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ADMINISTRATIVE ORDER
No. 2015 - 03

**SUBJECT: REVISED IMPLEMENTING RULES AND REGULATIONS OF
REPUBLIC ACT NO. 7076, OTHERWISE KNOWN AS THE
"PEOPLE'S SMALL-SCALE MINING ACT OF 1991"**

Pursuant to the applicable provisions of Republic Act (RA) Nos. 7076 and 7160, The People's Small-Scale Mining Act of 1991 and The Local Government Code of 1991, respectively; Section 11 of Executive Order (EO) No. 79, in re: "Institutionalizing and Implementing Reforms in the Philippine Mining Sector, Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources;" and all other applicable laws, the following rules and regulations are hereby promulgated for the guidance and compliance of all concerned:

CHAPTER I
TITLE, POLICY AND OBJECTIVES

Section 1. Title

This Administrative Order shall be known as the Revised Implementing Rules and Regulations of RA No. 7076, otherwise known as the "People's Small-Scale Mining Act of 1991."

Section 2. Policy

It shall be the policy of the State to promote, develop, protect and rationalize viable small-scale mining activities in order to generate more employment opportunities and provide an equitable sharing of the nation's wealth and natural resources, giving due regard to existing rights as herein provided under RA No. 7076 and further provided under Section 11 of EO No. 79.

Section 3. Objectives

This Administrative Order is promulgated towards the attainment of the following objectives:

- a. To implement the People's Small-Scale Mining Program as provided for under RA No. 7076;
- b. To effect an orderly, systematic and ecologically balanced administration and disposition of small-scale mining areas;
- c. To regulate the small-scale mining industry, with a view of enhancing its growth and productivity, as well as ensuring environmental protection; and
- d. To provide technical, financial and marketing assistance; ensure efficient collection of government revenues; adopt best practices; and promote good governance and integrity in the industry.

CHAPTER II DEFINITION

Section 4. Definition of Terms

As used in and for purposes of this Administrative Order, the following terms shall mean:

- a. "Active Mining Area" refers to an area under actual exploration, development, utilization or commercial production as determined by the Secretary after the necessary field investigation or verification, including contiguous and geologically related areas that are supported by an established geological report, being undertaken by the holder of mining permit/contract, operator concerned and/or under contract with an operator, but in no case to exceed the maximum area allowed by law;
- b. "Ancestral Domain" refers to all areas generally belonging to Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) comprising lands, inland waters, coastal areas and natural resources therein, held under a claim of ownership, occupied or possessed by ICCs/IPs, by themselves or through their ancestors, communally or individually since time immemorial, continuously to the present except when interrupted by war, *force majeure* or displacement by force, deceit, stealth or as a consequence of government projects or any other voluntary dealings entered into by government and private individuals/corporations, and which are necessary to ensure their economic, social and cultural welfare. It shall include ancestral, forest, pasture, residential, agricultural and other lands individually owned whether alienable and disposable or otherwise, hunting grounds, burial grounds, worship areas, bodies of water, mineral and other natural resources, and lands that may no longer be exclusively occupied by ICCs/IPs but from which they traditionally had access to for their subsistence and traditional activities, particularly the home ranges of ICCs/IPs who are still nomadic and/or shifting cultivators;
- c. "Ancestral Land" refers to land occupied, possessed and utilized by individuals, families and clans who are members of the ICCs/IPs since time immemorial, by themselves or through their predecessors in interest, under claims of individual or traditional group ownership, continuously to the present except when interrupted by war, *force majeure* or displacement by force, deceit, stealth, or as a consequence of government projects and other voluntary dealings entered into by government and private individuals/corporations including, but not limited to, residential lots, rice terraces or paddies, private forests, swidden farms and tree lots;
- d. "Annual Safety and Health Program (ASHP)" refers to a program approved by the Regional Office concerned, which ensures just, safe and humane working environment for small-scale miners or mineral processing plant workers;
- e. "Board" refers to the Provincial/City Mining Regulatory Board composed of the Regional Director concerned of the Mines and Geosciences Bureau as Chairperson, and four (4) members composed of duly appointed representatives of the following offices/sectors: Governor or City Mayor, small-scale miners, large-scale miners and environmental non-government organizations;
- f. "Bureau" means the Mines and Geosciences Bureau under the Department;
- g. "Certificate of Environmental Management and Community Relations Record (CEMCRR)" is a certificate issued by the Regional Office concerned attesting to the small-scale mining contract or mineral processing license applicant's satisfactory environmental management and community relations in his/her/its past and/or present mineral resource use or mining-related venture(s);

- h. "City" refers to an independent component or highly urbanized city as provided under RA No. 7160;
- i. "Community Development and Management Program (CDMP)" refers to a program approved by the Regional Office concerned, which aims to assist in the development of responsible, self-reliant and resource-based host and neighboring communities;
- j. "Compressor Mining" refers to underwater small-scale mining with the workers/miners using compressed/pressurized air for breathing;
- k. "Custom Mill" refers to a plant established by the government or thru a private sector within mineral processing zones intended for the mineral processing of ores, tailings and/or mine wastes from small-scale mining for a fee;
- l. "Department" refers to the Department of Environment and Natural Resources;
- m. "Director" refers to the Director of the Mines and Geosciences Bureau;
- n. "Environmental Compliance Certificate (ECC)" is a document issued by the Department/Environmental Management Bureau (EMB) pursuant to Presidential Decree No. 1586 and its implementing rules and regulations;
- o. "EO" refers to Executive Order No. 79 dated July 6, 2012;
- p. "Exclusive Economic Zone" refers to the water, sea bottom and subsurface measured from the baseline of the Philippine Archipelago up to two hundred (200) nautical miles offshore;
- q. "Existing Mining Right" refers to a valid and existing lease, contract, mining patent, agreement or permit covering a mineralized area prior to its declaration as a People's Small-Scale Mining Area or *Minahang Bayan*;
- r. "Government Production Share" refers to the share of the government in a small-scale mining contract as may be determined by the Board. In co-production and joint venture agreements, the government shall, in addition to receiving government shares for the mineral resources as prescribed above, be entitled to compensation for its other contributions that shall be agreed upon by the parties concerned;
- s. "Hydraulicking" means mining with the use of pressurized stream of water;
- t. "Investment" means all capital investments infused by a small-scale mining contractor; including raw materials, and additional land and capital, such as tools, infrastructures, capitalized exploration and development costs, support facilities and working capital. This investment shall not exceed Ten Million Pesos (PhP10,000,000.00) during the entire term of the small-scale mining contract, including its renewal(s);
- u. "License" refers to the privilege granted to a person to legitimately pursue occupation as a small-scale miner or processor under RA No. 7076;
- v. "*Minahang Bayan*" or "People's Small-Scale Mining Area" refers to the entire area declared as People's Small-Scale Mining Area pursuant to RA No. 7076;
- w. "Mineralized Area" refers to an area with naturally occurring metallic mineral deposits of gold, silver and/or chromite; and/or with non-metallic mineral deposits;
- x. "Mineral Land" refers to a land in which minerals exist in sufficient quantity and grade to justify the economic utilization of such minerals;
- aa. "Mineral Processing" means the milling, beneficiation, leaching, smelting, calcination or upgrading of ores, minerals, rocks, mill tailings, mine wastes and/or other metallurgical by-products or by similar means to convert the same into marketable products;

