



EXPERIENCES OF AN ASM MINER IN PAPUA NEW GUINEA

Maima Sine Abba
Small Scale Miner

**International conference on ASM in the Asia Pacific Region –
Current Status and Challenges.
Ulaanbaatar, Mongolia**

29-31 May 2013





OUTLINE



SHARING EXPERIENCES OF ARTISANAL MINING IN PAPUA NEW GUINEA

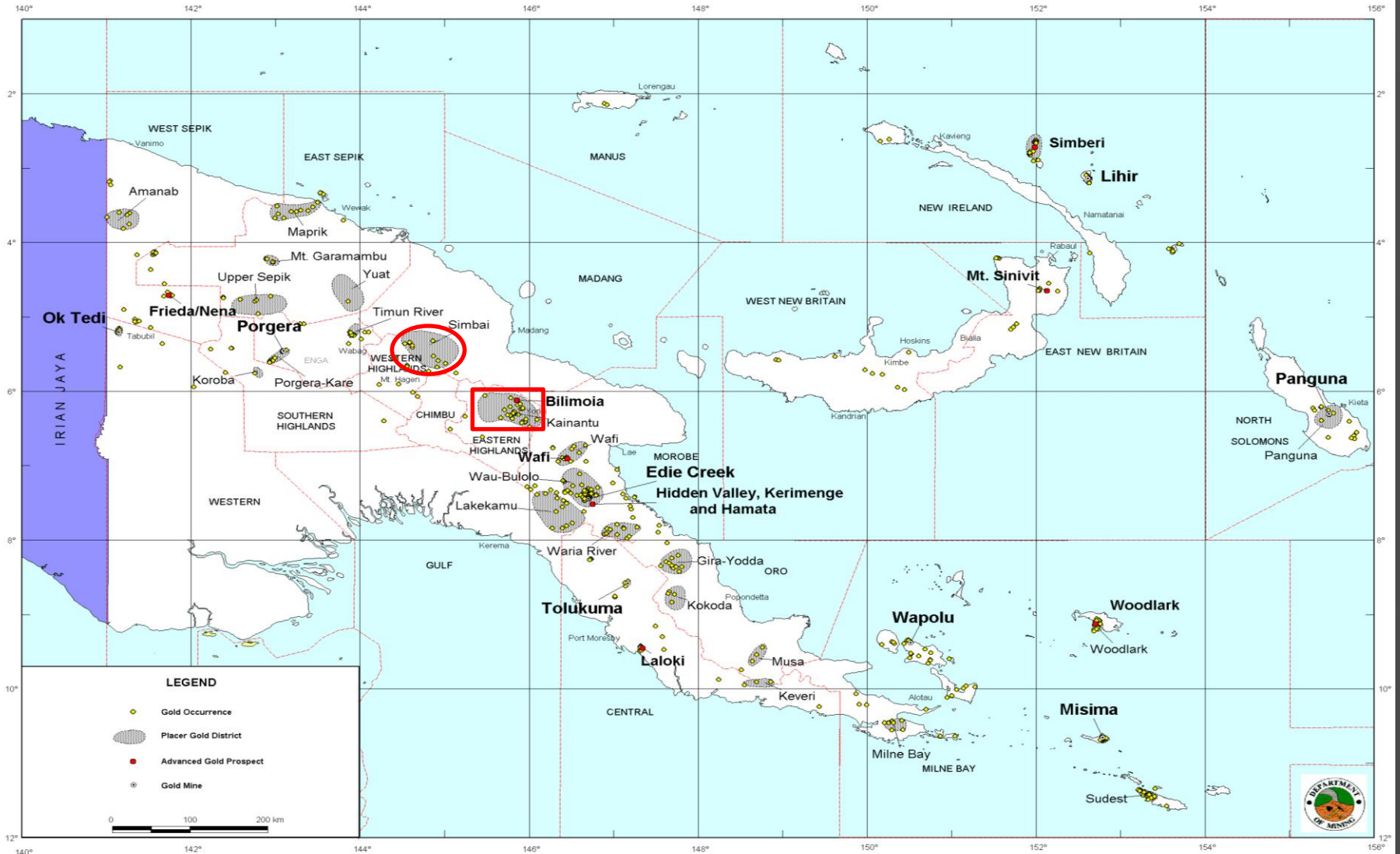
1. Commitment of resources and time to do mining.
2. Mineral development rights
3. Small scale mining operations.
4. Challenges
5. Remedial measures/Solutions

