

Rapu Rapu copper mine Philippines

Sectors: Mining

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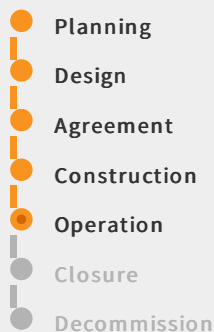
Status



Sectors Mining

Location

Status



About Rapu Rapu copper mine

The Rapu Rapu Polymetallic Project on Rapu Rapu island in the South East of the Philippines is a open pit mine with a estimated annual production of approximately 11,000 tonnes of copper in concentrates, 13,000 tonnes of zinc in concentrates, as well as amounts of gold and silver. It is fully operating since early 2007 after an initial aborted operation in 2005 due to two cyanide spills. The mining company has exploration leases that cover over 80 percent of the island surface.

The island of Rapu Rapu (population 10.000) is home to agricultural and fishing communities reliant on natural resources for their livelihoods. The fragile but relatively intact island ecosystem hosts several bird and mammal species severely threatened elsewhere in the Philippines while the waters surrounding the island teems with fish and marine mammals. Whales, dolphins, whale sharks, turtles egrets and purple herons are frequently sighted.

Latest developments

Latest update

Oct 24 2008

What must happen

The mine constitutes a threat to both local peoples' livelihood and the islands 'fragile ecosystem. It lacks a social license to operate, as it continues to be widely opposed by the local communities.

Impacts

Other impacts

Ever since its inception, the project has met with fierce resistance from the local communities, supported by a coalition of NGOs, church groups, fisher folks, local government bodies and international campaign groups. Concerns have focused on:

1. Inadequacy of environmental and social impact assessment process
2. exposure to typhoons, as situated right in the Typhoon belt, with three typhoons hitting the island in second half of 2006 causing extensive damage to the mine site
3. Serious toxic spills in past and related findings of negligence and breaches of basic industry practices
4. Unresolved community impacts and questionable social acceptability as reflected in widespread opposition to the mine
5. Direct and long term environmental impact of the mine, through Acid Rock Drainage, toxic discharges, long term solidity of tailing dam design, direct impact on island and aquatic biodiversity
6. Effect on emerging ecotourism industry based on whale shark watching
7. Undue pressure on government structures and militarisation of island, associated human rights issues
8. Tax and revenue issues

Governance

Applicable norms and standards

Equator Principles

Other applicable regulations

The lender group that was involved in the mine until April 2008 had declared the Equator Principles applicable to this project. ABN AMRO sector policy on mining should also have been applied to this operation.

Updates

Latest update

Oct 24 2008

The mine has been in operation since February 2007 after a prolonged shut down due to a operating ban as a result of two spills that lead to fish kills. The mining operation has been repeatedly interrupted by breakdown of equipment, damage caused by typhoon in early 2007 but first shipments have been made.

Since mid 2007 Lafayette was actively seeking ways to expand the current operation and extend the life time of the mine. Aerial and surface explorations -blasting- efforts are underway and Lafayette believes it is able to expand current pit. The extension plans are squarely opposed by local communities.

Early October 2007, Lafayette announced a major restructuring and recapitalisation of the project, which essentially is a buy out of the bank lending group by a new 'Special Purpose Vehicle' (SPV) jointly owned by Cornerstone Investors and SEASAF. The deal was not finalised and Lafayette went into voluntary administration, which was effectively a near bankruptcy.

In April 2008, Kores and LG increased their ownership stake to 70 percent and added Malaysian smelting corporation merhad as third co-owner of the mine, after a full buyout of Lafayette mining of Australia. On 24 October 2008, Korea Resources Inc (KORES) and LG International Corp were allowed to resume operations at the Rapu Rapu copper and zinc mine ([Reuters](#)).

Financiers

Related companies

Korea Resource Corporation (KORES) Korea, Republic of

Lafayette Mining LG Australia

LG International Korea, Republic of

Malaysia Smelting Corporation Malaysia