- ab. "Mineral Processing Zone" refers to an area strategically located within a People's Small-Scale Mining Area or *Minahang Bayan* with defined metes and bounds as approved by the Board specifically for mineral processing, including the mill tailings disposal system;
- ac. "Mineral Reservation" refers to an area established and proclaimed as such by the President upon the recommendation of the Director through the Secretary, including all submerged lands within the contiguous zone and Exclusive Economic Zone;
- ad. "Potential Environmental Impact Management Plan (PEIMP)" is an environmental management and rehabilitation plan for the life of the small-scale mining contract/mineral processing license, approved by the Regional Office concerned;
- ae. "Private Land" refers to a land belonging to any private person or entity, including alienable and disposable land being claimed by a holder, claimant or occupant who has already acquired a vested right thereto under the law although the corresponding certificate or evidence of title/ownership or patent has not been actually issued;
- af. "Processor" refers to a person and/or entity licensed to operate custom mill/small-scale mineral processing plant in the treatment of mineral or ore-bearing materials, such as by beneficiation, leaching, cutting, sizing, polishing and/or other similar activities;
- ag. "Public land" refers to a land of the public domain, including patrimonial property of the government;
- ah. "Qualified Person" refers to any Filipino citizen of legal age and with capacity to contract; or a 100% Filipino-owned corporation, partnership, association or cooperative organized or authorized for the purpose of engaging in small-scale mineral processing, with technical and financial capability to undertake mineral processing, duly registered in accordance with law;
- ai. "Regional Director" refers to the Director of the Regional Office of the Bureau;
- aj. "Secretary" refers to the Secretary of the Department;
- ak. "Small-scale miner" refers to Filipino citizens who have organized themselves as an individual miner or cooperative duly licensed by the Department to engage, under the terms and conditions of a small-scale mining contract, in the extraction of minerals or ore-bearing materials from the ground;
- al. "Small-Scale Mining" refers to extraction of minerals that relies heavily on manual labor using simple implements and methods and does not use explosives or heavy mining equipment;
- am. "Small-Scale Mining Contract" refers to co-production, joint venture or mineral production sharing agreement between the government and a small-scale mining contractor for the small-scale utilization of a plot of mineral land inside a People's Small-Scale Mining Area or *Minahang Bayan*;
- an. "Small-Scale Mining Contractor" refers to small-scale miners organized as an individual miner or cooperative registered with the Securities and Exchange Commission (SEC) or with the appropriate government agency, which has entered into an agreement with the government for the small-scale utilization of a plot of mineral land within a People's Small-Scale Mining Area or *Minahang Bayan*; and
- ao. "Two-year Work Program" refers to the two-year schedule of engineered small-scale mining, including its corresponding budgetary requirement, duly prepared and signed by a licensed Mining Engineer.

Other terms used in this Administrative Order shall have their meaning as defined in other relevant laws and their implementing rules and regulations.

CHAPTER III

REGISTRATION, LICENSING, DECLARATION OF *MINAHANG BAYAN* AND AWARDING OF SMALL-SCALE MINING CONTRACTS

Section 5. General Provision

No small-scale mining shall be undertaken outside a *Minahang Bayan* and that no entity shall engage in small-scale mining without a small-scale mining contract. Likewise, no person shall work or be hired to work in small-scale mining and other similar operations unless registered with the Board.

Section 6. Registration of Small-Scale Miners

All persons undertaking or intending to undertake small-scale mining shall register as small-scale miners with the Board, subject to the submission of a valid government-issued identification card and proof of Filipino citizenship.

For the above purpose, the Board shall maintain a registry of small-scale miners within its jurisdiction.

Section 7. Licensing of Small-Scale Mining Contract Applicants

An applicant for a small-scale mining contract shall first secure a small-scale mining license from the Board, subject to submission of the following requirements:

- a. Application form duly accomplished and notarized as prescribed in Annex A;
- b. Payment of application fee of PhP1,000.00, payable to the Regional Office concerned; and
- c. Proof of registration with the SEC, Department of Trade and Industry, Cooperative Development Authority or other appropriate government agency: *Provided*, That the applicant shall be 100% Filipino.

The license shall be effective during the term of the pertinent small-scale mining contract that may be issued: *Provided*, That the license shall be applicable only to applications for small-scale mining contract within a province.

Section 8. Areas Open for Declaration as *Minahang Bayan*

The Board shall have the authority to declare and set aside *Minahang Bayan* in mineralized areas onshore suitable for small-scale mining, except in areas closed to mining applications as provided in Section 1 of the EO, subject to review by the Secretary thru the Director.

The following mineralized areas onshore may be declared by the Board as *Minahang Bayan*:

- a. Areas already occupied and actively mined by small-scale miners before August 1, 1987: *Provided*, (i) That such areas are not considered as active mining areas; (ii) that the minerals found therein are technically and commercially suitable for

small-scale mining; and (iii) that the areas are not covered by existing forest rights or reservations and have not been declared as tourist or protected areas, unless their status as such are withdrawn by competent authority;

b. Public lands covered by mining applications, such as:

1. Areas covered by pending mining applications wherein the minerals intended to be mined as declared by the applicant, are different from the minerals intended for small-scale mining, as determined by the Regional Director; or
2. Areas covered by denied mining applications but with pending appeal with the Bureau or Department Central Office: *Provided*, (i) That a royalty in escrow due the mining applicant shall be deposited by the small-scale mining contractor(s) concerned. This royalty shall be in the amount based on the prevailing standard rate in the locality. Where there is no prevailing standard royalty or no previous royalty payment is involved or has been arranged, the royalty payment shall be equivalent to an amount not less than one and one half percent (1 ½%) of the gross value of the gold, silver or chromite mineral output or one percent (1%) of the gross value of the non-metallic mineral output; (ii) that the royalty in escrow shall be paid to the mining applicant concerned upon approval of the pertinent mining application; (iii) that in case the application is denied with finality, the royalty in escrow shall be released to the small-scale mining contractor(s) concerned.

c. Public lands covered by existing mining permit(s)/contract(s) which are not active mining areas, such as:

