



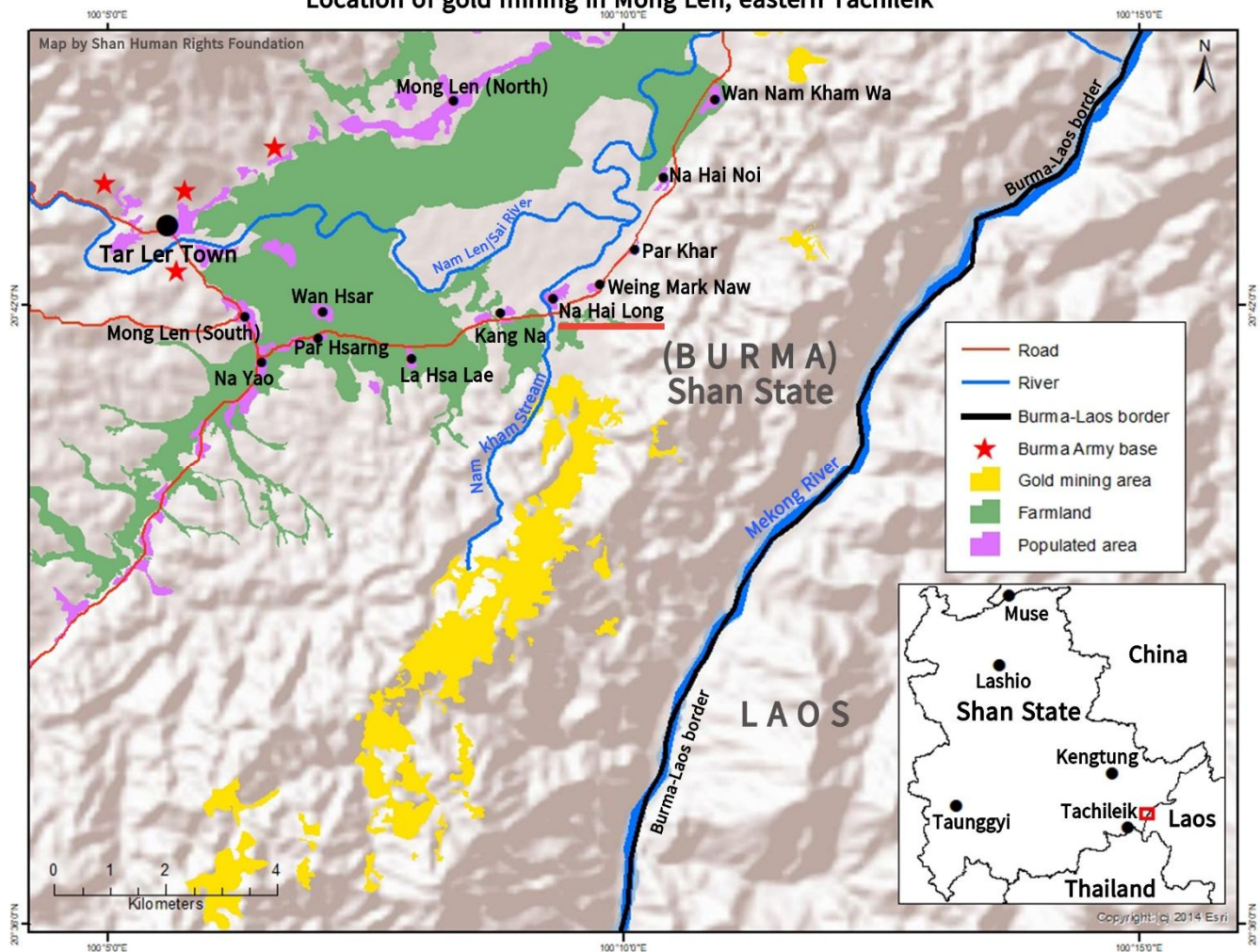
Update by the Shan Human Rights Foundation and Tai Students' Union

August 24, 2022

Mud-flooded communities bear the costs of gold mining boom in eastern Tachileik

On July 19, 2022, heavy rainfall caused the Nam Kham stream to overflow, flooding Na Hai Long village, 40 kilometers northeast of Tachileik, and coating it in thick mud – direct runoff from expanded gold mining in the nearby Loi Kham hills.

