

















s 22(1)(a)(ii)

---

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 12 October 2017 2:06 PM  
**To:** s 22(1)(a)(ii)  
**Subject:** FW: PanAust / Frieda River Limited wanting more background information ahead of MOU signing [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii)

I suggest the next step is to use the information below to inform a discussion with s 22(1)(a)(ii) Ben David about proceeding – you may like s 47F(1) to attend that meeting for background. They will need a short email outlining the intent of the MOU, the cost/benefit for the AHC, the due diligence. How did you go with updating the MOU – did you go back to legal for final clearance? You will need this before you see Ben.

s 22(1)(a)(ii)

---

**From:** s 22(1)(a)(ii)  
**Sent:** Tuesday, 10 October 2017 9:58 AM  
**To:** s 47F(1) s 22(1)(a)(ii)  
@dfat.gov.au>  
**Cc:** s 47F(1) s 22(1)(a)(ii) dfat.gov.au>  
**Subject:** RE: PanAust / Frieda River Limited wanting more background information ahead of MOU signing [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 47F(1)

Thank you for the advice. It is worth noting.

I have been working on the MOU and I have realized that I do not have FRL socio-economic strategy for PNG.

FRL socio-economic strategy will greatly assist me in writing up the background for the MOU. If you both could assist me in providing me that document, that would be great.

Kind regards  
s 22(1)(a)(ii)

---

**From:** s 47F(1)  
**Sent:** Monday, 9 October 2017 3:14 PM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>  
**Cc:** s 47F(1)  
**Subject:** PanAust / Frieda River Limited wanting more background information ahead of MOU signing

s 22(1)(a)(ii)

For background on DFAT's due diligence checking re the Women in Mining project. We reached out to our adviser who has confirmed the following:

Frieda River is an advanced exploration project. As such, there hasn't yet been any mining and therefore no record of any environmental or human rights issues. PanAust's Lao operations have a clean track record.

PanAust itself is Australian managed, but wholly owned by a Chinese state owned asset management company - GRAM (Guandong rising asset management). That company is an asset management company, and not a mining company.

s 47F(1)



### Minute

**Date:** 6 November 2017

**To:** HOM

Ben David, Minister-Counsellor

**Through.** s 22(1)(a)(ii), Counsellor

**FM.** s 22(1)(a)(ii) First Secretary

---

**SUBJECT:** Proposed MoU between DFAT and Frieda River Limited (PanAust)

---

#### **Background**

The Government of Australia through DFAT and the Pacific Women Program is implementing the *Papua New Guinea Women in Mining Project*. The overarching objective for this three-year project is to strengthen women's participation in negotiation and agreement processes for major extractive projects in PNG and to ensure women are better represented in resource development agreements. Working with partners is essential to the delivery of this project.

Frieda River Limited, which is owned by PanAust, holds extractive industry licences in the wider Frieda River and Sepik River areas of PNG. These licences are situated within Telefomin District (Sandaun Province) and Ambunti/Drekirkier District (East Sepik Province). PanAust is a subsidiary of the Chinese state-owned-enterprise, Guangdong Rising Assets Management (GRAM), which launched a \$1.4 billion takeover in 2015.

The majority of the population in the project areas, including women, possess limited levels of literacy and other market based or vocational skills that disadvantage their chances of advancement in life. Consequently, women are at a significant disadvantage in terms of meaningfully participating in meetings and forums between Frieda River Limited and representatives of the seven (7) villages surrounding the project area. Moreover, women may not be afforded the opportunity to effectively contribute to decision making and share equitably in mine/community benefits.

Frieda River Limited is committed to contributing to the development of local communities and to supporting opportunities for women to benefit from the development aspects associated with its large impact project. This includes working in partnership with other development partners.

A draft MoU for a proposed two-year partnership between DFAT and Frieda River Limited has been prepared over the past few months in consultation with the legal area in DFAT Canberra.

The scope of activities under this draft MoU proposes that the partners will:

- a) Work in consultation with local communities and service providers to build literacy and financial literacy skills, promote 'family teams', and co-operative approaches to decision-making, workloads and budgeting, leadership and coalition building skills; and
- b) work co-operatively to develop a mutually determined workplan that articulates in more detail, mutually determined activities, mutual support and desired outcomes.

Under this Activity Schedule, Frieda River Limited proposes to provide:

- c) at least two (2) employees, one female and one male to be developed as ‘women’s empowerment and safety champions’. Training and mentorship for these positions will be provided by members of the Papua New Guinea Family and Sexual Violence Action Committee (FSVAC) at no cost to Frieda River Limited.
- d) regular mine project information sessions (progress, impacts and benefits), to be provided to the existing Frieda River Limited women’s leadership group, where practicable, prior to Frieda River Limited community leadership and benefit sharing negotiation forums.

Under this Activity Schedule, DFAT proposes to provide:

- e) support to Frieda River Limited to adopt the corporate, management and operational initiatives that promote women’s leadership, empowerment and safety as developed by the PNG Business Coalition for Women.

## Issues

On 16 October 2017, The Australian (Rowan Callick, ‘Frieda River Mining Company in Corruption Investigation in China’) reported that Guangdong Rising Assets Management (GRAM) is under investigation for a series of bad investments including the purchase of PanAust and the Frieda river mining rights. The former Chairman, Li Jinming, is being investigated for large losses under his leadership at GRAM and notes that GRAM is thought to have made losses in Australia.

Nonetheless, from consultations with PNG Desk and Guangzhou Post, Post is advised that neither see this development as an impediment to proceeding with the MoU signing.

Moreover, on 1 November, PanAust clarified some of the issues at stake via email. Specifically, the investigation in China is, according to reports, focused on former executives of GRAM rather than the company. GRAM is an asset manager with a diverse investment portfolio across various industrial and resource sectors. Day-to-day management activities also continue to be the responsibility of PanAust’s experienced executive team, and PanAust upholds high standards of corporate governance. The Company’s code of conduct, *The PanAust Way*, is published publicly.

PanAust’s acquisition of the Frieda River Project was completed in 2014, when it was a public company listed on the Australian Securities Exchange. GRAM’s acquisition of PanAust occurred in 2015. PanAust is working with the Government of Papua New Guinea, landowners, host communities and their commercial partners to advance the Frieda River Copper-Gold Project.

Australia is already providing support to this initiative on the ground in the form of a technical adviser, s 47F(1), who is the project manager for the PNG Women in Mining project. She has been engaged on a 18-month term basis, and provides input 2 weeks per month. There is also a Women in Mining project officer, s 47F(1) supporting this work.

## Recommendations

R1. We propose that we proceed with signing the MoU at the next available opportunity to formalise our support to this activity under the Women in Mining initiative.





# Launch of the DFAT and PanAust Frieda River MoU

Wednesday 8 November

## Introduction

- Convey my respects to:
  - The Honourable Johnson Tuke, Mining Minister
  - The Honourable Solan Mirisim, Defence Minister
  - Governor Tony Wouwou
  - Governor Allan Bird
  - His Excellency Mr Liu Linlin
  - Mr Johnson Wapunai, Member of Parliament
  - Dr Fred Hess, Managing Director of PanAust
  - PanAust staff
  - Members of the community from Sandaun Province and East Sepik
- It's a pleasure to be here today to see the Frieda River copper-gold project up close.
- And to demonstrate Australia's support for this valuable work by forging a new partnership between Australia and PanAust on the ground.

## Main Speech

- Frieda River is one of the biggest undeveloped copper projects in the world
  - the potential benefits to the community through direct employment and indirect economic flows are enormous

- it has the potential to be a game-changer in terms of socio-economic and infrastructure development in the region.
- PanAust brings a wealth of experience to this task
  - from its operations in Laos, the company has grown from a junior explorer to a major regional producer of copper and gold
  - it has a strong track record of sustainability: looking after the environment, people and safety.
- But there is also a weight of expectations
  - The Frieda River project was first discovered in the 1960s, and the community has been waiting to see this project take off since then.
- Community engagement and support is essential to the success of this project
  - The Frieda River Stakeholder Engagement Plan shows the importance of regular contact with the seven host communities to express concerns and identify opportunities related to the progress of the project.
- The Local Landowners Leadership Forum provides the formal vehicle for host communities to meet collectively with the company to discuss project matters of importance to stakeholders and for the company to provide regular updates
  - I note that previously this Forum included only male representation; but through a process of engagement, PanAust gained agreement from the landowners to have at least one female representative from each village.
- This matters because, typically, women experience the worst impacts and least benefits from mining.

- PanAust is committed to contributing to the development of local communities, but I know that they have a particular interest in supporting opportunities for women to participate and benefit
  - As shown by the inclusion of women as landowners eligible for royalties directly.
- Australia wants to reinforce this commitment, ensuring that women are better able to participate in resource development agreement negotiations and to strengthen their benefit from such agreement.
- Our new two-year partnership will help build literacy and financial literacy skills of women and the support from communities in the region, for women to take on leadership and decision-making roles in the development negotiations.
- Under this agreement, PanAust will commit at least 2 staff – one male and one female – to be trained as ‘women’s empowerment and safety champions’.
- For our part, Australia will provide technical advisers to work with communities to build stronger family foundations: Families which work together, respect each other, set goals and make decisions as a ‘family team’.
  - Support will also be provided to improve understanding of and access to banking products and to think about business and development options.
- We will be working closely with PanAust to promote women’s leadership, empowerment and safety, both in communities and within PanAust’s own organisation.

