



## MINING INDUSTRY



Week ended **15 August 2008**

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This industry update from KPMG Manabat Sanagustin & Co. is a bi-monthly collection of the latest news and developments from the country's Mining segment. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business, interesting and useful.

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### **MGB alarmed by shortage of mine eng'rs, geologists**

The Visayas offices of Mines and Geosciences Bureau of the Department of Environment and Natural Resources express alarm by the shortage of mine engineers and geologists in the mining industry. MGB 6, 7 and 8 yesterday said that the availability of mine and technical engineers in their respective agencies is significantly low. Authorities admitted that this might create an impact in the smooth sailing of the country's mining industry.

Jugnuan said the low availability of professionals in the field contributes to sluggishness of the mine bureau operations. MGB-7 director Roger de Dios also said the less number of enrollees in mining engineering, geology and other related courses is quite alarming. To address this problem, DENR has tapped private companies to sponsor students who would want to enroll in the course.

Just this year, DENR granted scholarships to two students. Several private mining companies also offered 19 more scholarships. Meanwhile, MGB has mentioned several mines eyed for rehabilitation.  
<http://www.philstar.com/archives.php?aid=20080814200&type=2>

### **Guess who's been buying Philex shares**

FORMER Trade Minister Roberto Ongpin, chairman of Philweb Corp., invested on July 29, 2008, about P850 million in 119.65 million shares in Philex Mining Corp. This acquisition raised Ongpin's stake in one of the Philippines' oldest mining companies from less than 1 percent to 141.456 million shares, equivalent to 4.066 percent.

Ongpin's newly bought Philex shares included 113.075 million shares, which were traded in two special block sales at P7.10 each, or a total price of P802.833 million. His filing posted Thursday on the Philippine Stock Exchange indicated he bought 6.575 more Philex shares in the open market.

In reporting the change in his ownership in Philex, Ongpin told regulators that he still directly owns 130 shares while the rest are held by two corporate stockholders, Golden Media Corp. with 21.805 million shares, and Elkhound Resources Corp. with 119.65 million shares.  
<http://www.businessmirror.com.ph/0815&162008/headlines08.html>

### **Tiu group consigns mining assets to TKC**

THE Tiu group will move to steel-making unit TKC Steel Corp. (TKC) its two mining assets to jumpstart the latter's plan to venture into the country's booming mining sector. A well-placed source from the group said the assets, of which one is located in Mindanao, could have potential chromite reserves.



The transfer will happen either before the end of the year or by mid-2009. TKC earlier disclosed its intent to go into mining sector to create a new revenue stream for the company.

President and chief operating officer Anthony Dizon said they chose mining because it complements TKC's main business. Without providing details on the plan, he said they are open to forging partnerships with existing mining companies. He added they might spin off a new vehicle to handle its foray into mining.

<http://www.businessmirror.com.ph/08042008/companies01.html>

#### **BOI offers more perks to mining projects**

The government is encouraging investors to venture in mining projects with higher value-added processing by offering more incentives, Board of Investments (BOI) managing head and Trade Undersecretary Elmer C. Hernandez told participants of the recent conference on "Sustaining Mining Exploration and Investments" at the Crowne Plaza Galleria.

According to Hernandez, under the revised 2008 Investment Priorities Plan (IPP), the government is in fact discouraging mining activities that merely engage in direct shipping ore (DSO). The government's new policy to encourage more value-added processing, Hernandez pointed out, has actually been enshrined in the revised 2008 IPP.

Specifically, the 2008 IPP now limits the grant of incentives to mining and/or mineral processing projects that "require a process or technology other than the normal or usual processes or technology to mine and/or process the minerals, without which, the resource will not be developed or the mining activity will not be possibly undertaken."

<http://www.philstar.com/archives.php?aid=2008081036&type=2>

#### **Government bats for revival of inactive mines**

The government is prioritizing the revival of inactive mines that still have high prospect for mineral deposits as part of its effort to attract more investments in the mining sector.

According to Board of Investments (BOI) managing head Elmer C. Hernandez, some of these inactive mines that the government is trying to revive include Amacan copper-gold mine project in Mabini, Compostela Valley; the Batong Buhay copper-gold project in Pasil, Kalinga-Apayao; and the Diwalwal Direct State Development in Diwata, Monkayo, and Compostela.

Atienza has noted that thousands of claims and tenements are being unproductively held by claimants for the purpose of land-banking. Atienza has already ordered the Mines and Geosciences Bureau (MGB) to "review and clean-up the list of all mining claims and tenements so that we can cancel claims for dormant mines and declared them 're-owned' by the government."

<http://www.philstar.com/archives.php?aid=20080808127&type=2>

#### **BOI okays tax breaks for Apex Mining**

The Board of Investments (BOI) has given tax breaks to the P1.26 billion investment of Apex Mining Co. for the exploration of gold and other minerals at Compostela Valley. Apex said the metal ores will be processed through Carbon-in-Leach (CIL) to produce gold and silver bullions and a floatation system to generate copper concentrates with gold, silver, zinc and lead content.

Apex has two mineral production sharing agreements that are both located at Maco Compostela Valley covering more than 2,000 hectares. The company, which is 70 percent Filipino owned, acquired an old plant in Region XI.



The investment will be for the development, refurbishment and rehabilitation of the plant as well as the acquisition of new equipment.

<http://www.philstar.com/archives.php?aid=2008080619&type=2>

**Atienza encourages more investments in mineral processing**

Environment and Natural Resources Secretary Jose L. Atienza is encouraging more investments in mineral processing in response to suggestions from the local mining sector that the Philippines must now move to more value-added processing instead of just relying on mineral extraction.

In his weekly press conference, Atienza said that a number of potential investors have already expressed interest in putting up processing plants.

Veterans in the local mining sector have noted the need for the Philippine mining sector to shift to more value-added mineral processing in the face of rising cost of transport of raw or unprocessed ores.

<http://www.philstar.com/archives.php?aid=2008080334&type=2>

**Feedback**

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