



MRL Capital NEWS

The official newsletter of MRL Capital Ltd, Level 3 Defens Haus, Corner of Champion Parade & Hunter Street, Port Moresby, NCD
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Volume 1 : Edition 1 : March 2011

Historical Dividend Payout

SPECIAL POINTS OF INTEREST:

- First Edition of MRLC Newsletter
- Historical Dividend Payout [cover page]
- MRLC— a Legal Entity of its own.
- MRLC's School Sponsorship Program
- Investment Properties.
- All about MRLC Ltd



The dividend paid into beneficiaries accounts with PNG Nationwide Microbank Lihir Branch

After some 12 years since the establishment of Mineral Resources Lihir, the company made history in declaring its first ever dividend payments to its shareholders in 2008. A very successful year saw the Board declare a total dividend payment of K18 million tax inclusive.

The dividend payments were made on

Lihir Island by the full Board to all the registered beneficiaries.

The payments were made through PNG Nationwide Micro Bank, Lihir Branch for beneficiaries that had accounts with the Branch and cheques for those that did not have established accounts. This process ensured security of the cash and encouraged beneficiaries to save their

dividends for business and future security of their children.

The company maintains a register of all beneficiaries properly identified through thorough diligent and process to avoid possible conflicts. This register is reviewed and updated on an annual basis by our Lihir office.

Beneficiaries are encouraged to call into our Lihir office and see the Manager for any queries regarding your registration.

For 2009, the Board has declared a second dividend payment of K20 million. Distribution to beneficiaries will be made after all administration issues are adequately attended to.



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Exit from MRDC

A phenomenal exciting development has seen a brand new look **Mineral Resources Lihir** emerge after successfully exiting from MRDC in 2008 to become a legal entity of its own

Major Share Holders

The major shareholders comprising the six Lihir clans, *Tinetalgo, Nissal,*

Unawos, Lamatlik, Nikama and Tengawom endorsed the formation of their own land owner company, with the full backing of the National Government.

Incorporated

The following year on January 4, 2009 the new look company became legally incorporated under the Company's Act 1997

and renamed **MRL Capital Ltd** to reflect the nature of the company which is to **Protect, Preserve** and **Grow** the land-owner's assets guided by a clear articulated investment policy.

Core Business

MRLC Ltd's core business is to operate as a self managed investment fund on behalf of its beneficiaries and key stakeholders, the people of Lihir even after the closure of the Lihir Gold mine.



Lihir Island

**Your own quarterly
newsletter providing
updates of MRLC
and its subsidiary
Keeping
shareholders
updated on news,
views,
developments and
progress of the
company**

Send your articles to:
The Editor,
MRLC Newsletter
P.O. Box 3612 BOROKO
Papua New Guinea

View of
Lihir
Island with the Gold
Mine in the
fore ground



Editorial

Welcome to the first edition of MRLC News. The Newsletter will be published quarterly and provides information about the activities of MRL Capital and its subsidiary.

The newsletter is intended to keep our beneficiaries well informed of important news, announcements, developments and progress of the company.

The newsletter includes articles on the first Dividend payments to the shareholders in 2008, the company's Tertiary Scholarship Program, article on the company's Community Service Obligation (CSO) Policy, Portfolio under management and introduces the MRLC Board, among other stories.

Since 2008, when the company exited from MRDC management, it has focused on building its capacity, establishing internal management & control systems and growing the asset base of the company.

Having built a strong balance sheet

Welcome to the first edition
of MRLC News – Please enjoy ...

over the last three years, I am confident that the company will continue to build on this position and meet the challenges ahead and continue to deliver strong returns for its shareholders – the people of Lihir Islands.

I trust you will not only enjoy reading the stories but use the Newsletter as a medium to meaningfully participate in the affairs of your company.

Enjoy your newsletter.



Thomas Tanasu
Managing Director & CEO.



Mr Mark Soipang
Board Chairman - MRLC

Our Chairman's say....

Congratulations. On behalf of the Board of MRL Capital, I wish to congratulate the management for this initiative. This Newsletter is a significant vehicle through which our shareholders and other key stakeholders will be kept informed of the company's activities and its performance. It will promote transparency and good governance, the virtues that govern the operations of this company.

Over the coming months, the Board will use this medium to announce important decisions

affecting the company and its shareholders. I urge all the shareholders to take active interest in your company and meaningfully participate through your elected representatives on the Board.

The company now has a full Board representing the six clans who are shareholders of the company. I look forward to working closely with your representatives on the Board to bring sustainable benefits to our shareholders.

On behalf of the Board, I am glad to announce that a sum of K20 million has been approved by the Board as dividends for 2009. Over the next month, the management will commence the payment process. Enjoy your benefits responsibly.