## **Conclusion**

- We know that mining projects offer enormous potential – as long as they are managed well

- And Australia wants to see the Frieda River mining project deliver positive results for the entire community, including women.
- I wish this project and stakeholders all the best.

ENDS

### Background – Guest List

<p><b>PanAust</b></p> <ul style="list-style-type: none"><li>● Dr Fred Hess (Managing Director, PanAust)</li><li>● Dr Peter Trout (EGM – Technical Support &amp; Studies, PanAust)</li><li>● s 47F(1)</li> <li>● Mr Geoff Callister (Community Affairs Manager, PanAust)</li><li>● Mr Samuel Akoitai</li><li>● Mr Phil McCormack (Site Manager)</li></ul>	s 33(a)(iii)
--	--------------

# MEMORANDUM OF UNDERSTANDING

between

**The Government of Australia as represented by the  
Department of Foreign Affairs and Trade**

and

**Frieda River Limited (PanAust)**

## **Introduction**

1. This Memorandum of Understanding sets out the arrangements between the Government of Australia represented by the Department of Foreign Affairs and Trade (DFAT) and Frieda River Limited (FRL) (each individually referred to as a 'Partner' and together referred to as the 'Partners') to collaborate in support of development activities in Papua New Guinea. This collaboration may involve joint funding, in kind support or other activities as appropriate.

## **Purpose**

2. The Partners' overarching goal is to support positive development outcomes for the country of Papua New Guinea. This includes promoting women's empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of Papua New Guinea, as described at Activity Schedule 1.

## **Responsibility of the Partners**

3. The Partners will continue to maintain their own separate and unique missions, mandates and accountabilities.
4. This Memorandum does not:
  - a) create an exclusive relationship between the Partners;
  - b) create a partnership, business, joint venture or other legal entity comprising the Partners;
  - c) supersede or interfere in any way with any agreements or contracts entered into between or by the Partners, either prior to or subsequent to the signing of this Memorandum; or
  - d) constitute a legally binding commitment by either Partner or create any rights in any third party.

**Implementation of specific activities**

5. The Partners will enter into separate Activity Schedules and Workplans for the purposes of carrying out specific development cooperation activities.
6. The scope of the activity will be set out in the Activity Schedule in the form prescribed in this Memorandum and will be signed by both Partners. Subsequent Activity Schedules will be referred to as Schedule 1, Schedule 2, Schedule 3 and so forth of this Memorandum.

**Transparency**

7. The Partners are committed to transparency and acknowledge that this Memorandum will be a public document.
8. Either Partner may publish information regarding any development cooperation activities undertaken pursuant to this Memorandum. The Partner seeking to publish the information will consult with the other Partner and will provide the other Partner with a reasonable opportunity to review and to provide comments on the proposed information to be published. The Partner seeking to publish the information will consider the other Partner's comments prior to publication.

**Anti-Bribery and Corruption**

9. The Partners are committed to preventing and detecting corruption and bribery. Neither Partner will make, cause to be made, receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt act, either directly or indirectly to any party, as an inducement or reward in relation to the implementation of activities under this Memorandum. In addition, neither Partner will bribe public officials, including foreign officials, and the Partners will ensure that contractor personnel involved in managing and /or delivering development activities outlined in any Activity Schedule, made pursuant to this Memorandum, will comply with this provision. Any contravention of this provision will be grounds for immediate termination of the activities under this Memorandum.
10. The Partners are committed to ensuring that the development activities outlined in any Activity Schedule made pursuant to this Memorandum are consistent with the anti-bribery provisions of the Criminal Code (PNG) and the Criminal Code Act 1995 (Cth) (Australia).

**Fraud**

11. The Partners are committed to and will cooperate to ensure that support provided by either Partner for any development activity outlined in an Activity Schedule made pursuant to this Memorandum is not subject to fraud, and that any in kind or other support is not misused. For the purpose of this Memorandum, 'fraud' or 'fraudulent activity' means dishonestly obtaining a benefit, or causing a loss, by deception or other means, and includes alleged, attempted, suspected or detected fraud.
12. If either Partner becomes aware of a fraud, it will report the matter to the other Partner in writing within five business days.

**Child Protection**

13. The Partners will ensure that children will be protected from all forms of abuse in connection with activities implemented under this Memorandum.

**Prevention of Financing for Terrorism**

14. The Partners will cooperate to ensure that any funding provided for activities implemented under this Memorandum is not used, directly or indirectly, to provide support to individuals or entities associated with terrorism.

**Human rights**

15. The Partners will ensure that all personnel including personnel engaged by contractors involved in managing and / or delivering development cooperation activities outlined in any Activity Schedule made pursuant to this Memorandum will act in a manner that respects human rights, complies with all applicable laws and is consistent with the principles contained in the Universal Declaration of Human Rights, International Labour Organisation Declaration on Fundamental Principles and Rights at Work of the 1998 International Labour Organization and the Voluntary Principles on Security and Human Rights.
16. The Partners will ensure any credible allegation or event or contravention of paragraph 15 above will result in a request for an investigation by a duly qualified independent person and, to the extent that the Partners can do so, remedial action will be undertaken by the offending party.

**Funding**

17. Each Partner will be responsible for its own costs related to the activities under this Memorandum. In particular, each Partner will be responsible for the costs of any events that it hosts, as well as all costs related to the participation of its staff in all events, unless otherwise mutually determined between the Partners.
18. DFAT will provide funding support to implement mutually determined development activities undertaken pursuant to this Memorandum.
19. Frieda River Limited will provide logistical support to DFAT and DFAT's implementing partner(s) in the form of charter flights to and from the site or sites of activities undertaken pursuant to this Memorandum, and transport and lodgings support at the relevant site or sites, while engaged in such activities.

**Amendments**

20. The Partners may amend this Memorandum at any time, by mutual consent in writing, in the form of an exchange of letters between the Partners.

**Commencement and Duration**

21. This Memorandum will take effect on signature by the Partners and will remain in effect until (date to be determined) unless the Partners mutually determine an extension in writing.

**Termination**

22. Either Partner may terminate this Memorandum by giving the other Partner at least 30 days' written notice of its intention to terminate. In such a case the Partners will mutually determine, as appropriate, the steps to ensure that the activities undertaken pursuant to this Memorandum are brought to a prompt and orderly conclusion.

**Divergence of Views**

23. Any divergence of views between the Partners arising out of or relating to this Memorandum, including interpretation and application of any provisions therein, will be settled amicably by the Partners.

**Government of Australia as represented by  
Department of Foreign Affairs and Trade**

**Frieda River Limited**

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: Bruce Davis

Name: Dr Fred Hess

Title: Australian High Commissioner,  
Port Moresby

Title: Managing Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

<b>Activity Schedule #1</b>	
<b>General</b>	This Activity Schedule expresses the understandings of the Government of Australia represented by the Department of Foreign Affairs and Trade (DFAT) and Frieda River Mining Limited and is made pursuant to the Memorandum of Understanding (MOU) signed by the Partners on November 2017. The terms of the MOU apply to this activity.
<b>Activity</b>	<p>Promoting women's empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of Papua New Guinea.</p> <p>This includes seeking to increase women's influence and voice in negotiation of extractive industry agreements to better identify and respond to women's economic and social rights and interests.</p>
<b>Partners</b>	<p>Frieda River Limited</p> <p>And</p> <p>The Government of Australia as represented by the Department of Foreign Affairs and Trade (DFAT)</p>
<b>Background</b>	<p>The Government of Australia through DFAT and the Pacific Women Shaping Pacific Development (<i>Pacific Women</i>) Program is implementing the <i>Papua New Guinea Women in Mining Project</i>. The overarching objective for this three-year project is to strengthen women's participation in negotiation and agreement processes for major extractive projects in Papua New Guinea and to ensure women are better represented in resource development agreements. Working with partners including Frieda River Limited is essential to the delivery of this project.</p> <p>Frieda River Limited holds extractive industry licences in the wider Frieda River and Sepik River areas of Papua New Guinea. These licences are situated within the electorates of Telefomin District (Sandaun Province) and Ambunti/Drekirkier District (East Sepik Province).</p> <p>The majority of the population in the project areas, including women, possess limited levels of literacy and other market based or vocational skills that disadvantage their chances of advancement in life. Consequently, women are at a significant disadvantage in terms of meaningfully participating in meetings and forums between Frieda River Limited and representatives of the seven (7) villages surrounding the project area. Moreover, women may not be afforded the opportunity to effectively contribute to decision making and share equitably in mine/community benefits.</p> <p>Frieda River Limited is committed to contributing to the development of local communities and to supporting opportunities for women to benefit from the development aspects associated with its large impact project, this includes working in partnership with other development partners.</p> <p>Global evidence shows that the impact of the extractive sector is gender-biased, with women often standing more to lose than gain through large scale extractive industry projects. Research in Papua New Guinea shows that incidence of domestic violence and HIV increase when men are mobile and have more money. Women's farming and water</p>

