Arts Centre, and a 160 apartment residential tower.

This world-class project is a joint venture between three PNG land owner groups, Petroleum Resources Kutubu (PRK), Mineral Resources Star Mountains (MRSM) and Mineral Resources Ok Tedi (MROT) No.2 in partnership with the Independent State of PNG.

The project showcases an evolution

of modern design and commercial re-engineering never seen before in the country.

Through the vision of the landowners, the Star Mountain Plaza Project symbolises a new era in landowner business development for a sustainable future generation.

The project is expected to be completed before the APEC 2018 Leaders' summit.



## MRDC Brings Hilton Hotel Brand to Port Moresby



Hilton Hotels Australasia Operations VP Paul Hutton speaking at the launch of the SMP Project



Artist impression of the Hilton's Presidential Suite



Artist impression of the Hilton's Presidential Suite



A restaurant inside the Hilton Hotel

The Mineral Resource Development Company (MRDC) will bring to Papua New Guinea its first ever Hilton Hotels & Resorts branded hotel, The Hilton Port Moresby.

A management agreement has been signed between MRDC and Hilton Worldwide which will see the construction of a 5-star 212 premium room hotel in Port Moresby.

The Hilton Port Moresby is part of the MRDC group and its subsidiaries latest development projects - together with the Star Mountain Plaza (SMP).

The Hilton Hotel complex will include four restaurants and two bars, a business centre, health club, spa and outdoor pool and event spaces.

Under the agreement, Hilton will manage the Hilton hotel and a convention centre within the Star Mountain Plaza.

MRDC Managing Director, Augustine Mano said the partnership is set to redefine the standard of accommodation for the business and tourism sectors.

"We have not had a significant player in the hotel and tourism industry. With the Hilton Hotel brand, the perception of the tourism and business sector in the country is sure to change," said Mr Mano.

"We are committed and excited to be part of a project that will set a new benchmark in world-class hotel experience here in Papua New Guinea," he said.

Mr Mano thanked Hilton Group for their confidence in bringing their brand into PNG.

Hilton Port Moresby adds to Hilton Worldwide's existing pipeline of five hotels in the Australasia region where the global hospitality company presently operates 21 hotels under the Hilton and DoubleTree by Hilton brands.

Paul Hutton, vice president, Operations, Hilton Australasia said they were excited and privileged to be partnering with Star Mountain Plaza to bring to Port Moresby a world class hotel.

"This is a remarkable occasion for us to continue the Hilton story and its 96 year rich history as the world's best known hotel brand," said Hutton.

Construction is already underway and expected to be completed by late 2017 in time to host the APEC Leaders summit in 2018.

# PRK delivers K40 million dividend payout

One of MRDC's biggest subsidiary companies Petroleum Resources Kutubu (PRK) has this year made the largest ever dividend payment in its thirteen (13) year history.

The Board of PRK declared a K40 Million final dividend payment for 2014.

The dividends are from PRK's equity shares in the Oil Search Limited operated Kutubu oil project in the Southern Highlands Province. PRK also paid for and acquired a direct interest in the pipeline and has also acquired other interests in oil and gas assets such as the PNG LNG Project. Other consolidated and combined revenues from investments made by the company include Bank South Pacific.

PRK has also played a significant role in conflict resolution, particularly in relation to the leadership disputes among the Fasu beneficiaries (between Mr John Kapi-Natto and Mr Mark Sakai) and the Foe beneficiaries (between Mr Sese Vege and late Mr Hami Yawari and now Mr Johnny Yawari) to ensure that there is peace and stability not only at the project sites but also at the Board level.

Those benefiting from the 2014 final dividend payment include landowners from Kikori in the Gulf Province whose land hosts the export terminal and the oil and gas pipelines from the oil fields in Kutubu.

MRDC has been managing PRK's equity in the Kutubu Petroleum project since 2002 and has so far declared over K300 Million in dividends.



For the 2014 financial period, a total dividend of K40 million has been declared of which K16million (40%) of the dividends will be paid to the Southern Highlands Provincial Government (23.30%) and the Gulf Provincial Government (16.70%).

The remaining K24 million (60%) will be shared between PRK's Future Generation Trust Fund (FGTF) and Community Investment Trust Fund (CITF) and the Incorporated Landowner Groups (ILG's) in the Petroleum Development Licence 2 (PDL2) project area in SHP and the export pipeline and terminal areas in the Gulf Province.

