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OCEANAGOLD PHILIPPINES SHUT DOWN - VILLAGERS BLOCKADE SITE, PERMIT RENEWAL WITHHELD

OCEANAGOLD IGNORES LACK OF REGULATORY AND SOCIAL LICENSE TO OPERATE

Canadian-Australian mining company OceanaGold's right to mine copper and gold in the Philippines expired on June 20, 2019. Rather than immediately halt operations in the village of Didipio, the company continued mining. On June 21, the elected village leadership of Didipio signed [Resolution 59](#) directing OceanaGold Philippines Inc. "to stop its operations" as its permit had expired. The Office of the Provincial Governor of Nueva Vizcaya Province issued a [restraining order](#) on June 25, 2019; the company continued to mine.

In [response](#) to Didipio's Resolution 59, the company revealed a [letter](#) from the acting director of the Mines and Geosciences Bureau (MGB), Wifredo Moncano, of June 20, 2019, which the company [interpreted](#) as granting it the right to keep mining in spite of the expired permit. Both OceanaGold's [letter](#) to Didipio's elected leaders and the MGB's [letter](#) to the company provided village leadership insight into steps taken by both the company and the regulatory authorities in regard to the permit renewal, including that a "notice of renewal" had been filed in March 2018 and an application for permit renewal had been filed in October 2018. Until the events of June 2019 the mine's permit renewal process had remained opaque in spite of numerous attempts by Philippine organizations working with the Didipio community organizations to gain insight and input into the process in the course of 2018. In its [letter](#) to the elected leadership of Didipio of June 21, OceanaGold acknowledges only having revealed in 2019 to the affected community that the company had filed a notice of renewal in March of 2018.

On July 1, Didipio residents, most of whom are indigenous peoples with the majority being Ifugao, blockaded a thoroughfare for trucks to and from the mine, including those carrying out copper concentrate, and [reportedly](#) halting entry by a supply truck on the first day of their ongoing blockade. The company has [suspended](#) truck movement and mining, but continues to process ore.

The events of June and July 2019 underscore that the controversial mine, which has a [history of environmental and human rights abuses](#), clearly does not have social acceptability as evidenced by long-standing opposition to continuation of the project by the elected leadership of the [village of Didipio](#), the Municipality of Kasibu, and the Province of Nueva Vizcaya.

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1. OceanaGold's 25-year right to mine is granted through a Financial and Technical Assistance Agreement (FTAA) issued on June 20, 1994. The FTAA 001 was the first FTAA to be granted in the Philippines.
 2. National support organizations include: Alyansa Tigil Mina (ATM); Kalikasan Peoples Network for the Environment (Kalikasan); Advocates for Science and Technology for the People (AGHAM)
 3. Local organizations critical of the mine include: Samahang Pangkarapatan ng Katutubong Manggagawa at Magsasaka, Inc. (SAKAKMMI); Didipio Earth Savers Movement (DESAMA).



Ongoing blockade of OceanaGold's Didipio Mine, started on July 1, 2019 by residents of Didipio. (Photo by KALIKASAN)



Kasibu Mayor Romeo Tayaban signs Gov. Carlos Padilla's restraining order to stop the operations of the OceanaGold in barangay Didipio with the Governor at his side. (Photo by PIA)

On December 7, 2018, Kalikasan Peoples Network for the Environment (Kalikasan) and Samahang Pangkarapatan ng Katutubong Manggagawa at Magsasaka, Inc. (SAKAKKMMI) brought a [submission](#) to five UN Special Rapporteurs and the UN WorkingGroup on Business and Human Rights detailing human rights and environmental abuses caused by the mine's operations. On February 13, 2019, the [UN bodies wrote](#) to the Governments of the Philippines and Australia and to OceanaGold seeking clarification on ten issues.

Despite an obvious lack of a social license, OceanaGold filed a petition in the Regional Trial Court for a preliminary injunction against the "Province of Nueva Vizcaya, the Municipality of

Kasibu et al.” to have the people’s blockade removed and to ensure all permits and licenses necessary for mining to continue unhindered be maintained, including the Mayor’s Permit. The company cited the millions of dollars it is losing with every day of the blockade.

