

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Eighteenth Congress
First Regular Session

House Bill No. 112



Introduced by REP. LAWRENCE LEMUEL H. FORTUN

EXPLANATORY NOTE

The Philippines is endowed with vast natural resources, including minerals, which form part of our nation's wealth and patrimony. Such wealth should be shared equitably and serve the national economy for the benefit of the people. Thus, their utilization and exploitation should be consistent with sustainable development principles and geared towards genuine industrialization and agricultural development.

This bill seeks to promote rational mining through a comprehensive management framework. It seeks to address the gaps of the present mining law, Republic Act No. 7942, which has miserably failed to prevent or significantly reduce adverse impact on the environment, protect the rights of the affected populations, alleviate poverty in the host communities and benefit the local government units. The industry, under the present framework of the law, is essentially extractive which has resulted in the massive depletion of the country's nonrenewable resources, thereby threatening the future not only of affected populations and communities, but the entire country.

Over the years, the country has been at the receiving end of the devastating effects of the failures of the mining industry to safeguard the environment and the lives of people in the affected areas. Our waters and soils have been exposed to contamination of mine wastes that have been severely damaging to our ecosystems. Lives have been lost due to disasters attributed to mining leaving communities with no means of livelihood and environmentally safe abode. Because of the lack of mechanisms to ensure protection of rights, such as those of the indigenous peoples, and equitable share of benefits, social conflict and problems have arisen and taken toll on the peace and order situation of the affected localities.

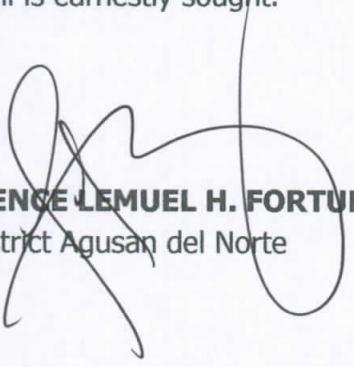
If mining is to be pursued, the current mining policy framework requires comprehensive reform ensuring that social and environmental safeguards are clearly established to meet the needs of our people now and in the future. Sustainable development and social equity should be fundamental premises of the industry. It is imperative that clear and concrete policies that guarantee these be put in place before we further expose our environment, our communities and people to the risks and hazards of mineral extraction.

This bill is therefore proposed to take the place of the current mining law. It is the product of years of consultation with mining-affected indigenous peoples, communities and stakeholders, as well as experts, whose invaluable thoughts need to be considered in crafting a law that is truly responsive to the aspirations and welfare of the Filipino people. The bill posits that it is impossible and unwise to separate mining from issues of resource use, water, food security, environment, human rights, indigenous people's rights and rights-based economic development.

This bill seeks to guarantee that the exploration, development and utilization of mineral resources will primarily benefit the Filipino people; prioritize sustainable livelihood choices for

communities; give utmost importance to food security and livable conditions for the people; ensure that the gains from the mining industry would be maximized while preventing or mitigating its adverse effects; recognize that the issue of environment and sustainable development is local and thus prioritize local participation in decisions surrounding mining; ensure the protection of human rights of communities and individuals; and impose harsh penalties for the violations of the law

In view of the foregoing, the immediate passage of this bill is earnestly sought.



REP. LAWRENCE LEMUEL H. FORTUN

1st District Agusan del Norte

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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EIGHTEENTH CONGRESS
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112
House Bill No. _____

Introduced by REP. LAWRENCE LEMUEL H. FORTUN

AN ACT
TO REGULATE THE RATIONAL EXPLORATION, DEVELOPMENT AND UTILIZATION OF
MINERAL RESOURCES, AND TO ENSURE THE EQUITABLE SHARING OF BENEFITS
FOR THE STATE, INDIGENOUS PEOPLES AND LOCAL COMMUNITIES, AND FOR
OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

CHAPTER I
DECLARATION OF POLICIES

1 **SECTION 1. Short Title.** – This Act shall be known as the "Philippine Mineral Resources Act of
2 2019."