As required Under the Oil and Gas Act, K7.2 million (18%) will be paid to each of PRK's two trust funds, FGTF and CITF both of which MRDC also manages.

That will see the remaining K9.6 Million (24%) of the K40 Million paid out to a total of seven (7) ILG's in Kutubu, SHP and Kikori, WP.

Kutubu's Fasu, Upper Foe and Lower Foe ILG's will share in K5.28 Million while Kikori ILG's Kerowos, Kibiris, Rumu and

IKPS, who are pipeline landowners, will equally share K4.32 million.

The dividend payment operation will be a joint operation between, MRDC, Department of Petroleum and Energy (DPE), PRK directors, OSL, Police Mobile Squads and Bank South Pacific banks in Moro and Kikori.

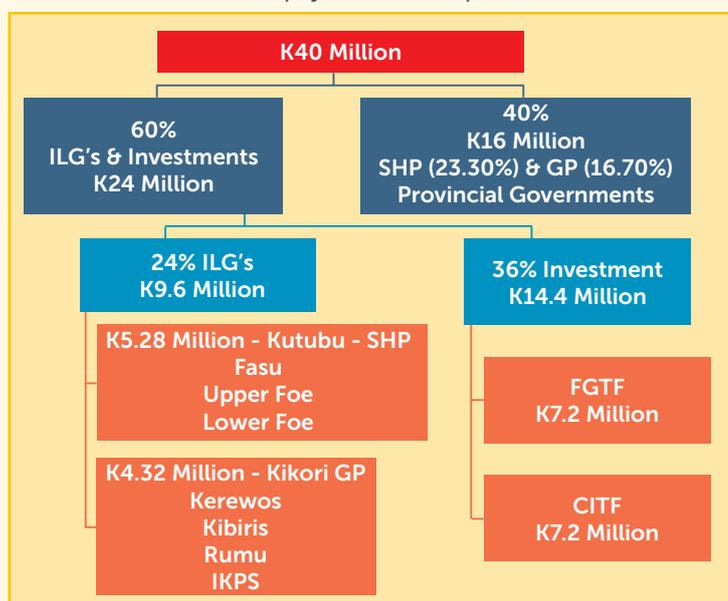
This payment exercise took over (10) days to carry in September and October.

PRK is currently a multibillion kina company under MRDC and continues to expand its business portfolio both domestically and off-shore.

The company's total assets at the end of 2014 was K1.554 billion, up by K508 million from K1.045 billion in 2013. Its net asset was K966 million as at the end of 2014 financial year compared to K893 million at the end of 2013, an increase of K73 million or by 8%.

Meanwhile, MRDC will also make an additional but separate payment of just over K8 million in royalties to PDL2 ILG's (40%) and to their trust funds FGTF and CITF (60%).

PRK 2014 Final Dividend payment breakup



PRK Dividends to date

Years Dividends Declared	Total Dividends Paid
2002	K18,335,345.23
2003	K13,500,000.00
2004	K16,000,000.00
2005	K26,970,000.00
2006	K38,985,500.00
2007	K17,000,000.00
2008	K15,000,000.00
2009	K15,000,000.00
2010	K25,000,000.00
2011	K25,000,000.00
2012	K25,000,000.00
2013	K25,000,000.00
2014	K40,000,000.00
<b>TOTAL</b>	<b>K300,790,845.23</b>

## Dividend Payment Exercise a Success



A Kutubu landowner expresses his views at a recent meeting in Moro during the PRK dividend payment exercise

Landowners in the Kutubu in the Southern Highlands Province and Kikori in the Gulf Province have been paid their share of the recently announced K40 Million Final Dividend from PRK's 2014 audited accounts.

MRDC's external affairs team last month visited Kutubu and Kikori to credit the bank accounts of ILG's through the BSP branch in Moro and Kikori.

A total of K9.6 Million of the K40 Million was paid out to a total of seven (117) ILG's in Kutubu and Kikori.

The payment exercise took place without incident, however landowners in Kutubu requested for a meeting with MRDC and stakeholders

to express their frustration over the break up of the dividends.

The External Affairs team together with an officer from the Department of Petroleum and Energy and OilSearch limited met with landowners in Moro and heard the landowners concerns and frustrations.

