

Shan State Farmers' Network (SSFN)

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#### Introduction

In response to strong community resistance to gold mining in Mong Len, eastern Shan State, the Shan State Mining Minister ordered the mining to stop in July 2014. Despite this, mining is ongoing in this area till today, with permission from Naypyidaw, and is continuing to have grave impacts on the health and livelihoods of local villagers. This booklet documents the struggle of the villagers to hold the mining companies accountable, and the failure of companies and government officials to protect local communities' rights.

The booklet is dedicated to Loong Sarm, a villager from Na Hai Long, Mong Len, who was shot and killed by Burmese government soldiers on October 13, 2015, when he went with a group of villagers to monitor the gold mining in the hills above his village. The soldiers were providing security for the mining operations.

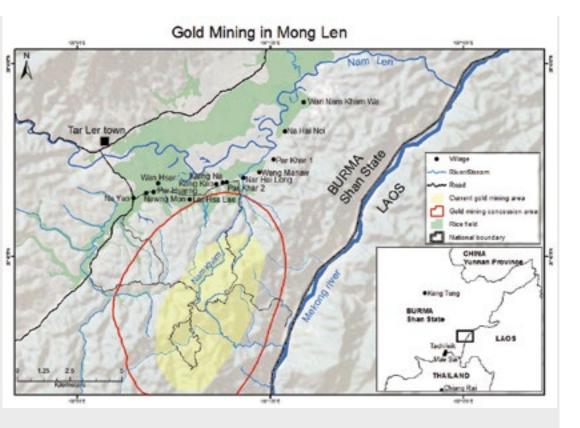
# Background

Since 2007, villagers in Mong Len tract of Tachilek township, eastern Shan State, have been suffering increasingly from the impacts of large-scale gold mining in the Loi Kham hills. The mining, carried out by three main companies -- Sai Thip Co., Loi Kham Long Co. and Sai Saik Pyo Ye Co – has caused serious environmental degradation and pollution. Large amounts of mining waste, including runoff from cyanide-filled separation ponds, has blocked streams, caused flooding of agricultural lands, and polluted ground water.

Two villages, Na Hai Long and Weng Manaw, of about 340 people, living directly downstream from the mining area, have suffered the most severe impacts. 168 acres of rice fields and orchards have been completely destroyed, and over 130 more acres of fields, orchards and fishponds have become unusable due to siltation of the land and water sources, depriving villagers of their traditional agricultural livelihoods. Toxic pollution of streams and wells has also caused farm animals and fish to die, and impacted the health of villagers.

As a result of the loss of livelihoods, villagers are facing increasing poverty, and some can no longer even afford to send their children to school. About three quarters of the youth in Na Hai Long village have migrated to work outside the village. Prior to 2007, there had been no migration out of the village, as villagers could rely on income from agriculture.

Villagers began appealing to the local authorities and companies to stop the mining in 2012, but this had no effect. Therefore, in early 2014, the villagers, together with the Shan Farmers' Network, decided to launch a public campaign to stop the mining. They documented the impacts of the mining in a booklet, in three languages, Burmese, Shan and English. They then travelled to Taunggyi, and on July 14, 2014, met with the Shan State Mining and Forestry Minister, Sai Aik Pao, (who is the head of the Shan Nationalities Democratic Party) and raised their concerns with him about the mining.



Then, on July 16, 2014, the villagers held a press conference in Taunggyi, at which they launched their booklet, and publicly issued three demands:

- 1. The three mining companies, Sai Thip Co., Loi Kham Long Co. and Sai Saik Pyo Ye Co., must completely stop their gold mining operations and remove all their equipment from the mining area.
- 2. The three companies must restore the fields and waterways of Na Hai Long to their former state, to the satisfaction of the villagers
- 3. They must provide compensation for the damaged fields at the rate of 660,000 kyat per acre

The following month, on August 5, 2014, Minister Sai Aik Pao, travelled to Tachilek and met impacted villagers and company representatives at the township office. He again ordered the mining companies to comply with the villagers' three demands, and ordered government officials to assess the damage to the fields and to arrange for the companies to provide necessary compensation by August 15. On August 6, Sai Aik Pao also tried to visit the village of Na Hai Long, but was unable to because the road was so damaged and muddy. He then said he would propose to the State Assembly to have the road fixed, and threatened that if the companies did not stop mining around the village, he would order the police to take action against them.