On July 25 the [Regional Trial Court](#) denied OceanaGold’s petition for injunctive relief noting among others that: the company’s right to mine had ceased to exist as of June 20, 2019; the MGB letter of June 20, 2019 constituted the agency’s opinion, not a permit; relief for the company can only come from the country’s President who has the right to grant or deny a permit to mine under an FTAA.

The people’s blockade in Didipio continues. OceanaGold is [appealing](#) the Regional Trial Court decision.

WHY THIS STRUGGLE MATTERS

OceanaGold’s mining permit, dating back to June 20, 1994, is in the form of a [Financial and Technical Assistance Agreement \(FTAA\)](#). OceanaGold holds the very first FTAA granted in the Philippines and its provision pre-dates the 1995 legislation that governs FTAA’s. OceanaGold is also the first company to request renewal of its FTAA.

An FTAA can only be granted, or renewed, upon approval by the President of the Philippines. FTAA provisions include that the company must ensure that the “Free and Prior Informed Consent (FPIC) has been issued by the Indigenous Cultural Community (ICC)/IP concerned.”

The very fact that OceanaGold went about the process of applying for a renewal of the mine’s FTAA in 2018 without consultation with the local community of Didipio, in fact without even informing, let alone consulting, the elected leadership of the community, provides insight into the complete failure of OceanaGold to enter into any kind of good faith process by which to seek or secure Free Prior and Informed Consent of the majority indigenous population of Didipio, which is largely Ifugao.

The consistent stream of resolutions against the company from the Didipio elected leadership, supported by expressed concerns about the mine’s operations from municipal and provincial levels of government, should have been enough reason for OceanaGold to do its utmost to engage and respond to community concerns; especially with the permit renewal coming up. Instead, the company’s process for seeking a renewal of its permit was not transparent and the company seems to be unconcerned that it does not have the Free Prior and Informed Consent of the Indigenous peoples of Didipio.



Background:

OCEANAGOLD AND LONGSTANDING OPPOSITION TO MINING IN DIDIPIO

Location and environmental and social context

The Didipio mine is one of the largest mines in the Philippines, located in the municipality of Didipio in Nueva Vizcaya, a crucial agricultural province in the Cagayan Valley on Luzon island. Didipio's population largely consist of the indigenous Ifugao People who since the 1960s have settled in the area from nearby provinces and built terraces.

The mine stands at the headwaters of a the Addalam River which flows down forested mountains through four provinces, past millions of homes until it becomes the Cagayan River, the Philippines' longest river which empties out in the Pacific Ocean. Any contamination of the river represents a [threat to region's invaluable ecosystem](#), and the millions of livelihoods that depend on it.

The history of the mine and opposition to it

The history of the Didipio mine [dates back to the late 1980's](#) when Climax Mining (CM), a publicly listed Australian company, began collecting samples at the site. Three years later CM started exploration activities, and in 1994 they announced their first discovery of copper and gold in the Dinkidi Mountain. Later that year, CM were granted the country's first Financial or Technical Assistance Agreement for a 37,000-hectare area in Nueva Vizcaya and Qurinio Provinces, giving them the right to explore for up to 50 years.

The Indigenous people of Didipio have [protested](#) the mine since the early 1990's, mainly due to concerns over potential negative environmental impacts to the Addalam River watershed. When the Council of Didipio and CM signed a Memorandum of Agreement (MOA) in 1999, the local communities established the Didipio Earth Savers Movement (DESAMA) to oppose the mining activities.

Despite growing environmental concerns, the Department of Energy and Natural Resources (DENR) granted CM an Environmental Compliance Certificate (ECC) the following month. In October 2000 however, the DENR declared the project closed to any form of mining activity, and a year later they suspended CM's FTAA on the basis that the project was not socially acceptable. Yet, CM did not leave the mine site. Five weeks later, the second MOA was signed between the two parties despite the growing opposition.

In 2002, the communities elected local politicians that formally expressed opposition towards the mine. In 2003, a number of civil society groups in the Philippines, including DESAMA, filed a [petition](#) to the Supreme Court that challenged the constitutionality of the Philippine Mining Act of 1995 and the issuing process of FTAA's, as well as the legality of CM's FTAA. The court eventually dismissed the claim.

