



CORDILLERA PEOPLES ALLIANCE
For the Defense of the Ancestral Domain
and For Self Determination
MINING ACTION ALERT

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**AUSTRALIAN MINING COMPANY ROYALCO VIOLATES INDIGENOUS COMMUNITY'S
COLLECTIVE RIGHT TO FREE, PRIOR AND INFORMED CONSENT**

Summary of Facts

Australian mining company Royalco Resources Limited has grossly violated the Free, Prior and Informed Consent (FPIC) of the Kankanaey indigenous community in Gambang, Bakun municipality, Benguet province here in the Cordillera region, for manipulating the FPIC process for a 5,400-hectare (Exploration Permit Application No. CAR-0001) in the said community. The community has collectively declared and asserted that it is not allowing large mining in Gambang¹, but inspite of the manifested community opposition and rejection, Royalco continues to manipulate the FPIC and insist its exploration. The provincial National Commission on Indigenous Peoples (NCIP) has neither been supportive to the community and hear out their issues and concerns. Instead, NCIP-Benguet has been facilitating the fraudulent FPIC process in favor of Royalco.

Community members have organized themselves into Bakun Aywanan, or *Defend and Nurture Bakun*. To date, the communities and Bakun Aywanan sustained their opposition through concerted actions, mobilizations and dialogues with local government, and the regional and provincial offices of the National Commission on Indigenous Peoples (NCIP). They continue to assert their right to genuine FPIC process and resist large and destructive mines in their municipality, and they have demanded Royalco out of Bakun now.

Bakun Profile²

Bakun is one of 13 municipalities of Benguet province covered with various overlapping mining applications by foreign mines and their local subsidiaries. Of the province's 298,921.294 hectares total land area, new mining applications already total about 117,000 hectares or 39% of Benguet's land area, excluding the land area of abandoned operations of Bonneng mines in Kibungan and Atok, Sto. Nino Mines in Tublay Black Mountain in Camp 6, Kennon Road. And the ongoing operations like Lepanto and Benguet Corporation, Philex mines in the northern and southern parts of the province, respectively. Mining operations adjacent to Bakun include UK-based Bezant's



¹ BAKUN AYWANAN Resolution Number 1 Series of 2008 submitted to the regional and provincial offices of the National Commission on Indigenous Peoples (NCIP)

² 2007 Benguet Socio-Economic Profile

subsidiary Crescent Mining and the revived operations of the Itogon Suyoc Resources Inc. (ISRI, formerly Itogon Suyoc Mines Inc.).

Bakun municipality has a population of 12,137 individuals as of 2007. The municipal land area is 28,831 hectares. Fifty percent of Bakun's land area serves as watershed for energy and power development, with the Bakun river main stream as a tributary of the Amburayan River and Abra River down to Cervantes. These rivers provide irrigation to the agricultural lands and water supply in downstream communities. Seven barangays compose Bakun, namely: Ampusongan, Bagu, Dalipey, Gambang, Kayapa, Poblacion, and Sinacbat.

Bakun leads in agricultural land use for the whole Benguet, with 12,492 hectares classified as agricultural land and 15,647 hectares classified as forest. Vegetable production in effective hectarage total 1,709.88 hectares with the following crops cultivated: palay (rice) at 373 has., corn (2 has.), rootcrops (57 has.), legumes (17.5 has.), vegetables (1,159.95 has.), cutflowers (4 has.), plantation crops (50.3 has.), and fruit trees (46.13 has.). Thus, communities rely on agriculture as their main source of livelihood.

Large and destructive mines have long operated in Benguet with the underground bulk mining of Lepanto Consolidated Mining Company in Mankayan and open pit mining and bulk mining of Philex Mining in Itogon and Tuba. The collective rights of indigenous communities in these areas of mining operations were blatantly violated, including their right to self-determination and ancestral lands. These include violation of right to FPIC, dispossession from their communities, economic dislocation, and tremendous environmental and social costs from mining disasters, to name a few. Bakun could only become another mining disaster area if Royalco is not stopped. The land devoted to livelihood and subsistence are at high risk of being lost. Communities where large mines operate remain impoverished and, worst, destroyed. As a matter of fact, while Benguet province has hosted most of the large and foreign mines in the region, it remains to have the highest magnitude of poor populace. Large mining has not dramatically improved the lives of the Benguet indigenous peoples.