1. Areas previously covered by mining permit(s)/contract(s) that have been cancelled or revoked notwithstanding any pending appeal: *Provided*, (i) That a royalty in escrow due the holders of mining permit(s)/contract(s) shall be deposited by the small-scale mining contractor(s) concerned; (ii) that in case the cancelled or revoked mining permit(s)/contract(s) is(are) reinstated, the royalty in escrow shall be paid to the holders of mining permit(s)/contract(s); (iii) that in case the mining permit(s)/contract(s) is(are) cancelled or revoked with finality, the royalty in escrow shall be released to the small-scale mining contractor(s) concerned;
2. Areas covered by valid and existing mining permits/contracts: *Provided*, That:
 - i. For vein type or alluvial gold and/or silver or chromite deposits having a mineralized area(s) exceeding 500 hectares, a maximum of 25% of the mining permit/contract area above 500 hectares may be declared as *Minahang Bayan*: *Provided*, That the minimum area to be declared as *Minahang Bayan* is twenty (20) hectares (equivalent to ¼ of a meridional block of 30" of latitude and 30" of longitude);
 - ii. For non-metallic mineral deposits having mineralized areas exceeding 1,000 hectares, a maximum of 25% of the mining permit/contract area above 1,000 hectares may be declared as *Minahang Bayan*: *Provided*, That the minimum area to be declared as *Minahang Bayan* is twenty (20) hectares (equivalent to ¼ of a meridional block of 30" of latitude and 30" of longitude); or
 - iii. The holder of the mining permit/contract consents to the declaration of his/her/its permit/contract area or parts thereof as a *Minahang Bayan*.

The holder of mining permit/contract shall be entitled to royalty payment as agreed upon by the parties concerned or in an amount based on the prevailing standard royalty rate in the locality. Where there is no prevailing standard royalty, the royalty payment shall be equivalent to an amount not less than one and one half percent (1 ½%) of the gross value of the gold,

silver or chromite mineral output or one percent (1%) of the gross value of the non-metallic mineral output.

- d. Private lands, subject to the consent of the landowner(s) and a royalty payment that shall in no case exceed one percent (1%) of the gross value of the minerals recovered and payment of actual damages as determined by the Board due to the declaration of the *Minahang Bayan*, among other rights and conditions: *Provided*, That those with substantial improvements or in *bonafide* and regular use as a yard, stockyard, garden, plant nursery, plantation, cemetery or burial site; land situated within one hundred meters (100 meters) from such cemetery or burial site; water reservoir; or a separate parcel of land with an area of ten thousand square meters (10,000 sq. m.) or less, shall not be declared as a *Minahang Bayan* or part thereof; or
- e. Ancestral Lands/Ancestral Domains, subject of Certificates of Ancestral Domains/Ancestral Land Title (CADT/CALT) or in areas verified by the Regional Office and/or other office or agency of the government authorized by law for such purpose as actually occupied by ICC under a claim of time immemorial possession, with Free and Prior Informed Consent (FPIC) from the said ICC obtained in accordance with the procedures prescribed by the National Commission on Indigenous Peoples (NCIP): *Provided*, That if such ancestral lands/domains are declared as *Minahang Bayan*, the members of the ICC therein shall be given the priority as small-scale mining contractors.

Section 9. Procedure in the Declaration of *Minahang Bayan*

The following procedure shall be observed in the declaration of a *Minahang Bayan*:

- a. The interested party shall file with the Board a petition or request for declaration of an area as *Minahang Bayan*, specifying therein the coverage of the proposed area described in geographic coordinates of at least four (4) corners of the proposed area(s) following the meridional block system under Section 11 hereof. Within fifteen (15) days upon receipt of the petition or request, the Board shall forward the same to the Regional Office concerned.

In some cases, the Regional Office concerned may recommend to the Board other areas for possible declaration as *Minahang Bayan*.

- b. The Regional Office concerned, upon receipt of the petition or request for declaration of an area as *Minahang Bayan*, shall check in its control map the status of the proposed area vis-a-vis the prior and existing mining rights and applications, as well as areas closed to mining applications pursuant to the pertinent provisions of the EO and its implementing rules and regulations. It shall, thereafter, evaluate the said area if it is technically and economically viable for small-scale mining, taking into consideration, among others, the necessary allocation for a mineral processing zone, if mineral processing shall be conducted.

Within fifteen (15) days from receipt of the pertinent petition or request, the Regional Office shall forward the result of its evaluation thereof to the Secretary, through the Director, for initial review. The Director shall immediately inform the Regional Office about the result of said initial review, who shall subsequently forward the said result to the Board, for consideration.

- c. In case the proposed area is situated inside areas closed to mining applications, the Board shall deny the petition or request.
- d. In case the proposed area is in conflict with existing mining permit(s)/contract(s) or mining application(s) falling within the categories enumerated in paragraphs (b)



and (c) of Section 8 hereof, the Board shall formally notify the holder(s) of mining permit(s)/contract(s) or mining applicant(s) concerned of the proposed *Minahang Bayan* and require them to submit their comment(s) within fifteen (15) days from receipt of the notice, copy furnished the petitioner.

- e. In case the proposed area covers private land(s) as cited in paragraph (d) of Section 8 hereof, the Board shall formally notify the landowner(s) or lawful possessor(s) concerned of the proposed *Minahang Bayan* and require them to submit their comment(s) within fifteen (15) days upon receipt of the notice, copy furnished the petitioner.
- f. In case the proposed area is found to have no prior and existing mining permits/contracts and mining applications, and is not situated in areas closed to mining application, the Board shall prepare and cause the posting of the notice of the proposed *Minahang Bayan* on the bulletin boards of the Regional Office concerned and Offices of the Provincial Governor and Municipal/City Mayor concerned, for seven (7) days, copy furnished the Barangay(s) concerned. Where necessary, the Notice shall be in a language generally understood in the locality concerned where it is posted. The Board shall also cause the publication of the same notice once in a newspaper of local or national circulation. The petitioner shall shoulder the cost of publication.

The Board shall forward a copy of the notice to the NCIP with the request for issuance of a Certificate of Non-Overlap or Compliance Certificate, as the case may be, pursuant to the pertinent provisions of RA No. 8371.

The Board shall also forward a copy of the notice to all the *Sanggunian* concerned, for the purpose of the pertinent provisions of Sections 26 and 27 of RA No. 7160. At least the majority of the *Sanggunian* concerned shall endorse the declaration of the proposed *Minahang Bayan*.

- g. Within five (5) days from the last date of posting and publication, the authorized officer(s) of the office(s) concerned and the publisher of the newspaper concerned shall issue a certification(s) that the posting and publication requirements have been complied with. Any adverse claim, protest or opposition shall be filed directly, within ten (10) days from the date of publication or from the last date of posting, with the Board for resolution. The Board shall act on the adverse claim, protest or opposition within fifteen (15) days after it is submitted for resolution. The decision of the Board may be appealed to the Secretary within fifteen (15) days from receipt of the decision of the Board.
- h. In the case of an opposition of a private landowner, said opposition shall be filed within fifteen (15) days from receipt of the notice, with the Board for resolution. The Board shall act on the opposition within fifteen (15) days after it is submitted for resolution. The decision of the Board may be appealed to the Secretary within fifteen (15) days from receipt of the decision of the Board.
- i. In case of an opposition of a *Sanggunian* concerned, said opposition shall be filed within fifteen (15) days from receipt of the notice, with the Board for resolution. The Board shall act on the opposition within fifteen (15) days after it is submitted for resolution. The decision of the Board may be appealed to the Secretary within fifteen (15) days from receipt of the decision of the Board.
- j. Where no adverse claim, protest or opposition is filed within the ten (10)-day prescribed period, or upon final resolution of the adverse claim, protest or opposition in favor of the petitioner, the Board shall forward, within fifteen (15) days upon receipt of all the certificates of compliance with the publication and posting requirements, all the pertinent documents for the declaration of the proposed *Minahang Bayan* to the Secretary thru the Director, for review.

