

Philippine Resources

Mining, Petroleum & Energy Journal
Issue 4 2011-2012, November-January



Anti-mining campaign turns ugly

*Want to buy
gold at \$500
an ounce?*

*Mining ban on
Zamboanga
peninsula*

*Rethink
urged on oil
search rules*

*Plugging leaks
in dangerous
ponds*

Photo by Roel N. Catoto



Headlines in this issue

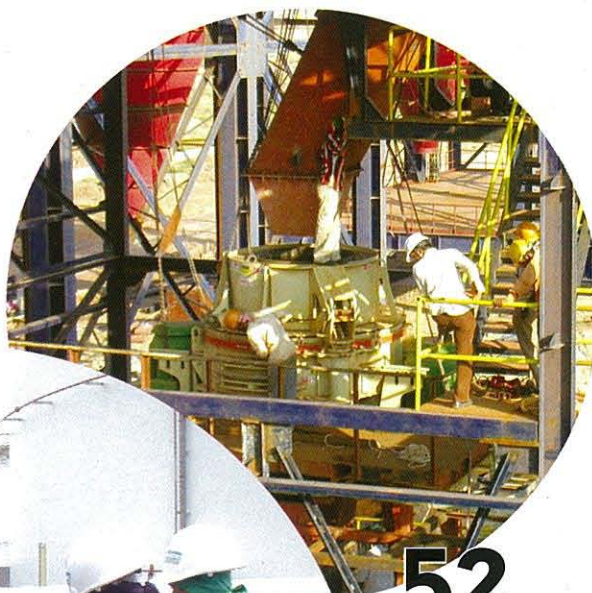
37



40



52



31



Resources Viewpoint

6 *Getting their act together*

Mineral Resources

- 8 *Supreme Court ban helps spread of anti-mining 'people's power'*
- 14 *Anti-mine campaign turns ugly*
- 18 *After conflict, new hope for dialogue*
- 20 *Raadsma out at Crazy Horse*
- 20 *Changes at St Augustine*
- 20 *NiHAO teams up with Glencore, AGP for nickel mining projects*
- 22 *'World class' iron sands project on the way in Cagayan River delta*
- 22 *Major investments eyed in China deals*

Oil & Gas Resources

- 24 *BP backs Raisama with Cadlao finance*
- 24 *Partner for Basic Energy*
- 24 *'High interest' in new contracts*
- 28 *PNOC-EC readies new drilling*
- 28 *Rethink urged on oil search rules*
- 28 *Gas2Grid looks deeper in Cebu*
- 30 *New fields may make the Americas top of the oil companies' charts*

Renewable Resources

31 *Geothermal energy risk management*

Investment Resources

34 *Psst, want to buy gold at \$500?*

Environmental Resources

36 *Retired open pit mines are opportunities*

Resources Events

38 *Mining defense gets its act together*

Supply Resources

- 40 *Plugging leaks in dangerous ponds*
- 46 *Mapping new ground with LiDAR*
- 49 *Monark boosts support for mining*
- 49 *Brunel, Site Works team up*
- 50 *Camp manager on the expansion trail*
- 51 *Diesel fuel, filters and maintenance*
- 52 *Solving a tough ore crushing challenge*



After conflict, new hope for dialogue

By Patricia A. O. Bunye

It took less than a month after the successful Mining Philippines 2011 Conference & Expo for the mining industry to suffer yet another setback, in the shape of the October 4 New People's Army attacks on three mine operations in Surigao.

More than the financial damage inflicted on the companies with the destruction of equipment and facilities, the attacks brought to the fore security concerns, particularly for operations in remote areas of the country, and the safety of the people who live and work there.

A meeting of the Chamber of Mines of the Philippines with the Department of Interior and Local Government Secretary Jessie Robredo, Department of Environment and Natural Resources Secretary Ramon Paje and Philippine National Police chief Nicanor Bartolome a few days after the attacks helped allay some of these concerns and allowed members of the chamber to directly engage the three government officials on peace and order issues in mining. All three gave assurances that President Benigno Aquino remains committed to attracting and protecting investments in mining.

Robredo underscored the fact that security is the responsibility not only of the authorities, but also of the com-

panies. In line with this, the DENR and DILG are working out security protocol arrangements with mining companies, to the extent that PNP and Armed Forces of the Philippines representatives are making the rounds visiting the different companies to assess their particular needs and establish specific plans of action. Robredo also emphasized the need for regional alliances or networks so that intelligence, equipment and personnel can be pooled.

While the October attacks were directed at three companies, the propaganda value of these attacks was not lost on members of the Chamber of Mines, some of whom expressed apprehension that the attacks were but part of a concerted effort to discredit the mining industry, together with misinformation against mining, specifically in the province of Palawan, and attempts to repeal the Mining Act.

This underscores the need for the chamber and its members to step up their information and education campaign, as it needs to match if not surpass the efforts of anti-mining groups to win hearts and minds.

On this note, at the Mining Philippines 2011 conference, two speakers who are identified with non-government organizations and cause-oriented groups – Rapa Lopa of Philippine Business for

Social Progress and Lorenzo Tan of the World Wildlife Fund – urged the chamber and its members to devise a scorecard or grading system that would highlight the positive contributions of specific companies and projects to the economy and to social development.

The sharing of information is just as crucial within the government which, as the

owner of the minerals, has an equal if not greater stake than the mining companies in the success of the projects. The Minerals Development Council, which was established in 2005 but unfortunately abolished in 2010, allegedly due to budgetary constraints and redundancy, was a valuable mechanism for various government departments and agencies to meet regularly to support and address the needs of the minerals sector. It is therefore very timely that secretaries Paje of the DENR and Robredo of the DILG are both recommending its revival to President Aquino.

On a related front, a group of women involved in extractive sectors have organized themselves, upon the inspiration and with the guidance of former mining envoy Delia Domingo Albert, to champion, among others, transparency and stakeholders' dialogue in natural resources development. The group will be officially launched at the forthcoming Annual National Mine Safety and Environment Conference in Baguio.

It is a diverse group which includes representatives of mining companies, lawyers, government workers (including a former Mines and Geosciences Bureau regional director and MGB geologist), a journalist, PMSEA volunteers and a UNDP consultant for the Philippine Poverty Environment Initiative, which has the Extractive Industries Transparency Initiative, or EITI, as a major component.

EITI is a global standard for transparency in the extractive sector which involves the reconciliation of company payments with government receipts by an independent administrator and the disclosure of that information to the public. It is anticipated that, by participating in EITI, the local minerals development sector will be able to address the need of stakeholders for accurate information on the economic contributions of an extractive activity.

Among the group's immediate plans, apart from supporting EITI, are to assist the Chamber of Mines in its information and education campaign by providing a credible, yet non-combative, platform for substantive discussions on mining issues. ■



Patricia A. O. Bunye is a senior partner at Villaraza Cruz Marcelo & Angangco (website www.cvclaw.com). Her areas of specialization are mining and natural resources, power and energy and intellectual property (particularly IP commercialization). She may be reached at po.bunye@cvclaw.com.