I wish all our shareholders enjoyable reading.

... and meet your Board of Directors

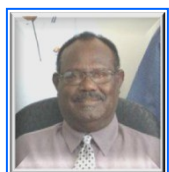
Since its exit from the management of Mineral Resources Development Company (MRDC), MRL Capital in the second quarter of 2009 appointed its first ever Lihirian Board. Each Director is a representative of the 6 major clans on Lihir. The Managing Director brings this Board numbers to seven.

All the Directors have been appointed following the Company's Protocol for appointment of New Directors to the Board of MRL Capital. This protocol required that each nominee for directorship is subject to the Company's Fit and Proper Persons Test.



Mark Soipang : Board Chairman

Mark is a founding director and Chairman. Under his leadership the Board of MRL Capital continues to diligently manage and grow the Lihirian Trust. With the exit from MRDC Mark was reappointed to the Board of MRL Capital after passing the Company's fit and proper persons test. Mark represents the Tinetalgo Clan on the Board.



Robert Kiapsasieh : Director

Robert is also a founding director and has been with the company for the last 14 years. With the exit from MRDC Robert was reappointed to the Board of MRL Capital after passing the Company's fit and proper persons test. Robert represents the Unawos Clan on the Board.



Cornelius Sokes : Director

Connie joined the Board on May 22 2009. She is the representative of the Lamatlik Clan on the Board.



Wendell Kamkam: Director

Wendell joined the Board on May 22 2009. He represents the Nikama Clan on the Board.



Fred Deklam : Director

Fred joined the Board on May 22 2009. He represents the Tengawom Clan on the Board.



Melchizedek Morus : Executive Director

Melchizedek also joined the Board on 22 May 2009. Prior to that he was instrumental in the exit process of MRL Capital from MRDC. Mel joined the Company in 2008 after its exit as Company Secretary. He now holds the position Executive Director & Manager Trust Deed. Mel represents the Nissal Clan on the Board.



Thomas Tanasu : Managing Director & CEO

Thomas has been on the Board of the Company since 2005, at that time, in his capacity as the Executive Director of MRDC. Thomas is the founding Managing Director of the MRL Capital Limited since its exit from MRDC



Lihir High gets new Truck

MRL CAPITAL SUPPORTS LHS :

a request from the Board of Lihir High School, the Board of MRL Capital in July 2010 approved the purchase of a Hino 4.1 Tonne Truck for Lihir High School. The Truck was purchased in early August and delivered to the School in mid September of 2010. The Truck was handed over to the Chairman of the Board of Lihir High School, Mr. Ignatius Purmaniel, following a short presentation ceremony attended by representatives of LMALA, LGL, NRLLG, directors of MRL Capital and staff and students of Lihir High School. This truck replaces the current aging School Truck owned by the School. MRL Capital is proud to support LHS.

MRLC on Camera



MRLC Tertiary Education Scholarship Scheme



MRL Capital will again this year 2011 sponsor successful applicants under the MRL Capital Tertiary Education Scholarship Scheme. Under this scholarship scheme 10 scholarships were offered last year, in its first year. The Scholarship Committee is guided by the Company's Scholarship Policy and selection is based on applicants meeting the requirements of the Selection criteria. To be considered for a scholarship applicants must first meet the following criteria to go through the screening process. Applicants must be:

- Lihirian- at least one biological parent must be from Lihir
- Accepted to study at a recognized tertiary institution in PNG, Australia or New Zealand. Only two scholarships are on offer for students to study in Overseas. Dependent on funding this number may be increased.

- Accepted to study one of the approved courses as advertised. Priority is given to commerce, business, accounting and economics courses.
- Single
- Below the age of 30; and
- Have good grades.

The aim of the scholarship is to educate Lihirians for job markets both domestic and international. With the current job opportunities available on Lihir for Lihirians there is that tendency that young Lihirians may choose not to pursue education but to join the work force straight after primary or secondary school. This scholarship aims to ensure Lihirians are given an opportunity to attain tertiary education level if they choose to pursue tertiary level education.

In the first year of the scheme only 10 students were accepted despite a good number of applications as many of the applications received did not meet MRLC's selection criteria. Of the 10 students sponsored only 6 of these students will be continuing on scholarship in 2011. MRL Capital congratulates Joanne Kiapital and Camillus Hobo on the successful completion of their study program and wishes them all the best in their future endeavors.

MRLC
scholarships to
educate
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MRLC Investment Properties

Since its exit from the Management of MRDC in 2008 MRL Capital has aggressively pursued investment opportunities that meet the requirements of our investment policy. Through its wholly owned subsidiary Mineral Resources Lihir Pty Ltd, the people of Lihir through MRL Capital now own two properties in Cairns Australia.