Several ILG chairman's were not happy with the breakdown, saying certain parties such as the provincial governments were getting too much money and yet doing so little to deliver services to them in the village.

They called on the DP&E to take steps towards setting up a review of the Oil and Gas Act to re-distribute those funds back to the people.

## Click TV Partners with PRK To go Rural



Thousands of people in some of the most remote areas of Papua New Guinea are watching Television for the first time thanks to a revolutionary new solar powered Television product supplied by PNG broadcaster Click TV PNG.

Launched just before the opening of the 2015 Pacific Games, Click TV's solar solution combines a simple solar kit with a 19 inch TV screen, a one metre satellite dish, LED lighting and a Click TV satellite box to provide 20 channels of Television and lighting to thousands of new viewers in the country.

Click TV has partnered up with Petroleum Resources Kutubu to provide over 100 kits to communities in Moro, Kikori, Hekari, Yasuku, Moran, Foe, Gobe, Kerewo, Rumu in the Southern Highlands.

Western Province Governor Ati Wobiro has also rolled out Click TV in his province with the first two units installed in Daru. A further 58 units are being installed in community sites up the Fly River.

Click TV PNG launched its satellite project in February this year and now has over one thousand LIVE satellite sites around PNG with its solar product installed in project areas while its non solar product has been selling through Seeto Kui with installations in all provinces.

"We're thrilled with the feedback. Obviously we have had our fair share of challenges but overall the product is being received well. We have been humbled by the major difference it's making in people's lives. Thousands have not had TV or radio before. From nothing to 20 channels of TV plus lighting has been a major boost to their lives", Click TV's Richard Broadbridge said.



MRDC officers making cheque deposits into bank accounts of beneficiaries in Kutubu through the BSP Bank in Moro



PRK beneficiary Paul Yawei voicing his concerns during the MRDC meeting with landowners of Kutubu



Beneficiaries lining up at the BSP Bank in Moro to access their funds during the payment exercise



## MRDC Backs Kutubu Kundu and Digaso Festival for Fifth Year

MRDC presented K50,000 to the Kutubu Kundu and Digaso Festival Committee in support of the festival this year.

The presentation marks MRDC's fifth year of support for the festival since its inception in 2011.

This brings the company's sponsorship total to a K250,000; K50,000 for every year since 2011.

Recognised as an annual national cultural event the 'Kutubu Kundu and Digaso Festival' aims to create an opportunity for ecotourism, income generation at the local level, and as an avenue for educating young generations on the significance of protecting their environment in which their traditional cultures are derived.

With the 2015 festival theme "Preserving Our Cultural Heritage Through Saving Our Environment" the festival called to all communities in Kutubu to embrace the linkages between culture and the natural environment.

MRDC Managing Director Augustine Mano said "We are proud to continue our support of a unique festival in the Southern Highlands Province that not only promotes the diverse culture and traditions of the Kutubu people, but one that also teaches sustainable



PRK Director Jonny Yawari with MRDC MD Augustine Mano with the dummy cheque surrounded by Foe Dancers from the Kutubu Kundu and Digaso festival who travelled to Port Moresby for the presentation

### The Kutubu region in the Southern Highlands Province is one of the country's most resource rich areas hosting Kutubu oil fields and the PNG LNG Project

development by preserving their environment and culture."

The Kutubu region in the Southern Highlands Province is one of the country's most resource rich areas hosting the Kutubu oil fields and the PNG LNG Project.

Kutubu landowners through their company Petroleum Resources Kutubu (PRK), a subsidiary company of the MRDC, are one of the country's biggest resource project shareholders.

"The landowners have always depended on the land and biodiversity to sustain their livelihoods for generations therefore it is vital we, as a company managing their interests, support and teach long term sustainability once the resources below the land are gone," said Mr. Mano.

The Kutubu Kundu and Digaso festival was held on the 25th and 26th of September in Kutubu.



Bosavi Dancers at the recent Kutubu Kundu and Digaso Festival in Daga Village

## MRDC attends Kutubu Festival

The magnificent culture of Kutubu in the Southern Highlands Province was on display at the fifth Kutubu Kundu and Digaso Festival in September. The area boasts some of the countries most unique and unseen traditional dress and practices.

MRDC's External Affairs team had the privilege of attending Festival at Daga village from the 24th – 26th of September.