<b>Activity Schedule #1</b>	
	<p>gathering suffers as land is degraded through the impacts of the extractive sector. This adds to the burden of women and increases food insecurity risks for the entire community. In most extractive areas, land ownership is through the male line so women are often excluded from decision making or receiving royalties.</p> <p>Women have not been prominent in negotiations over resource development in Papua New Guinea and are poorly represented in existing development and impact benefit agreements across the country.</p> <p>The World Bank and Family and Sexual Violence Action Committee are partnering with the Mineral Resources Authority on an <i>Addressing Family and Sexual Violence in Extractive Industry Areas of PNG</i> Project looking at increasing women's safety in extractive sights. The <i>Papua New Guinea Women in Mining Project</i> complements and adds to that existing program, focusing on women's decision-making, influence and economic empowerment.</p>
<b>Scope of Services</b>	<p>The nature, scope and timing of the Activities proposed below may be updated or revised as appropriate, as mutually determined between the Partners.</p> <p>Under this Activity Schedule, the Partners will:</p> <ol style="list-style-type: none"> <li>Work in consultation with local communities and service providers to build literacy and financial literacy skills, promote 'family teams', and co-operative approaches to decision-making, workloads and budgeting, leadership and coalition building skills.</li> <li>work co-operatively to develop a mutually determined Workplan that articulates in more detail, mutually determined activities, mutual support and desired outcomes.</li> </ol> <p>Under this Activity Schedule, Frieda River Limited will provide:</p> <ol style="list-style-type: none"> <li>at least two (2) employees, one female and one male to be developed as 'women's empowerment and safety champions'. Training and mentorship for these positions will be provided by members of the Papua New Guinea Family and Sexual Violence Action Committee (FSVAC) at no cost to Frieda River Limited.</li> <li>regular mine project information sessions (progress, impacts and benefits), to be provided to the existing Frieda River Limited women's leadership group, where practicable, prior to Frieda River Limited community leadership and benefit sharing negotiation forums.</li> </ol> <p>Under this Activity Schedule, DFAT will provide:</p> <ol style="list-style-type: none"> <li>support to Frieda River Limited to adopt the corporate, management and operational initiatives that promote women's leadership, empowerment and safety as developed by the PNG Business Coalition for Women.</li> </ol>
<b>Meetings and Reports</b>	<p>The Partners will participate in formal quarterly co-ordination meetings initiated by DFAT at a time and place mutually determined between the Partners.</p> <p>DFAT will draft, disseminate and retain co-ordination meeting minutes.</p>

<b>Activity Schedule #1</b>											
	<p>It is understood that operational reporting and co-ordination between the Partners will be ongoing throughout the Workplan process.</p> <p>DFAT will provide Frieda River Limited with a copy of relevant delivery reports.</p>										
<b>Annual Review</b>	The Partners will review and evaluate the activities, progress and outcomes of this Activity Schedule on an annual basis and at a time and place mutually determined between the Partners.										
<b>Duration</b>	This Activity Schedule will come into effect upon signature of the Partners for a period of two (2) years. It may be renewed for further periods subject to a review of the results of the collaborative activities and subsequent mutual decision of the Partners. It may be terminated at any time by mutual written decision of the Partners or by one Partner providing the other Partner with at least 30 days' written notice of its intention to terminate.										
<b>Signed</b>	<table border="1"> <thead> <tr> <th><b>Government of Australia as represented by Department of Foreign Affairs and Trade</b></th> <th><b>Frieda River Limited</b></th> </tr> </thead> <tbody> <tr> <td> By: _____  (Signature) </td> <td> By: _____  (Signature) </td> </tr> <tr> <td> Name: Bruce Davis </td> <td> Name: Dr Fred Hess </td> </tr> <tr> <td> Title: Australian High Commissioner,  Port Moresby </td> <td> Title: Managing Director </td> </tr> <tr> <td> Date: _____ </td> <td> Date: _____ </td> </tr> </tbody> </table>	<b>Government of Australia as represented by Department of Foreign Affairs and Trade</b>	<b>Frieda River Limited</b>	By: _____ (Signature)	By: _____ (Signature)	Name: Bruce Davis	Name: Dr Fred Hess	Title: Australian High Commissioner, Port Moresby	Title: Managing Director	Date: _____	Date: _____
<b>Government of Australia as represented by Department of Foreign Affairs and Trade</b>	<b>Frieda River Limited</b>										
By: _____ (Signature)	By: _____ (Signature)										
Name: Bruce Davis	Name: Dr Fred Hess										
Title: Australian High Commissioner, Port Moresby	Title: Managing Director										
Date: _____	Date: _____										

1

**MEMORANDUM OF UNDERSTANDING****between****The Government of Australia as represented by the  
Department of Foreign Affairs and Trade****and****Frieda River Limited (PanAust)****Introduction**

1. This Memorandum of Understanding sets out the arrangements between the Government of Australia represented by the Department of Foreign Affairs and Trade (DFAT) and Frieda River Limited (FRL) (each individually referred to as a 'Partner' and together referred to as the 'Partners') to collaborate in support of development activities in Papua New Guinea. This collaboration may involve joint funding, in kind support or other activities as appropriate.

**Purpose**

2. The Partners' overarching goal is to support positive development outcomes for the country of Papua New Guinea. This includes promoting women's empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of Papua New Guinea, as described at Activity Schedule 1.

**Responsibility of the Partners**

3. The Partners will continue to maintain their own separate and unique missions, mandates and accountabilities.
4. This Memorandum does not:
  - a) create an exclusive relationship between the Partners;
  - b) create a partnership, business, joint venture or other legal entity comprising the Partners;
  - c) supersede or interfere in any way with any agreements or contracts entered into between or by the Partners, either prior to or subsequent to the signing of this Memorandum; or
  - d) constitute a legally binding commitment by either Partner or create any rights in any third party.

**Implementation of specific activities**

5. The Partners will enter into separate Activity Schedules and Workplans for the purposes of carrying out specific development cooperation activities.
6. The scope of the activity will be set out in the Activity Schedule in the form prescribed in this Memorandum and will be signed by both Partners. Subsequent Activity Schedules will be referred to as Schedule 1, Schedule 2, Schedule 3 and so forth of this Memorandum.

**Transparency**

7. The Partners are committed to transparency and acknowledge that this Memorandum will be a public document.
8. Either Partner may publish information regarding any development cooperation activities undertaken pursuant to this Memorandum. The Partner seeking to publish the information will consult with the other Partner and will provide the other Partner with a reasonable opportunity to review and to provide comments on the proposed information to be published. The Partner seeking to publish the information will consider the other Partner's comments prior to publication.

**Anti-Bribery and Corruption**

9. The Partners are committed to preventing and detecting corruption and bribery. Neither Partner will make, cause to be made, receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt act, either directly or indirectly to any party, as an inducement or reward in relation to the implementation of activities under this Memorandum. In addition, neither Partner will bribe public officials, including foreign officials, and the Partners will ensure that contractor personnel involved in managing and /or delivering development activities outlined in any Activity Schedule, made pursuant to this Memorandum, will comply with this provision. Any contravention of this provision will be grounds for immediate termination of the activities under this Memorandum.
10. The Partners are committed to ensuring that the development activities outlined in any Activity Schedule made pursuant to this Memorandum are consistent with the anti-bribery provisions of the Criminal Code (PNG) and the Criminal Code Act 1995 (Cth) (Australia).

**Fraud**

11. The Partners are committed to and will cooperate to ensure that support provided by either Partner for any development activity outlined in an Activity Schedule made pursuant to this Memorandum is not subject to fraud, and that any in kind or other support is not misused. For the purpose of this Memorandum, 'fraud' or 'fraudulent activity' means dishonestly obtaining a benefit, or causing a loss, by deception or other means, and includes alleged, attempted, suspected or detected fraud.
12. If either Partner becomes aware of a fraud, it will report the matter to the other Partner in writing within five business days.

**Child Protection**

13. The Partners will ensure that children will be protected from all forms of abuse in connection with activities implemented under this Memorandum.

**Prevention of Financing for Terrorism**

14. The Partners will cooperate to ensure that any funding provided for activities implemented under this Memorandum is not used, directly or indirectly, to provide support to individuals or entities associated with terrorism.

**Human rights**

15. The Partners will ensure that all personnel including personnel engaged by contractors involved in managing and / or delivering development cooperation activities outlined in any Activity Schedule made pursuant to this Memorandum will act in a manner that respects human rights, complies with all applicable laws and is consistent with the principles contained in the Universal Declaration of Human Rights, International Labour Organisation Declaration on Fundamental Principles and Rights at Work of the 1998 International Labour Organization and the Voluntary Principles on Security and Human Rights.
16. The Partners will ensure any credible allegation or event or contravention of paragraph 15 above will result in a request for an investigation by a duly qualified independent person and, to the extent that the Partners can do so, remedial action will be undertaken by the offending party.