Location of gold mining in Mong Len, eastern Tachileik

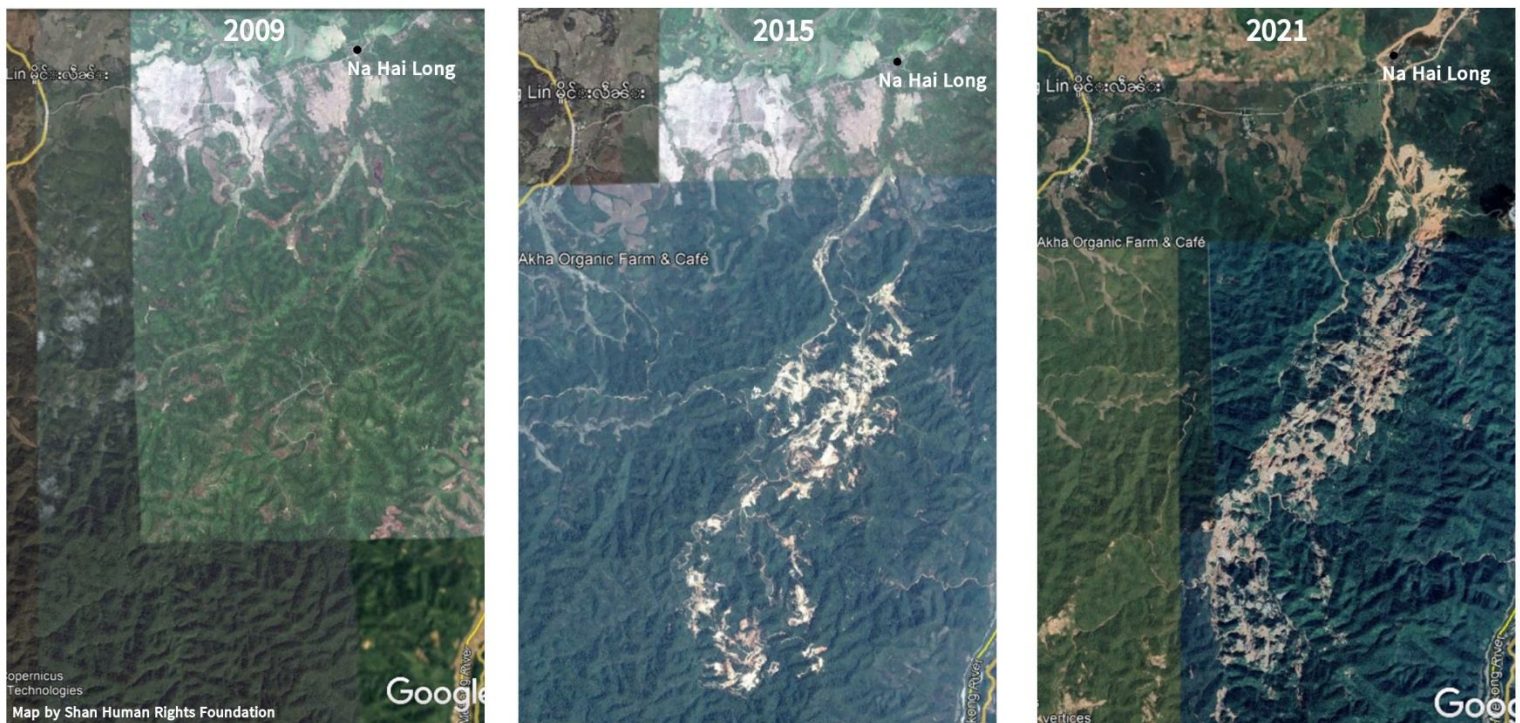


Flooding has worsened each year since mechanized gold mining began in 2007 at the source of the Nam Kham stream, south of Na Hai Long in Mong Len tract. Open-pit gold mines now stretch for over 10 kilometers across the Loi Kham hills, which run along the western bank of the Mekong River. Unregulated runoff from the mines, including from cyanide-laced leaching ponds, has clogged the stream, causing it to frequently burst its banks in the rainy season.

This year's damage in Na Hai Long is the worst so far. Mud flowed into seventeen houses, causing severe damage to nine of them. The township authorities in Ta Ler— who liaise between the mining companies and impacted villagers — have arranged for backhoes to clear the mud, but no other compensation has been provided.

In past years, the companies have provided one-off payments to mud-flooded households to relocate out of the village. Since 2019, twelve of Na Hai Long's 52 households have moved out, receiving between 150,000 to 600,000 baht each (depending on the size of their house), an amount insufficient to buy land elsewhere and build a new house, but preferable to being flooded with mud each year.