However, one year later, gold mining is continuing in the Loi Kham hills, and the health and livelihood situation of the Na Hai Long villagers remains as dire as ever.

In order to continue pressing their demands to stop the mining, villagers have documented what has happened on the ground over the past year and compiled the information into this booklet.





# Responses to villagers' demands: August 2014-July 2015

# 1. Mining continues

Demand: The three mining companies, Sai Thip Co., Loi Kham Long Co. and Sai Saik Pyo Ye Co., must completely stop their gold mining operations in the Mong Len area and remove all their equipment from the area

Response: Only one of the companies, Sai Thip Co., has stopped mining; the other two companies, Loi Kham Long Co. and Sai Saik Pyo Ye Co. are continuing their mining operations

The chart below shows information documented by villagers about mining activity observed in the Loi Kham mining area after the Mining Minister ordered the mining to stop. Between August 2014 and May 2015, the villagers organized eleven trips up to the mining area to monitor the mining, once with government officials. The chart also records observations

made by government officials on a trip to the mining area in October 2014.

In summary, villagers observed that the three mining companies responded to the order to stop mining as follows:

*Sai Saik Pyo Ye Co.* initially obeyed the order to stop mining in August 2014, but since then has been continuing mining until today.

Loi Kham Long Co. appeared to suspend new mining operations between September and December 2014, but did not withdraw its equipment, and was still utilizing its separation ponds. By February 2015, it had fully resumed operations, and is continuing mining until today.

*Sai Thip Co.* was observed carrying out mining in August and September 2014, and until November 2014 was still utilizing its separation ponds, but by December 2014, it had withdrawn all its personnel and equipment, and was no longer carrying out mining.

Note: In the chart below, the "ponds" refer to large pits dug in the earth, which are lined with plastic and hold a solution of water and cyanide, used to separate gold from the mined rock. The ponds are periodically drained, and the toxic water released, unfiltered, into the Nam Kham stream, which flows down to Na Hai Long village.

Observation of mining activity in the Loi Kham hills, Mong Len tract, Tachileik township						
Date	People carrying	Companies carrying out gold mining				
	out monitoring	Sai Saik Pyo Ye Loi Kham Co. Long Co.		Sai Tip Co.		
Aug 16, 2014	30 Na Hai Long villagers	No digging, no equipment	Digging	Digging		
Aug 19, 2014	19 Na Hai Long villagers and govt. officials	No digging, no equipment, but 2 workers still there	Digging: 7 workers, 5 backhoes, 3 bulldozers, 2 trucks	Not dig- ging, but 3 backhoes, 1 bulldozer, 10 workers still there		
Sept 14, 2014	7 Na Hai Long villagers	Digging: 1 backhoe, 3 workers	Digging: 5 backhoes, 2 trucks, 3 bulldozers, 10 workers	Digging, 7 backhoes, 7 workers		
Sept 19, 2014	5 Na Hai Long villagers	Digging: 1 backhoe	Not digging	Not digging, but equipment still there		
Oct 27, 2014	Police and village headman of Mong Len, and Ta Ler administrative officer	Still digging	Information not reported	Not digging		
Nov 7, 2014	35 Na Hai Long villagers	Digging: 10 workers, 3 backhoes, 2 trucks, 1 pond in use, 1 pond being prepared for use	Not digging, but 3 ponds in use, including 1 new pond. 1 broken back- hoe	Not digging, but 2 backhoes still there, and 6 ponds still in use		