MRL Capital acquired its first property on 29th November 2009. This property is located on 76 Lake Street in the Cairns Central Business District and is named after its tenants the Commonwealth Bank of Australia. Still looking to increase in investment portfolio MRL Capital through MRLPL purchased its second property in June



The Lake Street property in Cairns Business District

2010 located at 120 Bunda Street. This building is a green star rated building and because of this it is very attractive to government tenants under the Australian Government's Green Policy.

The 120 Bunda Street property is currently tenanted with both Queensland State and Federal Government tenants.

MRL Capital is currently looking for investment



The 120 Bunda Street property in Cairns Business District

properties in PNG as well as in other Australian cities through MRLPL. The Management is very critical of the properties it considers. Because we manage the Lihirian Trust Fund, all necessary and thorough due diligence is conducted to ensure the properties we purchase are structural sound and will yield our expected rate of return.

The 120
Bunda Street
& Lake Street
properties:
tenanted with
both the
Queensland
State and
Federal
Government
tenants"

Grade 10 Dux Sponsorship



Investing in today's young Lihirians with the vision of reaping potential leaders of tomorrow

Human resource is our greatest asset and MRL is committed to ensuring that its beneficiaries not only of today but tomorrow must benefit. Under its investment policy, MRLC continues to ensure that young people benefit by investing in their educational future.

For three years running MRLC has been the proud sponsor of prizes to the Grade 10 Dux of English and Math at the Lihir High School.

MRL Capital is committed to sponsoring these two prizes and will do so again this year, 2011. The students who strive to archive the dux awards for Mathematics

and English will be receiving a cheque prize of K1000 which we hope will assist in their tuition for their secondary schooling year.

We are committed to supporting the continued education of Lihirians as we believe the future of Lihir is in its people. We invest in the lives of our young generation with the vision of reaping potential leaders of tomorrow and beyond.

Our Lihir Office

MRL Capital Lihir Island office is located on the 1st Floor of Tnetalgo Building. Our office is manned by two staff; Patrick Labongis (Manager) and Alfreda Mana (Admin Officer). Patrick joined MRL Capital in November of 2010. Patrick was formerly employed by LMALA and brings with him a wealth of experience in community relations on Lihir. Alfreda Mana joined MRL Capital in April of 2010 and provides administrative support to both Patrick and our directors on Lihir.

Our Lihir staff can be contacted on: Fax/phone: 986 4132.

MRLC Staff Profile

**MRLC
Securing and paving a brighter future for tomorrow's Lihirians!**



Company Secretary

Bridget Javati took over the position of Company Secretary from Mel Morus in July of 2010. Bridget joined the Company in September of 2009 as senior legal

officer and is now responsible for all Board matters ensuring corporate compliance and good governance of the

company. Bridget is not new to MRL. She has been dealing with the Company whilst employed as a lawyer at Posman Kua Aisi Lawyers and has had carriage of matters relating to the Lihir Gold Project in her capacity as Senior Legal officer with the State Solicitors Office.

Lihir Island (aka) Niolam Island



The scenic Malie Island with the Lihir Gold Mine in the background

Lihir Island (aka **Niolam Island**) is the largest island in the Lihir group of islands, 22 km long and 14.5 km wide, in Papua New Guinea's New Ireland Province. It consists of a complex of several overlapping basaltic stratovolcanoes rising 700m above sea level. While the volcanoes are not currently active, geothermal activity is still present.

The Island is located 900 km NE

of Port Moresby. Annual rainfall averages 4800mm per annum, temperature ranges between 19 and 35 degrees Celsius. The population of the Lihir Group increased from 12,570 in 2000^[1] to an estimated 18,000 in 2007. Residents are of Melanesian descent and have predominantly a subsistence lifestyle.

Lihirians still follow traditional belief systems, although official census records indicate that 99% of the PNG population are Christians, with Catholicism being the largest denomination. Most villages are located on the coastal fringe, although it is thought that originally some villages were located inland but were moved to the coast at the encouragement of missionaries.

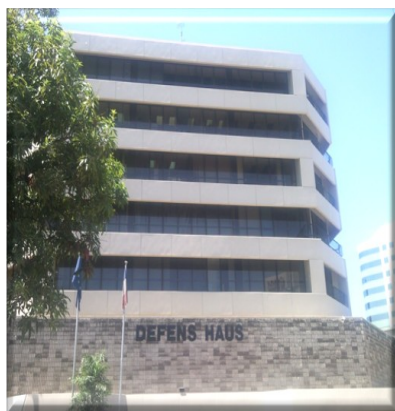
The economic focal point of the Island is the Lihir Gold Mine. The mine is operated by Newcrest Mining Limited. The mine holds one of the world's largest gold resources (40 million ounces).