Timelapse satellite imagery of gold mining expansion in Loi Kham hills, E. Tachileik



Timelapse satellite imagery of gold mining impacts on Na Hai Long village



Map by Shan Human Rights Foundation

The runoff from the mines has already completely destroyed local farming livelihoods in Na Hai Long and neighbouring Weing Mark Naw village. A 2015 report by the Shan State Farmers Network¹ documented how 168 acres of rice fields and orchards around these villages had been completely destroyed, and over 130 more acres of fields, orchards and fishponds had become unusable due to siltation of the land and water sources. Toxic pollution of streams and wells had also caused farm animals and fish to die, and impacted the health of villagers.



Nam Kham stream clogged with mud from gold mining



Flooding of Na Hai Long village in July 2022

Public campaigns by impacted villagers to stop the mining have been met with violence. A Na Hai Long community leader opposing the mining was shot dead by Burma Army troops on October 13, 2015. Since then, villagers have been too intimidated to oppose the gold mining, and have been forced to accept annual compensation from the companies. Each year, 4 million baht is provided through the Ta Ler township office, to be shared at the rate of 10,000 baht per acre to farmers who have lost their fields.

The gold mining expansion in Mong Len is inflicting ever increasing environmental and social damage, and benefitting only a small military and business elite. Although there is an official licensing process, only the larger companies bother with this. Currently twelve companies – with high level military links - have valid 11-year mining permits. Dozens of smaller mine owners operate by paying off the Burma Army and its militia allies which control the area. Irrespective of whether companies are licensed, there is no meaningful environmental regulation.

Shan community groups have long been demanding a moratorium on all mining in Shan State until there is federal devolution of power, enabling local communities to protect their lands and livelihoods from damaging resource extraction. Since the February 2021 coup, and the fast-tracking of new mining projects to gain income for the regime, this demand is more urgent than ever.

Among the companies ignoring community opposition to gold mining in this area is Australian-led Locrian Precious Metals. Locrian was granted a 5-year gold exploration permit covering 456 km² in eastern Tachileik in July 2020, and has proceeded with exploration activities despite the withdrawal of its main investor, Myanmar Metals, after the military coup. Locrian should immediately end this

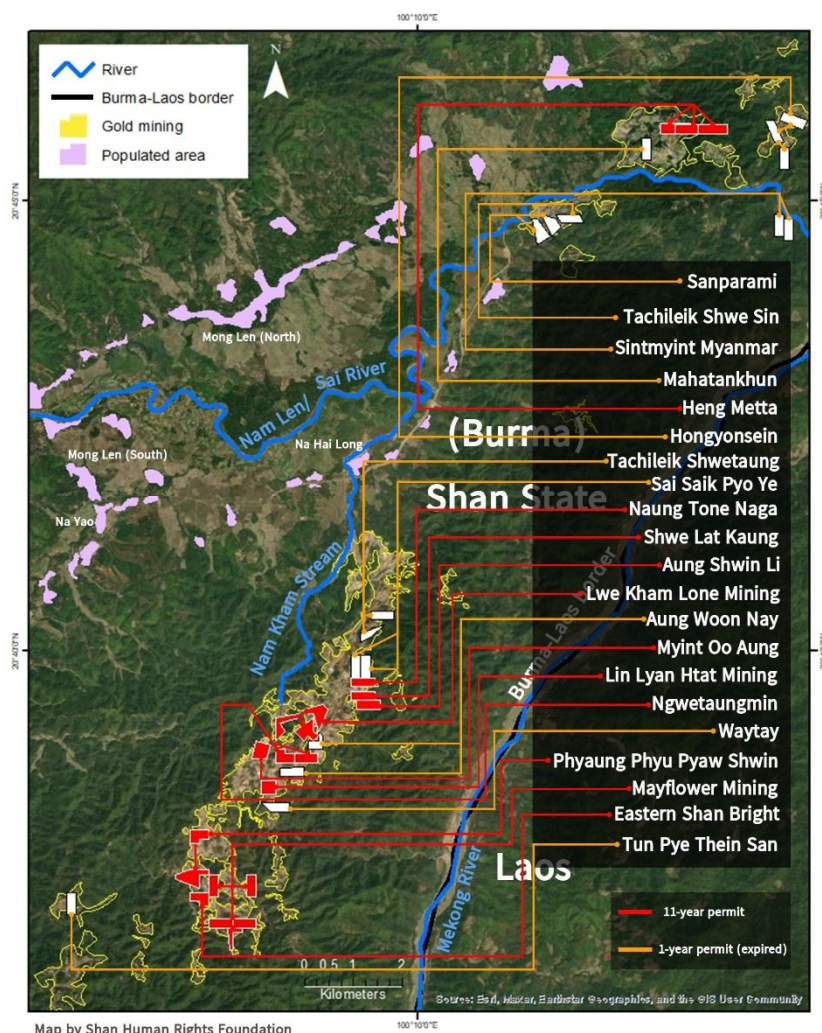
¹ <https://shanhumanrights.org/wp-content/uploads/2021/02/02-23-16-english-by-shrf.pdf>

