

Table 1 indicates the expected useful life, area, capacity, and status of Philex Mines' 3 tailings pond.

Table . Philex tailings pond, expected useful life, area, capacity, and status

Tailing Pond/Dam Name	Expected Years of Useful Life	Surface Area (hectares)	Designed Impounding Capacity (in metric tons)	Status
Tailing Pond #1	10	26.16	85,259.975	Closed in 1981
Tailing Pond #2	11	28.19	72,067,331	Closed in 1992
Tailing Pond #3	18-20	63.08	142,000,000	Active

Source: Boquiren 2006:63 based on DENR-CAR data in April 2006

Tailing ponds 1 and 2 are already decommissioned while tailing pond 3 is reported by the company as its only “active” tailings pond.

Philex tailings dam 1 was constructed in 1967 but decommissioned in 1981. DENR records say that its useful life is only 10 years. On the other hand, the dam walls of Philex tailings pond 2 (Padcal, Tuba, Benguet) collapsed in January 1992 because of “foundation failure.” The collapse resulted to the release of 80 million metric tons of tailings to the environment. Nevertheless, although Philex tailings dam 2 was decommissioned, Philex reported (April 2009) that Philex tailings pond 2 toe dam has been buttressed for stability.

Through www.philex.com.ph (April 2009), Philex reported that a total of 9.07 million tons of mill tailings were impounded in the pond in 2007, bringing total tailings impounded since the ponds' commissioning in 1992 to 127.23 million tones.

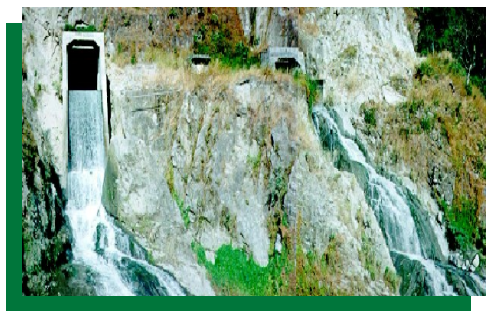
According to the company, the dam embankment of tailing pond 3 is continuously being built-up by Philex Mines to maintain a freeboard of 5 meters at the mine dike. The company further says that earthworks for a 32-meter spillway of the pond were undertaken in 2007 to serve as additional drainage when the pond ceases operation.

Philex brags all three tailing ponds, including those decommissioned are being monitored regularly by a multipartite monitoring team.

Analyzing Figures 46 and 47 of page 35, we see that it takes around 20 years for vegetation to appear in the tailings pond after it has been decommissioned in 1981. Almost 30 years after and it is obvious that the tailing pond continues to be a wasteland and unproductive. Counting the approximately 10 years during which the pond served as a mine tailings pond, Figures 46 and 47 indicate that tailing ponds would be unproductive for at least 40 years once used as tailing ponds.

This documentation has no pictures yet of Philex tailings dam 2 but we can expect that most likely the situation of Philex tailings pond 2 is much worse than the situation of Philex tailings pond 1. Meanwhile, how are mine tailings managed in Philex tailings pond 3? The figures on the next two pages are most instructive.

TAILINGS CONVEYED VIA PIPELINE FROM TAILINGS TUNNEL



TAILINGS DEPOSITED IN POND



DECANT WATER FLOWS THROUGH DECANT TUNNEL



SEDIMENT SETTLES & CLEAR WATER FLOWS TOWARDS PENSTOCK



DECANTATION TAKES PLACE

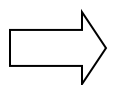


Figure 48. Mine waste management in tailings pond 3

The illustration above from Philex itself describes how mine tailings are managed in tailings pond 3. Obviously, some of the environmental risks that can be associated with Philex tailings pond 3 are the dissolved chemicals and heavy metals in the effluents from the tailing pond as well as the chemicals and heavy metals from the mine tailings deposited in the tailing pond.

