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Philippines: Potential new policies, but same old stories

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Source: Intercontinental Cry, Inquirer, Manila Times, etal
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Although direct human rights abuses, related to Philippines mining, are less in the news than in our recent post ([Philippines: Where is the safety?](#)), the issue certainly hasn't gone away.

There has been another armed attack on Xstrata's Tampakan mine, allegedly by "bandits" - actually community members who feel they have had no choice but to defend their lands. (At least the company is no longer blaming every attack on communist extortionists).

Benguet Corp. is offering to build "small but heavily-fortified police stations" in order to improve the peace & order situation in far flung areas (where the mining companies operate).

Also, one mine worker has been assassinated at Australia's Medusa Mining operations, and another died in an accident at the mine-site.

Palawan demonstration against Chinese investors on 10 November 2011. Source: ALDAW

Indigenous peoples on Palawan continue to voice their opposition to mining. There have been new accusations of false representation, and protests at the Chinese company Jinchuan's proposed financial support for MacroAsia's contentious project. Meanwhile, the protest movement has gathered over three million signatures to its petition to stop mining on Palawan (see: <http://no2mininginpalawan.com/>).

A leak has developed at a dam control tunnel supposed to contain pollution from the abandoned Marcopper mining site - thus reminding us of the consequences of generally poor environmental performance in the Philippines.

The government does seem now to be responding to growing local opposition - such as that illustrated by open-pit mining bans in South Cotabato and Zamboanga del Norte. And a comprehensive mining policy is supposed to be unveiled by the end of this year.

Interestingly, this issue was raised at a recent Asia-Pacific Economic Cooperation meeting where Freeport's CEO expressed concerns about "Philippine government policy and security" (Given the US company's entrenched troubles in West Papua the comment seems somewhat ironic).

There have also been calls for an increase in mining taxes, supported by newspaper editorials, although these have predictably been dismissed by the industry.

Philippines: Lebach Mining Company And Palawan Government Officials Lambasted With Questions During Peaceful Demonstration - No Answer

Indigenous Peoples Issues

25 November 2011

Despite the numerous policies and laws establishing virtually the entire province of Palawan as a UNESCO Man & Biosphere Reserve, and despite millions of dollars of foreign investments poured into conservation over the last twenty years, Palawan, known as the "Philippine's Last Frontier", is now becoming one of the most attractive mining investments destinations. Palawan mineral contribution to the nation is also expected to rise exponentially in the years to come, due to the rich nickel and chromites reserves found on the island, in addition to gold, copper, cobalt and even mercury.

There are currently about 354 pending mining applications in the province encroaching in 90% of the indigenous ancestral lands and in watersheds and forested areas that, according to the SEP law, falls under 'core zones' and 'restricted zones' which, should not be open to any development activity. By and large, at present, different large-scale mining permits cover a total area of 38,202.2749 hectares on Palawan, while mining applications cover almost the entire island. The companies with the largest mining tenements include the Rio Tuba Nickel Mining Corporation (RTNMC), a Filipino-Japanese partnership holding 5,265 hectares of mineral land, of which 353 hectares are currently being operated. The company is now ready to expand to Mt. Bulanjao, a biodiversity hotspot in Southern Palawan. See [Bulanjao geotagged report](#).

In the Municipalities of Quezon and Aborlan, Berong Nickel Corporation has received permits to operate over a total land area of about 1,357.41 hectares. In the Municipality of Brooke's Point alone, almost 6,600 hectares of land are being occupied by three major large-scale companies: Celestial Nickel Mining and Exploration Corporation (CNMEC) - currently being operated by Ipilil Nickel Corporation (INC), MacroAsia Corporation and LEBACH. See [Gantong geotagged report](#).

All these companies have already engaged in exploration work and are waiting for the necessary permits to start full-scale operations. Three large-scale mining applications [Narra Nickel Mining and Development, Inc. (NNMDC), Tesoro Mining and Development, Inc. (TMDI), and McArthur Mining, Inc. (MMI)] cover four properties located in the municipalities of Rizal, Bataraza, and Narra. These companies are joint partnerships between Filipino enterprises and the Canadian MBMI Resources Inc.

However, recently, the Office of the President of Philippines announced that it is cancelling its Financial and Technical Assistance Agreements (FTAAs) with MBMI.

As of now, in Palawan, there are also 11 abandoned mining sites that have never been rehabilitated.

The fact that mining companies, through the connivance of corrupted government officials, have been able to circumvent environmental laws to acquire mining permits in pristine forests and an indigenous ancestral lands, is well known. Less expected, instead, is the unfortunate discovery of how mining companies (specifically here, the LEBACH Corporation) have gone so far to falsify official documents stating that social acceptance by local indigenous communities was obtained for the company to go ahead with its mining operations. Such documents, in turn, have been fraudulently used to get additional mining clearances from the Department of Environment and Natural Resources (DENR) and from the Palawan Council for Sustainable Development (PCSD).

The Palawan Indigenous people of Brooke's Point Municipality have openly opposed mining since 1998, and their opposition has been manifested in the course of numerous street protests.

Such protests have culminated in the peaceful demonstration of 10 November against the joint partnership between MacroAsia Corporations and Jinchuan Chinese Investors and now with the 23 November rally against LEBACH Corporation. On this date, activists, indigenous communities' representatives, farmers and supporting NGOs staff filled up several trucks and tricycles to drive towards barangay Barong Barong where a public consultation on LEBACH mining operations had been organized by the Commission of Environment of the Municipal Council of Brooke's Point, which has a clear pro-mining stand.