1. COMMIT TIME AND RESOURCES IN MINING

- When leaving the formal employment in the mining industry, I opted for small scale mining as a means for subsistence in my remote village.
- Mobilize capital and arrange bank loan to buy a excavator to support mine operations.
- Several meetings with family and clan members for approval to mine – lengthy and difficult.



PNG Goldfields - Area of Operations



2. Mineral development rights

- Under Mining Act, artisanal mining is reserved for PNG customary landowners. An AML holder can invite a developer on a tributary agreement, on mutually agreed BSA.
- The 85% of the total land mass in Papua New Guinea are customary land, mostly for traditional use and mining development become secondary.
- I operate on the customary land and we have a benefit sharing Agreement (BSA) to share profit on actual gold sale value on 51:49 (landowners) ratio.
- **Managing BSA has been very challenging, sometimes nearly to the detriment of the operations.**

3. My operations

Phase 1 Early Venture (Simbai)

- Organised and support communal ASM in the village. through provision of food rations and basic equipments.
- Direct involvement on site to oversee mining activities
- Annual return of $\approx 5\text{kg}$ of gold made.
- No professional advice/ guidance sought.

Lesson 1: Disappointed over low quality gold production and suffered severe loss for money spent on equipments.

My Operation Cont.

Phase 2 – Mid 2012 (Kainantu)

- Entered into agreement with landowners on 51:49 JV agreement and moved to Kainantu Gold fields- road access.
- Committed to excavator and large sluice boxes.
- Obtain personal loan for \approx US\$ 150,000.00 to pay for equipment and set up.

Lesson 2: No geological evaluation and economic analyses done. Two months of production proved disastrous – only produced 0.5 kg of gold per month.

My operation cont.....

Phase 3: Late December 2012

- Engagement of Wau Small Scale Mining Training Centre (WSSMTC) and professional geologist for advice.
- Undertook evaluation of certain portion of the property, grid pitting and gold recovery;
 1. Sampling, processing and assaying to determine gold quality.
 2. Evaluate distribution of gold at shallow surfaces.
 3. Resource Estimation – knowing gold resource before commit fund to buy expensive equipment.

Result: Gold production improved, ≈ 1 kg per month (50% improvements).

Lessons Learnt from my operations

- Assaying to determine fineness of gold critical
- Geological testing very important to estimate potential gold content
- Evaluation important before investing in mechanised mining.
- Always seek professional advice before committing to ASM

4. CHALLENGES ENCOUNTERED

- Intensive labour and unsafe practices.
- Gold price receives generally lower than market price .
- Security fees are high when and using both private state policeman to provide escort in transporting gold.
- School age children leave school to pan for gold.
- No proper sanitation promote sickness and shift blame to societal believes.
- Social problems – Alcohol abuse, extra marital relationship and increase in HIV Aids.
- Remote areas difficult and expensive medivac cost during emergency.
- No Proper usage and handling of mercury pose personal and environmental risk.

5. Remedial Measures/ Solutions.

- **Proper training, education and skill transfers** will alleviate most of the challenges relating to Labour, Environment and Business management issues associated with ASM.
- Establishment of a recognised regionally/internationally body to buy at ASM gold at global prices.
- ✓ Despite many challenges, ASM is community-based economy and must be supported and enhanced by all stakeholders.

“Despite many challenges, we believe ASM is community-based economy and must be supported and enhanced by all stakeholders”.

Thank you all for inviting us to participate at this very important forum for ASM.