3 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to:

- 4 a. Maintain peace and order, protect life, liberty and property and promote the general
5 welfare;
- 6 b. Advance the medium- and long-term needs of the Philippines;
- 7 c. Encourage the advancement of the industry's technology with emphasis on existing
8 indigenous knowledge, research and development;
- 9 d. Protect and advance the right of the people to a balanced and healthful ecology in
10 accord with the rhythm and harmony of nature;
- 11 e. Value the dignity of every human person and guarantees full respect for human rights;
- 12 f. Promote social justice in all phases of national development;
- 13 g. Recognize and promote the rights of indigenous cultural communities within the
14 framework of national unity and development and protect the right to self-determination
15 of the indigenous and Moro peoples;
- 16 h. Protect and promote the right to health of the people and instill health consciousness
17 among them;
- 18 i. Pursue an independent foreign policy. In its relations with other states the paramount
19 consideration shall be national sovereignty, territorial integrity, national interest, and the
20 right to self-determination;
- 21 j. Develop a self-reliant and independent national economy effectively controlled by
22 Filipinos;
- 23 k. Ensure the autonomy of local governments;
- 24 l. Give highest priority to the enactment of measures that protect and enhance the right of
25 all the people to human dignity, reduce social, economic, and political inequalities, and
26 remove cultural inequities by equitably diffusing wealth and political power for the
27 common good;
- 28
- 29

- 30 m. Encourage non-governmental, community-based, or sectoral organizations that promote
31 the welfare of the nation; and
32 n. Adopt and accept the generally accepted principles as embodied in the International
33 Covenant on Civil and Political Rights, International Covenant on Economic, Social,
34 Cultural Rights, UN Declaration on the Rights of Indigenous Peoples, UN Convention on
35 Biodiversity and other international accords on human rights, labor rights, the rights of
36 women and children, and the protection and preservation of the environment, of which
37 the State is a party.

38

39 **SEC. 3.** – The State shall formulate a National Industrialization Program pursuant to the
40 principles of agricultural modernization, development of industrial and manufacturing industries,
41 and rational, sustainable, and equitable development of the national economy. The State shall,
42 therefore, promote the development of mineral processing to maximize the benefits or value-
43 added from mining. Towards this end, it shall encourage the establishment and development of
44 manufacturing plants that will utilize locally processed mineral products as well as mining firms
45 that will process mineral ores first for domestic purposes and before exporting them to other
46 countries.

47

48 Pursuant to the foregoing, the State shall implement a Mineral Management Plan that provides
49 the framework for the utilization and management of the country's mineral resources, which will
50 address the needs of the domestic economy and uphold the rights of industry workers,
51 indigenous peoples and local communities.

52

53 **SEC. 4.** – The judicious stewardship of our mineral resources, as well as its exploration,
54 development and utilization shall comply with the following principles:

- 55 a. The current export-orientation of mining is hereby reversed and a domestic needs-based
56 development of the industry shall be pursued by the State as a step towards achieving
57 genuine economic development;
- 58 b. The mining industry shall be geared towards national industrialization and shall be built
59 for the production of raw materials such as base metals, basic chemicals and
60 petrochemicals needed by the basic, medium and heavy industries to produce as much
61 consumer, intermediate and capital goods with the country's stock of finite mineral and
62 non-mineral industrial raw materials and in the process provide jobs to the country's
63 vast human resources;
- 64 c. The community shall actively participate in the stewardship of mineral resources.
65 Community-based initiatives shall be encouraged and supported;
- 66 d. The State and its members shall develop its human resources and encourage the
67 evolution of its own appropriate technologies. The State shall provide the appropriate
68 support and protection to Filipino corporations to further develop and increase their
69 participation in the industry. All mining industry investments shall be mutually-beneficial
70 and help achieve the specific target and goals of the National Industrialization Program.
71 To come up with the large capital requirement for mining, the State must use local
72 sources such as but not limited to the granting of incentives and financial aid to local
73 private sector investors, re-channeling of government budget allocations for foreign debt
74 payments and military expenditures, and the proceeds from the government shares of
75 the Malampaya Natural Gas Project;
- 76 e. The State shall allow, in exceptional cases, foreign corporations to invest in the mineral
77 industry. Based on the National Industrialization Program and the country's capability
78 and capacity, the government must identify the mineral areas where foreigners can help
79 and invest subject to rigorous screening and strict regulations as provided in this Act and
80 related laws. The participation of foreign companies in the critical stages of minerals
81 extraction and processing shall be in accordance with a mandatory program or
82 agreement for technology transfer and equity shares that do not exceed 40 percent of
83 the full capital requirements;

89
90 *Provided*, That capital accumulation and reinvestment within the country shall be
91 primarily encouraged over profit repatriation by the foreign companies and that foreign
92 mining corporations, their principals, local firms and conduits that have a bad track
93 record in the Philippines are banned from investing in the country;