The consultation was attended by representatives from the Mines and Geosciences Bureau (MGB) and from LEBACH Corporation, in addition to members of the Palawan Council for Sustainable Development (PCSD) and various municipal and NGOs representatives. The seat reserved for the representative of the National Commission on Indigenous Peoples (NCIP) remained empty.

As the anti-mining group came closer to the actual consultation site, they listened to what LEBACH and GO representatives had to say before lambasting them with questions that not only put shame on the company, but left its staff voiceless. One of the first questions posed by the members of the anti-mining rally dealt with the forgery of a document (Certificate of Precondition) falsely indicating that a Free Prior Informed Consent had been secured from local indigenous communities allowing, therefore, the LEBACH to operate in their ancestral territories.

How could LEBACH even reply to such a question, considering that all evidence collected so far, clearly shows that the company has wilfully, unlawfully and feloniously falsified and forged a NCIP Certificate of Precondition? Indeed, this is a severe crime, well defined in Art. 172 and Art. 171 of the Revised Penal Code.

Interestingly enough, on February 10, 2011 - through a legal affidavit - MYRNA L. CAOAGAS, NCIP Director of the Ancestral Domains Office (Region IV) of the National Commission on Indigenous Peoples (NCIP), vehemently denied the authenticity of her signature appearing in the Certification Precondition allegedly issued to LEBACH by NCIP. A careful scrutiny carried out by other NCIP personnel reveals that, in their offices (as of now) there is no record of a certificate of precondition ever issued to LEBACH. Also Roldan Parangue, the provincial officer of NCIP in Palawan through an official letter dated Oct 5, 2010, had specified that LEBACH did not pursue the necessary certificate of precondition. Another important testimony is that of NCIP officer Mr. Eddielito Sumangil denying to have participated in any field inspection related to the securing of FPIC by LEBACH.

In spite of these strong evidences about the misconduct of LEBACH, the company continues to open new test pits and carry out drilling on Palawan Indigenous Ancestral Land. All proofs confirming LEBACH manipulation of official documents, as well as photos of the consultation and rally, have now been made public and are available on [ALDAW Facebook page](#).

Since the starting of its illegal exploration activities, the activities of LEBACH Mining Corporation have represented a serious threat to the agricultural productivity of barangay Iplian, to its forest environment and to the health of its inhabitants. In some locations, people hired by LEBACH have already attempted to dispossess farmers from their own land by intimidating them and by cutting their productive coconut palms, which are sustaining local self-sufficiency. The Mineral Production Sharing Agreement (MPSA) of LEBACH does not only overlap with productive agricultural, ancestral domain, forest and sources of potable and irrigation water but also with areas occupied by school compounds as well as with the MPSAs of other mining companies.

Moreover, LEBACH exploration activities have been carried out in 'restricted zones', which are supposed to be left untouched, according to the Strategic Environmental Plan (SEP), as well as in precious watershed areas. LEBACH illegal test pits have been left uncovered, thus representing a serious danger for communities' members. Exploration activities have also taken place in areas that, according to the culture of Indigenous Palawan, are considered as Iyan or Iylian (sacred forests) inhabited by powerful super-human beings (Taw Kawasa), as well as in areas that are indispensable to people's subsistence and wellbeing. Overall, mining exploration in such areas infringes the following rights under the Indigenous Peoples Right Act (IPRA law): a) Rights of Ownership (Chapter III, Sec. 7, item a), b) Rights to Religious, Cultural Sites and Ceremonies (Chapter VI, Section 33), c) Right to Develop Lands and Natural Resources (Chapter III, Sec. 7, item, d) the Right to Safe and Clean Air and Water (Chapter III, Sec. 7, item f), f) the Rights to Ancestral Lands (Sec. 8) and the Right to Determine and Decide Priorities for Development (Chap. IV, Sec. 17).

The Barangay Council of Iplian, after discussing with its constituents and with farmers and indigenous peoples delegations and representatives, is unanimously and consensually requesting:

- The Department of Environment and Natural Resources (DENR) to immediately revoke the Environmental Clearance Certificate (ECC) issued to LEBACH,
- The Palawan Council for Sustainable Development (PCSD) to cancel indefinitely the Strategic Environmental Plan (SEP) clearance issues to LEBACH,
- The Provincial Government of Palawan to take all appropriate measures needed to stop LEBACH from further damaging agricultural land, forest and the ancestral domain of the Palawan, in Brooke's Point Municipality,
- The National Commission on Indigenous Peoples (NCIP), to further investigate and take proper actions against LEBACH falsification of the Certificate of Precondition (CP).

The ongoing struggle of the indigenous Palawan people of Brooke's Point is not only limited to stop LEBACH encroachment on their ancestral land, but it is also focused against two other major mining companies: MacroAsia Corporation and Iplian Nickel Corporation. Recent information on the campaign of ALDAW (Ancestral Land/Domain Watch) and on the resistance of indigenous communities in Brooke's Point can also be assessed through the Website of Intercontinental Cry (IC), where a call for support has been made for organizations and individuals to sign two online petitions as well as for sending letters of concern to the provincial and national government.

Chinese Investors Face Angry Crowd of Protesters on Palawan Island

Intercontinental Cry

11 November 2011

Indigenous peoples and farmers gathered in Brooke's Point city this week to protest against another mining threat on Palawan Island. Ancestral Land/Domain Watch (ALDAW) reports.

On 10 November, indigenous peoples and farmers led by people's organizations such as ALDAW gathered in Brooke's Point city proper to protest against the mining plans of the Jinchuan Group Ltd. (<http://www.jnmc.com/default.asp>). The company has signed a memorandum of agreement with MacroAsia Corporation for joint investments in Palawan, estimated to reach \$1 billion. The agreement was signed during President Benigno Aquino's recent state visit to China.

