

Legal battle looms as gov't shuts mines

Posted on **February 03, 2017** | **Business World**

THE GOVERNMENT is shuttering more than half the country's 41 metal mines and suspending operations of five others on environmental grounds, deepening a crisis miners have faced since the past administration and prompting the industry to gird for legal battle.

Environment Secretary Regina Paz L. Lopez told reporters in a briefing yesterday at the headquarters in Quezon City of the Department of Environment and Natural Resources (DENR) that "15 of these mines are in watersheds."

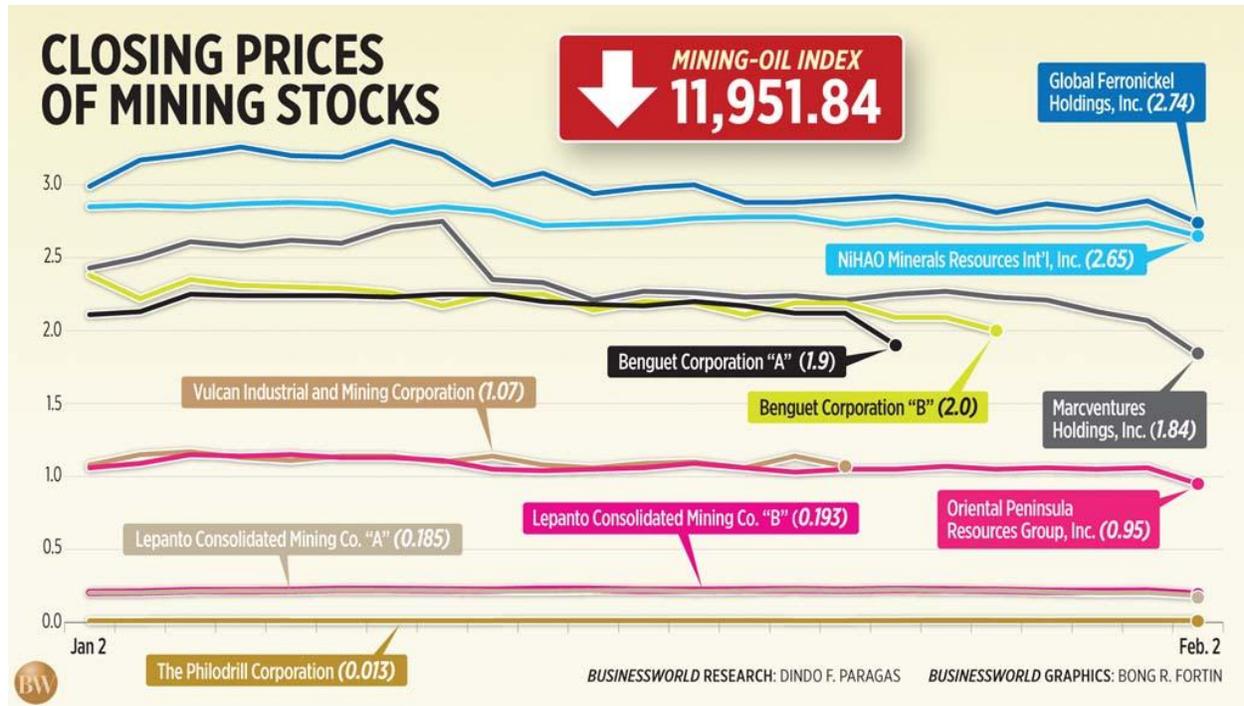
"We have decided to close down every kind of mining operation in functional watersheds... [you] cannot and must not have any extractive industry in the watershed," Ms. Lopez said.

A list the department released to reporters showed that mines facing closure belonged to: Aam-Phil Natural Resources Exploration and Development Corp.; Adnama Mining Resources, Inc.; Benguet Corp.; BenguetCorp Nickel Mines, Inc.; Carrascal Nickel Corp.; Claver Mineral Development Corp.; CTP Construction and Mining Corp.; Emir Mineral Resources Corp.; Eramen Minerals, Inc.; Hinatuan Mining Corp.; Kromico, Inc.; Libjo Mining Corp.; LNL Archipelago Minerals, Inc.; Marcventures Mining and Development Corp.; Mt. Sinai Mining Exploration and Development Corp.; Ore Asia Mining and Development Corp.; Oriental Synergy Mining Corp.; Oriental Vision Mining Philippines Corp.; Platinum Development Corp.; Sinosteel Philippines H.Y. Mining Corp.; TechIron Mineral Resources, Inc.; Wellex Mining Corp. and Zambales Diversified Metals Corp.

Ms. Lopez said firms concerned may appeal to President Rodrigo R. Duterte.

"The final decision," she said, "is up to the President," who reiterated his support for DENR's action in a speech later in the day. "You know, I support her and there was never a time that I told her to slow down a little bit... today she's insisting on closure of so many and I support her," Mr. Duterte said.

Facing suspension were Berong Nickel Corp.; Citinickel Mines and Development Corp.; Lepanto Consolidated Mining Co.; Oceanagold Philippines, Inc.; and Strong Built Mining Development Corp.



"I'm giving them three to six months to get their act together," the Environment chief said of the suspended mines.

"My issue here is not about mining; my issue here is social justice," Ms. Lopez, a staunch environmentalist, said at the briefing that showed footage of damage from mining projects.

"Why is mining more important than people's lives?"

Stocks of most listed miners reeled from the news, dragging down the stock market that has already been reeling from uncertainty caused by US President Donald J. Trump's protectionist moves.

Mining and oil was the biggest loser among the six sectoral indices at the Philippine Stock Exchange, widening its loss from 0.34% at noon to 1.65% by the end of trading.

"The mining sector naturally succumbed to panic following the developments on DENR's mining ban," Frank Gerard J. Barboza, trader at AP Securities, Inc. said in a mobile phone message.

"It validates our decision to stay off -- or at most, minimize exposure -- to the sector, given the combination of market and regulatory risks," Justino B. Calaycay, Jr., head of marketing and research at A&A Securities, Inc., said in a trading post.

THE BATTLE AHEAD

But miners affected by the government's crackdown yesterday signaled that they will not take it sitting down.

In a statement on its Web site, OceanaGold Corp. said it has not received any suspension order from the Environment department, but argued that the government did not have any legal basis to suspend operations of its Didipio copper-gold project in Nueva Vizcaya in northern Luzon.

"Should we ultimately receive a suspension order -- as suggested today -- we have very strong legal grounds to have it overturned," the statement quoted OceanaGold President and Chief Executive Officer Mick Wilkes as saying.

'YOU CAN'T JUST CANCEL'

Ronald V. Recidoro, vice-president of the Chamber of Mines of the Philippines' Legal and Policy division, said that affected companies will "definitely" appeal against the decision.

"We are questioning the partiality of how everything was conducted," Mr. Recidoro said in a telephone interview yesterday.

"The businesses entered into a contract. You can't just cancel it," he added.

"Due processes must have been observed if you want to cancel. That's what's lacking here. I don't know if she even relied on the audit review."

Ms. Lopez declined to provide details of the recommendations given to her by the Mines and Geosciences Bureau-led technical review committee she formed in November to go over results of the wide-ranging audit that began in July last year.

"[At] the end of the day, I look at the recommendations and I visited the mine sites myself. I visited the people myself," Ms. Lopez said, emphasizing that the findings of the review committee were merely "recommendatory."

"And then I used my judgment on what is the best thing to do." -- **Janina C. Lim with Keith Richard D. Mariano** and input from Reuters

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