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DENR stops LGUs from issuing small mining permits

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PUERTO PRINCESA -- Environment Secretary Lito Atienza has signed an order that effectively stops local governments from issuing small-scale mining permits for nickel and metal ore mining ventures.

The order, which has yet to be published before it takes into effect, has been endorsed by the Philippine Chamber of Mines, according to Roland de Jesus, Mines and Geosciences Bureau director.

"The secretary knows he is on the right track on this DAO (Department Administrative Order) and he is being supported by the Chamber of Mines," De Jesus told the Philippine Daily Inquirer (parent company of INQUIRER.net).

This developed as the DENR canceled the large-scale mining applications of three local companies controlled by a Canadian mining company.

On Feb. 7, an MGB panel of arbitrators upheld a ruling it made on Dec. 14, 2007 denying the application for a large-scale mining permit of the local companies that are subsidiaries of the Canadian group MBMI Resources based in Vancouver, British Columbia. The MGB ruled that MBMI, which is a foreign company not registered in the Philippines, is "disqualified" from applying for a large-scale permit under Republic Act 7942 or the Philippine Mining Code.

"It is clear that the Canadian stockholders are the ones in control of the (local) corporations, solely on the strength of their far more substantial financial investment in relation to that of the Filipino stockholders," it said.

The Palawan government had earlier granted small-scale mining permits to Patricia Louise Mining and Development Corp., Narra Nickel Mining Corp. and McArthur Mining Corp.

The companies have been trying to convert their existing small-scale operations into a Financial or Technical Assistance Agreement (FTAA) application.

The MGB, however, described MBMI's participation in the FTAA application as "a case of misrepresentation."

"The participation of MBMI only proves that it is the Canadian company (MBMI) that will provide the finances and the resources to operate the mining areas for the benefit and interest of the same and not the Filipino stockholders who only have a less substantial financial stake in the corporation," it added.

The MGB panel also blasted at the MBMI consortium's imputation against it of "gross incompetence" and "that the resolution was issued for consideration."

An official of one of the mining companies contacted by the Inquirer dismissed the MGB ruling as part of a ploy of a rival company to take over their mining claims.

Lawyer Hermes Dichosa of Toledo Mining and Development Corp. claimed that a rival company, Redmont Consolidated Mines Corp., was behind the moves to cancel their claims over the nickel-rich properties in southern Palawan. "They are claim jumpers and they are dreaming," Dichosa told the Inquirer.

MBMI, a publicly listed company in the TSX Exchange in Canada, claimed in its disclosure statements that it controls over 22,000 hectares of nickel lands in Palawan and Samar.

David Turmines, president of Redmont, has complained to the National Commission for Indigenous Peoples that MBMI had continued with its consultation activities, as part of its MPSA application process, with the indigenous communities despite the DENR ruling. ***Redempto Anda, Inquirer Southern Luzon***

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