**Funding**

17. Each Partner will be responsible for its own costs related to the activities under this Memorandum. In particular, each Partner will be responsible for the costs of any events that it hosts, as well as all costs related to the participation of its staff in all events, unless otherwise mutually determined between the Partners.
18. DFAT will provide funding support to implement mutually determined development activities undertaken pursuant to this Memorandum.
19. Frieda River Limited will provide logistical support to DFAT and DFAT's implementing partner(s) in the form of charter flights to and from the site or sites of activities undertaken pursuant to this Memorandum, and transport and lodgings support at the relevant site or sites, while engaged in such activities.

**Amendments**

20. The Partners may amend this Memorandum at any time, by mutual consent in writing, in the form of an exchange of letters between the Partners.

**Commencement and Duration**

21. This Memorandum will take effect on signature by the Partners and will remain in effect until (date to be determined) unless the Partners mutually determine an extension in writing.

**Termination**

22. Either Partner may terminate this Memorandum by giving the other Partner at least 30 days' written notice of its intention to terminate. In such a case the Partners will mutually determine, as appropriate, the steps to ensure that the activities undertaken pursuant to this Memorandum are brought to a prompt and orderly conclusion.

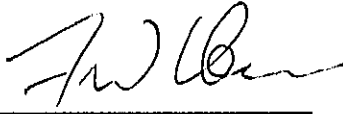
**Divergence of Views**

23. Any divergence of views between the Partners arising out of or relating to this Memorandum, including interpretation and application of any provisions therein, will be settled amicably by the Partners.

**Government of Australia as represented by  
Department of Foreign Affairs and Trade**

**Fricda River Limited**

By:   
(Signature)

By:   
(Signature)

Name: Bruce Davis

Name: Dr Fred Hess

Title: Australian High Commissioner,  
Port Moresby







Title: Managing Director

Date: 8/11/17

Date: 8/11/17

<b>Activity Schedule #1</b>	
<b>General</b>	This Activity Schedule expresses the understandings of the Government of Australia represented by the Department of Foreign Affairs and Trade (DFAT) and Frieda River Mining Limited and is made pursuant to the Memorandum of Understanding (MOU) signed by the Partners on 8 November 2017. The terms of the MOU apply to this activity.
<b>Activity</b>	<p>Promoting women's empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of Papua New Guinea.</p> <p>This includes seeking to increase women's influence and voice in negotiation of extractive industry agreements to better identify and respond to women's economic and social rights and interests.</p>
<b>Partners</b>	<p>Frieda River Limited</p> <p>And</p> <p>The Government of Australia as represented by the Department of Foreign Affairs and Trade (DFAT)</p>
<b>Background</b>	<p>The Government of Australia through DFAT and the Pacific Women Shaping Pacific Development (<i>Pacific Women</i>) Program is implementing the <i>Papua New Guinea Women in Mining Project</i>. The overarching objective for this three-year project is to strengthen women's participation in negotiation and agreement processes for major extractive projects in Papua New Guinea and to ensure women are better represented in resource development agreements. Working with partners including Frieda River Limited is essential to the delivery of this project.</p> <p>Frieda River Limited holds extractive industry licences in the wider Frieda River and Sepik River areas of Papua New Guinea. These licences are situated within the electorates of Telefomin District (Sandaun Province) and Ambunti/Drekirkier District (East Sepik Province).</p> <p>The majority of the population in the project areas, including women, possess limited levels of literacy and other market based or vocational skills that disadvantage their chances of advancement in life. Consequently, women are at a significant disadvantage in terms of meaningfully participating in meetings and forums between Frieda River Limited and representatives of the seven (7) villages surrounding the project area. Moreover, women may not be afforded the opportunity to effectively contribute to decision making and share equitably in mine/community benefits.</p> <p>Frieda River Limited is committed to contributing to the development of local communities and to supporting opportunities for women to benefit from the development aspects associated with its large impact project, this includes working in partnership with other development partners.</p> <p>Global evidence shows that the impact of the extractive sector is gender-biased, with women often standing more to lose than gain through large scale extractive industry projects. Research in Papua New Guinea shows that incidence of domestic violence and HIV increase when men are mobile and have more money. Women's farming and water</p>

<b>Activity Schedule #1</b>	
	<p>gathering suffers as land is degraded through the impacts of the extractive sector. This adds to the burden of women and increases food insecurity risks for the entire community. In most extractive areas, land ownership is through the male line so women are often excluded from decision making or receiving royalties.</p> <p>Women have not been prominent in negotiations over resource development in Papua New Guinea and are poorly represented in existing development and impact benefit agreements across the country.</p> <p>The World Bank and Family and Sexual Violence Action Committee are partnering with the Mineral Resources Authority on an <i>Addressing Family and Sexual Violence in Extractive Industry Areas of PNG</i> Project looking at increasing women's safety in extractive sites. The <i>Papua New Guinea Women in Mining Project</i> complements and adds to that existing program, focusing on women's decision-making, influence and economic empowerment.</p>
<b>Scope of Services</b>	<p>The nature, scope and timing of the Activities proposed below may be updated or revised as appropriate, as mutually determined between the Partners.</p> <p>Under this Activity Schedule, the Partners will:</p> <ol style="list-style-type: none"> <li>a) Work in consultation with local communities and service providers to build literacy and financial literacy skills, promote 'family teams', and co-operative approaches to decision-making, workloads and budgeting, leadership and coalition building skills.</li> <li>b) work co-operatively to develop a mutually determined Workplan that articulates in more detail, mutually determined activities, mutual support and desired outcomes.</li> </ol> <p>Under this Activity Schedule, Frieda River Limited will provide:</p> <ol style="list-style-type: none"> <li>c) at least two (2) employees, one female and one male to be developed as 'women's empowerment and safety champions'. Training and mentorship for these positions will be provided by members of the Papua New Guinea Family and Sexual Violence Action Committee (FSVAC) at no cost to Frieda River Limited.</li> <li>d) regular mine project information sessions (progress, impacts and benefits), to be provided to the existing Frieda River Limited women's leadership group, where practicable, prior to Frieda River Limited community leadership and benefit sharing negotiation forums.</li> </ol> <p>Under this Activity Schedule, DFAT will provide:</p> <ol style="list-style-type: none"> <li>e) support to Frieda River Limited to adopt the corporate, management and operational initiatives that promote women's leadership, empowerment and safety as developed by the PNG Business Coalition for Women.</li> </ol>
<b>Meetings and Reports</b>	<p>The Partners will participate in formal quarterly co-ordination meetings initiated by DFAT at a time and place mutually determined between the Partners.</p> <p>DFAT will draft, disseminate and retain co-ordination meeting minutes.</p>

<b>Activity Schedule #1</b>					
	<p>It is understood that operational reporting and co-ordination between the Partners will be ongoing throughout the Workplan process.</p> <p>DFAT will provide Frieda River Limited with a copy of relevant delivery reports.</p>				
<b>Annual Review</b>	The Partners will review and evaluate the activities, progress and outcomes of this Activity Schedule on an annual basis and at a time and place mutually determined between the Partners.				
<b>Duration</b>	This Activity Schedule will come into effect upon signature of the Partners for a period of two (2) years. It may be renewed for further periods subject to a review of the results of the collaborative activities and subsequent mutual decision of the Partners. It may be terminated at any time by mutual written decision of the Partners or by one Partner providing the other Partner with at least 30 days' written notice of its intention to terminate.				
<b>Signed</b>	<table border="1"> <tr> <td><b>Government of Australia as represented by Department of Foreign Affairs and Trade</b></td> <td><b>Frieda River Limited</b></td> </tr> <tr> <td> <p>By: <u></u> (Signature)</p> <p>Name: Bruce Davis</p> <p>Title: Australian High Commissioner, Port Moresby</p> <p>Date: <u>8/11/17</u></p> </td> <td> <p>By: <u></u> (Signature)</p> <p>Name: Dr Fred Hess</p> <p>Title: Managing Director</p> <p>Date: <u>8/11/17</u></p> </td> </tr> </table>	<b>Government of Australia as represented by Department of Foreign Affairs and Trade</b>	<b>Frieda River Limited</b>	<p>By: <u></u> (Signature)</p> <p>Name: Bruce Davis</p> <p>Title: Australian High Commissioner, Port Moresby</p> <p>Date: <u>8/11/17</u></p>	<p>By: <u></u> (Signature)</p> <p>Name: Dr Fred Hess</p> <p>Title: Managing Director</p> <p>Date: <u>8/11/17</u></p>
	<b>Government of Australia as represented by Department of Foreign Affairs and Trade</b>	<b>Frieda River Limited</b>			
<p>By: <u></u> (Signature)</p> <p>Name: Bruce Davis</p> <p>Title: Australian High Commissioner, Port Moresby</p> <p>Date: <u>8/11/17</u></p>	<p>By: <u></u> (Signature)</p> <p>Name: Dr Fred Hess</p> <p>Title: Managing Director</p> <p>Date: <u>8/11/17</u></p>				

s 22(1)(a)(ii)

---

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 10:10 AM  
**To:** s 22(1)(a)(ii)  
**Cc:** s 22(1)(a)(ii) @dfat.gov.au  
**Subject:** FW: Women in Mining [SEC=UNCLASSIFIED]  
**Attachments:** 171108\_PNA-DFAT announcement\_women in mining DRAFT (002).docx

UNCLASSIFIED

s 22(1)(a)(ii)

We have signed an MOU, about women in mining. I understand s 22(1)(a)(ii) has led on it from within the AHC. Draft press release attached, to go out today. Will send the actual MOU shortly.