- k. If the above requirements are fully complied with, the Secretary shall clear the declaration of the proposed *Minahang Bayan*, without prejudice to the final resolution of any of the above oppositions.
- l. Upon receipt of the clearance from the Secretary, the Board shall require the petitioner to secure and submit an ECC for the entire *Minahang Bayan*.
- m. Within seven (7) days from receipt of the ECC, the Board shall declare the proposed *Minahang Bayan*: *Provided*, That the area shall be excised from any affected mining permit/contract or mining application: *Provided, further*, That if the *Minahang Bayan* is not declared within one (1) year from receipt of the clearance from the Secretary, the petition shall be denied.

The Board shall cause the posting of the notice of declaration of the *Minahang Bayan* on the bulletin boards of the Regional Office concerned and Offices of the Provincial Governor and Municipal/City Mayor concerned, for seven (7) days, copy furnished the Barangay(s) concerned. Where necessary, the notice of declaration shall be in a language generally understood in the locality concerned where it is posted. The Board shall also cause the publication of the same declaration once in a newspaper of local or national circulation. The Board shall provide a copy of the declaration to the Bureau within seven (7) days upon declaration. The petitioner shall shoulder the cost of publication.

- n. The Board shall accept applications for small-scale mining contracts immediately after the seven (7)-day posting and one (1)-day publication period: *Provided*, That for *Minahang Bayan* within areas subject of Section 8(e) hereof, only applications by small-scale miners whose members are part of the ICC therein shall be accepted within the first thirty (30) days, while only applications by small-scale miners whose members are not part of the ICC but are residents of the province or city where the *Minahang Bayan* is located shall be accepted within the next thirty (30) days: *Provided, further*, That for *Minahang Bayan* outside areas subject of Section 8(e) hereof, only applications by small-scale miners residing in the province or city where the *Minahang Bayan* is located shall be accepted within the first thirty (30) days.

Section 10. Application to Enter Into a Small-Scale Mining Contract

Small-scale miners organized as an individual miner or a cooperative of small-scale miners with a capacity to contract shall file with the Board a small-scale mining contract application within an area situated in a *Minahang Bayan* together with the following mandatory requirements in five (5) copies:

- a. Duly accomplished and notarized application form (Annex B);
- b. Application fee of PhP10,000.00 for non-metallic minerals and PhP20,000.00 for gold, silver and/or chromite, payable to the Regional Office concerned;
- c. Copy of small-scale miners license;
- d. Location map of the proposed small-scale mining contract area showing its geographic coordinates/meridional block(s) and boundaries in relation to the *Minahang Bayan*, major environmental features and other projects using a National Mapping and Resources Information Authority (NAMRIA) topographic map in a scale of 1:50,000 or 1:10,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;
- e. Sketch plan of the proposed small-scale mining contract area at a convenient scale duly prepared, signed and sealed by a deputized Geodetic Engineer;
- f. Proposed small-scale mining contract;

- g. Application for survey order;
- h. Proposed Two-Year Work Program (Annex C);
- i. PEIMP;
- j. CEMCRR or Certificate of Exemption, in lieu of a CEMCRR, if the applicant has neither past nor present mineral resource use or mining-related venture(s);
- k. CDMP;
- l. ASHP; and
- m. Sworn declaration of the total area (hectarage) covered by the applicant's small-scale mining contract(s)/application(s) in the entire country.

Applications with incomplete mandatory requirements shall not be accepted. Within fifteen (15) days upon receipt of the application, the Board shall check through the control map if the area is free from conflict. In case the applied area is in conflict totally, the Board shall deny the application. In case the applied area is partially in conflict, the Board shall return the application for revision and resubmission within fifteen (15) days: *Provided*, That only one (1) people's small-scale mining contract may be awarded at any one time to a small-scale mining contractor in the entire country.

Section 11. Extent of Small-Scale Mining Contract Area

The Board shall determine the reasonable size and shape of the small-scale mining contract area following the meridional block system established under RA No. 7942, otherwise known as the Philippine Mining Act of 1995, but in no case shall the applied area be less than 1.25 hectares and more than 20 hectares per small-scale mining contract.

For the above purpose, the Board shall subdivide the meridional block into 64 parcels at 3.75" of latitude and 3.75" of longitude per parcel, containing an area of 1.25 hectares, more or less: *Provided*, That a small-scale mining contract area shall consist of adjacent and contiguous parcels.

The depth or length of the tunnel or adit shall not exceed the recommended depth or length by the Director, as represented by the Regional Director concerned, taking into account the following circumstances:

- a. Size of membership and capitalization of the cooperative;
- b. Size of mineralized area;
- c. Quantity of mineral deposits;
- d. Safety of miners;
- e. Environmental impact and other considerations; and
- f. Other relevant circumstances.

Section 12. Award of People's Small-Scale Mining Contract

Within thirty (30) days upon receipt of the application for small-scale mining contract and with all the pertinent requirements complied with, the Regional Director, as Chairperson of the Board, shall award the small-scale mining contract. A copy of the small-scale mining contract, together with its supporting documents, shall be forwarded to the Director, for information and record

Section 13. Terms and Conditions of Small-Scale Mining Contract

The following terms and conditions shall be incorporated in the small-scale mining contract:

