

Republic of the Philippines  
Department of Environment and Natural Resources  
**MINES AND GEOSCIENCES BUREAU**  
**MIMAROPA Region**

7/F DENR Building, 1515 Roxas Boulevard, Ermita, Manila  
Telefax No. (+632) 8536-0215 / (+632) 5310-1369  
Email: region4b@mgb.gov.ph



30 January 2023

**HON. ANTONIO R. MENESE**

Vice Mayor  
Sangguniang Bayan of Magdiwang  
Magdiwang Municipal Hall, Romblon

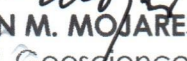
**Dear Vice Mayor A. R. Menese:**

We are respectfully forwarding a copy of the 14 December 2022 letter of Altai Philippines Mining Corporation, in reference to the Municipal Resolution No. 22-172 issued by the Sangguniang Bayan of Magdiwang, Romblon, opposing Mineral Production Sharing Agreement No. 304-2009-IVB, for your information.

Thank you.

Very truly yours,

By authority of the Regional Director:

  
**EDWIN M. MOJARES. PhD**  
Chief, Geosciences Division  
OIC, Office of the Regional Director

Enc'l.: As stated

cc: **The Regional Executive Director**  
Department of Environment and Natural Resources  
MIMAROPA Region

**The PENRO**  
Provincial Environment and Natural Resources Office  
Odiongan, Romblon

**The Director**  
Mines and Geosciences Bureau  
North Ave., Diliman, Quezon City



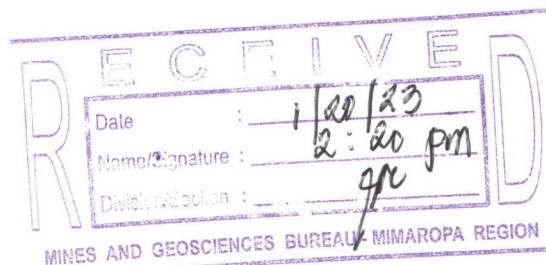
**"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT  
IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."**



# ALTAI PHILIPPINES MINING CORPORATION

December 14, 2022

**DR. EDWIN M. MOJARES, Ph.D.**  
**Chief, Geosciences Division**  
**OIC, Office of the Regional Director**  
**Mines and Geosciences Bureau**  
**MIMAROPA Region**  
7<sup>th</sup> Floor DENR Bldg., 1515 Roxas Blvd.  
Ermita, Manila



**SUBJECT: REPLY-COMMENT TO MUNICIPAL RESOLUTION NO. 22-172 BY THE SANGGUNIAN BAYAN OF MAGDIWANG, ROMBLON REITERATING ITS STAND THAT IT IS AGAINST LARGE SCALE MINING**

Dear Dr. Mojares,

This refers to your letter dated 27 October 2022 directing **Altai Philippines Mining Corporation ("Altai")** to submit a reply-comment in response to Municipal Resolution No. 22-172 By The Sangguniang Bayan Of Magdiwang, Romblon ("Municipal Resolution No. 22").

Municipal Resolution No. 22 reiterated the sentiments of the Sangguniang Bayan of Magdiwang expressed in Joint Resolution No. 01-2022 of the Local Governments of San Fernando, Cajidiocan, and Magdiwang strongly opposing metallic large-scale mining in Sibuyan Island and requesting President Ferdinand R. Marcos, Jr. and the Congress of the Philippines to declare Sibuyan Island free from large-scale metallic mining, and to urge Department of Environment and Natural Resources (DENR) Secretary Ma. Antonia Yulo-Loyzaga to immediately review, halt, revoke, and reject all mining agreements, exploration activities, mining operations, and applications within the territorial jurisdiction; and (2) furnish with a copy of the Resolution His Excellency Ferdinand Romualdez Marcos, Jr., President of the Republic of the Philippines; the Congress of the Philippines; Madam Ma. Antonia Yulo-Loyzaga, Secretary of the of the DENR; Hon. Eleandro Jesus F. Madrona, Congressman, Lone District of Romblon; Hon. Jose R. Riano, Governor of Romblon; the PENRO, Odiongan, Romblon; the Sangguniang Panlalawigan, Romblon, and all offices concerned, for their information and record.

Municipal Resolution No. 22 also admitted that "there is no evidence yet of destruction or harm" and that the LGUs involved could not ordain a law banning large-scale metallic mining within the Island of Sibuyan, but they could express their opinion





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against it, and that it is a statement to all mining companies that they “will eventually object when you ask permission from us.”