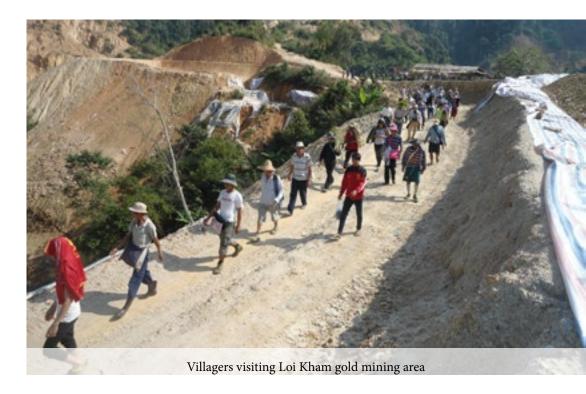
Dec 15, 2014	28 Na Hai Long villagers	Still digging, saw two ponds in use	2 trucks and 2 backhoes still there, but not digging new areas	Stopped digging, took all equipment and personnel out of the area
Dec 19, 2014	20 Na Hai Long villagers	Digging – 3 backhoes, 3 trucks	Didn't see digging, but equipment and personnel still there	No longer present
Feb 3, 2015	7 Na Hai Long villagers	Digging (told villagers they "had permission" to dig)	Digging (told villagers they "had permission" to dig)	No longer present
Feb 4, 2015	40 Na Hai Long villagers and 70 villagers (from 15 other villages in the area)	Digging (Note: on Feb 24, a truck belonging to Sai Saik Pyo Ye overturned at the mining area, killing 1 worker)	Digging	No longer present
May 3, 2015	5 Na Hai Long villagers	Digging	Didn't see actual digging, but workers and equipment still there	No longer present
May 25, 2015 4 Na Hai Long villagers		Digging: 4 backhoes, 1 bulldozer, 6 long plastic pipes, 4 water pumps, 1 wood cutting ma- chine, 7 trucks, 5 separation pools	Didn't see actual digging, but workers and equipment still there	No longer present

_			1	I
June, 2015	Na Hai Long	Mining oper-	New plas-	No longer
	villagers	ations visible	tic sheeting	present
		from Na Ha	spread in	
		Hai Long	ponds - visible	
		village;	from Na Hai	
		workers from	Long; workers	
		Sai Sai Pyo	also came to	
		Ye also came	Na Hai Long to	
		down to the	buy food and	
		village to buy	supplies and	
		supplies and	said they were	
		said they were	mining gold	
		digging gold as	for Loi Kham	
		usual	Long	

During this time, villagers travelled three times to Taunggyi -- on November 18, 2014, March 13, 2015 and May 4, 2015 -- to meet with Mining Minister, Sai Aik Pao and complain about the ongoing mining. Each time, Sai Aik Pao had told them that he was pushing the companies to stop the mining.

On January 22, 2015, Na Hai Long villagers met Sai Aung Myat, the Shan State Chief Minister, who was visting Ta Ler in eastern Shan State, and complained about the ongoing gold mining, and the difficulties they were facing. He assured them that if the authorities had ordered the mining to stop, then it must stop. He even said that legal action should be taken against any companies disobeying these orders.

Finally, however, on May 28, 2015, Sai Aik Pao personally visited Na Hai Long, for the first time, and informed the villagers that he could not stop the mining in Loi Kham, because the companies had been granted permission by the Naypyidaw government to continue mining. He told the villagers to stop "making problems," and that he had helped them enough.



# 2. Token, ineffective restoration of waterways

Demand: The three companies must restore the waterways and lands of Na Hai Long to their former state, to the satisfaction of the villagers.

Response: The companies intermittently dredged the Nam Kham stream near the village, but rainfall and ongoing release of mining waste silted up the stream again each time



After Sai Aik Pao ordered the companies to restore the waterways and lands, the companies agreed to restore a 4,400 feet section of the Nam Kham stream that runs alongside Na Hai Long village and down to the Nam Len River. It was agreed that Sai Thip and Loi Kham Long would each restore 40% of the waterway, and Sai Saik Pyo Ye would restore 20%. This division was according to the number of mining concessions operated by the companies: Sai Thip and Loi Kham Long each had four concessions, and Sai Sai Pyo Ye only had two.

In fact, the three companies ended up dredging only about 2,000 feet of the Nam Kham Stream. They dredged sand from the stream bed and piled it alongside the stream. However, after rainfall, the sand simply washed down into the stream again. Apart from that, they just spent a day fixing some roads in the village. They did not fix the main road from the village to Ta Ler at all. They also did not dredge any of the ruined fishponds.