- a. The small-scale mining contract may cover non-metallic minerals but in case of the metallic minerals, it shall only be limited to gold, silver or chromite and shall have a term of two (2) years, renewable for like periods but not to exceed a total term of six (6) years: *Provided*, (i) That the small-scale mining contractor has complied with the terms and conditions of the small-scale mining contract and the provisions of RA No. 7076 as verified by the Board; (ii) that the application for renewal shall be filed not later than sixty (60) days prior to the expiry of the small-scale mining contract; (iii) that the application for renewal shall be accompanied by the following:
 1. Duly accomplished and notarized application form (Annex B);
 2. Proof of payment of Application Fee of PhP10,000.00 for non-metallic minerals or PhP20,000.00 for gold, silver and/or chromite, payable to the Regional Office concerned; and
 3. Certification from the Board as to the compliance with the terms and conditions of the small-scale mining contract, which shall be issued not earlier than ninety (90) days prior to the expiration of the small-scale mining contract;
- b. The small-scale mining contract confers upon the small-scale mining contractor the right to extract and dispose of the authorized minerals within the small-scale mining contract area: *Provided*, That the ore produced shall not exceed fifty thousand (50,000) metric tons annually and shall be processed in a custom mill;
- c. The small-scale mining contractor shall:
 1. Conduct small-scale mining in accordance with the Two-year Work Program, PEIMP, ASHP and CDMP, duly approved by the Regional Office concerned, and the ECC;
 2. Undertake extraction and/or breakage of materials without the use of explosives, blasting accessories, explosives ingredients and/or sophisticated and/or heavy equipment;
 3. Not resort to hydraulicking or compressor mining at any stage of small-scale mining within the small-scale mining contract area;
 4. Not use mercury in any phase of small-scale mining;
 5. Confine small-scale mining to its small-scale mining contract area;
 6. Abide by DAO No. 97-30, otherwise known as the "Small-Scale Mine Safety Rules and Regulations";
 7. Comply with its obligations to the holder of a mining permit/contract, if applicable;
 8. Sell its production outputs to the *Bangko Sentral ng Pilipinas* (BSP) or thru its authorized buying station(s)/agent(s), in the case of gold production;
 9. Pay all taxes, royalties and/or government production share as provided by law at the time the small-scale mining contract is signed;
 10. Comply with pertinent rules and regulations on environmental protection and conservation; and

11. Submit under oath at the end of each month a detailed production report and annual financial report to the Board.

CHAPTER IV MINERAL PROCESSING

Section 14. General Provision

Small-scale mineral processing shall be undertaken only thru centralized custom mills located in mineral processing zones under a Mineral Processing License (MPL): *Provided*, That no mercury shall be used in mineral processing.

Section 15. Establishment and Operation of Centralized Custom Mills and Mineral Processing Zones

The establishment and operation of centralized custom mills to process minerals or ore-bearing materials and mineral processing zones, shall be subject to the following conditions:

- a. The mineral processing zones shall be duly designated by the local government unit concerned thru the Board, and shall be strategically situated inside a *Minahang Bayan*; and
- b. Custom mills shall be constituted as withholding agents for the royalties, production share or other taxes due the government: *Provided*, That as withholding agents, such custom mills shall be registered with the Bureau of Internal Revenue.

In the case where a custom mill or a mineral processing zone shall be located within an area covered by existing mining application(s) or mining permit(s)/contract(s), the Board shall fix the amount of compensation due the mining applicant(s) or holder(s) of mining permit/contract.

In mining areas where the private sector is unable to establish a custom mill, the Board shall recommend to the Department, thru the Director, the construction of the custom mill, if viable.

The Department shall establish assay laboratories to cross-check the integrity of custom mills and to render metallurgical and laboratory services to miners.

Section 16. Application for Mineral Processing License

An application for MPL shall be filed by a qualified person either personally or through his/her/its duly authorized representative with the Board: *Provided*, That a MPL application shall be accepted only upon payment of the required fees to the Regional Office concerned: *Provided, further*, That any application with incomplete mandatory requirements shall not be accepted.

Upon payment of the filing fee in the amount of fifty thousand pesos (PhP50,000.00), the applicant shall submit at least five (5) sets of the following mandatory requirements:

- a. For corporation, association, partnership or cooperative:

1. Duly certified Certificate of Registration issued by the SEC or authorized government agency concerned;
 2. Duly certified Articles of Incorporation/Partnership/Association and By-Laws, with a minimum authorized capital of ten million pesos (PhP10 Million);
 3. Location map/sketch plan of the area of the proposed processing plant using NAMRIA topographic map in a scale of 1:50,000 or 1:10,000;
 4. Feasibility Study, including work programs, plant site, mill and plant layout/design, details of technology to be employed in the proposed operation, anti-pollution devices/measures, as well as the plant capacity, duly prepared and signed by a licensed Metallurgical Engineer: *Provided*, That the applicant with existing small-scale mineral processing plant may submit, in lieu of the Feasibility Study, a Project Description and a detailed financial statement for his/her/its operations incorporating therein the social and environmental expenditures, taxes and fees paid;
 5. CDMP;
 6. PEIMP;
 7. CEMCRR or Certificate of Exemption, in lieu of a CEMCRR, if the applicant has neither past nor present mineral resource use or mining-related venture(s);
 8. Proof of technical competence;
 9. Proof of financial capability to undertake the activities pursuant to the Feasibility Study and PEIMP, such as latest Audited Financial Statement, Annual Report for the preceding year, and credit line(s) and/or proof of bank deposit(s), in the amount that shall not be less than the project cost;
 10. Certification from EMB and other government agencies concerned on the use of chemicals in compliance with existing laws, rules and regulations, if applicable; and
 11. Supply contract/agreement with the small-scale mining contractor(s).
- b. For individual:
1. Location map/sketch plan of the area of the proposed processing plant using NAMRIA topographic map in a scale of 1:50,000 or 10,000;
 2. Feasibility Study, including work programs, plant site, mill and plant layout/design, details of technology to be employed in the proposed operation, anti-pollution devices/measures, as well as the plant capacity, duly prepared and signed by a licensed Metallurgical Engineer: *Provided*, That the applicant with existing small-scale mineral processing plant may submit, in lieu of the Feasibility Study, a Project Description and a detailed financial statement for his/her/its operations incorporating therein the social and environmental expenditures, taxes and fees paid;
 3. CDMP;
 4. PEIMP;
 5. CEMCRR or Certificate of Exemption, in lieu of a CEMCRR, if the applicant has neither past nor present mineral resource use or mining-related venture(s);
 6. Proof of technical competence;
 7. Proof of financial capability, such as the copy of the income tax return of the preceding year, and proof of bank deposit and/or credit line, in the amount that shall not be less than the project cost;

8. Certification from EMB and other government agencies concerned on the use of chemicals in compliance with existing laws, rules and regulations, if applicable; and
9. Supply contract/agreement with the small-scale mining contractor(s).

Section 17. Processing/Registration/Issuance of a MPL

Upon evaluation of the mandatory requirements, the Board may approve an application for MPL. Upon approval of the application, the Board shall notify the applicant to cause the registration of the same within fifteen (15) days from receipt of the written notice. Registration is effected only upon payment of the required fees. The Board shall officially release the MPL to the applicant after registration. Failure of the applicant to cause the registration of the MPL within the prescribed period shall be a sufficient ground for cancellation of the same.