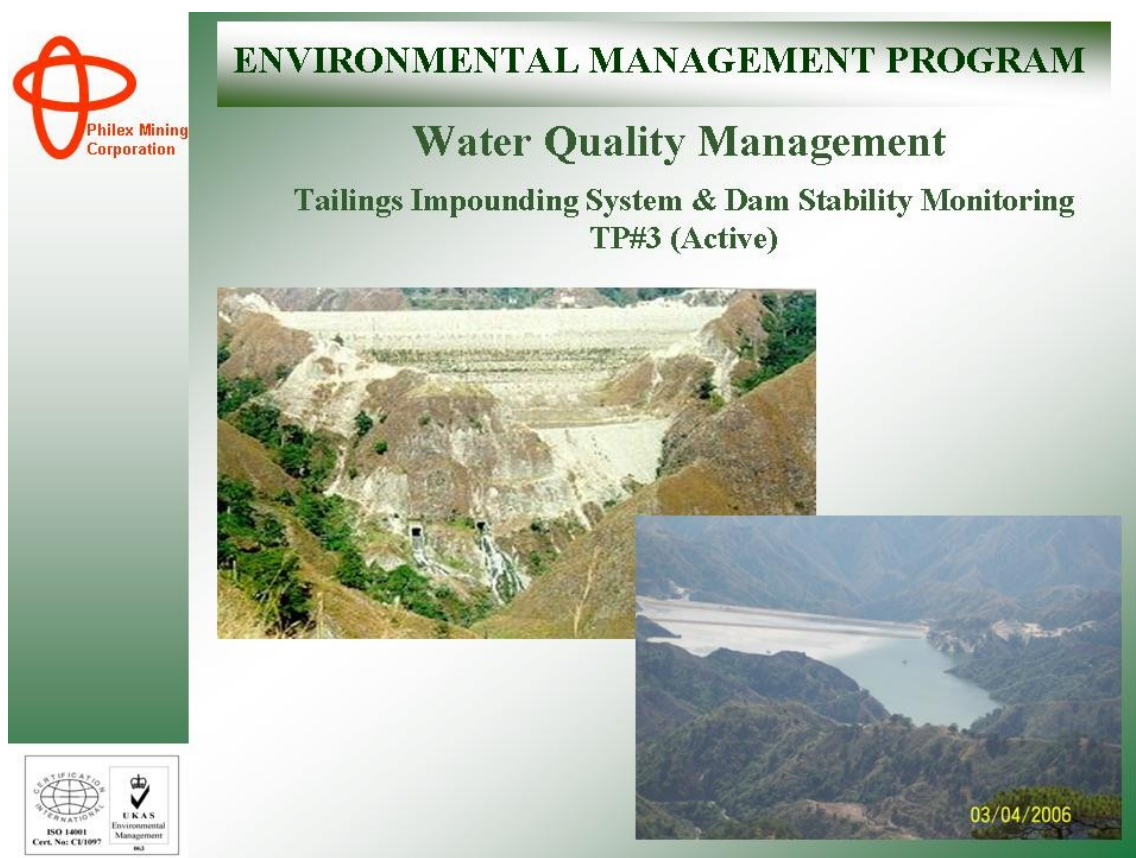


Figure 49. Tailings pond 3 is reported by Philex as its “active tailing pond”

Figure 49 above depicts Philex tailings pond 3. Boquiren 2006:63 says that according to Department of Environment and Natural Resources (DENR) documents, the tailing pond has a life of 18-20 years. If we mark 1992 as the start of operation of tailings pond 3, then the tailing pond has to be decommissioned this year or 2010 or two years from now or around 2012.

Philex have not reported any additional tailings pond being constructed and its mining operations are likely to continue for at least several more years. This indicate that in a few years' time, it will be highly likely that there will direct dumping of wastes from Philex Mines into the Benguet rivers unless they cease operations.

However, based on information from Philex Mining Corporation provided by Figure 20 page 19, then Philex mining operation may cease in 2012 and Philex will be leaving at least 3 tailing ponds with an aggregate size of no fewer 117 hectares from the tailing ponds as wastelands, not counting a surface area of several hectares covering the site of the Philex open pit and underground mining.