The chart below shows the approximate amount of time the companies each spent dredging the Nam Kham stream, as observed by the villagers.

Co.	2014					2015						
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Loi Kham Long	About 2 wks						All month	1 wk				
Sai Saik Pyo Ye	4-5 days						All month	3 days				
Sai Thip							All month	2 wks			3 days	

#### Details of the work carried out by the companies:

On August 7, 2014, two companies, Loi Kham Long Co. and Sai Saik Pyo Ye Co. brought two bulldozers into the village, and spent a day fixing some of the roads in the village, then began to dredge the stream. They spent about 4-5 days dredging the stream, then Sai Pyo Ye Co. said it had completed its 20% stretch of dredging, and took its bulldozer back up to the mining area in the hills.

On August 14, 2014, there was very heavy rain, which washed the dredged sand back into the stream. After that, Loi Kham Long Co. used its bull-dozer to dredge the stream again until August 25. After that, it took back its bulldozer to the mining area.

On September 17, 2014, after rains, the stream became badly clogged up again with sand and mining waste, with flooding along the banks. However, neither Loi Kham Long Co. nor Sai Saik Pyo Co. came back during 2014 to dredge the stream again. Sai Thip Co. did not do any dredging at all during 2014.



On January 29, 2015, Sai Sa Lu, the Agriculture Minister of Shan State, came to visit the lands around Na Hai Long, and ordered the companies to repair the damaged waterways and lands, and told the villagers and local officials to form a committee to monitor whether the companies had done this.

That day, Loi Kham Long and Sai Saik Pyo Ye workers came and began dredging the stream again, and putting wooden stakes along the bank of the stream, to prevent erosion next to the village. They carried out this work for about one month.

Sai Sa Lu also ordered Sai Thip Co. to carry out dredging as promised, and on January 30, 2015, for the first time, Sai Thip Co. brought down a bulldozer and carried out dredging a lower section of the Nam Kham stream until March 15.



On March 23, Loi Kham Long Co. returned to dredge an upper section of the stream, for about one week. Sai Saik Pyo Ye Co also came to dredge an upper section of the stream on March 26, for three days. They blocked a diversion channel from the Nam Kham stream, enabling the stream to flow along its old course to the Nam Len river. However, on May 16, 2015, the area which had been dredged returned to its former state.

On June 5, 2015, Sai Thip Co. returned to dredge an upper section of the Nam Kham stream until June 7. On July 22, 2015, Loi Kham Long Co. came to inspect the state of the stream, but didn't do anything.

#### 3. Only partial compensation for damaged fields

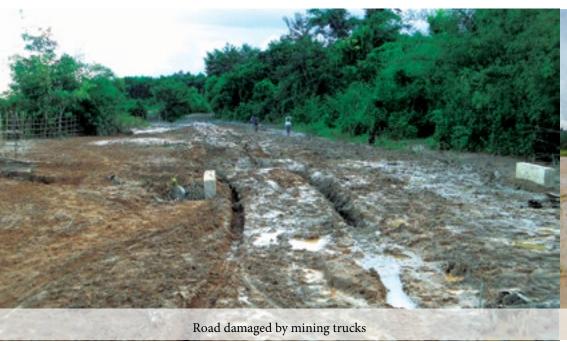
Demand: The three companies must provide compensation for the damaged fields at the rate of 660,000 MMK per acre

Response: The three companies provided compensation for only 168.45 acres of land. They did not pay compensation for a further 130 acres of land which had become unusable due to the mining