shameful partnership with the murderous military regime, and withdraw from all mining projects in Burma.

Military links of companies with official mining permits in the Mong Len area

According to the list of mining permits published by the Myanmar Office of Natural Resources and Environmental Conservation in November 2021, twelve companies have valid 11-year permits to mine in the Mong Len area, while nine companies have expired one-year permits.

Companies with mining permits in Mong Len, E. Tachileik



Lwe Kham Lone Mining, which currently has three 11-year permits (including one granted after the coup) has links to former Triangle Region Commander Major General Kyaw Phyo. It was officially registered in 2009 (during Maj. Gen. Kyaw Phyo's tenure as Triangle Region Commander from 2008 to 2010), and until 2018, its chief director was Maj. Gen. Kyaw Phyo's son, Chan Pyae Kyaw Phyo. The current director is listed as U Law Dar, an ethnic Akha from Mong La who used to serve in the Burma Army.

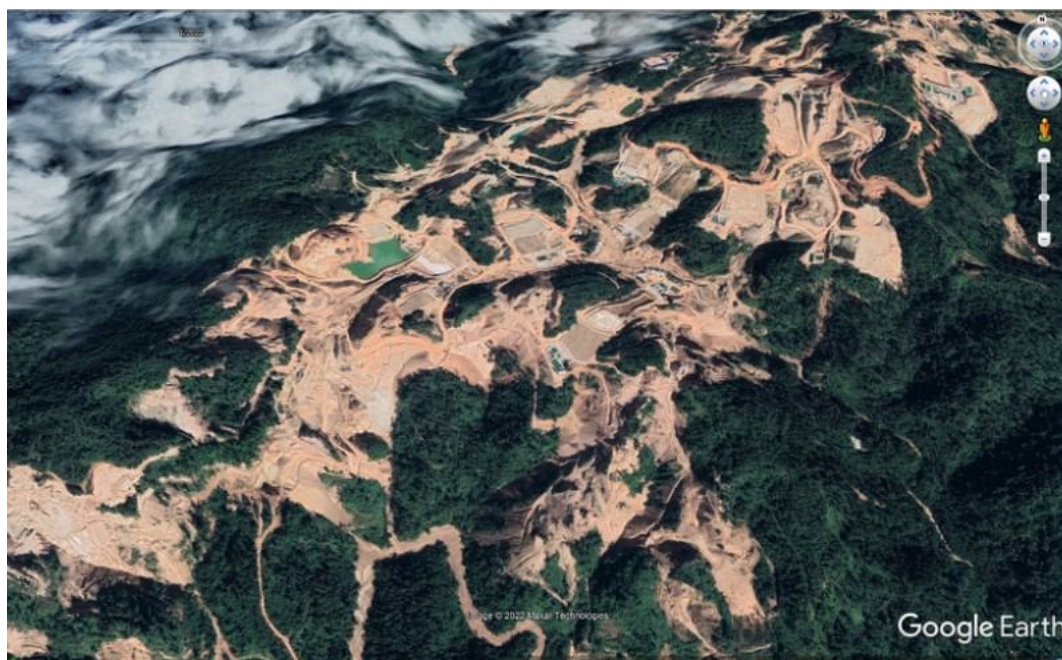
Another company with links to the Triangle Region Command is Aung Woon Nay Co. Ltd., which was set up in 2012, with Lt. Col. Zaw Htun Myint as the managing director. At the time, Lt. Col. Zaw Htun Myint

Of the valid permits, thirteen were granted (to eight companies) in mid-2020, and seven were granted (to five companies) in 2021, after the February 1 military coup. Each permit is for a 20-acre size plot.