In light of the issuance of Municipal Resolution No. 22, Altai hereby respectfully submits the following comments in response:

### **I. Municipal Resolution No. 22 goes against National Policy and restricts Sibuyan Island’s potential for development**

At the outset, it is worth pointing out that Altai does not have any operations within the Municipality of Magdiwang, which makes it all the more confusing as to why Municipal Resolution No. 22 is directly targeted towards Altai and its August 30, 2022 Response submitted to the MGB. This type of law targeting a specific person or group is in the nature of a Bill of Attainder, and is unconstitutional for it seeks to suppress unpopular causes and political minorities. While the Sangguniang Bayan of Magdiwang is free to express its opinion, it cannot do so in such a manner that specifically targets Altai, especially when Altai does not even have any operations within Magdiwang.

What is more, the Sangguniang Bayan of Magdiwang, in issuing Municipal Resolution No. 22, declared its unequivocal objection to large-scale mining in Sibuyan Island, opting instead to concentrate on “Ecotourism and Agri economy.” The Resolution then went on to state that it will “eventually” object to all mining companies seeking to operate in Sibuyan, so there is no point for mining companies to invest heavily into infrastructure.

Thus, it appears that rather than focusing on preventing the rampant illegal small-scale gold mining within its own municipality, which has led to increased poverty<sup>1</sup> and even fatal accidents<sup>2</sup> among its residents, the Sangguniang Bayan of Magdiwang is more concerned with objecting to legal and responsible large-scale mining operations within Sibuyan Island.

But what Municipal Resolution No. 22 really overlooks is the fact that the Constitution itself recognizes and supports the exploration and utilization of mineral resources for the development of national wealth. RA No. 7492, otherwise known as the Philippine

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<sup>1</sup> <https://newsinfo.inquirer.net/442473/poor-villagers-pursue-dreams-of-gold>

<sup>2</sup> <https://www.gmanetwork.com/news/topstories/regions/357188/three-killed-in-romblon-mine-landslide/story/>





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Mining Act of 1995, also provides that it shall be the responsibility of the State to **promote** the rational exploration, development, utilization, and conservation of the country's mineral resources to enhance national and local growth.

It is worth pointing out that the Philippine mining industry contributed ₱102.3 billion to the Philippine's Gross Domestic Product (GDP) in 2020 despite the challenges posed by the COVID-19 pandemic, according to a report released by Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR), and then-DENR Secretary Roy A. Cimatu said the report shows how the mining industry plays a "huge role in the country's economic growth despite the pandemic."<sup>3</sup>

Under the Mining Act and its implementing rules and regulations, local governments are entitled to a 40% share from the gross collection of the national government from mining taxes, royalties and other fees. In addition, occupation fees entitle the province to 30%, and host municipalities to 70%. These provisions are strengthened by the Local Government Code, which stipulates that if a natural resource is located in the province, then the provincial government will have a share of 20%; municipality, 45%; and the *barangay*, 35% out of the 40% revenue that the national government remits to the local government. For example, in 2021 alone, the region of Caraga generated over P132 Million Pesos in LGU collections. Surely Sibuyan's local government can use these funds to finance more programs and projects for their communities.

Meanwhile, data shows that most of Sibuyan's residents are living in poverty, with 62.10% of households living below the poverty threshold, and 49.22% of households living below the food threshold. The pandemic that has stretched on for more than two years now has worsened the situation, affecting the meager trade and livelihood of local residents, with some families being forced to survive on only Php1,000 a month.<sup>4</sup>

The Sangguniang Bayan of Magdiwang, by pronouncing that they will never agree to mining operations in Sibuyan, are basically depriving not only the people of its own municipality, but also those of Sibuyan Island, the Province of Romblon, and the entire country, of the benefits of economic growth brought about by mining. In essence, the Sangguniang Bayan of Magdiwang, through Municipal Resolution No. 22, is keeping its own residents living in poverty and hardship by stubbornly refusing to even entertain the possibility of welcoming mining operations—even responsible ones—within its jurisdiction.

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<sup>3</sup> <https://denr.gov.ph/index.php/news-events/press-releases/2935-denr-mgb-ph-mining-sector-contributes-102-3b-to-gdp-allots-379b-for-environmental-programs-in-2020>

<sup>4</sup> <https://www.rappler.com/moveph/114196-sibuyan-island-paradise-peril/>





## **II. Municipal Resolution No. 22 even goes against the Province of Romblon's Policy**

On July 15, 2022, the Sangguniang Panlalawigan of Romblon issued Resolution No. 07-2022-20 (SP Resolution No. 07), which strongly opposed and prohibited all forms of **environmentally destructive and irresponsible mining** in the Province of Romblon.