Regards

s 22(1)(a)(ii)

---

Australian High Commission  
 Port Moresby  
[www.png.embassy.gov.au](http://www.png.embassy.gov.au)

E | s 22(1)(a) @dfat.gov.au  
 T | s 22(1)(a)(ii) )  
 M | s 22(1)(a)(ii)

---

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 10:06 AM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>  
**Subject:** FW: Women in Mining [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii) as discussed, this MOU was signed yesterday, attached release will go out today as a joint release.

---

**From:** s 47F(1)  
**Sent:** Wednesday, 8 November 2017 6:56 PM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>  
**Cc:** Davis, Bruce <[Bruce.Davis@dfat.gov.au](mailto:Bruce.Davis@dfat.gov.au)>; David, Benedict <[Benedict.David@dfat.gov.au](mailto:Benedict.David@dfat.gov.au)>; s 47F(1) s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>; s 47F(1)  
**Subject:** RE: Women in Mining [SEC=UNCLASSIFIED]

Thanks s 22(1)(a)(ii)

Much appreciated. Can you provide a copy of your logo please? We will issue tomorrow (just waiting on confirmation of a quote from a village representative).

The signing went well – I will send a couple of photos separately.

s 47F(1) – please use this version for the release, which should be despatched once s 47F(1) confirms the quote.

s 47F(1)

s 47F(1)  
Limited

PanAust

---

**From:** s 22(1)(a)(ii) @dfat.gov.au  
**Sent:** Wednesday, 8 November 2017 10:51 AM  
**To:** s 47F(1)  
**Cc:** Davis, Bruce; David, Benedict; s 47F(1) ; s 22(1)(a)(ii)  
**Subject:** [External] RE: Women in Mining [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Hi s 47F(1)

Thanks for sharing the draft, slightly revised release is attached, which includes a different quote from the High Commissioner. As per my previous email, please include our logo as a joint header. Any photos that we can use for social media would be greatly appreciated – please send to myself and s 22(1)(a)(ii) @dfat.gov.au

Bruce – as per discussion yesterday, revised quote is below.

Australian High Commissioner Mr Bruce Davis noted the significance of the program.

“Australia is partnering with PanAust on the Women in Mining Project to strengthen women’s participation in resource development negotiations. We will help build literacy and financial skills, as well as support women to take on leadership and decision-making roles in the development negotiations, to ensure they directly benefit from mining activities in the region,” Mr Davis said.

Many thanks,

s 22(1)(a)(ii)

---

s 22(1)(a)(ii)  
 First Secretary  
 Australian High Commission  
 Port Moresby  
 Phone s 22(1)(a)(ii)

---

**From:** s 47F(1) ]  
**Sent:** Tuesday, 7 November 2017 9:48 AM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>  
**Cc:** Davis, Bruce <Bruce.Davis@dfat.gov.au>; David, Benedict <Benedict.David@dfat.gov.au>; s 47F(1)  
 >  
**Subject:** RE: Women in Mining [SEC=UNCLASSIFIED]

s 22(1)(a)(ii) all

Attached is a draft press release. Note s 47F(1) confirming the quote from an appropriate women’s representative.

For your review. Please let me know if you want to have a joint header and, if so, please provide/insert logo.

Thanks

s 47F(1)

s 47F(1)  
Limited

| PanAust

---

**From:** s 22(1)(a)(ii) [@dfat.gov.au](mailto:dfat.gov.au)  
**Sent:** Monday, 6 November 2017 1:57 PM  
**To:** s 47F(1)  
**Cc:** Davis, Bruce; David, Benedict; s 47F(1)  
**Subject:** [External] RE: Women in Mining [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Hi s 47F(1)

We are happy with those arrangements, attached is the final MOU, it would be great if you could have a couple of copies with you for the signing ceremony.

We would be interested in a joint media release, are you able to draft this for consideration?

Many thanks,

s 22(1)(a)(ii)

---

s 22(1)(a)(ii)  
First Secretary  
Australian High Commission  
Port Moresby  
Phone s 22(1)(a)(ii)

---

**From:** s 47F(1) ]  
**Sent:** Monday, 6 November 2017 10:55 AM  
**To:** s 22(1)(a)(ii) [@dfat.gov.au](mailto:dfat.gov.au)  
**Cc:** Davis, Bruce <[Bruce.Davis@dfat.gov.au](mailto:Bruce.Davis@dfat.gov.au)>; David, Benedict <[Benedict.David@dfat.gov.au](mailto:Benedict.David@dfat.gov.au)>; s 47F(1)  
**Subject:** RE: Women in Mining [SEC=UNCLASSIFIED]

s 22(1)(a)(ii)

Thanks for your message. Great news that we can move forward with the MOU.

I recommend we sign the document at Wabia on Wednesday during the site visit. This way we can have local women representatives and the VIPs (ministers and MPs) witness the signing. We will take photos and issue a press release, either from PanAust or potentially jointly with the High Commission.

Could you confirm:

- Above arrangements are ok
- Signing – I'm assuming High Commissioner will sign for DFAT and Dr Fred Hess (MD of PanAust ) will sign for our side
- You will provide hardcopies of the MOU – we can print and take them with us if that's easier.

Regards

s 47F(1)

s 47F(1)  
Limited

PanAust

---

**From:** s 22(1)(a)(ii) [@dfat.gov.au](mailto:s 22(1)(a)(ii)@dfat.gov.au)  
**Sent:** Monday, 6 November 2017 10:39 AM  
**To:** s 47F(1)  
**Cc:** Davis, Bruce; David, Benedict  
**Subject:** [External] RE: Women in Mining [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Dear s 47F(1)

The High Commissioner asked me to follow up on your email.

We don't foresee any issues with signing the MOU during the visit this week, and we have been liaising with colleagues in Canberra to get the documentation ready. Let us know what you had in mind in terms of the signing event, and what you need from us, and I will then confirm with Bruce that we are all happy to proceed.

Thanks and kind regards,

---

s 22(1)(a)(ii)  
First Secretary  
Australian High Commission  
Port Moresby  
Phone s 22(1)(a)(ii)

---

**From:** Davis, Bruce  
**Sent:** Thursday, 2 November 2017 10:47 PM  
**To:** s 22(1)(a)(ii) [@dfat.gov.au](mailto:s 22(1)(a)(ii)@dfat.gov.au)>  
**Subject:** FW: Women in Mining [SEC=UNCLASSIFIED]

Sent with Good ([www.good.com](http://www.good.com))

---

**From:** s 47F(1)  
**Sent:** Wednesday, 1 November 2017 7:21:44 PM  
**To:** Davis, Bruce  
**Cc:** David, Benedict; Hilton, Rod  
**Subject:** Women in Mining

Dear High Commissioner

I am looking forward to the site visit next week. We have a good contingent committed including the Defence and Mining Ministers, both Sepik Governors, the MP for Ambunti, and the Chinese Economic and Commercial Counsellor.

I was hoping to use the visit to progress our cooperation in the Women in Mining project. Our communities are excited and were very happy with the scoping visit by their mentor s 47F(1). It would be an ideal opportunity to

sign the MOU during the community visit to show the importance we place on the advancement of women in our project area and beyond.

s 47E(d)

Superficially this is understandable.

s 33(a)(iii)

would also note:

- GRAM is an asset manager with a diverse investment portfolio across various industrial and resource sectors.
  - Day-to-day management activities continue to be the responsibility of PanAust's experienced executive team.
- PanAust upholds high standards of corporate governance
  - The Company's code of conduct, *The PanAust Way*, is published publicly
  - Detailed information can be found on the Company's website (<http://www.panaust.com.au/corporate-governance>)
- PanAust is a profitable business: consolidated net profit after income tax (NPAT) for the year to 31 December 2016 was US\$51.4 million
- Consolidated annual metal production in 2016 included a record 89,187 tonnes (t) of copper in concentrate, 217,482oz of gold in concentrate and doré, and 1,636,591oz of silver in concentrate and doré.

#### Frieda River

- PanAust's acquisition of the Frieda River Project was completed in 2014, when it was a public company listed on the Australian Securities Exchange
  - GRAM's acquisition of PanAust occurred in 2015
- PanAust is working with the Government of Papua New Guinea, landowners, host communities and their commercial partners to advance the Frieda River Copper-Gold Project.