Most of the companies with permits are registered in Tachileik. One exception is Mayflower Mining Enterprises, set up by infamous military crony Kyaw Win, which is based in Yangon. Mayflower Mining has the largest number of legal permits (four), all granted in July 2020. Mayflower Mining is notorious for its polluting coal mining operations in Ban Chaung, Tanintharyi region, in partnership with Thai companies.

Several of the companies are linked to Burma Army officers formerly from the Triangle Regional Command, who clearly used their position to cash in on local gold mining opportunities. For example, one of the largest companies, Lwe

was the General Staff Officer of the Triangle Regional Command. Aung Woon Nay Co. Ltd. was granted two eleven-year permits after the military coup.



Gold mining in the Loi Kham hills

Companies with valid mining permits in the Mong Len area					
Permit no.	Company name	Size	Duration	From	Until
0004/2020	Ngwetaungmin Company	20 acres	11 years	14.3.2020	13.3.2031
0005/2020	Ngwetaungmin Company	20 acres	11 years	14.3.2020	13.3.2031
0071/2020	Hein Metta	20 acres	11 years	18.6.2020	17.6.2031
0072/2020	Hein Metta	20 acres	11 years	18.6.2020	17.6.2031
0039/2020	Shwe Lat Kaung	20 acres	11 years	15.5.2020	14.5.2031
0084/2020	Mayflower Mining	20 acres	11 years	3.7.2020	2.7.2031
0091/2020	Mayflower Mining	20 acres	11 years	9.7.2020	8.7.2031
0092/2020	Naung Tone Naga	20 acres	11 years	9.7.2020	8.7.2031
0093/2020	Mayflower Mining	20 acres	11 years	23.7.2020	22.7.2031
0094/2020	Mayflower Mining	20 acres	11 years	23.7.2020	22.7.2031
0104/2020	Lwe Kham Lone Mining Company	20 acres	11 years	20.8.2020	19.8.2031
0103/2020	Sai Saik Pyo Ye	20 acres	11 years	13.8.2020	12.8.2031
0108/2020	Lin Lyan Htat Mining	20 acres	11 years	4.9.2020	3.9.2031
0053/2021	Aung Shwin Li	20 acres	11 years	21.6.2021	20.6.2032
0056/2021	Aung Woon Nay Company	20 acres	11 years	26.8.2021	25.8.2032
0057/2021	Aung Woon Nay Company	20 acres	11 years	26.8.2021	25.8.2032
0047/2021	Loi Kham Lone Mining Company	20 acres	11 years	2.6.2021	1.6.2032
0052/2021	Loi Kham Lone Mining Company	20 acres	11 years	21.6.2021	20.6.2032
0058/2021	Shan East Lin Latt	20 acres	11 years	7.10.2021	6.10.2032
0062/2021	Phyaung Phyu Pyaw Shwin	20 acres	11 years	26.10.2021	25.10.2032

Companies with expired mining permits in the Mong Len area					
Permit no.	Company name	Size	Duration	From	Until
0306/2014	Waytay Company	20 acres	1 year	30.12.2018	31.5.2019
0072/2015	Mahatankhun	20 acres	1 year	12.3.2018	11.3.2019
0103/2015	Sanparami Company	20 acres	1 year	13.5.2017	12.5.2018
0104/2014	Sanparami Company	20 acres	1 year	13.5.2017	12.5.2018
0146/2015	Sai Saik Pyo Ye	20 acres	1 year	8.7.2017	7.7.2018
0065/2015	Tun Phye Thein San Company	20 acres	1 year	5.8.2018	31.5.2019
0087/2015	Sintmyint Myanmar Company	20 acres	1 year	23.9.2016	22.9.2017
0212/2015	Hongyonsein	20 acres	1 year	4.11.2016	3.11.2017
0072/2016	Tachileik Shwetaung	20 acres	5 months	24.3.2016	23.3.2017
0002/2016	Tachileik Shwe Sin	20 acres	5 months	6.1.2019	31.5.2019

Australian-led company continuing large-scale gold exploration in eastern Tachileik despite military coup

Foreign mining company Locrian Precious Metals has a large-scale gold exploration licence for 112,730 acres (456 km²) east of Ta Ler town, including the Loi Kham area. The five-year licence is valid from July 29, 2020, to July 28, 2025.