SP Resolution No. 07 defines "environmentally destructive and irresponsible mining" as:

- A. Forms/types of mining that would have negative impact impacts on the air, water, and land, and tangible and intangible heritage of the communities;
- B. Forms/types of mining that would affect the lives and livelihood of the local communities;
- C. Forms/types of mining that would have irreversible effect to the environment and the health of the local communities;
- D. Forms/types of mining that would have no economic impact to local communities and are not keen in owning social responsibilities; and
- E. Mining in areas that fall under Section 19 of Republic Act No. 7942 otherwise known as the Philippine Mining Act of 1995, and mining in other areas deemed prohibited by other laws and policies.

Altai's activities and mining operations clearly do not fall under any of the criteria that define environmentally destructive and irresponsible mining as contemplated in SP Resolution No. 07, because Altai is committed to the safe, responsible, and ecologically-conscious type of mining that would contribute to the livelihood and development of Sibuyan Island and its people.

To repeat, Altai applauds and supports SP Resolution No. 07 for expressing the Province of Romblon's opposition to environmentally destructive and irresponsible mining, for it is these destructive, illegal, and irresponsible mining activities in the country that negatively affect the perception of mining as a whole—even those that are legitimate and conducted responsibly. Altai supports this Sangguniang Panlalawigan Resolution since Altai is clearly not covered by its definition of environmentally destructive and irresponsible mining. SP Resolution No. 07 is an example of a reasonable Resolution that properly regulates mining and does not just completely ban all forms of mining, without distinguishing the destructive operations from the responsible ones.

On the other hand, Municipal Resolution No. 22 presents a limited and close-minded view of mining, saying that *all* forms of mining is inherently destructive, and that the concept of mining as not inherently destructive under responsible and watchful eyes





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is “a fallacy.” This is the type of harmful and misleading generalization against responsible mining that hinders the economic growth of the country. Without a doubt, Municipal Resolution No. 22 contradicts the stance of the Province of Romblon and goes against the Province’s more rational approach to the issue of mining.

### **III. Contrary to the unfounded fears of Magdiwang’s Sangguniang Bayan, Altai’s operations will not have any negative effects on Mt. Guiting-Guiting and Sibuyan Island**

Altai does not dispute the beauty of Sibuyan Island and recognizes that Mt. Guiting-Guiting Natural Park is a Protected Area, covering an approximate area of 15,265.48 hectares. That is why **Altai’s MPSA does not overlap any portion of the Protected Area and is even well outside of the buffer zone provided by the DENR**, ensuring that Mount Guiting-Guiting will remain protected and be unaffected by Altai’s operations. Also, since Altai’s MPSA is located away from the protected areas and dense forest, there is no way that the mining operations will affect Mount Guiting-Guiting and the forest as these are situated far away and high above Altai’s MPSA area. In sum, no harm has been proven to be caused by Altai’s operations, and the alleged damages that will be caused to the mountain and the rivers of Sibuyan are purely speculative and has no factual basis.

Moreover, Sibuyan Island has a total land area of 45,000 hectares. Comparatively, **Altai’s MPSA area covers no more than 1,580 hectares, with a projected potential mineable area of only 250 hectares.** Thus, Altai’s operations will likely take place in just less than 1% of Sibuyan’s total land area—hardly the ruinous destruction and destabilization that the Sangguniang Bayan of Magdiwang fears.

To sum up, Altai is fully committed to cooperate with the DENR-MGB, the LGUS, and the residents of Sibuyan in the implementation of its full exploration work program, which is aimed to develop an economically mineable resource of nickel ore. The success of the exploration program could lead to successful nickel mining operations in the Province of Romblon under the principle of responsible and sustainable mining.

In light of the current pandemic and economic troubles prevailing in the country which resulted in the surge of unemployment that adversely affected the local community of Sibuyan Island, Altai aims to provide help through the implementation of its 2-Year Exploration Work Program. The program is expected to generate direct employment, strengthen the community, improve local infrastructure, and boost Sibuyan’s economy after the pandemic, while also contributing to rebuilding our nation’s financial growth.



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Given the opportunity, we at Altai are confident that we will be able to show to the LGUs and communities concerned that our operations will not negatively affect Sibuyan Island, and will in fact bring prosperity and development to its people, the island, the province, and the whole country.

Thank you.

Sincerely,



**HANNIEL T. NGO**

President



## ALTAI PHILIPPINES MINING CORPORATION

Cf:

**The Presidential Complaint Center**

pcc@malacanang.gov.ph

PCC Code No: PCC-GDP-06-13-2022-074

**The DENR Action Center/Hotline**

Department of Environment and Natural Resources

denr@8888.gov.ph

**The Presiding Officers**

Sangguniang Bayan of San Fernando

Sangguniang Bayan of Cajidiocan

Sangguniang Bayan of Magdiwang

Sibuyan Island, Romblon

**The Director**

Mines and Geosciences Bureau

North Avenue, Diliman, Quezon City

**The Sangguniang Panlalawigan**

Office of the Sangguniang Panlalawigan

Province of Romblon

Romblon