#### Caledon

- The Caledon Coal group of companies was acquired by GRAM in 2011 and managed as a separate business operating in the coal industry.
- The liquidation of the Caledon Coal Group is not connected to the PanAust business.
  - Furthermore, the liquidation of the Caledon Coal group will not impact the PanAust business, its subsidiaries, or its pre-development assets, including the Frieda River Copper-Gold Project in Papua New Guinea.

I therefore seek your feedback on whether it might be possible to get the MOU ready for signing during the visit.

I understand you must be very busy at the moment so I regret having to raise this issue with you.

Kind regards

s 47F(1)

s 47F(1)

**Limited**

Level 1, 15 James St | Fortitude Valley | QLD | 4006 | Australia  
PO Box 2297, Fortitude Valley Business Centre | QLD | 4006

**PanAust**

D: s 47F(1)  
E: s 47F(1)

| W: [www.panaust.com.au](http://www.panaust.com.au)



---

This message and any files transmitted with it are confidential and are intended solely for the use of those persons to whom the message is addressed. Any unauthorised form of reproduction of this message or any files transmitted with it is strictly prohibited. If you received this message in error please notify the sender immediately and delete it from your computer.

---

This message and any files transmitted with it are confidential and are intended solely for the use of those persons to whom the message is addressed. Any unauthorised form of reproduction of this message or any files transmitted with it is strictly prohibited. If you received this message in error please notify the sender immediately and delete it from your computer.

---

This message and any files transmitted with it are confidential and are intended solely for the use of those persons to whom the message is addressed. Any unauthorised form of reproduction of this message or any files transmitted with it is strictly prohibited. If you received this message in error please notify the sender immediately and delete it from your computer.

---

This message and any files transmitted with it are confidential and are intended solely for the use of those persons to whom the message is addressed. Any unauthorised form of reproduction of this message or any files transmitted with it is strictly prohibited. If you received this message in error please notify the sender immediately and delete it from your computer.

**s 22(1)(a)(ii)**

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 10:13 AM  
**To:** s 22(1)(a)(ii)  
**Cc:** s 22(1)(a)(ii) @dfat.gov.au  
**Subject:** FW: Women in Mining [SEC=UNCLASSIFIED] [DLM=For-Official-Use-Only]  
**Attachments:** Frieda River Minute.docx; Final approved MOU DFAT Frieda River Ltd PNG.docx; HOM Speech - Frieda River MoU Ceremony - 8 November.doc

**Importance:** High

**For-Official-Use-Only**

FYI

s 22(1)(a)(ii)

Australian High Commission  
 Port Moresby  
[www.png.embassy.gov.au](http://www.png.embassy.gov.au)

**E** | s 22(1)(a)(ii) [@dfat.gov.au](mailto:s 22(1)(a)(ii)@dfat.gov.au)  
**T** | s 22(1)(a)(ii) )  
**M** | s 22(1)(a)(ii)

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 10:07 AM  
**To:** s 22(1)(a)(ii) @dfat.gov.au  
**Subject:** FW: Women in Mining [SEC=UNCLASSIFIED] [DLM=For-Official-Use-Only]  
**Importance:** High

**For-Official-Use-Only**

**From:** s 22(1)(a)(ii)  
**Sent:** Monday, 6 November 2017 1:33 PM  
**To:** s 22(1)(a)(ii) @dfat.gov.au  
**Cc:** David, Benedict <[Benedict.David@dfat.gov.au](mailto:Benedict.David@dfat.gov.au)>; s 22(1)(a)(ii) @dfat.gov.au; s 22(1)(a)(ii) @dfat.gov.au  
**Subject:** RE: Women in Mining [SEC=UNCLASSIFIED] [DLM=For-Official-Use-Only]  
**Importance:** High

**For-Official-Use-Only**

s 22(1)(a)(ii)

Please find attached a minute outlining issues re. Frieda River, which incorporates advice from PNG Desk and Guangzhou Post – both are on board with the MoU signing.

Also attached is the final approved MoU as cleared by Legals in Canberra.

Lastly attached is a draft speech for HOM, which I'm also sharing with PD for s 22(1)(a)(ii) review and input.

Let me know whether anything further is required.

Cheers, <sup>s 47F(1)</sup>.

---

**From:** <sup>s 22(1)(a)(ii)</sup>  
**Sent:** Monday, 6 November 2017 1:15 PM  
**To:** <sup>s 22(1)(a)(ii)</sup> @dfat.gov.au>  
**Cc:** David, Benedict <Benedict.David@dfat.gov.au>; <sup>s 22(1)(a)(ii)</sup> @dfat.gov.au>  
**Subject:** FW: Women in Mining [SEC=UNCLASSIFIED] [DLM=For-Official-Use-Only]

**For-Official-Use-Only**

Hi <sup>s 22(1)(a)(ii)</sup>

See below. HOM is happy to proceed on this basis, including doing a joint media release. I will ask <sup>s 47F(1)</sup> to draft the release for our consideration .

Are we good to go from your perspective, and can we share the final copy of the MOU with <sup>s 47F(1)</sup>

Thanks  
<sup>s 22(1)(a)(ii)</sup>

---

First Secretary  
Australian High Commission  
Port Moresby  
Phone <sup>s 22(1)(a)(ii)</sup> | Mobile <sup>s 22(1)(a)(ii)</sup>

---

**From:** <sup>s 47F(1)</sup>  
**Sent:** Monday, 6 November 2017 10:55 AM  
**To:** <sup>s 22(1)(a)(ii)</sup> @dfat.gov.au>  
**Cc:** Davis, Bruce <Bruce.Davis@dfat.gov.au>; David, Benedict <Benedict.David@dfat.gov.au>; <sup>s 47F(1)</sup>  
**Subject:** RE: Women in Mining [SEC=UNCLASSIFIED]

<sup>s 22(1)(a)(ii)</sup>

Thanks for your message. Great news that we can move forward with the MOU.

I recommend we sign the document at Wabia on Wednesday during the site visit. This way we can have local women representatives and the VIPs (ministers and MPs) witness the signing. We will take photos and issue a press release, either from PanAust or potentially jointly with the High Commission.

Could you confirm:

- Above arrangements are ok
- Signing – I'm assuming High Commissioner will sign for DFAT and Dr Fred Hess (MD of PanAust ) will sign for our side
- You will provide hardcopies of the MOU – we can print and take them with us if that's easier.

Regards

<sup>s 47F(1)</sup>

s 22(1)(a)(ii)

---

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 10:51 AM  
**To:** s 22(1)(a)(ii)  
**Cc:** s 22(1)(a)(ii)  
**Subject:** RE: DFAT-PanAust Frieda River Signed MoU 8 November 2017 [SEC=UNCLASSIFIED]  
**Attachments:** DFAT-PanAust Frieda River Signed MoU 8 November 2017.pdf

**UNCLASSIFIED**

Hi – can you please save in the PW TRIM folder, and advise <sup>s 22(1)(a)(ii)</sup> of the reference.

Thanks, <sup>s 22(1)(a)(ii)</sup>

---

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 9:05 AM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>  
**Subject:** RE: DFAT-PanAust Frieda River Signed MoU 8 November 2017 [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Thanks.

Can you please send me the TRIM reference where all this is saved?

---

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 8:44 AM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>; s 47F(1)  
**Cc:** s 22(1)(a)(ii) @dfat.gov.au>  
**Subject:** DFAT-PanAust Frieda River Signed MoU 8 November 2017 [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

For your reference and records.

Kind regards, <sup>s 22(1)(a)(ii)</sup>

**s 22(1)(a)(ii)**

**From:** s 22(1)(a)(ii)  
**Sent:** Thursday, 9 November 2017 11:55 AM  
**To:** s 22(1)(a)(ii)  
**Subject:** FW: DFAT Media Talking Points - DFAT MOU with Frieda River Limited (PanAust) - v1 [DLM=For-Official-Use-Only]

**For-Official-Use-Only**

s 22(1)(a)(ii)

Counsellor (Economic Governance)  
 Australian High Commission Papua New Guinea  
 Godwit Road, Waigani NCD, Port Moresby  
 Phone s 22(1)(a)(ii)  
[www.png.embassy.gov.au](http://www.png.embassy.gov.au)  
[Facebook](#) | [Twitter](#)

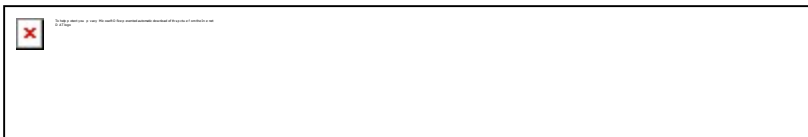
**From:** Hilton, Rod  
**Sent:** Wednesday, 8 November 2017 5:07 PM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>; s 22(1)(a)(ii) @dfat.gov.au>  
**Subject:** FW: DFAT Media Talking Points - DFAT MOU with Frieda River Limited (PanAust) - v1 [DLM=For-Official-Use-Only]

FYI

Sent with Good ([www.good.com](http://www.good.com))

**From:** Media Talking Points  
**Sent:** Wednesday, 8 November 2017 4:40:40 PM  
**To:** DM SES All  
**Subject:** DFAT Media Talking Points - DFAT MOU with Frieda River Limited (PanAust) - v1 [DLM=For-Official-Use-Only]

FOR OFFICIAL USE ONLY



**MEDIA TALKING POINTS  
 DISTRIBUTION:  
 STANDARD**

**Topic:** DEVELOPMENT COOPERATION  
**Subject:** DFAT MOU with Frieda River Limited (PanAust)

**Originating Division:** PAD**Version Date:** 8/11/2017**Reason for Update:** New talking points

Version: 1

Expiry: 7/02/2018

---

## Talking Points

### Why has DFAT signed an MOU with a mining company which is under investigation in China?

- The Australian High Commissioner in Papua New Guinea signed a Memorandum of Understanding between DFAT and Frieda River Limited which is owned by PanAust, a subsidiary of China's Guangdong Rising Asset Management (GRAM)
  - the MOU aims to promote women's empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of Papua New Guinea.
- I am aware a former chair of GRAM, Li Jinming, is under investigation in China due to large financial losses during his leadership
  - there is nothing to suggest the investigation will impact on PanAust's ability to deliver under the MOU
  - day-to-day management of Frieda River Limited's operations continue to be the responsibility of PanAust's experienced executive team.