The team was in Kutubu carrying out the PRK's Dividend payment and took time out to visit the festival.

MRDC presented K50,000 to the Festival committee to support the festival and has been supporting it since its inception in 2011.

Imbi Tagune, General Manager – External Affairs and Sustainable Development gave a brief address at the festival opening on behalf of the company.

In line with the festivals theme in 2015, 'Preserving our Cultural Heritage through saving our environment' Mr. Tagune urged locals to preserve their environment.

The festival calls to all communities in Kutubu to embrace the linkages between culture and the natural environment.

Festival organizer WWF's Saina Jeffery said this was the biggest ever, with a total of 22 cultural groups involved.

In attendance for the first time, was a cultural group from the Enga Province. It's told that the Engans traded their traditional salt for the Foe's Digaso oil.

The festival is will get bigger and better every year and MRDC will continue its support in the years to come.



Women of Lake Kutubu perform an ancient traditional dance.



Singing group from Enga who participated for the first time at the festival. They historically traded tradition salt for Digaso oil.



## MRDC Assists Kutubu women purchase vital Scan Machine



(Left to right) External Affairs GM Imbi Tagune, Kutubu Women's Council President Anne Asigi and PRK Director Jonny Yawari during the presentation at the Kutubu Kundu and Digaso Festival in September.

Petroleum Resources Kutubu (PRK) recently came to the rescue of the Kutubu Women's Council to help them purchase a vital mobile ultra sound scan machine that will benefit pregnant women.

PRK Director Jonny Yawari presented a K20,000 cheque to the president Anne Asigi during the fifth Kutubu Kundu and Digaso Festival to assist the group purchase the machine from Melbourne, Australia.

The machine will be housed at the Image Rural Health Centre.

Mr. Yawari said he was honored to help, as the machine would serve more than 20 thousand women in the area covering the border of Kagua Erave, Nipa, and Kikori including the neighboring areas of Hela Province.

Mrs. Asigi was in tears, overjoyed and surprised at the announcement.

She explained how she'd walked around Moro town and from village to village with a box seeking donations to purchase this vital machine that would save the lives of many women during childbirth.

Mrs. Asigi said that with the donation from MRDC she is able to purchase this machine and that meant more mothers would deliver their babies safely and the risks of complications would be minimized.

However, she said more of these scanning machines are needed and she hoped to get more support from others as well in the near future.

## MRDC assists Oil Search's Malaria Initiative



MRDC this year donated K100,000 to assist the PNG Industry Malaria Initiative (PIMI).

PIMI is a unique global initiative started by Oil Search through its Health Foundation (OSHF) and was established to mobilize PNG's world class energy, mining and agribusiness sectors to support the goal of achieving PNG-wide malaria elimination by 2050 through industry collaboration.

PIMI is closely aligned with the National Department of Health and in supporting the implementation of the National Malaria Strategic Plan through the resources sector of PNG and is supported by the Department of Health.

MRDC's commitment of K100,000 will progress the work of PIMI through the resource industry to provide ongoing technical advice and direction for malaria control programs for the resource impacted communities.

## MRDC senior management appointments



Kevau Ganiga - Chief Financial Officer



Joe Ala - Properties Manager

Two senior appointments were made to the MRDC management team in 2015.

Mr. Kevau Ganiga was promoted from Accounts Manager to Chief Financial Officer. Mr. Ganiga is now responsible for Treasury and Accounts. His vast experience in the petroleum sector has been vital in resolving a lot of

the legacy issues with MRDC's accounts and bringing all the subsidiaries accounts up to date.

Mr. Joe Ala was promoted from Executive Officer to Manager Property. Mr. Ala's leadership now sees him take control of the operation of the Pacific Property Trust (PPT) Buildings.

## New Paua Rural Health Centre nears Completion



The new Paua Rural Health Centre in Moran, Hela Province is nearing completion.

The brand new facility funded by the Petroleum Resources Moran Community Investment Trust fund will come complete with a maternity room, outpatient area, ante and post natal care facilities, pharmacy and vital health care and administration rooms.

MRDC project engineers recently visited the project to inspect the progress of construction work.

The Health Centre is located in Paua Village and will service surrounding communities in both Moran and Kutubu.

It is being built at a cost of one million kina and will be completed early next year.

"Its about 80 per cent completed at this stage, and we expect it to be fully functioning by December," said Manager Sustainable Programs and Chief Project Engineer William Baratia after his visit with other project managers.