"While we are struggling to protect our ancestral domain from mining plundering, Pres. "Noynoy" is signing mining contracts with China. This is all very disappointing and frustrating... in consideration of his previous statements claiming that no more mining enterprises should be allowed to operate in Palawan without the consent of local communities" said a representative of ALDAW.

The 88 million tonnes of nickel ore that MacroAsia Corporation (MAC) aims at extracting lies underground in the middle of the Palawan ancestral domain. The company intends to mine up to 1 million metric tons nickel ore a year from the untouched and magnificent tropical forest of Brooke's Point Municipality, one of the best biodiversity hot spots in the country. Most of the extracted minerals will be exported to China.

China is the world's top producer of NPI, a low grade ferro-nickel with high iron content, and relies on imported laterite ores for NPI production. In the first seven months of 2011, the Philippines was China's second-largest supplier of nickel ore (after Indonesia), used for the production of stainless steel.

Speaking at the "Kapihan sa Diamond Hotel," last September, Chamber of Mines president Philip Romualdez revealed that at least four mining contracts involving nickel mining projects in Palawan and Zambales were signed during President Aquino's recent visit to China. Through these agreements, the Philippine Government is aimed at bringing in \$14 billion in investments within the next five years, sacrificing, in turn, the livelihood of thousands of farmers and indigenous peoples.

On late September, MacroAsia vice-president for Mining Operations Ramon Santos made a public statement saying that he was hoping that a NCIP permit would be out by October. However, Indigenous Peoples in Palawan are challenging MacroAsia's latest attempt to mislead government officials and the public so it can gain access to mineral resources on indigenous ancestral lands.

In reality, October has been a rather challenging month for MacroAsia, due to the massive consultations carried out by farmers and indigenous communities of Brooke's Point that have clearly shown how the company has no widespread local consensus, as it allegedly claims to have obtained. Moreover, the local Palawan communities are now in the process of preparing an Ancestral Domain Sustainable Development Protection Plan (ADSDPP) as required by the National Commission on Indigenous Peoples (NCIP). The ADSDPP will pose a challenge to NCIP endorsing a certificate of precondition (CP) to MacroAsia, because it will clearly demonstrate how the Palawan indigenous people, since time immemorial, have profitably and sustainably managed their forest. As of now, this forest represents a source of livelihood and traditional sustenance for the tribes, as well as an indispensable source of potable water and irrigation for the lowland farmers.

While the ADSPPP process is moving forward, indigenous communities from Brooke's Point and other municipalities, have come up with a joint resolution directed at the government. Signed on 23 October, the resolution calls for:

- a serious implementation of the Indigenous Peoples Rights Act (IPRA law);
- the cancellation of mining companies such as MacroAsia and Ipilan Nickel Corporation (INC) which are encroaching on the indigenous ancestral land;
- the non-endorsement of the Certificate of Precondition (CP) by NCIP to such companies.

At the same time, on 31 October, legal affidavits signed by genuine indigenous representatives of Brooke's Point Municipality were notarized and filed against both LEBACH and MacroAsia companies.

In addition to the partnership between Jinchuan and MacroAsia, the Oriental Peninsula Resources Group, Inc. (OPRG) has also managed to secure investments for three projects involving hydropower, coal, and nickel off-take with Yun Feng, a Chinese company that owns and controls automotive companies and parts suppliers in China. OPRG is a holding firm which has 94% equity in Citinickel, another mining company which is presently devastating tropical forest in Pulot (Municipality of Espanola) and polluting precious waterways such as the Punang, Malanap and Pulot rivers. The local people complain that the mining road is causing their rice-fields to overflow and be filled with a mixture of sand and silt coming from the mining road.

Citinickel, instead, claims to have signed a Memorandum of Agreement, on June 13 2008, in the City of Puerto Princesa City. Allegedly, such memorandum defines the specific rights and obligations of each party in the mining area, including those of the local indigenous Tagbanua and Palawan communities. The accord was an offshoot of the May 27 decision of the National Commission on Indigenous Peoples to cancel a compliance certificate it earlier gave to Platinum Group Metals Corporation (PGMC) and re-issue a new one to Citinickel.

Indigenous advocate groups claim that the re-issuance should have been duly re-validated by the indigenous traditional representatives and by their communities' members. The latter, instead, - until now - have little or no understanding of the company's long-term plans.

In the Municipality of Brooke's Point alone, almost 6,600 hectares of land are now being occupied by three major large-scale companies: Celestial Nickel Mining and Exploration Corporation (CNMEC) - currently being operated by Ipilan Nickel Corporation (INC), MacroAsia Corporation and LEBACH. All these companies have already engaged in exploration work and are waiting for the necessary permits to start full-scale operations.

What you can do

While local indigenous communities in Palawan are now being faced with huge interests and pressures coming from Chinese companies and investors, YOU can also support the local struggle by:

1) Asking the Jinchuan Group Ltd (JNMC) to stop their mining business in Palawan:

President Wang Yongqian
Jinchuan Group LTD (JNMC)
98, Jinchuan Road
Jinchuan District
Jinchang, 737102
China

E-mails: wyz@jnmc.com; info@jnmc.com; jnmcadmin@jnmc.com
Fax (86-935)-8811612

JNMC US Office
E-mails: derek.benham@benmet.com; sales@jnmc.us
Fax: 626-964-6336

2) Address your concerns to NCIP requesting the no-issuance of the Certificate or Preconditions to MacroAsia Corporation:

Email: resource@ncip.gov.ph
Telefax: (63 2) 373-97-65

Please also include in the Cc: oed@pcsd.ph and mearhilario@yahoo.com (PALAWAN COUNCIL FOR SUSTAINABLE DEVELOPMENT - PCSD)

3) Kindly request President Benigno C. Aquino III (Malacañang Palace, Manila) to stop signing agreements with Chinese and foreign corporations whose operations will destroy precious environments, agricultural lands and indigenous ancestral domains.