Section 18. Terms and Conditions of a MPL

The MPL shall have the following terms and conditions:

- a. The Processor shall:
 1. Assume full responsibility and be liable for damages to private and/or public property(ies) that may be occasioned by his/her/its operations under the MPL;
 2. Submit to the Board the applicable production and activity reports prescribed in Chapter XXIX of Department Administrative Order (DAO) No. 2010-21. The Board may conduct an on-site validation of the submitted reports subject to the payment of the required verification fees;
 3. Conduct his/her/its operations in accordance with the Feasibility Study, PEIMP, ASHP, CDMP and ECC;
 4. Conduct his/her/its operations in accordance with the provisions of RA No. 7076 and this Administrative Order;
 5. Respect the right of women workers to participate in policy and decision-making processes affecting their rights and benefits and not discriminate on the basis of gender;
 6. Pay fees, taxes and other financial obligations in accordance with existing laws, rules and regulations;
 7. Give preference to goods and services produced and offered in the Philippines of comparative quality and cost;
 8. Utilize the best available appropriate and efficient mineral processing technology; and
 9. Comply with all other applicable provisions of RA No. 7076 and this Administrative Order.
- b. The term of the MPL shall be coterminous with the small-scale mining contracts issued in the *Minahang Bayan*;
- c. The MPL shall be subject to cancellation as provided for in Section 31 hereof;
- d. Withdrawal by the Processor from the MPL shall not release it from any and all financial, environmental, legal and/or fiscal obligations; and

- e. Such other terms and conditions consistent with the Constitution, RA No. 7076 and this Administrative Order, as well as those which the Board may deem to be for the national interest and public welfare.

CHAPTER V SUPERVISION

Section 19. Administrative Supervision over Small-Scale Mining

The Secretary through his representative shall exercise direct supervision and control over the programs and activities of the small-scale miners within the *Minahang Bayan*.

Section 20. Provincial/City Mining Regulatory Board

The Board created under RA No. 7076 shall exercise the following major powers and functions, subject to review by the Secretary:

- a. Declares *Minahang Bayan*;
- b. Reserves for the future, mineralized areas/mineral lands for declaration as *Minahang Bayan*;
- c. Awards small-scale mining contracts to small-scale miners organized as individual miner or cooperative of small-scale miners;
- d. Formulates its own guidelines and implements rules and regulations related to RA No. 7076;
- e. Settles disputes, conflicts or litigations over conflicting claims;
- f. Submits to the Department and the Bureau a comprehensive Annual Report of the overall operation of the *Minahang Bayan*; and
- g. Performs such other functions as may be necessary to achieve the goals and objectives of RA No. 7076.

Section 21. Composition of the Board

The Board shall be composed of the following:

- a. Regional Director concerned or his/her duly authorized representative as Chairperson;
- b. Provincial Governor or City Mayor or his/her representative as Member;
- c. One (1) small-scale mining representative as Member;
- d. One (1) large-scale mining representative as Member; and
- e. One (1) representative from an environmental non-government organization as Member.

Technical Secretariat/Staff shall be provided by the Regional Office concerned.

In provinces and cities where the Board have not been constituted, the said Board shall be operationalized within three (3) months from the effectivity of this Administrative Order.

Section 22. Compensation/Honorarium of the Board

The chairperson, members and secretariat of the Board shall receive compensation/honorarium based on meetings attended at the rate prescribed by pertinent laws subject to existing accounting and auditing procedures.

CHAPTER VI RIGHTS

Section 23. Easement Rights

Upon the declaration of a *Minahang Bayan*, the Director, thru the Board, in consultation with the holders of mining permits/contracts, operators, or landowners of the affected area, shall determine the right of the small-scale miners to existing facilities, such as mining and logging roads, private roads, port and communication facilities and processing plants which are necessary for small-scale mining, subject to payment of reasonable fees to the parties concerned.

Section 24. Rights Under a Small-Scale Mining Contract

A small-scale mining contract entitles the holder the right to extract and dispose of minerals/ores for commercial purposes over the area covered thereby: *Provided*, That in no case shall the small-scale mining contract be subcontracted, assigned or otherwise transferred.

Section 25. Ownership of Mill Tailings

In the absence of a prior written agreement, the small-scale mining contractor concerned, shall be the owner of the mill tailings produced from the custom mill. It may sell the tailings, or have them re-processed in any custom mill: *Provided*, That if the small-scale mining contractor concerned decides to sell his/her/its mill tailings, the affected holder of mining permit/contract or mining applicant concerned shall have a preemptive right to purchase said mill tailings at the prevailing market price.

CHAPTER VII ENVIRONMENTAL PROTECTION, SOCIAL DEVELOPMENT, SAFETY AND HEALTH

Section 26. Environmental Protection and Social Development

To ensure the protection of the environment and the development of host and neighboring communities, the small-scale mining contractor or mineral processor shall abide by the approved ECC, PEIMP and CDMP, and comply with all applicable environmental laws, rules and regulations.

Section 27. Safety and Health

To ensure the safety and health of small-scale miners or mineral processing plant workers, the small-scale mining contractor or mineral processor shall abide by the provisions of DAO No. 97-30, otherwise known as the "Small-Scale Mine Safety Rules and Regulations," his/her/its approved ASHP, and other pertinent rules and regulations that may be promulgated by the Secretary.

CHAPTER VIII FISCAL AND REGULATORY PROVISIONS

Section 28. Payment of Taxes and Government Production Share

The small-scale mining contractor/mineral processor shall pay to the government the following:

- a. National and local taxes due as provided for in the National Internal Revenue Code;
- b. Royalty equivalent to 5% of the gross output, for small-scale mining within mineral reservations; and
- c. Government production share.

Section 29. Payment of Occupation Fee

The small-scale mining contractor shall pay to the government the occupation fee of PhP100.00 per hectare or a fraction thereof per year which shall be paid to the municipality where the small-scale mining contract area is located: *Provided*, That the initial occupation fee shall be paid on the date the small-scale mining contract is approved.

Section 30. People's Small-Scale Mining Protection Fund

The People's Small-Scale Mining Protection Fund created in Section 20 of RA No. 7076 which provides for fifteen percent (15%) of the national government's share of the internal revenue tax or production share due the government shall be used primarily for information dissemination and training of small-scale miners on safety, health and environmental protection, and the establishment of Mine Rescue and Recovery Teams, including the procurement of rescue equipment necessary in cases of emergencies, such as landslides, tunnel collapse, or the like.

The Fund shall also be made available to address the needs of the small-scale miners brought about by accidents and/or fortuitous events.

The Board shall act as Trustee of the Fund.

Section 31. Cancellation of Small-Scale Mining Contracts/Mineral Processing License and Administrative Fines

A small-scale mining contract/mineral processing license may be cancelled by the Secretary thru the Board, after due process, on the following grounds:

- a. Failure to comply with the terms and conditions of the small-scale mining contract/mineral processing license;
- b. Violation of any provision of RA No. 7076 and this Administrative Order, and other applicable laws, rules and regulation;
- c. Non-payment of fees, taxes, royalties and/or government production share in accordance with this Administrative Order and other applicable laws, rules and regulations for two (2) consecutive years;

- d. Abandonment of the small-scale mining contract area or mineral processing plant by the small-scale miner or mineral processor, respectively;
- e. Any misrepresentation in any statement made in the application or those made later in support thereof;
- f. Committing acts constituting unfair competition;
- g. When national interest and public welfare so require or for environmental protection or ecological reasons; and
- h. When the *Minahang Bayan* has been reverted pursuant to Section 32 hereof.