PRM Chairman, Pape Punga who has been actively involved in the project said he was pleased with progress.

"This is for the future, for my children and the generations to come. I want them to take ownership and responsibility of this and all other projects built here," he said.

## MRSM Provides Food Relief Supplies for Drought Stricken Tabubil



MRDC's Kini Renagi officially hands over the supplies to a councillor at Bultem village



Supplies being unloaded at Bultem Village, one of the 10 OK Tedi Mine Landowning villages.



MRDC Kini Renagi and MRSM Director John Atemiyok receiving the supplies for 4 villages across the Ok Tedi; Ok Tedi Tam, Nioxskwi, Ankit and Kumkit.



MRSM Director Toby Nounga speaking to the locals at Kavarabip village when delivering the food relief supplies.

Mineral Resources Star Mountains (MRSM), a subsidiary company of the Mineral

Resources Development Company (MRDC) is providing urgent food relief supplies to drought stricken communities in the Ok Tedi Mine area.

The company supplied up to K150,000 worth of non perishable food items to the area to assist the ten landowner villages surrounding the mine.

The current El Nino weather which forced the temporary closure of the Ok Tedi Mine is now taking its toll on the people in the area with vital food supplies usually brought into the area by ships, unable to reach the people due to the low water level at the Fly River.

A MRDC assessment team visited the area to assess the impact of the dry spell and found that the people were severely affected as major food suppliers in Tabubil had run out of basic food supplies such as rice, tin foods, and water.

About four tonnes of rice bags were flown from Port Moresby into the area free of charge by the Hevilift Charter Company who has come onboard to support MRSM's efforts.

The remaining supplies of tinned foods and other non perishable items have been purchased in Tabubil town and will be distributed together with the rice bags to the communities over the next week.

The Board of MRSM saw communities suffering and urgently approved the funds to provide relief to the people.

A team from MRDC as well as members of the Village Development Committee from the ten mine villages are on the ground to assist with the distribution of the supplies.

MRSM is a landowner company that holds a 3.05 per cent shareholding in OTML, that's held in trust for the benefit of these ten Ok Tedi landowning communities.

MRSM thanked Hevilift Charters for its kind donation to airlift the supplies to Tabubil free of charge.

# Ramu nickel project boosts economy

Story courtesy of Post Courier

RAMU NiCo Project's investment in Madang Province has created huge demand for local business houses and consequently has stimulated both Madang and PNG's economic development through local procurement with the subsequent spending of well over K600 million.

Ramu NiCo also spent millions of Kina in infrastructure development and provided business opportunities, including business spin-off opportunities to the four landowner associations and provided employment opportunities for the locals.

Chairman and director of Ramu NiCo Management (MCC) Ltd, Mr Zhao Shimin said this during the signing of the Ramu NiCo Project revised memorandum of agreement (MOA) last Tuesday.

Mr Zhao said most of the benefits delivered under the old (2002) MOA were mostly outside of the MoA as part of Ramu NiCo's corporate assistance towards the local impacted areas. Most were delivered during the construction phase of the project.

"By the end of 2012, the total purchase made locally mounted to K600million,"

"From 2001 to 2012, the total business opportunity contract value given to land owner companies reached K61,605,103. The economic status of land owners has been improved and land owner companies at different levels were able to develop and expand," Mr Zhao said.

He reiterated that Ramu NiCo also constructed and maintained medical aid post at the project impacted areas to provide needed medical services to villagers, constructed and maintained schools and assisted children with school fees.

"Starting from 2008, the company has provided a sum of K270,000.00 to the four landowner associations; KBK, Basamuk, Inland Pipeline and Coast Pipeline, through its school fee aid program," he said.

Ramu NiCo has also gone further and upgraded important infrastructures, including the construction of the Ramu Bridge leading to Usino and KBK Mine, the road between KBK Mine and

Usino Junction and the road around Basamuk Refinery.

The chairman also highlighted that the company was also dedicated to assisting the agriculture development through agriculture aid projects, technical training, management training and coaching, donating seed, fertiliser and others, all of which led to the development of rice farming, cocoa plantations, fishing and livestock farming.

Ramu NiCo also provides technical training to land owners and local people with lots of job opportunities.