Email: titonoy@president.gov.ph

4) Also sign the no-2-mining-in-palawan petition launched by the Save Palawan Movement no2mininginpilawan.com and the ALDAW Petition to stop the encroachment of mining corporations and oil palm plantations on Palawan ancestral land <http://petitiononline.com/PA2010/petition.html>

For more information, see [ALDAW Facebook page](#).

Leak at Marcopper mine site again raises fears

By Gerald Gene R. Querubin

Inquirer Southern Luzon

20 November 2011

BOAC, Marinduque-A leak found at a mine dam of the abandoned Marcopper mining site here has raised fears among townfolk of an impending catastrophic flash flood in this capital town.

A report released late last month by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) said leaks were found on a control tunnel of the Makulapnit Dam of Marcopper Mining during a field inspection conducted by MGB personnel last July.

Danilo Querijero, the provincial environment and natural resources officer, said MGB's field inspectors found that the leaks came from a water pipe check valve of the dam's tunnel.

MGB has strongly recommended the replacement of all the check valves of the tunnel, he said, even as the leaking valve has been replaced by the current owner of Marcopper.

Marcopper ceased operations in 1996 when the whole town of Boac was submerged in floodwaters and tailings brought about by a collapsed tunnel of the mining company's Tapian Pit in March of that year. The spill was considered the worst mining disaster in the country, rendering the Boac River "biologically dead."

In 1997, Placer Dome, owned the mining firm, divested from Marcopper through a wholly owned Cayman Island holding company called MR Holdings. Critical details of this transaction remained secret.

But MR Holdings keeps a skeletal workforce at the mining site to maintain the company's equipment and buildings and as administrators of company records.

Makulapnit Dam is among the dams of Marcopper identified to be in "imminent danger of collapsing" by the United States Geological Services as early as 1996 or after the spill occurred, said Querijero.

It was built to supply water for Marcopper's operations and for household use of residences near it and is currently carrying about 34 million cubic meters of water or more, Querijero said.

Miguel Magalang, executive director of the Marinduque Council for Environmental Concerns (Macec), warned that a collapse of Makulapnit Dam would be a major catastrophe with a very large magnitude of devastating effects in crops and lives in almost 50 percent of the 54,000 population of Boac.

Boac, located at the western section of the island-province, is an agricultural town with 16,208 hectares of its 21,272-hectare land area devoted to agriculture, mainly planted with coconut trees.

"With no maintenance done at the mine's dams at all, this is a major disaster in the making," said Magalang. "We just pray that none of those worst scenarios will come our way."

Boac Mayor Roberto Madla said contingency plans and evacuation and warning systems have been established by the disaster risk reduction and management councils in the municipal and barangay (village) levels in the event of a massive flooding if any of Marcopper's mining dams or pits would collapse.

Macec assisted the municipal government in formulating the contingency plans and even provided standby first-aid and search-and-rescue equipment, he said.

But the mayor admitted that they have not been conducting regular warning, evacuation or search-and-rescue drills that would help the residents in the event of a disaster.

Letting a giant into the house

John J. Carroll

Philippine Daily Inquirer

7 November 2011

"What goes around comes around." Some years ago, two rather burly-looking men, escorted by a young Filipina, were in my office making a pitch for "responsible mining." They represented an association of international mining companies. Apparently I had been identified as an "unfriendly" who might be won over. After listening to their pitch, I suggested that the best way to improve the image of the mining industry in the Philippines would be for Placer Dome of Canada to compensate the people of Marinduque for 16 years of pollution of Calancan Bay and the 1996 spill of toxic mine tailings which isolated five villages, buried one, and destroyed the Boac River.

The suggestion was not what the gentlemen wanted to hear, and effectively ended the dialogue.

Fast forward now to three weeks ago, and again I had two male and one lady visitor. The lady was Catherine Coumans, research director of Mining Watch Canada, whose education in the tactics of mining companies began with a seemingly innocent project of Ph.D. research on Basic Ecclesial Communities in Marinduque. The male visitors this time were from Marinduque, and the conversation was about the claim for compensation from Placer Dome, before an American court, now 15 years after the disaster.

Placer Dome which controlled and managed the mine for Marcopper Mining Corp., initially promised compensation and cleanup. The latter, according to a study carried out by the United States Geological Survey, would cost between \$60 million and \$100 million. In an effort to do it on the cheap, Placer Dome insisted on pumping the tailings into the sea, a procedure which is illegal both in the United States and Canada. When this proposal was rejected, it quietly sold its share of Marcopper to its own wholly-owned subsidiary registered in the Cayman Islands, and declared itself free of all responsibility.

Dramatic as the Boac spill may be, other less-publicized incidents are equally instructive. Twice, before the spill, the company was issued cease-and-desist orders, to stop dumping tailings into Calancan Bay, and twice-once under President Ferdinand Marcos who was later found to own 50 percent of the company and the second time under President Cory Aquino-the order was overturned after an appeal to the president. In the latter case, the company showed its willingness to play hard ball by closing down, shutting off its power generators and throwing the whole island into darkness!

