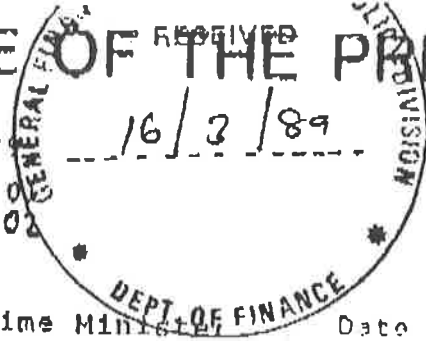


Monday
16/3
OFFICE OF THE PREMIER



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ARAWA
NORTH SOLOMONS PROVINCE
PAPUA NEW GUINEA

Prime Minister
Office of the Prime Minister
P O Box 6605
BOROKO
National Capital District

Date : 9th March 1989
O/Ref: 17-4
A/DIC:
Design:
Y/Ref:
Date :

My dear Prime Minister

EXPLORATION - NORTH SOLOMONS PROVINCE

As you are aware, one of the most sensitive issues in North Solomons Province since pre-independence days is the question of exploration and mining in North Solomons Province.

The moratorium on exploration in North Solomons Province was originally imposed at the request of the North Solomons people until such time as Provincial Government determined the province and its people were ready for further exploration.

At some length the Provincial Executive Council has been considering the above and I now write to request that the moratorium on exploration and mining in North Solomons be lifted as per my earlier letter (enclosed) dated 12th January, 1989.

This request for the lifting of the moratorium is conditional upon our venture company (Bougainville Resources Pty Ltd - formerly known as Patana No. 68 Pty Ltd) and its subsidiaries being given preferential exploration rights over the remaining areas of North Solomons Province according to the five Prospecting Authority Applications prepared by it and as per the enclosed sketch drawing of the province.

It is vitally important that our company (Bougainville Resources Pty Ltd) be given the opportunity to explore over the remaining areas of North Solomons Province - This is the only way the Aspirations of the people of North Solomons Province can be addressed.

PROGRAM 115

The granting of the Prospecting Authorities to Bougainville Resources Pty Ltd will greatly assist in address a fundamental problem which has been festering in the Province for years and affords the people a genuine opportunity for real and effective participation in the development of their resources.

Internal stability should improve such as to encourage Provincial Government to positively address the matter of the review of the Bougainville Copper Agreement. That review requires a unified stand from both the National Government and the Provincial Government for it to be successful and to overcome the problems of 1981.

For the future of North Solomons Province, exploration should commence because of the need to find more ore bodies to maintain continuity after the Panguna Mine is depleted. I believe many reputable mining houses are capable and anxious to assist in looking for future deposits.

National Government need not be haulted by the fear of setting a precedent for other Provincial Governments such that its control over the mining policy framework within Papua New Guinea is questioned because Bougainville is and always has been a special case starting before Independence and the internal aspirations of the people of North Solomons Province have to be addressed more closely in terms of national solidarity - the people of North Solomons Province have to be happy to be a party to the Sovereign State of PNG.

The National Government and Provincial Government should seize this opportunity and take the initiative by offering the people of this province a deal which will not only allow genuine exploration to commence but a deal where they feel that they are involved with pride and dignity and a deal in which the people feel that they have a vested interest in.

This may be an arguable point to others but please note that the people here wish to be involved.

Together, we can turn a negative situation into a positive situation through ensuring that our company (Bougainville Resources Pty Ltd) is awarded the Prospecting Authorities referred to above.

This will signal a new direction and give new hope and fulfil the internal aspirations of the people of North Solomons Province whether outsiders like it or not. This will create a situation conducive to creating peace, harmony and reconciliation.

JAN 13

It is a matter of urgent priority that the Prospecting Authorities sought by our company (Bougainville Resources Pty Ltd) be awarded immediately. Applications for Prospecting Authorities through the current regulatory framework would take time which in this instance is a luxury we cannot afford ourselves. The long period of time involved under current application procedures would also permit opponents to orchestrate a deliberate campaign of misinformation which could jeopardise our aspirations and our venture.

I suggest that the solution can be found through a change in the Mining Regulations (Chapter 195) whereby so far as applications for Prospecting Authorities related to the North Solomons Province, the time period as prescribed under the above regulations for objections (Section 69), time for hear (Section 70), and such other procedural impediments to an immediate consideration and granting of our Prospecting Authority application - be minimised as far as possible.

Enclosed is Proposal for Drafting Instructions for your consideration.

We would further seek that the Minister for Minerals & Energy allow our company to deal with the Prospecting Authorities as permitted under Section 35 of the Mining Act (Chapter 195).

Many positive benefits will flow from the Provincial Government's involvement in exploration over the remaining areas of North Solomons Province. These benefits can be achieved by bold decisive action.

Your urgent consideration to the above is sincerely requested.

Yours Sincerely

JOSEPH O'KABUI MPA
Premier

can the policy re awarding of PA's but not the law as proposed in this para

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