"3000 direct employment opportunities were provided during the construction period and 1100 were provided when the project enters production period and this number will increase year by year," Mr Zhao said.

Madang Governor, Jim Kas and Usino-Bundi MP, Anthon Yagama thanked Ramu NiCo for the positive changes towards Madang and pledged their support to ensure the Project successfully reach its full production in 2015.

## THOMSON REUTERS TRAINING

SYDNEY, 20th March 2015

Three MRDC staff attended the Thomson Reuters training in Sydney, Australia in March this year.

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals who combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets, powered by the world's most trusted news organization.

MRDC opted to go with Thomson Reuters to provide the company with the best reliable information to better manage our financial risks in terms of our Foreign Currencies, Commodities and Equities (stocks/bonds).

The initiative was undertaken by MRDC Treasury under the direction of Commodities Administrator Mr. Jimmy

Yakanda, to buy a license from Thomson Reuters to use their product.

Training was then arranged for three staff to attend at their Sydney Office on the 20th of March. Staff who attended this training were, General Manager - Commercial Services, Mr. Clifford Kasi, Senior Treasury Officer, Ms. Namba Karre Manove, and Mr. Jimmy Yakanda.

The training was basically an introductory session on how to use their web portal, EIKON to view forecasted information, in real time, commodities, currencies, equities, etc.

MRDC has purchased a license from Thomson Reuters to access this information. With the use of Thomson Reuters, MRDC hopes to make better informed decisions for the company while managing and minimizing risk while maximizing returns.

## PRG Chairman Responds to Casino Critics

Chairman of Petroleum Resources Gobe (PRG), Philip Kende recently came out in response to an article in the Post Courier titled "Government ready to meet casino developers" which stated that the Government was "ready to meet with the Korean consortium linked with the Port Moresby casino hotel project and discuss options".

The article reported that the consortium CMSS PNG has money to complete the casino hotel at Four-Mile in Port Moresby.

Mr Kende in a prepared statement said that in order for the project to proceed CMSS PNG must remedy their breaches and pay compensation to the PNG investors for their loss of business opportunities over a five to six year period.

"High on the agenda must be that the Korean consortium demonstrates to the partners that they are able to exhibit their financial and operation capabilities to develop the casino project," Mr Kende said.

"They originally entered into the Casino Project Agreement presenting that they had the "development capital" when they did not and they are asking us to trust them again."

Mr Kende added that PRG and Petroleum Resources Moran (PRM) have suffered significant distress, uncertainty, opportunity cost on this particular investment.

Both landowner companies invested capital and expenses trying to resolve the failure of CMSS PNG to deliver the project in accordance with what they originally represented.

## MROT Donates to 2016 Pediatrics Medical Symposium & Purchase of Medical Consumables for PMGH Childrens Wards

The Mineral Resource Ok Tedi No 2 (MROT), subsidiary company of the Mineral Resources Development Company (MRDC) has come to the aid of the Pediatric Society of Papua New Guinea with a donation of K10,000.

The sponsorship will help support the hosting of the 42nd Pediatric Medical Symposium in 2016 and also towards the purchase of urgent medical consumables for the children's wards at the Port Moresby General Hospital.

MROT recognises the important role and work of the Society in its endeavor to provide pediatric health care throughout the country and in making this donation the company hopes to contribute meaningfully towards a healthy and happy future generation of PNG.

Dr James Amini, President of

the Paediatric Society of PNG said the donation was timely especially for the purchase of medical consumables for the children's wards.

"We're always in need of day to day supplies and medications outside of the Department of Health supplies," said Dr. Amini.

The PMGH has three pediatric wards, two in the main hospital and the nursery ward at the PMGH Maternity units. All three house and care for up to 200 children and infants a day.

The Society also hosts its annual Pediatrics Symposium which coincides with the main PNG Medical Symposium. Next year will be its 42nd Symposium. The symposium brings pediatric medical specialist together to discuss ways to improve the health and wellbeing of infants in the country.

## Abstract from The National Newspaper Mr. Yawari speaking at Daga Village before presenting the K10, 000



The Kutubu peoples landowner company, Foe Association Inc., is the first sponsor of the Kutubu Kundu and Digaso Festival for next year.

Foe Association Chairman and director of Petroleum Resources Kutubu Jonny Yawari presented K10, 000 to the festival organizers.

