

GOLD BILL KILLS PNG!



How does the National Gold Corporation Bill affect KMHL?

Kumul Minerals Holdings Limited (KMHL) is a State Nominee mandated to partake in any mineral portfolio in the Country by acquisition of share interests in accordance with the Mining Act (amended) 1992 and Mining Regulation 1992.

The following are conditions proposed in the NGC bill that would affect KMHL's function:

- a. Weakens KMHL's function by excluding KMHL from participating in the negotiation and execution of the Shareholders Agreement as it supposed to, thereby rendering the agreement not a public-private partnership agreement and bypassing the Public Private Partnership Act (**Section 959**).

Subdivision U. – Public Private Partnership Act.

959. APPLICATION OF PPPA.

- (1) The *Public Private Partnership Act* does not apply to -
 - (a) the State, the State Equity Corporation or Kumul Minerals in respect to their participation in the Shareholders Agreement or their respective functions, duties, obligations and powers under the Shareholders Agreement or this Act; or
 - (b) Refinery Holdings; or
 - (c) the Shareholders Agreement, including any matter or thing provided for in the Shareholders Agreement; or
 - (d) this Act, including any matter or thing provided for in this Act; or
 - (e) the Company or any Subsidiary.
- (2) Without limiting Subsection (1), for the purposes of the PPPA -
 - (a) the Shareholders Agreement, and this Act, severally or jointly, is, or are, not, as the case may be, and shall not at any future time be, a public private partnership arrangement within the meaning of that term in Subsection 2(1) and Schedule 3 of the PPPA; and
 - (b) the assets, facilities and services to be established or provided under or pursuant to the Shareholders Agreement or this Act, are not now, and shall not at any future time be, "infrastructure" within the meaning of that term in Subsection 2(1) and Schedule 3 of the PPPA; and

- b. Duplicating and/or replacing KMHL's midstream and downstream function to process, transport and market gold and other minerals (**Section 212 Subsection C, Section 298 Subsection F**).

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- c.** Significantly reduce and duplicate KMHL's function as the state's commercial enterprise involved in the mineral business. Out of the eight board of directors of the National Gold Corporation company, KMHL will only have one director, while the state, through Director-State Equity, will have one director. Refinery Holdings (a foreign entity) will have no less than five directors, including the Chair of the board. This arrangement means that the company's business directives will be dominated by a foreign entity **(Section 30, 119, 181, and 347).**

30. COMPOSITION OF BOARD.

- (1) The board of directors of the Company shall be comprised of not less than eight directors.
- (2) The members of the Board shall be comprised of -
 - (a) one director appointed on the nomination of the Director-State Equity; and
 - (b) subject to Kumul Minerals becoming a shareholder in accordance with the Shareholders Agreement, one director appointed on the nomination of Kumul Minerals; and
 - (c) the Director-National Gold Corporation; and
 - (d) not less than five directors appointed on the nomination of Refinery Holdings, and, notwithstanding any law to the contrary, there is no maximum age for any director.
- (3) The chairman of the Board shall be a person nominated by Refinery Holdings.
- (4) Any director appointed to the Board, in addition to the directors specified in Subsection (2), shall be nominated by Refinery Holdings.
- (5) Refinery Holdings may, in its sole discretion, nominate any of the following persons as directors under Subsection (2)(d) or Subsection (4) -
 - (a) the Director-National Gold Bank; and
 - (b) the Director-National Mint; and
 - (c) the Director-National Gold Marketing.
- (6) This section applies subject to the Shareholders Agreement.

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