
BHP and Asiaticus agree to resolve row over Philippine Mine

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According to Philippine Mines and Geosciences Bureau, BHP Billiton Ltd and its local joint venture partner in the Philippines have agreed in principle to resolve their conflict over the development of a nickel mine in the country.

Mr Horacio Ramos director of Mines and Geosciences Bureau said that BHP and local partner Asiaticus Management Corp have agreed to come up with an ore supply agreement covering their mining interest in the Pujada peninsula in southern Philippines.

The agreement will allow Asiaticus to start mineral extraction in certain parts of the area while BHP will proceed with exploration works. Mr Ramos said that the two companies have been at loggerheads over development plans at Pujada, where nickel ore reserves have been estimated at 150 million tonnes and at 1.3% nickel.

Mr Ramos said that the ore supply agreement may eventually lead to the withdrawal of a petition filed by Asiaticus with the MGB seeking to nullify its joint venture agreement with BHP, which claimed that its partner was moving too slowly and Asiaticus had also filed a similar case with a local court. He added that "They agreed in principle to pursue an ore supply agreement, but the mechanics on how the agreement will be implemented still need to be finalized. This is a one step forward."

Mr Ramos said that the two companies agreed to move toward resolution of their conflict following a meeting late last month with Environment Secretary Jose Atienza in Singapore. He added that they need to resolve this or there will be a stalemate adding that in such a case, neither company can proceed to develop the mining project.

Early last year, the Philippine government announced BHP would invest up to USD 2 billion in the country, including the construction of a nickel processing plant.

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