Yawari said, "our culture is from the natural environment therefore, when we preserve our natural environment we are preserving our culture."

He told participants that he fully supports their traditional culture therefore he was committed to supporting it.

Yawari said K50, 000 was given earlier and was committed to support the festival as it had historical roots in stopping tribes fighting amongst themselves over land ownership.

He commended the festival organizers and said the festival was a good initiative for unity.

# Ramu Nickel Mine



## Background

Ramu Nickel is a laterite Nickel deposit, in the Ramu Region of Madang Province. The Deposit was last explored by Highlands Pacific Limited (HPL), who did a Feasibility Report of the deposit, then needed funding so China Metallurgical Construction Group (MCC) came into scene by financing the constructions. The project is built to produce the Mixed Hydroxide Product (MHP) containing Nickel & Cobalt as the two commercial metals. Others metals in the Hydroxide Product are considered as waste or bonus for the customers.

MRDC, through its subsidiaries Mineral Resource Ramu Ltd (MRRL) & Mineral Resources Madang Ltd (MRML) own 6.44% of the Ramu Project. Unlike the other resource operations, MRDC has actually acquired the shares in the Ramu Nickel mine. The other Joint Venture Partners include The China Metallurgical Construction Group (MCC) and Highlands Pacific Limited.

The operation started production in April 2012 and the first shipments were made thereafter. However, there were a lot of challenges the operation went through. It started off with a low production capacity of less than 20% when the designed capacity was over 80%. A slow ramping-up was caused mainly by the frequent technical issues coupled with high rainfall and social issues. In mid-2013, the production capacity slightly increased to 30% and towards the end of 2013, it went over 45%. Subsequently, the full-commissioning was held till end of 2013.

## Reserves/Resources

The Reserves for Ramu Nickel as defined is 143 million tons at 1.01% Nickel and 0.11% Cobalt. The resource potential was over 100 million tonnes. With these reserves and resources, the operation is expected to run for another 40 plus years. Annual ore extraction rate hangs around 3.5 million tonnes.

## Development Cost

The facilities of the Ramu Nickel Project including the world-class refinery facilities at Basamuk was built by the MCC for a total cost of US\$2.1 billion.

## Production (2014-2015)

From January 2014 to October 2015, Production capacity (Nameplate) has increased from 51% to 97%. Nickel and

cobalt production has increased by 100% within this period of time.

## Economic

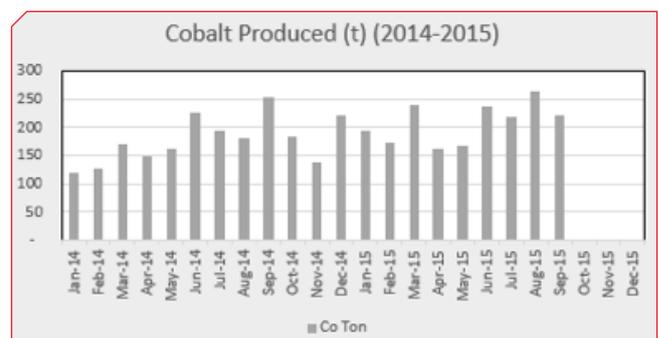
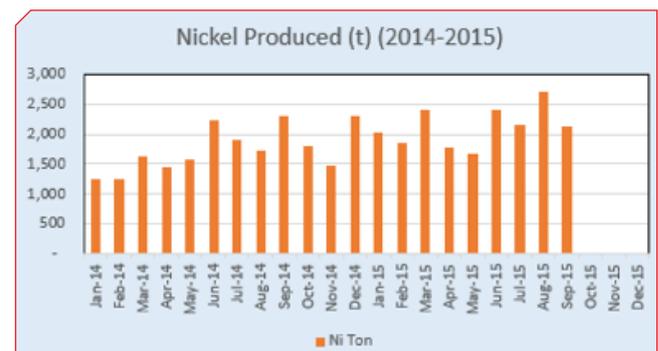
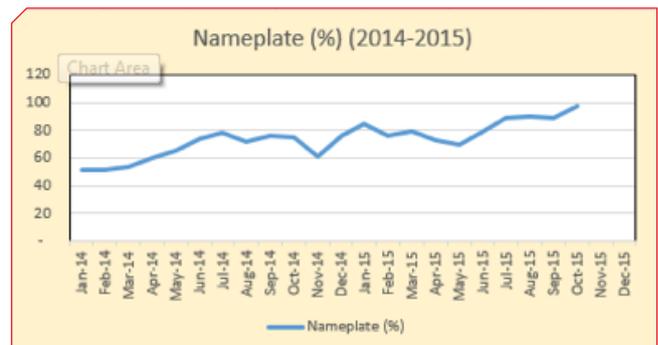
Nickel and Cobalt have discounts due to the impurity in the products at 76% and 50% respectively. Prices of the commodities have been decreasing significantly over the 2 years period from an average of US\$12,000/ton of Nickel (Inclusive of discount) to US\$8,000 per nickel. Cobalt prices have been averaging around US\$16,000/ton cobalt (discount inclusive).