Brief Chronology

Prior to Royalco, BOMA Mining Exploration first explored in Bakun municipality in the 1960s, transformed its name into Trans Asia to then Dalton Pacific Resources in 2001. Australian subsidiary Oxiana Philippines became the tenement holder in 2006. Royalco commenced exploration the following year, 2007. From BOMA to Oxiana (1995), the community's FPIC was neither acquired and their right to such was also grossly violated, as the acquisition of an indigenous community's FPIC is not transferable but must be acquired under a democratic process and free from external imposition and manipulation. Section 5d of the Philippine Republic Act 8371 or the Indigenous Peoples Rights Act (IPRA) defines the FPIC as the *"consensus of all members of the ICCs/IPs which is determined in accordance with their respective customary laws and practices that is free from any external manipulation, interference, and coercion and obtained after fully disclosing the intent and scope of the program/project/activity, in a language and process understandable to the community. The FPIC is given by the concerned ICCs/IPs upon the signing of the Memorandum of Agreement containing the conditions/requirements, benefits as well as penalties of agreeing parties as basis for the consent."*

Section 5i further defines Consensus-Building as *"the part of the decision-making process undertaken by the ICCs/IPs through their indigenous socio-political structures in arriving at a collective decision."*

Accounts from community members say that since the entry of Royalco, the communities and families were divided and disunited which affected peace and order in the area. The very process of the FPIC facilitated by NCIP-Benguet and undergone by Royalco is in itself flawed and manipulated. Instead of acquiring an FPIC for the whole Gambang as the area applied for, under the IPRA's strict definition of an FPIC, Royalco devised a ploy to divide the entire Gambang into 3 phases or areas and acquire a MOA for each phase. This tactic allows greater maneuvering to acquire the community's "FPIC" by breaking up and weakening the community's collectivity and consensus building towards reaching a decision. Royalco and the provincial

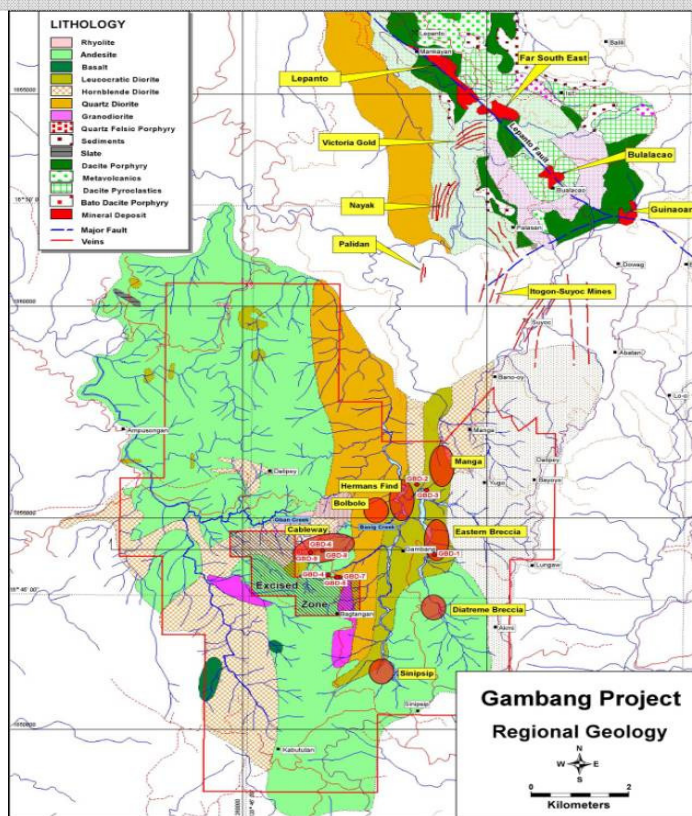
NCIP has even appointed a few individuals as elders and leaders who are allegedly in favor the Royalco's exploration, to make the MOA appear valid.

