The Lihir Gold Mine on the island of Aniolam has operated since 1997 and dumps over 5 million tonnes of tailings per year 1.5 kilometers offshore into the Luise Harbor and the South Pacific Ocean at a depth of approximately 120 meters. The acidic, warm tailings (pH 1-2.3) include zinc, copper, arsenic, cadmium, mercury, lead, and cyanide. The dumping has caused high concentrations of lead, copper, vanadium, and arsenic in the bottom sediment, and toxic levels of arsenic occur in suspended matter in the water column.

The tailings appear to have a serious negative impact on marine life. Corals and other bottom-dwelling ocean life are less common and less diverse in tailings dumping areas even at great depths, and bottom dwellers are more contaminated with mercury and arsenic. Corals in the dumping area died off in far greater numbers than in other areas after a coral bleaching event in 2006. Fish diversity and abundance is also lower, apparently because of the tailings dumping, and arsenic and mercury concentrations in several fish species are at higher concentrations closer to the mine.

In spite of the demonstrated contamination and provincial government calls for regulation of the dumping, the mine – which is owned by Australia’s Newcrest Mining Ltd. – is upgrading its processing plant to produce more gold and tailings in 2013. The mine displaced a number of people in order to begin its operations; however, as of 2007, some Kapit people still resisted relocation. Furthermore, local communities have refused to allow mining of the Ailaya sacred site, jeopardized by the mine.

The mine project began with financing and risk guarantees from the Australian Export Finance and Insurance Corporation, Union Bank Switzerland and a political risk guarantee from the World Bank’s Multilateral Investment Guarantee Agency (MIGA).