



Republic of the Philippines  
**House of Representatives**

**HON. CARLOS M. PADILLA**

Deputy Speaker

Representative, Lone District, Nueva Vizcaya

**OCEANAGOLD UNJUSTLY BENEFITTING FROM PHILIPPINES MINES AT THE  
EXPENSE OF THE PEOPLE AND ENVIRONMENT**

*OceanaGold Philippines Inc,(OGPI) operations in Brgy. Didipio, Kasibu, Nueva Vizcaya, destroys lands and roads, threatens eco-tourism, watershed and protected areas and gives zero to nil shares to the government.*

As a leader, representative and resident of Nueva Vizcaya, I have witnessed many developments that have caused both positive and negative changes to the province and its people. Nueva Vizcaya is a food basket producing export-quality high-value crops, vegetables and cutflowers and serves as home to multi-ethnic and indigenous communities. The landlocked province, bordered by several watershed, protected areas and potential ecotourism sites, is also gifted with minerals such as gold and copper that both small-scale and large-scale miners eagerly exploit.

Traditional small-scale mining has become an alternative livelihood by some of the communities since the discovery of gold in the area in 1972 and this has attracted foreign miners to come in 1989. The permit to mine through a Financial and Technical Assistance Agreement (FTAA) for the Didipio Gold and Copper Project was issued to Climax-Arimco Mining Corporation (CAMC) in 1994 before the passage of the Philippine Mining Act of 1995 or Republic Act No. 7942. The FTAA allows a foreign company special privileges including 100% ownership that contravene normal Constitutional limitations. OceanaGold came into picture in 2006.

Affected communities oppose the presence of OceanaGold's operations in the province since the exploration stage because of its many negative impacts. Meanwhile, because of our mining policy and unscrupulous government officials, OceanaGold's Operations through OceanaGold Philippines Inc.'s (OGPI) operations has been prioritized and even incentivized. Other privileges granted to them include the right to use explosives, easement rights, timber rights and water rights.

This injustice and inequitable sharing of our mineral resources is one of many other reasons why we area against OceanaGold's presence in the province. While the company is earning and exporting our minerals since April 2013, we are left with crumbs and almost zero share. They simply gather our minerals and get away from tax and other responsibilities.

**OceanaGold's tax privileges**

Based on OGPI's FTAA, it is required to pay only 2% mineral excise tax based on the actual market value of annual gross output covers the Didipio mine, Corporate Income Tax and other tax duties. However, due its contract, the Philippine government gave it six years tax holidays with a potential extension of another two years. They are free of tax obligations 6-8 years out of the 17 years of the mine life.

To us, Novo Vizcayanos this is unjust and unconstitutional. Hence, OGPI's contract is one of the subjects of a 2008 Petition to the Supreme Court specifically on the Constitutionality of Sections 80-81 or the fiscal regime of RA7942 that limits government shares to taxes, fees, and royalties from mining.

Granted we need to fulfill our end of the contract, we can only watch now how OGPI will manage and mitigate the impacts of their operations. But then the miners have to be greedy.

### **National road destroyed to give way to OceanaGold's siltation dam**

Another issue regarding the Didipio mine is the destruction and construction of roads for the mining project. In 2012, residents of Barangay Alimit, beside Didipio were shocked when the Alimit-Dinauyan Road used by the people to transport their crops to the market was closed down and flooded to be used as mine tailings dam. Meanwhile, the alternative road promised by OceanaGold has not been completed. This has impacted people's movement and livelihoods; this has affected their day-to-day lives. This is on top of the human rights violations and abuses caused by the entry of mining in the province.

But OceanaGold continues to achieve their target to exploit our minerals regardless of the repercussion to the people and the environment, regardless of our strong opposition and even policies.

### **OceanaGold's operations in a no-go zone**

Disregarding our policy declaring the province as a no-go zone and closed to new mining operations other than OGPI's current project and British FCF Mineral's Gold-Molybdenum Project in Runruno, OGPI further decided to expand its Didipio mine and even continue exploring possible expansion areas.

This is strongly opposed by the people who signed petitions against the expansion of OGPI's mines. But their voice, our voice, is unheard.

How then can we, Novo Vizcayanos and Filipinos benefit from our mineral wealth and natural resources when miners, such as OceanaGold, has circumvented our policies for corporate greed? OGPI would not even care to be transparent with its operations and provide grievance mechanisms for mining-affected communities.

Then again we will not sit silent and let this injustice continue. We will fight for our rights, we will fight in different fronts, and we will make sure that justice will be served. We will not stop until all mining firms end their operations and pullout from Nueva Vizcaya, and leave its people to manage and develop it without these destructive projects.



**CARLOS M. PADILLA**

Representative, Lone District of Nueva Vizcaya  
Incoming Governor of Nueva Vizcaya (effective July 1, 2016)

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