The lesson here is that big international mining companies are quite capable of playing hardball, once they have a foothold in the country. They know well how important for a struggling economy are the capital and jobs which they bring in, aside from electricity, schools and clinics or whatever other services they provide for the local communities. And they know how difficult it would be for a government to tell them to pack up and leave, no matter how egregiously they may violate existing agreements and laws, environmental standards, even the human rights of those whose lands they take over (often indigenous mountain-dwellers).

Neither can a country rely on the good will of company officials. They, especially its local officials, may have the best intentions in the world, but the basic decisions are made in board rooms thousands of miles away, and the board members themselves are looking over their shoulders at stockholders who are concerned with the bottom line. Dr. Coumans found this out years ago when she bought some Placer Dome stock in order to attend a stockholders' meeting, and later brought two victims of the Boac spill to another such meeting-without any impact on company policy.

For this reason the World Bank, after an extensive review of its involvement in mining and other extractive industries, has set conditions for its support of such industries in a given country. The first of these is that governments should be strong enough and committed enough to ensure that environmental standards, human rights, free and informed consent on the part of local communities, and equitable sharing of the benefits with the local and national communities are respected. If a government is not capable of assuring this, then "governance should be strengthened until it is able to withstand the risks of developing major extractions."

Here it is relevant to ask whether the Philippine government, which has been unable even to protect the nation's forests from locally based logging firms, is capable of disciplining Sagittarius Mines which is pushing for a massive Tampakan gold and copper mining project covering 9,650 hectares in four provinces of Mindanao. Sagittarius plans to employ 10,000 workers at the peak of the construction stage and 2,000 during operations, workers whose jobs would effectively be hostages in the case of trouble between the company and the government.

Sagittarius' major stockholder (62.5 percent) is Xstrata Copper. Based in Australia and operating in eight countries, it is one of the units within the massive mining conglomerate Xstrata plc. Together with a massive public relations campaign, it has prepared an impressive Environmental Impact Statement (EIS) which goes into very minute detail in noting possible negative impacts both on the physical and the social environment, and measures by which it plans to mitigate or compensate for the negative impacts, aside from the promised economic and social benefits.

Before considering letting this giant into the house, it might be well for the government and especially the local communities which will be affected to check on how it has behaved elsewhere. A visit by government officials and local community members to Xstrata's mine in Papua New Guinea, for example, and conversations with those impacted by its operations there, and with the local authorities, might be more revealing than the best EIS.

Gov't prepares national mining policy

To counter moves by LGUs

Manila Bulletin

13 November 2011

MANILA, Philippines - The Philippine government could unveil a comprehensive mining policy by the end of 2011 that addresses thorny issues hampering the industry, including when the national government can overrule Tampakan bans, a government official said.

A government panel created last month to craft a new mining policy is expected to submit its proposals on November 15 for approval by President Benigno Aquino III before the year ends, Mines and Geosciences Bureau (MGB) director Leo Jasareno said.

Governments of two southern provinces, Zamboanga del Norte and South Cotabato, have banned open-pit mining, affecting existing and planned projects and worrying investors.

TVI Resource Development (Phils.) Inc., the local unit of Canada's TVI Pacific Inc., has sought a court order to stop the ban in Zamboanga del Norte, which took effect this week and would force the firm to close its polymetallic mine within one year.

A similar ban last year in South Cotabato has put at risk the \$5.9-billion Tampakan copper-gold project of global miner Xstrata Plc and Indophil Resources NL.

"While serious efforts have been extended to address the issues on mining through the years, it has been shown that many measures still need to be put in place to ensure the survival of the industry," Jasareno said in a speech at a mining conference.

He said the new policy would likely be enacted through an executive order (EO) by the president rather than a vote in Congress, and should correct inconsistencies between national and local laws that have seen some provinces ban government-approved projects.

The provincial governments have cited environmental reasons in banning certain mining methods, although the national mining law does not prohibit open-pit mining.

The Southeast Asian country, which has an estimated \$1 trillion worth of metallic mineral reserves, considers mining as a growth sector that will attract investments and create jobs but the uncertainty has been a deterrent to investors.

Last month, Jasareno told Reuters mining investment this year might not even reach \$1 billion, or about one-third of a government forecast of \$2.8 billion.

Jasareno said the new policy would also address the issue of revenue-sharing between the government and the industry, which opposes a proposal for additional royalties. (Reuters)

Aquino hints at amending mining laws

By Delon Porcalla

The Philippine Star

13 November 2011

HONOLULU - President Aquino has hinted at amending Philippine mining laws if only to ensure that mining companies - whether local or foreign - would help protect the environment.

In a panel discussion here Friday with chief executive officers arranged by the Asia-Pacific Economic Cooperation, he noted that there also has to be some deterrent effect on firms that would violate environmental laws.

"Increasing fines for instance, versus the profit they make. The fine is such a pittance. I think in one instance, about a thousand dollars only and then they can have hundred of millions in terms of their exports. So it really is inconsequential," he said.

The issue was raised after Richard Adkerson, president and CEO of Freeport McMoRan Copper and Gold Inc., expressed interest in mining in the Philippines, like the "exploration project" they have, but was concerned about government policy and security.

This prompted moderator Diane Brady, senior editor of Bloomberg, to ask, how would Aquino want to "tighten the rules" on companies that have mining industries, whose investments run in the millions of US dollars.

"We are in a period of having to, shall we say, tightening the rules. You know there's one area - not their area - where, you take an area of shot, there seems to be a beach on the coastline," Aquino explained.

"A closer shot will reveal that it's run out from this open pit mining that some of the unscrupulous mining entities did not deem necessary to contain," he said.