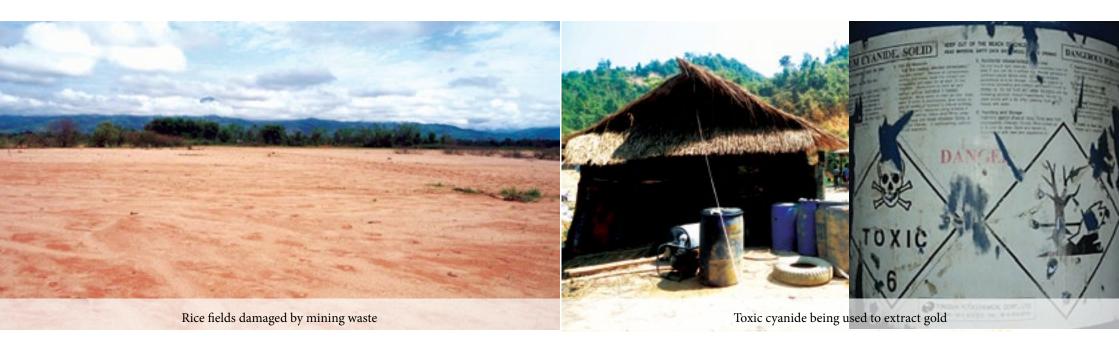
On August 8, 2014, the Ta Ler Township Administrative Officer U Aye Min Htun, a land department official called Aung Ko Latt, a clerk, the headman of Wan Na Hai Long, and representatives from each of the three companies came to assess damage to the fields. Their assessment took 4 days. They said that out of the 300 acres of land which had been impacted, 168.45 acres had been directly damaged by mining runoff. The remaining 132 acres were not directly damaged, but due to the blockage to the waterways, they were not cultivable.

However, it was not until December 6, 2014, that the three companies finally came to give compensation for 168.45 acres, at a rate of 660,000 kyat per acre, giving a third each. Loi Kham Long and Sai Thip paid in full on December 6, paying for 56.15 acres each. However, Sai Saik Pyo Ye gave the money in three installments: on December 6, 2014, on January 6, 2015, and on February 6, 2015.

When compensation was given on December 6, Tachileik township administrative officer U Htun Htun Win said that they were still considering compensation for the fishponds and the remaining fields, and would come and take measurements within a week. On December 18, 2014, Ta Ler township administrative officer U Saw Lwin Tun and other government officials came with company representatives to take measurements of the remaining fields, and said they would report the results to their superiors. They also said they would give compensation for six ruined fishponds.



Rice fields damaged by mining waste



When compensation was given on December 6, Tachileik township administrative officer U Htun Htun Win said that they were still considering compensation for the fishponds and the remaining fields, and would come and take measurements within a week. On December 18, 2014, Ta Ler township administrative officer U Saw Lwin Tun and other government officials came with company representatives to take measurements of the remaining fields, and said they would report the results to their superiors. They also said they would give compensation for six ruined fishponds.

On January 29, 2015, when Sai Sa Lu, the Agriculture Minister of Shan State, came to inspect the fields near the village, he told the villagers that he would order the companies to dig irrigation ditches to the fields which had not been directly damaged, so villagers could cultivate them again. He told the villagers that they should not expect compensation for these fields. He ignored the villagers' arguments that even with irrigation ditches, nothing could be grown in the fields because the water from the Nam Kham stream was now too sandy and polluted.

On March 12, 2015, U Htun Htun Win, the Tachileik administrative officer, came to see the restoration work at the village, and told the villagers they were lucky to get any compensation at all. He said that they should go ahead and cultivate the fields which had not been directly damaged, and not expect any further compensation.

Finally on May 28, 2015, when the Mining and Forestry Minister, Sai Aik Pao visited Na Hai Long, together with township officials, he informed the villagers they should not expect any more compensation. He accused the villagers of deliberately leaving their fields uncultivated so that they could get compensation, and told them to get on with cultivating their fields. He also accused Nang La, a female community leader, of trying to profit from the compensation, and of blocking the villagers from planting anything in their fields. He threatened to call the police to investigate her. The companies refused to dig new irrigation ditches, saying it was not their responsibility, and did not give compensation for the ruined fishponds.

#### Companies' attempts to divide the community

Not only did the companies fail to respond effectively to the villagers' demands, they also actively tried to divide the community and organize villagers to support their mining operations.

Already in May 2014, the gold mining companies had attempted to get villagers to withdraw their demands to stop the mining. They had urged villagers to sign a letter to the Shan State Parliament, saying they wanted mining to continue because they had received development assistance from the companies.