Locrian Precious Metals is currently Australian-led, although originally set up in Canada in 2011 as Locrian Resources Inc., with investment from multinational mining companies Oceana Gold and Anglo American, to explore mining opportunities in Laos and Burma.

The Australians now running Locrian Precious Metals (Michael Bui Phin and Lachlan Foy) also run Valentis Services Ltd., a mining support services company. Locrian and Valentis share the same office in Yangon.

On August 26, 2020, Australian mining company Myanmar Metals (now renamed Mallee Resources) acquired a 51% stake in Locrian Precious Metals and its gold exploration operations in eastern Shan State. However, after the February 2021 military coup, Myanmar Metals made the decision to divest from its mining interests in Burma (including the Bawdwin mine in northern Shan State), and on March 15, 2021, announced it had “entered into a termination agreement in respect of the Locrian project and agreed to a payment of US\$390K in reimbursement of all acquisition costs and a break fee of US\$90K to the vendor.”²

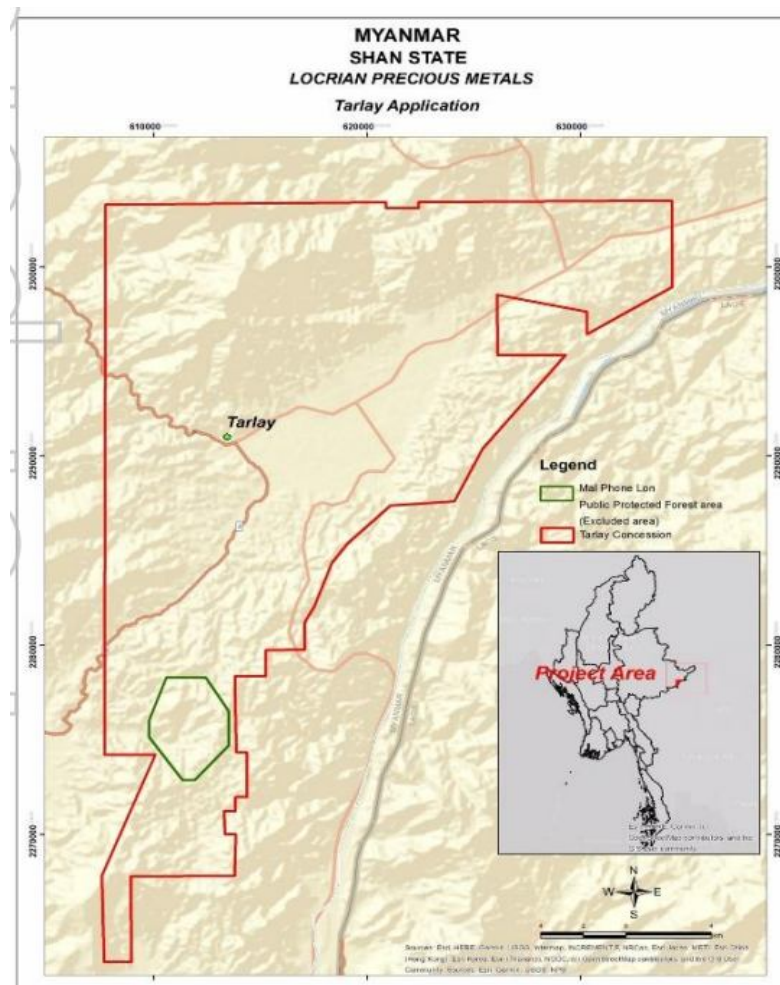
Despite the withdrawal of Myanmar Metals, Locrian Precious Metals has been proceeding with gold exploration in eastern Shan State since the military coup, and clearly has no qualms about partnering with a murderous regime. The Valentis Asia Facebook advertised on February 2, 2022, for a “Government Liaison and Community Engagement Officer for Locrian Project to assist our operations in Myanmar” in order to “link regularly with relevant Myanmar Government ministries to maintain constructive working relations”.

² <https://www.listcorp.com/asx/myl/mallee-resources-limited/news/half-yearly-report-and-accounts-2518669.html>

On December 22, 2021, The Valentis Facebook posted a picture of “Soil sampling team at East Shan. Perfect team and Perfect view!”, and on January 21, 2022, posted a picture showing “environmental monitoring for gold exploration project in Shan State”.



Picture of soil sampling team in East Shan from Valentis Asia Facebook (Dec 22, 2021)



Map of Locrian exploration area in E. Tachileik (from Myanmar Metals ASX announcement)

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