"There has to be stability, there has to be a rule of law, there has to be security for our people. These are long-term investments and they just cannot be made without that kind of assurances," Adkerson remarked.

"There has to be a fair deal for the government, there has to be a protection of the environment; we have to provide for sustainable development in the area that we operate," he stressed.

Amid rebel attacks against mining firms in Mindanao last month, Aquino said these firms have decided to stay.

"I met with the officers of Sumitomo group, and they assured us that they have no intentions of pulling out," he earlier told officers and members of the Foreign Correspondents Association of the Philippines at Mandarin Oriental hotel in Makati City.

"So if that main victim of this whole issue has not indicated a lack of interest or lessening of interest, then perhaps I don't foresee any other foreign investors undertaking the same," Aquino said.

The only thing they requested was additional security which the government would provide, through the deployment of civilian armed forces geographical units who would all be under the supervision of both the military and police in their assigned areas.

Mining policy

Meanwhile, four members of the President's cabinet have been tasked to craft the Philippines' mining policy aimed at preserving the country's natural resources and making use of minerals without sacrificing the environment.

Aquino said he tasked Environment Secretary Ramon Paje, presidential advisers Neric Acosta and Elisea Gozun and Climate Change Commission head Mary Ann Lucille Sering to come up with a comprehensive mining policy.

The President revealed this during the celebration of the 67 anniversary of the Leyte Gulf landing.

Aquino said he prefers allowing large-scale mining firms to operate rather than small ones that only tend to contribute to the pollution of the environment because they don't have the means and capability to protect the country's resources.

Small mining firms, he said, are also harder to regulate.

Panel discussion

The President is set on Saturday to have a "panel discussion" with chief executive officers of the world's top companies, and have a dinner with fellow leaders of the 19th APEC Leaders' Week.

He and other members of the Philippine delegation will be welcomed by a representative from the State of Hawaii, a senior US protocol representative, along with Ambassador Jose Cuisia and Consul General Leoncio Cardenas Jr.

In the afternoon, Aquino will be at Sheraton Waikiki where he is to meet with officials of JP Morgan, China National Cereals Oils and Foodstuffs Corp. and Freeport McMoRan Copper and Gold Inc., among others.

At 7 p.m. or during dinner, there will be an APEC CEO-Leaders' Dinner dubbed "Taste of America Reception" at the home of couples Paul and Fredrica Cassidy.

Among the invited guests are CEOs from Hawaiian Airlines Inc., Kia Motors America and Kia Motors Manufacturing in Georgia, IM Systems Group Inc., Coldwell Banker Pacific, Principal Financial Group, Rinnai Corp., Formosa Plastics Group and the Raffo Group.

Craig Mundie, chairman of Microsoft, will host the APEC CEO-Leaders' Dinner.

Aquino will visit today Pearl Harbor, hold bilateral talks with Australian Prime Minister Julia Eileen Gillard in the afternoon and have dinner later with APEC Leaders and their spouses at Hale Koa Maile Garden.

Tomorrow, he will attend the APEC Economic Leaders' Meeting (AELM) at JW Marriott Ihilani, and have a "working lunch" with APEC Business Advisory Council members.

Topic for the heads of state is "Regulatory Reform and Competitiveness."

There will also be an APEC Leaders' Family Photo and another AELM session that will tackle "Energy Security and Energy Efficiency."

After which, leaders of the 21-member countries will issue a "Joint Declaration."

In the evening, there will be a Filipino community gathering at Hilton Village Hotel.

Shortly after the event, Aquino will leave for Manila through the Hickam Airbase here via a chartered Philippine Airlines flight PR001.

The Philippine delegation includes Ambassador Albert del Rosario, Transportation Secretary Mar Roxas, Trade Secretary Gregory Domingo, Energy Secretary Rene Almendras and presidential spokesman Edwin Lacierda.

Finance Secretary Cesar Purisima went abroad ahead of the Aquino delegation.

Additional mining taxes

Editorial

Manila Times

5 November 2011

THE Finance department is only studying it now, but we are for the levying of additional taxes on mining.

We know the Chamber of Mines and the mining companies are upset that more taxes are being considered. Some mining companies claim that up to 70 percent of their gross income is already being raked in by the government.

But we agree with the Finance department people that the mining sector must contribute more cash to the government because of health and environmental problems they cause, and these require the government to spend huge sums to handle.

We also agree, again contrary to the desires of the Chamber of Mines, that the Mining Act of 1995 which now governs that industrial sector, should be replaced with one that serves the interest of ordinary Filipinos and more strictly prevents mining operations from destroying our country's natural wealth in mountains, forests, rivers and biodiversity.

The alternative law should change the present situation created by the government's mining policy-based on the Mining Act of 1995-that works against the environment, the human rights not just of the indigenous peoples where mines are located but also of the regular Filipino citizens dwelling in the areas near the mines that earn huge incomes for the mining corporations but in reality very little for both the national and local governments.

The present policy on mining has failed to produce the promised benefits to the Filipino people and the government that mining companies and their lobbyists who dazzled the Congress that passed and the President in power then who enacted the Mining Act of 1995. Because of the defects of the law-and of course the incompetence of and cupidity of officials-lack of transparency, corruption and bad governance have characterized the way mining is being run.

That is why some of horrible mining tragedies have happened. Among these are the Marcopper disaster in 1996, which is still among the worst industrial tragedies and has made the Boac a dead river. The Rapu-Rapu mine accident in 2005 brought about a fish-kill so massive that spanned the Albay Gulf and Sorsogon Bay. In the 16 years that mining policy has been based on Republic Act 7942 or the Mining Act of 1995, ugly events and mining-caused phenomena have increased-the dislocation of indigenous peoples, land subsidence, acid mine drainage, landslides, toxification of agricultural lands, destruction of aquatic ecosystems, the death of animal species and other catastrophes.