On November 13, 2014, the companies organized seven villagers to go to Taunggyi to request Sao Ai Pao to revoke the order to stop the mining. Fortunately, Sai Aik Pao then called other community leaders opposed to the mining to Taunggyi, and maintained his order to stop the mining. However, the companies continued their efforts to divide the villagers, and actively targeted community leaders opposed to the mining. On April 24, 2015, three Na Hai Long villagers wrote to the Tachilek Administrative Office, complaining that the demands made in July 2014 (to stop the mining) had not reflected the real wishes of the villages. They claimed that villagers, led by local midwife Nang La, had not organized compensation to be distributed fairly, and that the mining should continue so that the companies could provide needed development assistance to villagers.

On May 16, 2015, three Na Hai Long villagers wrote another letter to the Tachilek Administrative Office, almost identical to that of April 24, specifically asking for action to be taken against Nang La, for her efforts to stop the mining.

### Worsening health situation in Na Hai Long village

As a result of the ongoing mining, the villagers are continuing to suffer the same impacts as before. The 300 acres of fields, orchards and fish ponds remain uncultivable, and their main water source, the Nam Kham stream, remains silted up, polluted and unusable.

Most disturbingly, it appears that the toxic runoff from the mining is increasingly impacting the health of pregnant women.

In 2013, three women in the village delivered babies. Two babies were born normally, but one baby was stillborn.

In 2014, out of two pregnant women in the village, one woman miscarried after three months. The other woman delivered her baby, but it was underweight.

In the first half of 2015, two women in the village delivered babies. Both babies were born underweight. One, which weighed just over 1 kg, died soon after birth.



# Conclusion and demands

Due to the ongoing damaging impacts of gold mining on the health and livelihoods of villagers in Na Hai Long, they are reiterating their original demands, with an increased rate of compensation:

- 1. The mining companies must completely stop their gold mining operations and remove all their equipment from the mining area.
- 2. The companies must restore the fields and waterways of Na Hai Long to their former state, to the satisfaction of the villagers.
- 3. They must provide compensation for all 300 acres of damaged fields at the annual rate of 660,000 MMK per acre, and must also pay the actual cost of the land, as this land is now completely unusable.
- 4. The villagers are calling for all those responsible for the killing of Loong Sarm to be brought to justice.

The villagers also call for constitutional reform to devolve federal powers to state and regional levels, so that decisions on mining concessions and other natural resource extraction are not made at the Naypyidaw level.

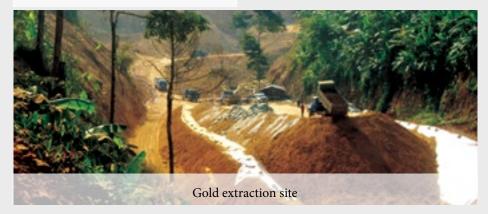
Finally, villagers call for a nationwide ban on the use of cyanide and other dangerous chemicals in mining operations in Burma.







Na Hai Long villagers meeting with Shan State Forestry and Mining Minister Sai Aik Pao



# Timeline of the shooting and killing of Loong Sarm by Burmese government troops providing security at Loi Kham gold mines

Date	Events
Oct 13, 2015	7 am-midday: 15 villagers from Na Hai Long, including 54-year-old Loong Sarm, met at the village temple and began walking up to the Loi Kham gold mining area. They went first to visit a new gold mining site being started by Shwe Taung Co., east of the other mines. They were worried because the new site was at the source of the stream which provided their village with drinking water. They then walked back to the Sai Saik Pyo Ye mining site, and ate a packed lunch they had brought with them. After eating, 3 villagers returned home, and the rest carried on to the Loi Kham Long Co. mine.  1 pm: The 12 villagers were about to walk up to the higher section of the Loi Kham Long mine, when the company manager Min Min Htun stopped them. He threatened them: "Don't go up there or the Burmese soldiers will shoot you." They could see about 7-8 Burmese soldiers standing guard on the mountain. They therefore decided to return home. They had only walked a few paces down the road, when they heard the company owner himself, Song Ju, ordering the Burmese soldiers to open fire, and the troops started shooting at them with rifles. The villagers jumped in terror off the side of the road to take cover in a gully, but Loong Sarm was hit in his knee. Another villager tried to help him, but Loong Sarm told him to take cover instead. About 5 other villagers were slightly injured from jumping into the gully, but were not hit by bullets. The shooting lasted for about half an hour.  At 1.30 pm, the soldiers also threw a grenade in the direction of the villagers.
-	

**2 pm:** One of the 12 villagers phoned down to fellow villagers in Na Hai Long, asking them to report the shooting to the Mong Len administrative officer and the police.