The foregoing provisions notwithstanding, the cancellation of a small-scale mining contract/mineral processing license shall not release the small-scale miner/mineral processor from any and all obligations he/she/it may have.

When small-scale mining contracts are cancelled for any of the above-mentioned grounds, except for items g and h, the Secretary, thru the Board, may impose fines of an amount not less than Twenty Thousand Pesos (PhP20,000.00) but not more than One Hundred Thousand Pesos (PhP100,000.00). Non-payment of the fine imposed shall render the small-scale mining contractor ineligible for other small-scale mining contracts.

Section 32. Reversion of *Minahang Bayan*

A *Minahang Bayan* may be reverted to the State by the Secretary for proper disposition, upon recommendation of the Director thru the Board when:

- a. It can no longer be economically and efficiently operated on a small-scale mining basis;
- b. The working conditions endanger the lives and health of the miners;
- c. Small-scale mining causes significant destruction to the environment;
- d. There is continuous disturbance of peace and order for six (6) consecutive months causing loss of lives and property; and/or
- e. The decision on the appeal from the denial of the affected mining applications or of the oppositors of the declaration of *Minahang Bayan* is rendered with finality in their favor.

When the government, thru the Board, determines that a *Minahang Bayan* can no longer be legally or feasibly operated on a small-scale basis, the Secretary, thru the Director, shall:

- a. Provide written notice to all small-scale mining contractors within the area; and
- b. Give each small-scale mining contractor the right of first refusal, within six (6) months from reversion of the *Minahang Bayan*, to apply for a large-scale mining permit/contract, if applicable.

CHAPTER IX ASSISTANCE TO SMALL-SCALE MINERS

Section 33. Assistance to Small-Scale Miners

The Department, in coordination with the Board and other government agencies concerned, shall extend the following assistance to small-scale miners:

- a. Organization of small-scale miners into cooperatives;
- b. Technical and financial assistance and social services;
- c. Processing and marketing assistance; and
- d. Generation of ancillary livelihood activities.

CHAPTER X OTHER PROVISIONS

Section 34. Sale of Gold

All gold produced from *Minahang Bayan* shall be sold to the BSP, or its duly authorized representatives, at prices competitive with those prevailing in the world market regardless of volume or weight.

The Director shall furnish the BSP with a list of declared *Minahang Bayan* for gold for its guidance in the establishment of buying stations to fully service the requirements of the small-scale miners thereat as conditions in the areas warrant, as provided for under Section 17 of RA No. 7076.

The sale of the gold shall be in accordance with the requirements as provided in the rules and regulations of the BSP.

Section 35. Transport and Export of Mineral/ Mineral Products

The transport of ores/minerals/mineral products and by-products, including gold bullions, from a *Minahang Bayan* shall be accompanied by an Ore Transport Permit issued by the Board.

The Board shall formulate its own implementing guidelines to govern such transport of ores produced by small-scale miners from a *Minahang Bayan*, consistent with applicable provisions of DAO No. 2010-21, within three (3) months upon the effectivity of this Administrative Order: *Provided*, That the export of the same mineral/mineral products shall be governed by the applicable provisions of DAO No. 2008-20, as modified and clarified under Department Memorandum Order Nos. 2008-04, 2009-01 and 2010-07.

CHAPTER XI PENAL PROVISION

Section 36. Penal Sanctions

Violation of any of the provisions of RA No. 7076 or this Administrative Order shall, after conviction, be penalized with imprisonment of not less than six (6) years, and shall include the confiscation and seizure by the Board of the equipment, tools and conveyance used in the commission of the offense.

CHAPTER XII TRANSITORY PROVISIONS

Section 37. Actual Occupation by Small-Scale Miners

Small-scale miners who have been in actual operation of mineral lands on or before August 1, 1987 as determined by the Board shall not be dispossessed, ejected or removed from said areas: *Provided*, That said areas are declared as *Minahang Bayan* and the small-scale miners shall secure a small-scale mining contract, subject to compliance with the pertinent requirements, and that they shall comply with other applicable provisions of RA No. 7076 and this Administrative Order.

Small-scale mining under Small-Scale Mining Permits (SSMP) issued under Presidential Decree No. 1899 shall be recognized until their expiration unless the same are earlier revoked, cancelled or terminated with cause: *Provided*, That the affected small-scale miners operating under SSMPs involving gold, silver and chromite and non-metallic minerals may have the option to continue small-scale mining thru a small-scale mining contract issued pursuant to the provisions of RA No. 7076.

CHAPTER XIII FINAL PROVISIONS

Section 38. Repealing Clause

All orders, rules and regulations, and other issuances, or parts thereof, in conflict or inconsistent herewith are hereby repealed and/or modified accordingly.

Section 39. Separability and Amending Clause

Any section or provision of this Administrative Order, which is declared unconstitutional shall not affect the other sections or provisions hereof.

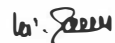
The Secretary shall have the authority, *inter alia*, to amend, revise, add, clarify, supplement, interpret, delete, or make exemptions to any provision of this Administrative Order.

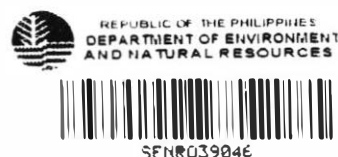
Section 40. Effectivity

This Administrative Order shall take effect fifteen (15) days following its complete publication in a newspaper of general circulation and fifteen (15) days following its registration in the Office of the National Administrative Register.


RAMON J.P. PAJE
Secretary

Recommended by:


LEO L. JASARENO
Director
Mines and Geosciences Bureau



REPUBLIC OF THE PHILIPPINES
PROVINCIAL/CITY MINING REGULATORY BOARD
PROVINCE/CITY OF _____

APPLICATION FOR SMALL-SCALE MINING LICENSE

APPLICATION NO.: _____ DATE FILED: _____ TIME FILED: _____

LOCATION OF PEOPLE'S SMALL-SCALE MINING AREA OR MINAHANG BAYAN: _____

MINERAL COMMODITY: _____

NAME OF PEOPLES SMALL-SCALE MINING COOPERATIVE: _____

OFFICERS:	CONTACT NUMBERS:
_____	_____
_____	_____
_____	_____

SITIO: _____ BARANGAY: _____

MUNICIPALITY: _____ PROVINCE: _____

MAILING ADDRESS: _____

NAME OF PERSON(S) WHO WILL ACT AS LIAISON: _____

1. In accordance with the provision of Republic Act No. 7076 and its implementing rules and regulations and other related laws, the undersigned _____ for and on behalf of _____ by virtue of the attached duly notarized Special Power of Attorney or Board Resolution, as the case may be, hereby applies for a SMALL SCALE MINING LICENSE that shall be effective during the term of the pertinent small-scale mining contract that may be issued and shall only be applicable within this province.

2. The application fee of P 1,000.00 has been paid under Official Receipt No. _____ dated _____, 20_____, Philippines.

3. This application is filed for the exclusive use and benefit of the applicant and neither directly or indirectly for the benefit of any person, corporation, partnership, association or cooperative.

