



Resource Development (Phils.) Inc.

## NEWS RELEASE

### **Balabag Project Allays Fear of Illegal Miners' Comeback**

*All 28 barangays of Bayog Town clamor for DENR to certify TVIRDs environment compliance;*

*cite urgent need for immediate environmental clean-up and rehabilitation*



**Bringing Canatuan to Balabag.** TVIRD holds the MPSA covering the 4,779-hectare Balabag property and is authorized by the government to operate its gold-silver project in the area. The company is also engaged in a Public-Private Partnership (PPP) with the provincial government as the lead agency to implement an agricultural program that directly benefits 20 barangays in the town of Bayog. The company plans to implement a sustainable business model where agriculture and mineral processing thrive and coexist; similar to the model used at Canatuan where TVIRD has established its copper-zinc operations.

**Siocon, Zamboanga del Norte/ June 2013** – The entire town of Bayog – consisting of its 28 barangays in the province of Zamboanga del Sur– together with leaders of indigenous Subanen residents, recently urged the Department of Environment and Natural Resources (DENR) to speed-up the issuance of the Environment Compliance Certificate (ECC) to TVI Resource Development Philippines Inc. (TVIRD), Filipino company and local affiliate of Canada-based TVI Pacific, Inc. The community is urging TVIRD to

begin its mining project in the area, welcoming the large-scale mining company to immediately begin operations in Sitio Balabag.

With the recent addition of Barangays Lamare and Liba, the community summarized their unanimous request in signed resolutions that emphasize the immediate need for the environmental clean-up of the area once overwhelmed with illegal small-scale mining operations as well as for potential economic gains through royalties, employment and livelihood opportunities for the Subanen hosts in the municipality of Bayog.

Meantime, Barangay Captains Severo Opay of Kahayagan and Felisa Antonio of Pulangbato manifested their desire to pump-prime the progress of their villages by seeking for TVIRD's commencement of operations here.

### **Urgent need for environmental rehabilitation**

"We have already sent our request to the concerned agencies. What has taken them so long?" asked Antonio.

In its resolution, representatives of Barangay Kahayagan, the second largest barangay in Bayog, said illegal miners left toxic wastes like mercury and cyanide in the area and that neighboring communities urgently need "rehabilitation and remediation works soonest to save the area from the severe, if not irreversible environment destruction."

"The Department of Environment and Natural Resources (DENR) should take action and address the issues because Balabag should be decontaminated immediately," Opay said in an interview as he stands with the council's resolution that there is a need to clean up the abandoned area laden with toxic chemicals that endanger the community.

The 80-year-old chairman and former municipal vice mayor blamed the illegal small-scale miners and their financiers whose years of operating in Balabag led to the destruction of the environment. He added that the illegal miners made money but did not conduct their business responsibly in the area, disposing highly-toxic chemicals and waste everywhere in blatant disregard for the environment. The community, on the other hand, did not receive any compensation nor remuneration.

"They (TVIRD) cannot sanitize the area if they don't have an Environmental Compliance Certificate," Opay said, stressing the urgency on the part of the DENR in order for sanitation work to commence.

Opay expressed his confidence that the illegal miners will not return to Balabag due to the company's tightened security. However, some fear that unless TVIRD begins operations soon, the same crime and

lawlessness will return to the area; this time, possibly causing the complete and total destruction of Balabag's natural resources.

### **Support from indigenous cultural communities**

All other barangays also voiced similar concerns on the environment issue, including Conacon, which is headed by Barangay Chairman Timuay Luceno Manda - a chieftain of Subanens in Bayog. Subanens comprise a significant segment of Bayog's population.

Earlier, some 25 Subanen village chieftains under the Pikumpungan Subanen Lupa Pusaka (PSLP) – an organization of Subanen tribe officials representing 8,000 Subanens – signed a resolution comprising the same concerns and urged the DENR through the Environmental Management Bureau (EMB) to approve TVIRD's application and emphasizing the need to rehabilitate the area.

### **A requisite to environmental clean-up**

"Environmental clean-up is first priority to ensure the area is safe for the surrounding communities and to ensure TVIRD can start its mining operations right," said TVIRD President Atty. Eugene Mateo in an earlier statement, expressing the company's resolve to rid the area of toxic waste.

TVIRD is the Mineral Processing Sharing Agreement (MPSA) holder of the 4,779-hectare Balabag property and is authorized by the government to operate its gold-silver project in the Sitio once beset by illegal mining operations for more than two decades. These illegal mining operations used environmentally-harmful methods, avoided paying taxes to the government, employed children as laborers and did not provide social development projects as required by the mining laws. Moreover, these have also created numerous geohazard areas with a high probability of potential landslides and continued soil erosion, which have caused a number of casualties.

Largely untouched after the illegal miners were removed in October 2012, Balabag has become replete with hundreds of abandoned mine tailings ponds contaminated with mercury and cyanide. It is widely believed too, that the hundreds of un-engineered tunnels may also contain hidden stockpiles of illegally acquired explosives, cyanide and nitric acid.

"TVIRD is unable to begin any reclamation and environmental clean-up activities until it has received all the necessary permits, particularly the ECC." said Mateo. To date, TVIRD has invested some \$25 million in exploration and pre-development work in Balabag and estimates an additional \$25 million to bring it to commercial operations.

Since the enactment of the Philippine Mining Act of 1995, TVIRD was the first local company to secure a mining license and has since operated its gold, silver, copper and zinc minerals processing operations in

Canatuan, Zamboanga del Norte. The company is set to implement the roll-out of the same successful business model in Bayog as well as its sustainable social and environment programs, pending the DENR's issuance of the necessary permit and the establishment of more viable mining policies.

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Press photo:



- 1 **A strong resolve.** 80-year-old Barangay Captain Severo Opay of Kahayagan blamed illegal small-scale miners for the destruction of the environment, disposing highly-toxic chemicals and waste everywhere in blatant disregard for the environment. He also cited the urgent need to conduct clean-up and rehabilitation works.

#### **About TVI**

*TVI Resource Development (Phils.) Inc., is the Philippine affiliate of TVI Pacific Inc. (TSX: TVI), a publicly-listed Canadian mining company focused on the exploration and production of precious and base metals from district scale large system, high margin projects located in the Philippines.*

*We are committed to exploration and mining practices that promote transparency, responsible stewardship of the environment, and the inalienable rights to life, dignity, and sustainable development of our host communities.*

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