**3 pm:** The villagers who had gone up the mountain arrived back at Wan Kang Nar village, and were picked up by the local Military Intelligence and government militia and taken back to Na Hai Long. They were told that the commander of Burma Army LIB 316 had gone and picked up Loong Sarm to take him to hospital.

**5.30 pm:** Villagers from Na Hai Long went to Ta Ler Hospital to try and see Loong Sarm, but were told that he had been sent to the Mong Phyak military hospital . However, when they went there, they were not allowed to see him.

**8 pm:** A local government militia officer phoned to say that Loong Sarm had passed away. Loong Sarm's son and other villagers then travelled to Mong Phyak to try and see his body, but were not allowed to see it.

Oct 14, 2015 Early morning till 4.30 pm: The villagers waited all day at the military hospital, but were not allowed to see Loong Sarm's body. They were told that the Burma Army Triangle Regional Commander in Kengtung was not allowing the body to be taken back to their village for cremation. They were asked if they wanted to arrange the cremation themselves in Mong Phyak, or if they wanted the army to arrange the cremation.

**4:30 pm:** The villagers were finally able to see Loong Sarm's body at the mortuary of the military hospital.

Oct 15, 2015	<ul> <li>9.30 am: Loong Sarm's body was taken from the military hospital to the mortuary at the Mong Phyak public hospital. There, hospital staff and police conducted an autopsy on the body, with the military and villagers present. The cause of death was from loss of blood from a bullet wound to the knee.</li> <li>11.00 am: The Mong Phyak battalion commander called some villagers and told them that the body could be taken home for</li> </ul>
	cremation. He said Loong Sarm had been shot because he had a gun and had opened fire first. He said they had found bullets to prove this.
	12:06 pm: Loong Sarm's body was taken from Mong Phyak
	1:00 pm: Loong Sarm's body arrived at Na Hai Long, but local monks and villagers said it was not an auspicious day for holding a funeral ceremony. One of the villagers phoned to the Mong Phyak military commander and asked permission to cremate the body the next day. He gave permission, but said: "There must be no news given to the media. No photos must be taken, and don't tell anyone about this."
Oct 16, 2015	1:00 pm: Loong Sarm's family, villagers and members of the Shan Nationalities League for Democracy (SNLD) took his body to the cemetery and carried out the funeral.
Oct 17, 2015	2:00 to 5:00 pm: Police and the Mong Len headman called six villagers and asked them about the events. They were asked how many people went up the mountain, what they took with them, where they went, and how they learned Sai Sarm was dead.

Oct 18,	2:00 to 5:00 pm: The police called two more villagers and asked
2015	them about the case.
Oct 19,	The police and Mong Len headman questioned two more villag-
2015	ers
Oct 24,	10:00 am to 4:00 pm: Tachilek township authorities invited Na
2015	Hai Long villagers to talk about compensation for damage to
	their fields from gold mining in 2015. Over 40 villagers came
	to the Tachilek township office, where they met representatives
	from four companies: Sai Thip, Loi Kham Long, Sai Saik Pyo Ye,
	and Shwe Taung. They were asked if they would allow the compa-
	nies to continue gold mining. Over 30 villagers said no, because
	they were worried about the impacts of the mining waste, further
	killing of villagers, and possible relocation of the whole village.
	But over 10 villagers said they had not received the past year's
	compensation so they wanted the mining to continue. The com-
	panies said that if they could not carry on mining, they would not
	give compensation to the villagers.
November	Gold mining has been ongoing in the Loi Kham hills
2015	

**Note:** The soldiers who shot Loong Sarm were from LIB 330, based in Mong Phyak. Different units from Mong Phyak are rotated in and out of the Mong Len area every 3-6 months, camping in the local villages and at the Loi Kham gold mines to keep security.

# **BROKEN PROMISES**

DEADLY GOLD MINING CONTINUES IN MONG LEN

Shan State Farmers' Network (SSFN)