

About Ok Tedi – 2005



View of the east wall of the pit

The Ok Tedi mine is located in the Star Mountains region of Papua New Guinea.



As the primary provider of revenue and employment in the developing country of Papua New Guinea (PNG), Ok Tedi Mining Limited (Ok Tedi) is very important to the surrounding community and to PNG as a whole.

Inmet holds 18 percent of the shares of Ok Tedi. The mine's two other shareholders are the Government of PNG and PNG Sustainable Development Program Company Limited (Program Company), a company created to establish and promote sustainable development for the people of the Western Province and PNG generally.

Disposing of mine waste in the Ok Tedi river system continues to have significant environmental impacts downstream from the mine. The primary affect is aggradation, which leads to increased overbank flooding and adverse impacts on the river ecosystem, including fewer fish and die-back of the surrounding rainforest. Ok Tedi continues to dredge the river downstream from the mine to remove mine waste and reduce the likelihood and severity of overbank flooding.

The mine is actively working with government, community leaders, and members of international charitable organizations and NGOs to develop plans that will help the people of PNG prepare for and manage the mine's eventual closure, currently anticipated for 2013. Ok Tedi is legislatively required to submit an updated mine closure plan every two years.

Increased risk of acid drainage

There have been indications recently that acid drainage has developed at several locations. Acid drainage has appeared at the waste rock dumps, the dredge stockpile and on the riverbank levees. Ok Tedi is managing the acid drainage risk by mining limestone and co-depositing it with the materials that could generate acid. They are also investigating the feasibility and costs of a sulphur removal circuit and the permanent storage of the sulphur tailings at a safe location. If the sulphur is not removed from the tailings stream, the risk of acid drainage could continue to increase because the ore Ok Tedi plans to mine in the future has a higher sulphur content. Mining ore containing less sulphur is also an option, but would reduce the grade of the ore and potentially shorten the life of the mine. All levels of the community are being informed and involved in how Ok Tedi will deal with this serious issue.

Benefits to workers and their community

Ok Tedi is the largest employer in PNG. Approximately 1,900 of its 2,000 employees are nationals of PNG, and more than 37 percent are from the Western Province. The mine accounts for about 25 percent of the country's export earnings, and about 15 percent of its GDP. Eighty-two percent of the mine's profits now go to the people of PNG, much of it into a long-term sustainable development trust managed by the Program Company.

Workers at Ok Tedi receive many benefits including; competitive wages, a safe working environment, ability to learn skills and trades, enjoy subsidized meals and have the right to organize and collectively bargain. They are able to live close to where they work, and they and their families have access to education, recreation and medical facilities in the town of Tabubil, where Ok Tedi is located. Ok Tedi actively encourages training and further education, sponsors local students to attend university, and offers apprenticeship, traineeship and graduate placements each year.

Through compensation paid from various agreements, such as the Community Mine Continuation Agreements, local villages can develop projects that will provide sources of income, food, security and other necessities for their communities. These projects help the communities develop skills, build independence and prepare for the mine's eventual closure by helping them transition away from dependence on mine employment and infrastructure.

Ok Tedi also provides oversight and start-up assistance with approved projects, helps recruit local contractors and skilled tradespeople for small-scale infrastructure projects, and helps educate employees about their options after they leave work with the mine. The mine funds many infrastructure projects, including roads, schools, water and sanitation facilities, medical facilities and other health interventions. Projects and education to support women and youth and to combat HIV-AIDS are a particular focus.



Loading of copper-gold ore into mine truck at Ok Tedi

For more information about Ok Tedi, please visit www.oktedi.com. You can download Ok Tedi's 2005 annual report from this site.