The mine is located on a geothermally active area and to enable the mine to proceed, holes have been drilled into the ground to release subterranean pressure. These gases have been, in part, captured and are used to operate a 56MW geothermal power station which generates 75% of the mine's power requirements. It is proposed to extend the capacity of the plant so that the entire mine will be run on geothermal power.

The largest settlement on the Island is Londolovit, where most of the expatriate mine employees live. Basic shopping and health care facilities are located here. The local hospital has inpatient and outpatient facilities and provides health care services to both the expatriate and local communities.

An airstrip large enough to land a small jet is also located north of Londolovit. As is the case in many tropical regions, mosquito borne viruses are present on the island, as is malaria.

Land ownership follows traditional models with land being owned by clans. Insofar as it relates to land ownership, the society is matriarchal with land being passed through the female generations. The land cannot be sold; however, usage rights can be granted.



Defens Haus one of Port Moresby's icon landmarks situated along the corner of Champion Parade & Musgrave Street has become the new home for MRL Capital Ltd. In March of 2010 our MRL Capital Port Moresby staff moved into our new premises at Level 3, Defens Haus in downtown Port Moresby. This move was due to

MRLC moves into new office in downtown Port Moresby

MRDC's request to terminate its sub-lease with us. The Office was blessed by Father Walter Pilai and officially opened by our Chairman Mark Soipang in July.

This move has seen the Company fill in vacant positions and fully establish office internal systems required to undertake our business and provide efficient service to our shareholder Beneficiaries and stakeholders.

Our Port Moresby office can be contacted on:

Phone 321 5066, fax 321 3477 and email mrl@datec.net.pg.

**"MRLC
relocated to
new office in
downtown
Port Moresby"**



Photos: Father Walter Pilai blessing the new MRDC Office



Photo: Chairman Mark Soipang officially opening the new MRDC Office in downtown Port Moresby



MRL Capital Ltd

**Successful Mining Landowners Establish Own Management Company
To Protect – Preserve & Grow It's Assets**

MRL Capital Limited (MRLC), then called Mineral Resources Lihir Ltd (MRL), was originally established under the PNG Government auspices to hold in Trust, Landowners equity in the world class Lihir gold mine on Lihir Island in PNG. Until September, 2010, the mine was developed by Lihir Gold Ltd (LGL). The operations were taken over by New Crest Mining Limited since then.

MRL was then a wholly owned subsidiary of Minerals Resources Development Company Ltd (MRDC).

When LGL was initially floated in 1995, MRL acquired over 77 million shares which was equal to 6.01% of the issued capital. The acquisition was financed in part using funds borrowed by MRDC from EIB under the EIB Finance Contract, which was on-lent by MRDC to MRL under the MRDC On-Lending Agreement. The Loan was guaranteed by the Independent State of Papua New Guinea.

In 2005, some 15 million of these shares were sold on ASX to settle the outstanding EUR \$16 million with EIB and also raised investment funds for the company. The loan was consequently settled in full from the sale proceeds and MRL was released by EIB from its debt obligations to trade legally. Prior to this, MRL was asset rich but cash poor.

In May 2008, MRL exercised its rights under the management Agreement with MRDC and exited from the Management of MRDC to

operate as a legal entity on its own. This was with the consent of the six Lihirian clans (*Tinetalgo, Nissal, Unawos, Lamatlik, Nikama and Tengawom*) who are the beneficiaries. With approval from the State and National Court clearance MRL Capital was legally established as a legal entity.

MRL became incorporated under the PNG Company's Act 1997, on January 04th 2009 to become MRL Capital Limited (MRLC). This was necessary to reflect the nature of the company's business operations.

The Lihir landowners equity in the Lihir Gold Mine has since been completely liquidated on the ASX in 2006. Unlike other mining and petroleum project landowners who derive direct benefits - equity or lifting - from the mining and petroleum projects in the country, the Lihir landowners have no direct interest in the Lihir Gold Mine on their island.

MRL Capital's investment policy is simple:- **Protect, Preserve** and **Grow** the assets of the company, guided by clearly articulated investment policy.

MRL Capital's core business function is to operate as a self managed investment fund on behalf of its beneficiaries, the Lihirian people. Over the coming years, it will endeavor to undertake investments that will generate income and capital growth so that it can continue to provide benefits to the people of Lihir islands long after the closure of the Lihir Gold mine.

**For further
Enquiries
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us at this
address:-**



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