

# Bicol ‘gold rush’

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Small-scale miners continue to literally reap gold from this highly lucrative trade, and there’s no stopping the so-called gold rush in known mineral-rich areas, like Aroroy and Paracale, in the Bicol region.

Miners have barely scratched the surface of the huge gold deposit in the Bicol region, an official of the Department of Environment and Natural Resources (DENR) said, underscoring the trade’s huge potential to boost the country’s economic growth and the region’s economic development.

Bicol is endowed with rich mineral resources, which include gold, copper, guano, rock phosphate, marble, silver, lead and manganese.

In 2016 the region contributed 6,414.26 kilograms of gold, with an estimated production value P13.57 billion. The figure represents outputs of large-scale mines.

Small-scale miners’ gold production remains unaccounted for, as these types of gold miners sell them to the black market to avoid government taxes.

Small-scale mines in Bicol are concentrated in the towns of Aroroy, Mobo, Milagros and Baleno. In Camarines Norte there are small-scale mining in the towns of Labo, Paracale and Panganiban, and a small area in Capalonga.

While there is a huge economic potential in small-scale mining in the Bicol region, the environment official said there is currently no designated area for the miners to legally extract minerals, stressing the need to designate Minahang Bayan in the two provinces to legalize the trade.

The small-scale mining industry continues to attract investors who act as financiers, because of the huge return on investments.

In some cases, small-scale mining operators even have acquired heavy equipment, such as dump trucks, payloaders and backhoes to haul ores.

While small-scale miners do not pay taxes, mining can be very lucrative or at least sustain a decent livelihood, Director Christian O. Oropesa, division chief of the Mine Safety, Environment and Social Development Division of the Mines and Geosciences Bureau (MGB) in Region 5, told the BusinessMirror in an interview.

In Masbate, as well as in Camarines Norte, he said, small-scale mining is not so small, as some large-scale miners merely “pretend” to be small time.

**A way of life**

Although illegal, small-scale mining has been a way of life in the two provinces for centuries. Ironically, these miners are yet to realize its full potentials.

According to Oropesa, small-scale mining has been going on for centuries and is begging to be regulated.

“It was the Chinese who started mining here. Then the Spaniards came. Then the Americans. Now that they are gone, the locals are the ones mining for gold,” Oropesa said in Filipino.

There are around 500,000 small-scale miners operating in the Philippines. In Masbate province alone there are around 30,000 engaged in small-scale gold mining, including artisanal gold mining or gold-panning activities.

The number, he said, occasionally goes up and down, depending on the gold find.

“Sometimes, when small-scale miners hit a bonanza, the number of small-scale miners goes up,” he said.

### **Environmental degradation**

Since artisanal and small-scale gold miners operate illegally, environmental degradation and destruction caused by their operation remain unchecked, Oropesa lamented.

Some small-scale miners, he said, operate their own processing plants, maintain small tailings pond where they dispose of mercury-tainted waste, but in the end, these are inadvertently dumped into streams and rivers, especially during heavy rains.

Unlike large-scale mining companies, small-scale miners do not have the capacity to minimize environmental impact of their operation.

They also lack financial resources to rehabilitate areas affected by their operation.

### **MPSAs**

Small-scale miners do not have their own mining areas, and are often encroaching on mining tenements of large-scale mining companies.

“Sometimes, when they encroach, mining companies go to us to complain,” he said.

Expressing his dismay over the inaction, Oropesa said small-scale miners are deprived of the right to legally extract minerals, also because of the fact that large-scale mining already owns the right to mine over vast tracts of land with potential gold deposits.

There are currently 35 Mineral Production Sharing Agreements (MPSAs) in Region 5, covering almost all gold-rich areas, but only seven are considered “active”.

Aside from the existing MPSAs, there are five more applications for MPSA, leaving little space for small-scale miners to have their own Minahang Bayan.

Oropesa said in the past, he recommended the cancellation of several MPSAs, but the mining companies would not let go of their mining tenement.

The “use it or lose it policy”, he said, does not seem to apply well, because whenever the Mines and Geosciences Board-Bicol recommends the cancellation of the MPSA, the holder of the mining rights suddenly “awakens” to fight for his or her prior right to mine in the area.

### **Illegal mining**

As there are no declared Minahang Bayan in the area, small-scale mining activities in the two provinces operate “*kamote* mining” in tenements of large-scale mining companies, he said.

Under Republic Act 7076, or the People’s Small-Scale Mining Act of 1991, and Executive Order 76, small-scale mining activities are supposed to be conducted within a declared Minahang Bayan, where there will be a central processing plant for gold processing.

Oropesa said the establishment of Minahang Bayan in the two provinces is a must to regulate small-scale mining.

There are currently five Minahang Bayan applications waiting for approval by the DENR Central Office since 2014.

The five Minahang Bayan applications, he said, are in Aroroy, particularly Barangay Habayuan—one covering a total of 81 hectares and another covering 233 hectares.

In Paracale, Camarines Norte, there are three potential Minahang Bayans covering a total of 350 hectares. These are in barangays Bagumbayan, Gumahos and Palanas.

“It is best to regulate small-scale mining. But the application for Minahang Bayan needs to be approved first,” he said.

### **Life or death**

Even if they are operating illegally, Oropesa said gold mining is a matter of life and death for many artisanal and small-scale miners.

“It’s their livelihood. It has been their traditional source of income, so you can’t stop them. Even if you stop them once, they will return the next day when you are no longer watching,” he said in Filipino.

Oropesa added that small-scale miners face grave danger, especially when they use dynamite to dig deeper.

He said the MGB-Bicol continues to conduct training for small-scale miners, hoping that one day, when they have their own Minahang Bayan, they will finally do it right, and pay the government taxes, and prevent soil, air and water pollution with toxic mercury.

“Right now, they are operating illegally, and pollution is inevitable, because they use dynamites to blast in tunnels, dump mercury they use in makeshift tailings pond and don’t pay taxes. Imagine the money flowing in the pockets of those financing their operation?” he said.

According to Oropesa, he has been talking to some military friends to stop selling dynamites to small-scale mining, but to no avail.

“I’ve been asking them to stop selling dynamites. Without these dynamites, small-scale mining will stop,” he said.

### **Lucrative trade**

Small-scale mining, Oropesa said, is somehow sustainable, because those who have hit the “bonanza” or “jackpot” can earn as much as P50,000 a week for months.

“Some have already built mansions. Small-scale mining is profitable,” he said.

Even small-scale mine workers can earn a small fortune and become owners of a tunnel themselves with a little luck.

“If they are good at managing their income, they can become owners of tunnels. Some have become rich because of gold mining already. Some already built mansions out of small-scale mining,” he said.

Oropesa reiterated that small-scale mining in the Bicol region should be regulated, starting with the establishment of a Minahang Bayan, and organization of small-scale miners into mining cooperatives, for them to maximize the benefit, ensure safety, prevent pollution and for governments—both national and local—to earn revenues from this very lucrative, but highly extractive, trade called gold mining.