



BRIEFING PAPER

FRIEDA RIVER MINE PROJECT RISKS PEOPLE, ECONOMY, CULTURE & ENVIRONMENT

BACKGROUND

- The brief is the result of two years of community meetings, advocacy and research led by Project Sepik, local leaders and community in the East Sepik region. It includes the provision of 10 independent expert reports on the Sepik Development Infrastructure Project Environmental Impact Statement (EIS) calling for the rejection of the mine, and includes the *Supreme Sukundimi Declaration* from traditional clan leaders of 28 Haus Tambarans along the Sepik River who have unanimously proclaimed a total ban of PanAust's Frieda River mine.
- The East Sepik Provincial Government unanimously rejected the Frieda River mine EIS proposal at an Assembly held on 12 August 2020. However, this is not an outright rejection of the Frieda River mine as there are alternative recommendations for the mining project to go ahead, including the dumping of mine waste into the ocean between Aitape and Vanimo and options of underground mining.
- **This brief puts the Government of Papua New Guinea, the Provincial Governments of East Sepik and Sandaun Provinces, parliamentarians, CEPA and MRA on notice that: there is no social licence for the mine to operate; the environmental, economic, social and cultural impacts of such a development would be extensive, severe and last for generations – a disaster waiting to happen; and the application for a mining licence should be rejected and the project be banned.**

'This Project poses unacceptable risks to our ancestors, ourselves and that of our unborn children. It risks the spirit of all plants and animals of the river, the lakes, the tributaries and streams.' - Project Sepik

KEY FINDINGS

The Mine Proponent

The project has been proposed by Frieda River Limited,¹ a wholly owned subsidiary of PanAust, an Australian incorporated company owned by Guangdong Rising H.K. (Holding) Limited (registered in Hong Kong) which is a wholly owned subsidiary of Guangdong Rising Assets Management Co. Ltd (GRAM).

GRAM is a Chinese state-owned company regulated under the State-owned Assets Supervision and Administration Commission, the People's Government of Guangdong Province in China.²

The Frieda River Mine project

The proposed Frieda River copper and gold mining project would be like nothing PNG has seen before - it would be the size of all of PNG's mining industry combined, and one of the largest mines in the world – operating as a large scale, open pit mine, 16,000 hectares in size³ it has been proposed to run for 33 years and possibly extended to last longer than 45 years.⁴

The mine would be located in the headwaters of the Frieda River, a tributary of the mighty Sepik River where the terrain is rugged with an extremely high annual rainfall of 8 metres per year. The project would be 'one of the most isolated and remotely located mines in the region', and 'one of the most technically challenging mine sites in the world'.⁵

The construction phase of the mine would involve the discharge of toxic material into the Frieda River. There would be a pipeline, spoil dumps and incinerators all carrying, storing or burning toxic waste materials.

The Project would include one of the largest dams in the world which would be required to safely store toxic tailings forever in a seismically active area. If the dam collapsed it would be catastrophic, killing thousands of villagers and destroying the Sepik River. Due to increased opposition, PanAust has recently begun discussions of an alternative plan for the mine waste to be piped across West Sepik dumped in the deep-sea trench between Aitape and Vanimo.

Should the company decide to move to an alternative tailings management plan, it is our understanding that CEPA would not be able to approve the project without the development and submission of a new Environment Impact Statement (EIS).

The associated mine infrastructure of the project would span across both East and West Sepik provinces and includes the Sepik infrastructure project, the Sepik power grid project, and the Frieda River hydroelectric project.

The hydroelectric project would be located approximately 16km downstream of the mine, on the Frieda River purportedly generating hydroelectric power for the mine. An integrated storage facility (ISF) formed by the Frieda River Hydroelectric Project reservoir will be required to permanently contain underwater tailings and waste rock from the mine.⁶

"It is our innate role to guard the River from exploitation and destruction by outsiders. Our future is in peril from this proposed Mine and therefore, we gather together as Guardians of the River to stand firm as one. We have the ultimate support from our ancestors who live with us in many forms." - Supreme Sukundimi Declaration



No Social Licence

There is no evidence of Free, Prior and Informed Consent of all impacted Customary Landowners including communities on the mine site and along the Frieda and Sepik Rivers. This evidence is essential for the Project to proceed.