The indigenous peoples among our fellow citizens have been the most unjustly treated by some of the unscrupulous mining companies and local government officials working with them. The new law should more adequately save them from social injustice and direct personal indignity. The law requires mining operations to secure the Free Prior Informed Consent (FPIC) of communities affected before any project begins. More often than not corporations and their local agent, abetted by officials, tell lies to the unlettered tribals about the physical effects and social consequences of mining projects. They IPs who were misinformed, deluded, into giving their Free Prior Informed Consent end up as displaced persons-some coming to Metro Manila to add to its millions of squatters and beggars.

Some mining projects have invaded watersheds and forests-flagrantly against the law, causing a large amount of illegal logging too. This invasion and forest-destruction have produced threats to the health and well-being of the communities around the mines, the communities higher up in the mountain and the communities downstream.

Cost of devastations more than gov't revenue

What makes it a bigger tragedy-or a bitter comedy of misgovernance in a failed state-is that the cost of the devastation caused by these mines is very much more than the miserably small provincial, town and barangay revenue from the mines in their locality.

Our columnist Ms. Anabelle Plantilla, who is the chief operating officer of Haribon, writes, that: "The industry is plagued with under-declaration, tax avoidance and tax evasion. From 2000-2009, the under-collection of excise taxes was 65.5 percent. Among the many defects of the Mining Act of 1995 is that it contains provisions that do not allow the national government to get a fair share of mining revenues.

"Employing its more than generous gains, the mining industry has embarked on lobbying and media campaigns to mislead the political leadership and the public with statements and advertisements on the benefits of mining. It has even articulated a veiled threat that any obstacles to mining, such as environmental restrictions, will harm economic development. Contrary to all this industry hype, local governments and communities have not felt the benefits but the adverse effects of mining. Their experience has led them to take action to protest against the encroachment of actually irresponsible mining projects and protect themselves from their devastating consequences.

"According to the Mines and Geosciences Bureau, 7 out of 16 mining projects in the advanced exploration and feasibility financing stages and 25 out of 28 projects in the development and expansion stages are facing opposition from local populations and their officials.

"Over 20 LGUs have issued moratoriums and environmental regulations to prevent mining firms from causing further damage to the environment, to livelihoods and to lives in their jurisdictions. The facts speak for themselves. In the last decade, from 2000 to 2009, mining and quarrying together accounted for no more than 0.91 percent of Philippine GDP. In the same period, the industry's contribution to total employment was a mere 0.376 percent. Unnecessary incentives have also contributed to making the revenue effort of the mining industry to be slightly more than half of the revenue effort of the country.

"Mining has contributed significantly to exports. But, without the development of downstream industries, that is a double-edged sword. As it spreads, it will cause a resource curse situation and hamper future development of the economy. Even if exports give rise to growth, this growth is clearly unsustainable. It will cause dependence on exports that deplete non-renewable resources."

The new policy must reflect a vision for a viable and sustainable mining program.

"Without such a vision, new mining projects such as those recently procured by the President in China, will benefit only those companies, not the country, not the Filipino people and not the Philippine government (national as well as local)."

Militants warn: Ifugao next on mining hit list

Sun Star Baguio

11 November 2011

THE famous terraces of Ifugao are now in danger by the planned entrance of large-scale mining corporations.

Cordillera People Alliance deputy secretary Santos Mero said Lepanto Consolidated Mining Corporation applied to the Mines and Geosciences Bureau for an expansion of operations in Ifugao.

Lepanto Corporation will pass through Bakun and Buguias going to Tinoc, Ifugao. It will further explore Hungduan and Banaue, Ifugao.

Mero also revealed the Cordillera Exploration Company targets Asipulo, Ifugao. It will pass through Buguias and Kabayan before entering Ifugao.

"Lepanto Mining Corporation is using many aliases and is doing everything to enter the municipalities of Ifugao," said Mero. These two mining companies are the biggest in the region operating in various places.

Meanwhile, Ifugao Representative Teddy Baguilat continues to oppose large-scale mining. "I do not blindly object to mining. I recognize that we need to get valuable minerals from the earth to sustain lifestyles and technologies, which are prevalent in our modern world. What I object to is the destructive way by which mining companies conduct their businesses," explained Baguilat.

He added mining leaves a scar on the earth, with wounds deep beneath the earth's surface.

Baguilat said there are aggressive media campaigns by mining companies that highlighted their so-called "corporate social responsibility" (CSR) activities.

"These CSR activities consist mostly of forestation or tree planting which is an admission that the mining companies cannot restore to the earth what they have taken," he said.

The violent intrusion of mining companies into indigenous communities like in Benguet bothered the Ifugao representative most.

Baguilat said the Free Prior and Informed Consent has been manipulated by the mining companies just to get the approval of the concerned agencies.

"I hope government agencies concerned will thoroughly examine and evaluate mining proposals. I hope the foremost consideration of these agencies will not be the short-term financial return that mining promises, but the long-term impact on our environment and to the IPs (indigenous peoples)," Baguilat said. (Rubyloida Bitog)

Benguet Corp. to help build PNP stations

Alfred Dalizon

The Journal (Philippines)

25 November 2011

BENGUET Corp. will build police stations in isolated areas of the country to help the government maintain its security forces and assist the public 24 hours a day.