4. The applicant agrees (in case of gold production) that all gold produced from the contract area shall be sold to the Bangko Sentral ng Pilipinas or its authorized representatives.

5. The applicant also agrees to submit additional requirements should the Provincial/City Mining Regulatory Board deem it necessary for the purpose of determining his qualification for the grant of the license applied for.

6. The applicant further agrees that the statements made in the application or made later in support thereof, shall be considered as conditions and essential parts of the license that maybe granted by virtue thereof and any falsehood in these statements or omission of facts which may alter, change or effect substantially the facts set forth in said statements shall be sufficient cause for the denial of this application or cancellation of the license granted.

Republic of the Philippines)
Province _____) S.S>
City/Municipality _____)

I, _____, the person executing this affidavit for this application being first duly sworn depose and say: that I have read or have caused the foregoing application read to me: that I thoroughly understand the same and that each every statement in said application is true and correct.

Affiant/Applicant

T.I.N. _____

SUBCRIBED AND SWORN to before me at the place aforesaid on this _____ day of _____, 20 _____, the affiant/applicant exhibited to me his/her Government Issued ID No. _____ issued at _____ on _____ day of _____, 20 _____.

NOTARY PUBLIC
My commission expires on December 31, 20 _____
PTR No. _____

DOC NO. _____ :
PAGE NO. _____ :
BOOK NO. _____ :
SERIES OF _____ :



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REPUBLIC OF THE PHILIPPINES
PROVINCIAL/CITY MINING REGULATORY BOARD
PROVINCE/CITY OF _____

APPLICATION FOR SMALL-SCALE MINING CONTRACT

APPLICATION NO.: _____ DATE FILED: _____ TIME FILED: _____

LOCATION OF PEOPLE’S SMALL-SCALE MINING AREA OR MINAHANG BAYAN:

SITIO(S): _____ BARANGAY(S): _____

MUNICIPALITY: _____ PROVINCE: _____

DATE OF DECLARATION: _____

TECHNICAL DESCRIPTION:

Corner No.	Longitude	Latitude

TOTAL AREA: _____ (In hectares)

NAME OF PEOPLES SMALL-SCALE MINING COOPERATIVE:

OFFICERS:

CONTACT NUMBERS:

LOCATION OF APPLIED PEOPLE’S SMALL-SCALE MINING AREA CONTRACT AREA:

SITIO: _____ BARANGAY: _____

MUNICIPALITY: _____ PROVINCE: _____

TECHNICAL DESCRIPTION:

Corner No.	Longitude	Latitude

TOTAL AREA: _____ (In hectares)

MINERAL COMMODITY: _____

NAME OF PERSON(S) WHO WILL ACT AS LIAISON:

1. In accordance with the provision of Republic Act No. 7076 and its implementing rules and regulations and other related laws, the undersigned _____ for and on behalf of _____ by virtue of the attached duly notarized Special Power of Attorney or Board Resolution, as the case may be, hereby applies for a SMALL SCALE MINING CONTRACT within an area described above.

2. The application fee of (P10,000.00 for nonmetallic and P20,000.00 for gold silver and/or chromite) has been paid under Official Receipt No. _____ dated _____, 20_____, Philippines.

3. This application is filed for the exclusive use and benefit of the applicant and neither directly or indirectly for the benefit of any person, corporation, partnership, association or cooperative.

4. The applicant agrees (in case of gold production) that all gold produced from the contract area shall be sold to the Bangko Sentral ng Pilipinas or its authorized representatives.

5. The applicant agrees that incomplete mandatory requirements shall not be accepted.

6. The applicant also agrees to submit additional requirements should the Provincial/City Mining Regulatory Board deem it necessary for the purpose of determining his qualification for the grant of the contract applied for.

7. The applicant further agrees that the statements made in the application or made later in support thereof, shall be considered as conditions and essential parts of the contract that maybe granted by virtue thereof and any falsehood in these statements or omission of facts which may alter, change or effect substantially the facts set forth in said statements shall be sufficient cause for the denial of this application or cancellation of the contract granted.

Republic of the Philippines)
Province _____) S.S>
City/Municipality _____)

I, _____, the person executing this affidavit for this application being first duly sworn depose and say: that I have read or have caused the foregoing application read to me: that I thoroughly understand the same and that each every statement in said application is true and correct.

Affiant/Applicant

T.I.N. _____

SUBCRIBED AND SWORN to before me at the place aforesaid on this _____ day of _____, 20 _____, the affiant/applicant exhibited to me his/her Government Issued ID No. _____ issued at _____ on _____ day of _____, 20_____.

NOTARY PUBLIC
My commission expires on December 31, 20 _____
PTR No. _____

DOC NO. _____;
PAGE NO. _____;
BOOK NO. _____;
SERIES OF _____;



**PROPOSED TWO-YEAR
WORK PROGRAM**

- 1.0 Cooperative Information
 - 1.1 Business Name
 - 1.2 Cooperative Name, Address, Telephone, Fax Number
 - 1.3 Contact Person/Designation
- 2.0 Project Description
 - 2.1 Project Details
 - 2.1.1 Location
 - 2.1.2 Estimated Capital Cost
 - 2.1.3 Commodity
 - 2.1.4 Present Status of the Project (e.g. Development/Construction Stage, Operation Stage or Expansion Stage)
 - 2.1.5 Description of Mining Method
 - 2.1.6 Estimated Daily/Annual Production
 - 2.1.7 Description of Established Custom Mills and Mineral processing Zones (rated capacity, type of processing)
 - 2.2 Access/Transportation
 - 2.2.1 Road (preference and alternates)
 - 2.2.2 Air Access (origin and destination points)
 - 2.2.3 Shipping and Sale of Commodity
 - 2.3 Utilities
 - 2.3.1 Power Supply Requirements and Alternatives
 - 2.3.2 Water Supply Requirements and Alternatives
 - 2.4 Mining Equipment
 - 2.4.1 List of mobile and fixed equipment for development and construction (specify if leased/ purchased)
 - 2.4.2 List of mobile and fixed equipment for mining (specify if leased/purchased)
 - 2.4.3 List of mobile and fixed equipment for mineral processing
 - 2.5 Workforce Information
 - 2.5.1 Total Operational Workforce
 - 2.5.2 Staff Organizational Set-up
 - 2.5.3 Housing Options
 - 2.6 Development Program
 - 2.6.1 State of development
 - 2.6.2 Description of planned activities
 - 2.6.3 Targeted Sites/Areas, accompanied by a sketch map showing areas of planned development sites, camp/housing facilities and other facilities
 - 2.6.4 Schedule and estimated cost per annum
 - 2.6.5 Gantt Chart
 - 2.7 Production Schedule and estimated costs per annum
- 3.0 Community Development and Management Program and estimated total costs
- 4.0 Annual Safety and Health Program Cost Estimate
- 5.0 Signature of the Mining Engineer who prepared the Work Program, with PRC License and PTR numbers indicated