**Any use or disclosure of personal information about individuals and the incidents contained in this background should not be made public. To do so may constitute a breach of the Privacy Act 1988 (Cth).**

## Background

On 8th of November 2017, the Australian High Commissioner in PNG and the Managing Director of Frieda River Limited signed a MOU to collaborate in support of development activities in Papua New Guinea, specifically to promote women's empowerment and influence in the negotiation of mining agreements.

On 16 October 2017, The Australian (Rowan Callick, 'Frieda River Mining Company in Corruption Investigation in China') reported that Guangdong Rising Assets Management (GRAM) is under investigation for a series of bad investments including the purchase of PanAust and the Frieda river mining rights. The former Chairman, Li Jinming, is being formally investigated for the large losses under his leadership at GRAM, but is likely to include accusations of corrupt practices.

Frieda River Limited, which is owned and managed by PanAust, holds extractive industry licences in the wider Frieda River and Sepik River areas of PNG. These licences are situated within Telefomin District (Sandaun Province) and Ambunti/Drekirkier District (East Sepik Province). PanAust is a subsidiary of the Chinese state-owned-enterprise, Guangdong Rising Assets Management (GRAM), which completed a \$1.4 billion takeover of PanAust in 2015.

PanAust's acquisition of the Frieda River Project was completed in 2014, when it was a public company listed on the Australian Securities Exchange. PanAust is working with the Government of Papua New Guinea, landowners, host communities and their commercial partners to advance the Frieda River Copper-Gold Project.

Frieda River Limited has committed to contributing to the development of local communities and to supporting opportunities for women to benefit from the development aspects associated with its large impact project. This includes working in partnership with other development partners.

The Government of Australia through DFAT and the Pacific Women Program is implementing the *Papua New Guinea Women in Mining Project*. The overarching objective for this three-year project is to strengthen women's participation in negotiation and agreement processes for major extractive projects in PNG and to

ensure women are better represented in resource development agreements. Working with partners is essential to the delivery of this project.

The majority of the population in the project areas, including women, possess limited levels of literacy and other market based or vocational skills that disadvantage their chances of advancement in life. Consequently, women are at a significant disadvantage in terms of meaningfully participating in meetings and forums between Frieda River Limited and representatives of the seven villages surrounding the project area. Moreover, women may not be afforded the opportunity to effectively contribute to decision making and share equitably in mine/community benefits.

The MoU for a proposed two-year partnership between DFAT and Frieda River Limited was prepared in consultation with the legal area in DFAT Canberra.

The scope of activities under this draft MoU proposes that the partners will:

1. Work in consultation with local communities and service providers to build literacy and financial literacy skills, promote 'family teams', and co-operative approaches to decision-making, workloads and budgeting, leadership and coalition building skills; and
2. work co-operatively to develop a mutually determined workplan that articulates in more detail, mutually determined activities, mutual support and desired outcomes.

## Handling Notes

## Media Interest

<b>Approval</b>	
Consultation	Port Moresby Post, NAD
Author	s 22(1)(a)(ii)
Cleared by	Geoff Tooth; PNB PAD

<b>Distribution</b>
Media Liaison Section, SES, HOMs/HOPs, STO Directors, Secretary's EO and Senior Executive PAs, A-based public affairs officers, A-based HOM PAs, FMO, TIMO, MTIEO, MIDPO, PMO and PM&C addressees. s 22(1)(a)(ii);

**From:** Media Talking Points <media@dfat.gov.au>  
**Sent:** Friday, November 24, 2017 4:53 PM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>  
**Subject:** DFAT Media Talking Points - DFAT MOU with Frieda River Limited (PanAust) - v2

FOR OFFICIAL USE ONLY

**MEDIA TALKING POINTS  
DISTRIBUTION: STANDARD**

**Topic: DEVELOPMENT COOPERATION**

**Originating Division: PAD**

**Subject: DFAT MOU with Frieda River Limited (PanAust)**

---

**Version Date:** 24/11/2017

**Reason for Update:** New  
talking points

**Version:** 2

**Expiry:** 7/02/2018

---

**Talking Points**

**Why has DFAT signed an MOU with a mining company which is under investigation in China?**

- Am aware that the Australian High Commissioner in Papua New Guinea has signed a Memorandum of Understanding between DFAT and Frieda River Limited which is owned by PanAust, a subsidiary of China's Guangdong Rising Asset Management (GRAM)
  - the MOU aims to promote women's empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of Papua New Guinea.
- Understand a former chair of GRAM, Li Jinming, is under investigation in China due to large financial losses during his leadership
  - there is nothing to suggest the investigation will impact on PanAust's ability to deliver under the MOU

- day-to-day management of Frieda River Limited's operations continue to be the responsibility of PanAust's experienced executive team.

***If raised: Is DFAT spending aid money to subsidise an Australian mining company in PNG?***

- *The MOU between DFAT and Frieda River Limited leverages additional funding from the company to promote women's empowerment*
  - *Australian aid funds will directly support community-based activities.*
- *The owner of Frieda River Limited, PanAust, is a subsidiary of China's Guangdong Rising Asset Management and no longer listed on the Australian Securities Exchange.*

**Any use or disclosure of personal information about individuals and the incidents contained in this background should not be made public. To do so may constitute a breach of the Privacy Act 1988 (Cth).**

**Background**

On 8th of November 2017, the Australian High Commissioner in PNG and the Managing Director of Frieda River Limited signed a MOU to collaborate in support of development activities in Papua New Guinea, specifically to promote women's empowerment and influence in the negotiation of mining agreements.

On 16 October 2017, The Australian (Rowan Callick, 'Frieda River Mining Company in Corruption Investigation in China') reported that Guangdong Rising Assets Management (GRAM) is under investigation for a series of bad investments including the purchase of PanAust and the Frieda river mining rights. The former Chairman, Li Jinming, is being formally investigated for the large losses under his leadership at GRAM, but is likely to include accusations of corrupt practices.

*On 14 November 2017, an article posted on the PNG Mine Watch blog titled "Australian govt using 'aid' money to promote their mining industry" included comments that Australian aid money was helping to ensure the mine goes ahead and that the beneficiary of this subsidy was an Australian company. The approval process for Frieda River Limited is largely completed. Funding provided for activities under the MOU will be channelled directly to the communities.*

Frieda River Limited, which is owned and managed by PanAust, holds extractive industry licences in the wider Frieda River and Sepik River areas of PNG. These licences are situated within Telefomin District (Sandaun Province) and Ambunti/Drekirkier District (East Sepik

Province). PanAust is a subsidiary of the Chinese state-owned-enterprise, Guangdong Rising Assets Management (GRAM), which completed a \$1.4 billion takeover of PanAust in 2015.

PanAust's acquisition of the Frieda River Project was completed in 2014, when it was a public company listed on the Australian Securities Exchange. PanAust is working with the Government of Papua New Guinea, landowners, host communities and their commercial partners to advance the Frieda River Copper-Gold Project.

Frieda River Limited has committed to contributing to the development of local communities and to supporting opportunities for women to benefit from the development aspects associated with its large impact project. This includes working in partnership with other development partners.

The Government of Australia through DFAT and the Pacific Women Program is implementing the *Papua New Guinea Women in Mining Project*. The overarching objective for this three-year project is to strengthen women's participation in negotiation and agreement processes for major extractive projects in PNG and to ensure women are better represented in resource development agreements. Working with partners is essential to the delivery of this project.

The MoU for a proposed two-year partnership between DFAT and Frieda River Limited was prepared in consultation with the legal area in DFAT Canberra.

The scope of activities under this draft MoU proposes that the partners will:

1. work in consultation with local communities and service providers to build literacy and financial literacy skills, promote 'family teams', and co-operative approaches to decision-making, workloads and budgeting, leadership and coalition building skills; and
2. work co-operatively to develop a mutually determined workplan that articulates in more detail, mutually determined activities, mutual support and desired outcomes.