Revenue have been slightly increasing due to increase in production. However, operating costs and capital investment continue to increase due to the ramping up and many technical challenges.

The average Cost of Goods (COG) and the average Revenues differ around US\$4million to US\$5 million.

Unfortunately, Prices continue to affect the benefits destined for MRDC and landowner companies in terms of profits and royalties.

**Malcolm Pang, Mining Engineer**



# MRDC backs Pacific Games



Sports Minister Hon. Justin Tkatchenko, GOC Chairperson Emma Waiwai, MRDC MD Augustine Mano and GOC CEO Peter Stewart during the announcement of MRDC's sponsorship

MRDC joined the list of corporate entities who went on board to support the most successful ever XV Pacific Games with a Gold sponsorship worth K1 million.

MRDC Managing Director Augustine Mano when presenting the Million kina cheque last year said as a supporter of sports in the country, the sponsorship was a show of the companies support to the Pacific Games.

He added that the company had been

impressed with all stakeholders that have rallied together to support the games.

"July this year, PNG was at the center stage as it played host to the biggest sporting event in the region, we are proud to have come on board as a sponsor to help make this possible. We envisioned the games to strengthen and enhance the relationship between the athletes of the Pacific."

*via PacNews*



## Medal Tally



	G	S	B	T
	88	69	60	217
	59	50	57	166
	39	34	40	113
	33	44	37	114
	17	23	11	51
	17	19	11	47
	7	10	5	22
	7	6	15	28
	7	1	9	17
	6	7	16	29
	3	3	7	13
	3	1	5	9
	3	1	4	8
	3	1	0	4
	2	8	12	22
	2	3	2	7
	1	9	10	20
	1	1	5	7
	1	0	3	4
	0	1	1	2
	0	1	1	2
	0	0	5	5
	0	0	0	0
	0	0	0	0

## 2015 Pacific Games – A Life Changing Experience



The 2015 XV Pacific Games was on a scale never seen before in PNG. More than 4000 athletes, 500 team officials and 1000 technical officials and dignitaries from 24 neighbouring Pacific nations converged to Port Moresby in an adrenaline-charged sporting exchange of 28 varied sports and disciplines. It was truly a celebration of great sporting achievements, human spirit and sovereign unity.

The Games epitomized the values of unity, friendship and celebration through sport without any distinction to race, religion or politics. It ensured the efficient promotion and development of sports amongst Pacific Nations at the same time an unforgettable, life-changing

experience that created a wave of self-belief – and encouraged ordinary people to achieve the extraordinary.

With the inclusion of Australia and New Zealand for the first time ever, these Games saw an increase in the level of competition. Rivalries were the fiercest with some of the world's top teams and athletes who participated. There were 16 Glasgow Commonwealth Games medalist in weightlifting, as well as six of the top twenty teams in the world who competed in Rugby 7s.

The Games certainly provided a platform for athletes and people alike to follow their dreams, showcase their talents and allowed new athletes to make their mark on an international stage. It was also the most broadcast

Game in the history of the Pacific Games, showcasing the Pacific's great sporting talents to the rest of the world.

The Games united Papua New Guinean in shared celebration and success of a great sporting legacy: encouraging a nation to embrace sport, fitness and wellbeing and left us with lasting memories of an incredible event. It was an event that inspired citizens to believe, dream big and incite a passion for excellence.

MRDC was proud to help in the success of these Games and to be part of an amazing experience as a Gold sponsor of the 2015 XV Pacific Games.



**CONGRATULATIONS TEAM PNG on an OUTSTANDING Performance in the 2015 XV Pacific Games!**



**MRDC TOKAUT**

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