The community's resolve to tighten, strengthen and solidify its action to reject Royalco from their ancestral domain was actualized with the formation of BAKUN AYWANAN. It hosted the annual Mines Unsafety Celebration of the CORDILLERA PEOPLES ALLIANCE (CPA), this year with the Benguet Mining Alert and Action Network (BMAAN) in November 15, 2008 and gained both inspiration and motivation from the successful community struggles in other Cordillera provinces. The community sealed their commitment with the signing of the Benguet Declaration and Bakun Unity Pact. The community was successful in pushing for the postponement of the Memorandum of Agreement (MOA) signing for Royalco's Phase III application as of November 2007: some 200 community members dialogued with the Regional NCIP on November 17, while on November 18, nearly 400 community members picketed the Royalco Office in Bakun, while two dialogues were made with Bakun Mayor Marcelo Contada of Bakun.

Royalco Profile and Exploration in Gambang, Bakun, Benguet

Royalco is an Australian mining company which holds office in Melbourne. Its exploration in Gambang commenced in June 2008 and will continue until December 2008. Five holes have been completed as of end-October this year, in Royalco's prospect areas named Herman's Find, Eastern Breccia and Tokla³. Despite community resistance, the Mines and Geosciences Bureau-Department of Environment and Natural Resources (MGB-DENR) continues to process Royalco's exploration permit application in Gambang. Royalco has acquired Exploration Permits for its Pao and Malangza Projects in Nueva Vizcaya and Southern Leyte, respectively, with an additional 2 EPs granted in its Surigao Project, and an EP application in its Yabbe Project also in Nueva Vizcaya. Major stakeholders in Royalco's operations include Oxiana, Anglo Pacific and Riomin Gold.

The "under explored" Gambang project is strategically located south of the 50-kilometer belt where lies the Far Southeast and Victoria operations of Lepanto Mining.



The Gambang Project in Bakun, Benguet. www.royalco.com.au

Take Action!

Bakun is the first municipality in Benguet and even in the Cordillera region to have acquired a Certificate of Ancestral Domain Title (CADT). By virtue of such title that strengthens the community's collective ownership of the land and their resources, the people of Bakun have the ultimate claim and decision as to their land disposition. Royalco must pull out of Bakun immediately and the NCIP must uphold above all the collective right of the people of Bakun on their ancestral domain and resources.

We thereby appeal to the public for support in the Gambang indigenous community' struggle for the

³ 2008 September Quarterly Report. Royalco Resources Limited (<http://www.asx.com.au/asxpdf/20081029/pdf/31d7t96lqdz52c.pdf>)

recognition of their collective right to Free, Prior, and Informed Consent, inherent right to self determination and ancestral domain that is also the source of life of generations yet to come. Support to the Gambang indigenous community is support and solidarity to the Cordillera indigenous peoples' struggle against corporate plunder of land and resources not only in Benguet but to whole Cordillera.

We call on Philippine government, the NCIP and MGB, to respect and recognize the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), of which it is a signatory, and recognize and uphold the voice of the people of Gambang. By virtue of indigenous peoples' right to self determination (Art.3) and by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development; that they have the right to participate in decision-making matters that affect them (Art.18), and thus States shall cooperate to obtain their FPIC (Art.19) prior to any legislative and administrative measure that may affect them. These provisions must be implemented and respected by the government and mining companies for it to be meaningful to IPs and to prove government's sincerity in upholding indigenous peoples rights.

Please send letters or statements of concern to the addresses below in support of and in solidarity to the people of Bakun, Benguet. A Letter of Concern for sending is also attached. Please copy furnish letters to cpa@cpahils.org and pic@cpaphils.org

Our Demands:

1. Stop Royalco's exploration activities in Gambang, Bakun and Revoke Royalco's Exploration Permit
2. Revoke the Memorandum of Agreement for Phases I and II, and no MOA signing for Phase III
3. Respect the collective right to free, prior, and informed consent (FPIC) of the Kankanaey indigenous community in Gambang and the rest of Bakun, and their collective rights to their ancestral domain and self determination
4. For the provincial government of Benguet to put a moratorium on all large mining applications and operations in Benguet and ensure that mining companies rehabilitate mined-out communities where they have operated
5. Implement and respect the UNDRIP

In behalf of the people of Bakun, we thank you for your support and solidarity to this urgent concern of life and collective rights for the indigenous peoples of Benguet and the Cordillera!

CORDILLERA PEOPLES ALLIANCE

For the Defense of the Ancestral Domain and For Self Determination

ADDRESSES TO FORWARD LETTERS AND STATEMENTS OF CONCERN:

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