*Under the MOU, DFAT funds benefit the communities, not Frieda River Limited. It stipulates that 'each partner will be responsible for its own costs'.*

## **Handling Notes**

## **Media Interest**

<b>Approval</b>	
Consultation	Port Moresby Post, NAD
Author	s 22(1)(a)(ii)
Cleared by	Geoff Tooth; PNB PAD

<b>Distribution</b>
Media Liaison Section, SES, HOMs/HOPs, STO Directors, Secretary's EO and Senior Executive PAs, A-based public affairs officers, A-based HOM PAs, FMO, TIMO, MTIEO, MIDPO, PMO and PM&C addressees. s 22(1)(a)(ii)

### Brief – Frieda River MoU

- The Australian High Commissioner in Papua New Guinea signed a Memorandum of Understanding between DFAT and Frieda River Limited which is owned by PanAust, a subsidiary of China's Guangdong Rising Asset Management (GRAM)
- the MOU aims to promote women's empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of Papua New Guinea.
- Understand former chair of GRAM, Li Jinming, is under investigation in China due to large financial losses during his leadership
- there is nothing to suggest the investigation will impact on PanAust's ability to deliver under the MOU
- day-to-day management of Frieda River Limited's operations continue to be the responsibility of PanAust's experienced executive team.
- The MOU between DFAT and Frieda River Limited to support women's empowerment does not provide for Australian Aid funding to subsidise the mining company
- Aid funds will support community based activities.
- Frieda River Limited is owned by PanAust, a subsidiary of China's Guangdong Rising Asset Management.

### Background

On 8th of November 2017, the Australian High Commissioner in PNG and the Managing Director of Frieda River Limited signed a MOU to collaborate in support of development activities in Papua New Guinea, specifically to promote women's empowerment and influence in the negotiation of mining agreements.

The Government of Australia, through the *Pacific Women Program*, is implementing the *Papua New Guinea Women in Mining Project*. The overarching objective for this three-year project is to strengthen women's participation in negotiation and agreement processes for major extractive projects in PNG and to ensure women are better represented in resource development agreements. Working with partners is essential to the delivery of this project.

The majority of the population in the project areas, including women, possess limited levels of literacy and other market based or vocational skills that disadvantage their chances of advancement in life. Consequently, women are at a significant disadvantage in terms of meaningfully participating in meetings and forums between Frieda River Limited and representatives of the seven villages surrounding the project area. Moreover, women may not be afforded the opportunity to effectively contribute to decision making and share equitably in mine/community benefits.

The MoU for a proposed two-year partnership between DFAT and Frieda River Limited was prepared in consultation with the legal area in DFAT Canberra.

The scope of activities under this draft MoU proposes that the partners will:

1. Work in consultation with local communities and service providers to build literacy and financial literacy skills, promote 'family teams', and co-operative approaches to decision-

making, workloads and budgeting, leadership and coalition building skills; and

2. work co-operatively to develop a mutually determined workplan that articulates in more detail, mutually determined activities, mutual support and desired outcomes.

On 16 October 2017, The Australian (Rowan Callick, 'Frieda River Mining Company in Corruption Investigation in China') reported that Guangdong Rising Assets Management (GRAM) is under investigation for a series of bad investments including the purchase of PanAust and the Frieda river mining rights. The former Chairman, Li Jinming, is being formally investigated for the large losses under his leadership at GRAM, but is likely to include accusations of corrupt practices.

On 14 November 2017, in an article posted on the *PNG Mine Watch* blog titled "Australian govt using 'aid' money to promote their mining industry" included comments that Australian aid money was helping to ensure the mine goes ahead and that the beneficiary of this subsidy was an Australian company. The approval process for Frieda River Limited is largely completed. Funding provided for activities under the MOU will be channelled directly to the communities.

Frieda River Limited, which is owned and managed by PanAust, holds extractive industry licences in the wider Frieda River and Sepik River areas of PNG. These licences are situated within Telefomin District (Sandaun Province) and Ambunti/Drekirkier District (East Sepik Province). PanAust is a subsidiary of the Chinese state-owned-enterprise, Guangdong Rising Assets Management (GRAM), which completed a \$1.4 billion takeover of PanAust in 2015.

PanAust's acquisition of the Frieda River Project was completed in 2014, when it was a public company listed on the Australian Securities Exchange. PanAust is working with the Government of Papua New Guinea, landowners, host communities and their commercial partners to advance the Frieda River Copper-Gold Project.

Frieda River Limited has committed to contributing to the development of local communities and to supporting opportunities for women to benefit from the development aspects associated with its large impact project. This includes working in partnership with other development partners.

Under the MOU, DFAT funds are directed to the benefit of the communities, not Frieda River Limited, and stipulates that 'each partner will be responsible for its own costs'.

s 22(1)(a)(ii)

**From:** s 22(1)(a)(ii)  
**Sent:** Tuesday, 27 February 2018 2:16 PM  
**To:** s 22(1)(a)(ii)  
**Cc:** s 22(1)(a)(ii)  
**Subject:** FW: Background: DFAT MOU with PAnAust and Women in Mining Project [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Hi s 22(1)(a)(ii)

s 22(1)(a)(ii) form my team has pulled together some additional information on the MOU with PanAust and the Women in Mining project. It may be a bit more detailed than you need for senate estimates, but it provides some useful context and hopefully answers some of the questions you have.

Let me s 22(1)(a)(ii) know if you have any further questions.

s 22(1)(a)(ii)

---

**From:** s 22(1)(a)(ii)  
**Sent:** Tuesday, 27 February 2018 11:51 AM  
**To:** s 22(1)(a)(ii) @dfat.gov.au>  
**Subject:** Background: DFAT MOU with PAnAust and Women in Mining Project [SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Hi s 22(1)(a)(ii)

**MOU between DFAT and Freida River Limited**

As way of background, the Australian Government as represented by DFAT signed an MOU with Frieda River Limited (PANAus) on 8<sup>th</sup> November 2017. Activities under this MOU are on promoting women's economic empowerment and influence in the negotiation of mining agreements in the Frieda River and Sepik River areas of PNG. This includes seeking to increase women's influence and voice in negotiation of extractive industry agreements to better identify and respond to women's economic and social rights and interest.

Under this activity, Freida River Limited will provide a male and female employees who will be developed as 'women's empowerment and safety champions'. FRL will also be responsible of providing regular mine project information sessions to existing FRL women's leadership group. DFAT will be supporting FRL to adopt corporate, management and operational initiatives that promote women's leadership, empowerment and safety. DFAT activities under this MOU is delivered through the *Pacific Women* Shaping Pacific Development Program.

**Women in Mining Project**

A Women in Mining design mission was undertaken in November 2015 and design finalised in April 2016. Funds were not available until secured through a Gender Equality Fund (GEF) competitive round in October 2016 (\$520k each FY17 and FY18). While the proposal planned to contribute funding through the World Bank as part of a related Addressing FSV in Extractive Industries project implemented through the Mineral Resources Authority, this was not possible. A mini review was undertaken in 2017 and through Recommendation and Approach Report (May 2017) DFAT agreed *Pacific Women* should continue with the project, but find alternative means to promote coordination with the World Bank related project. At least initially, advisers would be contracted direct through the Support Unit.

**Agreed Project Objectives and Activities:**

The overarching objective of the project is **to strengthen women's participation in negotiation and agreement processes for major extractive projects in Papua New Guinea and to ensure women are better represented in resource development agreements**. One of the project principles is the importance of supporting both women and men in their advocacy for women's inclusion so that women are empowered to secure and manage their resource entitlements.

The project is intended to be for three years. An organisation was not identified to take on the project management. In the breach, the Support Unit directly manages the project through contracted advisers and a Program Manager. They are:

- Specialist Mining Technical Adviser
- Program Manager
- Project Officer to deliver activities with the 7 mine impact communities in Frieda River

**Summary progress update:**

- (a) Both World Bank and the Mineral Resources Authority (MRA) declined to enter into a formal MOU. *Pacific Women* are, in practice, working closely with MRA in the implementation of their World Bank-funded Addressing FSV in Extractive Industries project also delivered in Frieda River. This includes regular sharing of updates on both projects, onsite at FRL, and through learnings from the projects as well as the women in mining forum see below.
- (b) The MRA have a Women in Mining forum planned as part of their project and *Pacific Women* have agreed do this cooperatively. The current plan is for a 2-day event in May. MRA have asked that *Pacific Women* contribution be provided by funding a conference coordinator
- (c) FRL have committed significant resources toward sustaining its partnership in the Project with extensive on-site and logistic support and a commitment to cost-share an additional project officer.
- (d) Through training conducted so far, the Project has identified several young and emerging women leaders. These young leaders are interested in being involved in the Community Leaders' Forum process and in leading development activities in their respective villages.
- (e) The Project's community-led training sessions have included: training village women to be Village Community Educators (VCEs); farming income; family and farming expenditure; and setting family goals.

Kind regards

s 22(1)(a)(ii)