

09 September 2013

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Dear Ms. Santa Maria and Mr. Avery,

Thank you for the invitation to respond to concerns raised regarding recent incidents in the vicinity of our Tampakan Copper-Gold Project area.

Sagittarius Mines, Inc. (SMI) is deeply saddened by the death of Mr. Anteng Freay and his son Victor. Mr. Freay was a respected tribal elder and member of the Bong Mal Tribal Community. We understand that there is an on-going investigation being conducted by the police and the military.

While the results of the official investigation are still pending, we are not in a position to provide any specific comment on the incident. However, regarding the items referenced in your email of 3 September, SMI notes as follows:

- In respect of the MindaNews article dated 23 August 2013:
  - We are aware of the incident and understand that an investigation is on-going by the police and the military;
  - SMI had worked with Mr. Freay for a number of years in his capacity as a member of the Bong Mal Tribal Council as well as a leader in the community;
  - We have been kept informed by information provided by community leaders, including an agreement with the local government, the National Commission on Indigenous People (NCIP) and national government security agencies for the convening of a dialogue to resolve issues related to this incident;
  - SMI encourages peaceful dialogue as a means to resolve conflict in the community and understand that, at the discussion conducted on 30 August, the representatives of the Philippine Army indicated their willingness for the soldiers involved to be investigated and charges, if any, filed in court by the family; and,
  - We are not aware of the outcomes of discussions between the Church and military groups.
- In respect of the Alyansa Tigil Mina article dated 29 August 2013:
  - We believe that seeking to directly link or blame the Project for militarization and/or human rights violations in the region shows a lack of understanding for the long and complex history of conflict in Mindanao associated with traditional customs, clan rivalries and religious and political insurgencies that predate the involvement of SMI in this region;
  - The presence of the military in the area was a direct result of tribal council and local government resolutions passed as early as 2008, and reiterated in 2012, requesting public security forces to maintain peace and order in the area;
  - We support an immediate and thorough investigation into these incidents by the proper authorities and understand that such an investigation is already underway together with prior

- inquiries by the Philippine Commission on Human Rights and the Congressional Committee on Human Rights;
- o We note that there have also been a number of attacks on government security personnel in recent months with fatalities sustained; and,
  - o SMI is working with the NCIP in order to establish the agreed requirements for conducting the Free and Prior Informed Consent process with the indigenous community in our project area and SMI is committed to engaging with indigenous cultural communities in a manner that is fair, accurate and culturally appropriate.
- In respect of the August 2013 Human Rights Impact Assessment (HRIA) by the Institute for Development and Peace (INEF):
    - o SMI has expressed deep concerns about the lack of balance and objectivity in the HRIA conducted by INEF in relation to the Tampakan Project;
    - o The funding agency for the paper (the German Catholic Bishops' Organisation for Development for Cooperation) also funds a number of organisations that actively campaign against the Project and who are used as significant information sources for the HRIA without these funding links being disclosed;
    - o The scope of the HRIA states that the assessment went beyond the normal scope of an HRIA for a mining project, meaning its coverage is inconsistent and not necessarily focused on those issues most material to the Project;
    - o The paper is reliant on interviewee opinion and does not clearly attribute sources while also placing little value on the peer-reviewed and scientific assessment undertaken by SMI as part of its Environmental Impact Assessment;
    - o A small group of community members are presented as the "community perspective" without seeking the views of a broad range of indigenous communities;
    - o The HRIA is substantially informed by the work of authors opposed to the Project and which are scientifically questionable; and,
    - o The HRIA claims the Project is the primary cause of violence in the region but ignores the long and complex history of conflict, as stated by the ten indigenous cultural communities covering the Project area in their statement to the Congressional Inquiry of the Committee on Human Rights on 21 February 2013.

I trust that the above is useful to your work and provides some context to the issues raised in the media articles and INEF's HRIA study of the Tampakan Project. Should you need any further information, feel free to contact me.

Sincerely yours,



**JUSTIN HILLIER**  
Executive Vice-President