In 2006, OceanaGold's predecessor, Oceana Gold Ltd [merged](#) with CM and acquired the Didipio mine. In the years that followed tensions in the area grew, as OG forcefully evicted local community members without consent and [violently demolished](#) 187 houses. In 2012, Kalikasan reported that two members of DESAMA were [shot dead](#) as they were headed to Didipio.

[Despite the growing tension and opposition](#), the construction phase started in 2011, which saw an open-pit copper-gold mine carved into Dinkidi mountain. The production phase started in 2013.

Quick facts and structure

The Didipio Copper-Gold Mine [commenced](#) commercial production in 2013 as an open-pit mine and transitioned to an underground mine in 2016. The mine's reserves are estimated to be 1.59 million ounces of gold and 0.21 million tons of copper. The yearly production forecast is currently estimated at 120,000-130,000 ounces of gold and 14,000-15,000 tons of copper. The mine has a remaining estimated lifespan of more than 14 years.

OceanaGold Corporation is the Canadian-based parent company of numerous [wholly-owned subsidiaries](#). It is currently listed on the Toronto Stock Exchange Market and the Australia Exchange market, with headquarters in Melbourne and a corporate office in British Columbia.

OceanaGold [operates](#) the Didipio project through wholly-owned subsidiaries in Singapore, the Netherlands and the Philippines. OceanaGold subsidiary OceanaGold (Philippines), Inc. (OGPI) owns 92% of the Didipio Mine. The remaining 8% is owned by a Philippine claim owner syndicate under an Addendum Agreement to the mine's FTAA.

Human rights violations and environmental destruction

Prior to OG

Although many social and environmental impacts occurred after OG acquired the mine in 2006, a significant number of abuses date back throughout the history of the mine. Oxfam Australia/Community Aid Abroad started a Mining Ombudsman inquiry in 2002. The investigation recorded [grievances](#) in a number of areas, including lack of informed consent, forced land acquisitions and growing community divisions between pro-mining and anti-mining advocates. These grievances were also confirmed by investigations conducted by MiningWatch Asia Pacific and the Legal Rights and Natural Resources Centre in 2003.

Post-OG

A number of violations of human rights and environmental abuses have been reported since 2006. In 2018, MiningWatch Canada and the Institute for Policy Studies (IPS) published a report laying out [ten violations](#) by OceanaGold of its FTAA, of national and provincial laws and decrees and/or internationally recognised human-rights. The report concluded that the mine has had significant adverse impacts on water, forests, land, biodiversity, indigenous peoples rights, labour rights and human rights. The most significant impacts include, but are not limited to, illegal and violent demolitions of 187 houses in Didipio in 2008, failure to obtain the Free, Prior and Informed Consent of the Indigenous Ifugao people and degradation of agricultural land in surrounding communities.

OG's global footprint

In 2008, El Salvador's government blocked a mining permit of Pacific Rim for its proposed El Dorado gold mine. The following year Pacific Rim used the World Bank's International Centre for Settlement of Disputes (ICSID) to [sue the government](#) for around USD\$284 million for loss of potential profits, even though the company did not meet the legal requirements to obtain a permit. While the court case was running, OG acquired Pacific Rim, in 2013 and [vigorously pursued](#) the case. In 2016 the tribunal rejected the claim and OG were ordered to pay the Salvadoran government USD\$8million to cover their legal fees and costs. Not only did OG refuse to pay for months, they also refused to acknowledge and compensate the local communities for environmental and social damages done during the exploration phase. In 2017 this negative experience led lawmakers in El Salvador to pass the world's first ban on all mining for gold and other metals.

In 2015, OG [bought out](#) Newmont's gold mining operations in New Zealand. OG have been criticised by local communities there for their use of toxic chemicals and for poor design and construction of the mine site, posing a large risk of landslides. OG currently holds more than 10 mining permits on the Coromandel Peninsula in New Zealand. They recently undertook exploration and found gold and silver in an area that is home to several [threatened species](#).

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