In 2019, a report⁷ investigating the project's environmental and social impacts and the views of local communities, included findings from an October 2018 awareness tour that all 23 villages visited were opposed to the Frieda River mine going ahead.

In May 2020, a total ban on the mine was unanimously proclaimed by the Traditional Clan Leaders of 28 Haus Tambarans along more than 1,000 kilometres of the Sepik River - from Swagap in Upper Sepik near the Frieda River to Kopar at the mouth of the Sepik River.

The Haus Tambarans issued the *Supreme Sukundimi Declaration* representing approximately 78,000 people across 25 villages, a powerful document that is a first-ever in PNG, which would be admissible in a court of law.⁸

Mine Impacts

PanAust provided an Environmental Impact Statement (EIS) to the Conservation and Environment Protection Authority (CEPA) that lacked crucial details including critical reports and information that would normally be necessary in any comprehensive assessment. Reports relating to the tailings dam and seismic activity have not been provided. The EIS is also missing basic information about the operation and closure of the mine, an assessment of the proposed airport, a resettlement plan for the four villages requiring relocation, and a cost-benefit analysis.

In March 2020, PNG's Centre for Environmental Law and Community Rights (CELCOR) and Project Sepik provided ten expert reports to CEPA on the Sepik Development Infrastructure Project, which includes the Frieda River Mine.⁹



The Upper Sepik is the heart of one of the least modified landscapes in the Asia Pacific. A major river runs free without dams, weirs or industrial developments. A band of unbroken rainforest extends for hundreds of kilometres. There are few places left on earth in this condition... There are few places in Melanesia where cultural heritage is as diverse, dramatically displayed or proudly protected. - Government of Papua New Guinea submission to UNESCO, tentatively listing the Upper Sepik River Basin for World Heritage Status in 2006.

The expert reports found that:

- Up to 30 villages would be affected by a catastrophic event resulting in the dam breaking, with substantial loss of life expected.
- Predictions about contamination of groundwater, surface waters such as lakes and rivers, and the surrounding environment were underestimated
- There is no secure way of storing the massive amount of mine waste (tailings) safely without damaging the river.

Site of World Heritage Significance

The Upper Sepik River basin has been Tentatively Listed for World Heritage Status by the Government of Papua New Guinea to protect the Sepik River for future generations.¹⁰

1. Frieda River, 'The Frieda River Project,' available at <https://friedariver.com>

2. Frieda River, 'The Sepik Development Project,' available at https://friedariver.com/wp-content/uploads/2019/09/SDP_Frieda-River-Hydroelectric-Project-September-2019.pdf

3. Ben Doherty, 'Papua New Guinea chiefs call for halt to plan for country's largest ever mine,' The Guardian, 18 June 2020, available at <https://www.theguardian.com/world/2020/jun/18/papua-new-guinea-chiefs-call-for-halt-to-plan-for-countrys-largest-ever-mine>

4. See Frieda River, 'The Sepik Development Project: The Frieda River Copper Gold Project,' available at https://friedariver.com/wp-content/uploads/2019/09/SDP_Frieda-River-Copper-Gold-Project_September-2019.pdf

5. 'Frieda River Copper and Gold Project, Papua New Guinea', Mining Technology, available at <https://www.mining-technology.com/projects/frieda-river-copper-gold-mine-guinea/>

6. See Frieda River, 'The Sepik Development Project: The Frieda River Hydroelectric Project,' available at https://friedariver.com/wp-content/uploads/2019/09/SDP_Frieda-River-Hydroelectric-Project-September-2019.pdf

7. 'The River is not Ours', available at <https://savethesepik.org/report-the-river-is-not-ours/>

8. The *Supreme Sukundimi Declaration*, available at <https://savethesepik.org/the-supreme-sukundimi-declaration/>

9. Ten independent expert reports rejecting the Sepik Development Infrastructure Project Environmental Impact Statement (EIS) <https://savethesepik.org/expert-review-eis-high-level-summary/>

10. UNESCO, 'Upper Sepik River Basin,' available at <https://whc.unesco.org/en/tentativelists/5065/>