Benguet Mines President and CEO and concurrent Chamber of Mines of the Philippines president, Benjamin Philip T. Romualdez made the decision following a meeting with Philippine National Police chief, Director General Nicanor A. Bartolome in Camp Crame Wednesday afternoon.

Initially, Romualdez said they are planning to construct a heavily-fortified police station in Sta. Cruz, Zambales. Similar police facilities will be helped constructed by the group in the near future as part of its commitment to help the government and the citizenry, he added.

"We are here to provide where government has difficulties. We build road, facilities for government to have presence," the top mining executive said.

Bartolome agreed that the small but heavily-fortified police stations that will be constructed by the mining industry will not only help them establish round-the-clock police presence in far-flung areas of the country but will also see to it that policemen who will be assigned there will be able to defend themselves from threats posed by heavily-armed lawless elements.

Romualdez on Wednesday met with Gen. Bartolome to discuss some security issues concerning the mining industry. He also sought the help of the PNP chief in addressing problems posed by illegal mining activities in the country and other unauthorized mining firms who encroaches on other company's territories with the help of their heavily-armed private security guards.

Gen. Bartolome asked Romualdez to provide his office with all necessary documents from the Department of Environment and Natural Resources and the Bureau of Mines which they will need in enforcing legitimate government orders.

Bartolome also asked Police Regional Office 3 director, Chief Supt. Edgardo T. Ladao to coordinate with DENR authorities all actions he will undertake against mining firms who are violating the law in Central Luzon.

Bandits attack Sagittarius Mines anew

Business World online

28 November 2011

KORONADAL -- Armed men struck anew at the remote mines development site of Sagittarius Mines, Inc., forcing the foreign-backed company to temporarily suspend exploration activities in the affected area, officials said yesterday.

John B. Arnaldo, Sagittarius Mines corporate communications manager, said 20 armed men raided a drilling site at Sitio Tukay Mal, Barangay Tablu, in Tampakan, South Cotabato at around 8:15 a.m. on Sunday.

"Fortunately, they did not harm the eight security guards but took away their firearms. There was also no damage to properties," he told BusinessWorld. "Drilling activities in the area have been temporarily suspended because of what happened."

Asked on the apparent security breach, he said the company has been working closely with authorities and the local communities to ensure the safety of employees.

For his part, Lt. Col. Alexis Noel C. Bravo, commander of the 27th Infantry Battalion, said the armed men were not members of the communist New People's Army (NPA) rebels.

"They belong to a bandit group," he said, identifying the group leader as Batas Capion, brother of Dagil Capion, who was earlier tagged by the military as behind the ambush in March involving workers of a construction company hired by Sagittarius Mines for a road project.

In the March incident, Dagil Capion admitted with local media that he was involved in the ambush in Sitio Datalbiao in Barangay Danlag, also in Tampakan town, that left three people dead. He said they were disgusted on the company's alleged indifference to their demands.

Mr. Bravo said pursuit operations are ongoing against the attackers. Aside from the firearms, the armed men took away the security guard uniforms and food rations, he added.

On New Year's Day in 2008, NPA guerillas attacked the base camp of Sagittarius Mines in Barangay Tablu, burning facilities and equipment worth P12 million. No one was hurt in the incident. It was the same village where the armed men disarmed the mining firm's security guards on Sunday. Sagittarius Mines' exploration permit was recently renewed by the Department of Environment and Natural Resources. The Tampakan site is touted to have the largest known undeveloped copper-gold deposit in Southeast Asia. Should the venture proceed to commercial phase, it will be the largest single foreign direct investment in the Philippines with an estimated value of \$5.9 billion. Sagittarius Mines is controlled by Xstrata Copper, the world's fourth largest copper producer, with Australian firm Indophil Resources NL as the junior equity partner. -- Romer S. Sarmiento

Philippines: Mining company official shot dead

Seeksha Gurang

Parda Phash

12 November 2011

Manila: A man in Philippines was shot dead by motorcycle-borne assailants. He was an official of an Australian mining company.

Rodgen Conejar (57) died of multiple gunshot wounds after being attacked in Bunawan Brook village in Mindanao island's Agusan del Sur province on Friday, Martin Gamba, a police spokesperson, said.

Conejar was a mine inspector of the Philsaga Mining Corporation, the local subsidiary of Australian gold miner Medusa Mining.

He was on his way to work on his motorcycle when the assailants drove alongside him and one of them fired at him several times using a handgun.

Conejar was the second mining executive murdered in the Philippines this year.

A few months ago, unidentified gunmen also shot dead a manager of Sagittarius Mines, the local subsidiary of London and Australia-listed Xstrata Mines, when the victim was jogging near his home in Davao city.

Mining Cuts Target For Surigao Gold Production

Louella D. Desiderio

Business World online

14 November 2011

MEDUSA MINING Ltd. has slashed targets for gold production from its site in Surigao del Sur due to construction work and a worker fatality.

The Australian miner now expects to produce 90,000 to 100,000 ounces of gold for the financial year 2011 to 2012 instead of earlier targets that ranged as high as 110,000 ounces, citing mine development taking precedence to prepare the mine for higher production output in 2013, a transcript of Medusa Mining Chairman John Davis' speech showed.

The firm earlier said it was constructing a new mill in the mine site.

He added that the production guidance for the current financial year was likewise reduced due to an unfortunate fatality in the mine in late October involving the collapse of a broken ore a miner was standing on.

The accident had prompted the miner to cease operation of stopes on the site.

By 2013, gold production from the so-called Co-O mine is expected to hit 120,000 ounces according to data from the company's Web site.

Output from the Co-O mine is expected to then rise further to 200,000 in 2014 and to be maintained at that level until 2016.