- 94
- 95 f. In land and water use, the production of sufficient food free from pollution towards food
96 security shall always be the priority;
 - 97
 - 98 g. Long-term mining development shall be programmed by the State in accordance with
99 the country's availability of resources, capability and well being of the people,
100 technological capacity and people's acceptability. The right of Muslim Filipinos and
101 indigenous peoples to self-determination and ancestral domain shall be recognized and
102 their collective property rights are guaranteed by this Act;
 - 103
 - 104 h. Job security, adequate wages, benefits, and safe working conditions for mine workers
105 shall be ensured in state and privately owned mining corporations. Their right to
106 organize and form their own associations, to collective bargaining and to strike shall be
107 upheld. The state will strictly prohibit forced and child labor in the industry;
 - 108
 - 109 i. Small-scale mining operations shall be supported and regulated by the state. The state
110 will encourage the formation of cooperatives among small-scale miners and provide
111 financial and technical support to develop the labor-intensive and upgrade the backward
112 technologies into a more efficient and less environmentally destructive mining process.
113 Whenever small- scale mining are stopped, alternative and sustainable livelihood shall
114 be provided to the small-scale miners.
 - 115
 - 116 j. Mining operations shall not in any way create or exacerbate conflicts. In no instance
117 shall the Armed Forces of the Philippines (AFP), the Philippine National Police (PNP) and
118 private security and paramilitary groups be used to coerce or force the entry and
119 protection of mining operations;
 - 120
 - 121 k. Mining industry research and development shall focus on harnessing more economically-
122 efficient and less environmentally-destructive methods. The advanced technologies from
123 other countries that are proven to be appropriate locally shall be adopted in the
124 industry;
 - 125
 - 126 l. All mining operations shall be strictly regulated to ensure the domestic processing of
127 mineral ores up to the secondary and tertiary stages of industrial production to develop
128 our own basic and medium industries. Recycling programs and substitution in the use of
129 minerals shall be incorporated in the overall plan of mining development to reduce mine
130 waste and pollution, and mining rehabilitation techniques. Indigenous technologies that
131 are relevant and appropriate, particularly with respect to the domestic processing of
132 minerals shall be promoted, harnessed, expanded and upgraded;
 - 133
 - 134 m. The State and its members shall share in the burden of satisfying the need for mineral
135 resources primarily through reusing and recycling existing mineral products. Ecologically-
136 sound practices at all stages of mining shall be promoted. Mining technologies such as
137 open-pit mining and submarine mine tailing disposal methods that are banned abroad
138 and/or proven inappropriate in countries like the Philippines must all be banned.
139 Environmental standards shall be set to ensure the protection and efficient utilization of
140 the country's mineral resource base. Ecological considerations in mining development
141 shall be given due emphasis and attention to substantially eliminate destructive effects
142 that certain mining industrial processes might have on the people's health and the
143 environment. Monitoring mechanisms with strong participation from the local
144 communities will be instituted;
 - 145
 - 146 n. Mining in environmentally-critical areas such as small island ecosystems, primary and
147 secondary forests and watersheds shall be banned. Dumping of mine wastes and tailings

148 to rivers, lakes and seas are prohibited; The integrity of the environment shall not be
149 compromised; and

- 150
- 151 o. Areas affected by mining shall be rehabilitated, including abandoned mines. Violators
152 shall be strictly punished and made to pay heavy compensation to the State and the
153 affected communities;

154

155 **SEC. 5.** – The exploration, development and utilization of natural resources must comply with
156 the principles of intergenerational responsibility.

157

158 **SEC. 6.** – For purposes of, or in relation to expropriation, it is hereby declared that mining is
159 not for a public purpose.

160

161 **SEC. 7.** – Mining agreements shall not be considered as vested rights, but, are mere privilege
162 that the State can grant or revoke anytime for a legitimate purpose.

163

164 **CHAPTER II**
165 **SCOPE AND GENERAL PRINCIPLES**

166

167 **SEC. 8. Scope.** – This Act shall govern the ownership, management and governance of both
168 metallic and non-metallic ore minerals onshore and offshore, as well as quarry resources, sand
169 and gravel, guano, and gemstones, and the conservation, exploration, development, utilization,
170 processing and transportation thereof. The ownership, management and governance of
171 petroleum, natural gas and coal shall be governed by special laws. Offshore mining shall also be
172 governed by special laws.

173

174 This Act shall cover onshore and offshore, large-scale and small-scale mining operations in the
175 country, including mining projects in ancestral domains in accordance to the existing national
176 and international policies on our indigenous peoples.

177

178 **SEC. 9.** – Ore minerals form part of the country's irreplaceable and non-renewable natural
179 wealth and capital. The conservation of our mineral wealth is a paramount public interest and
180 mineral resources shall be utilized only in a rational manner for national and local development
181 as specified by law and the National Industrialization Program and the Mineral Management
182 Plan. The economic benefits derived from mining shall be equitably distributed by, among
183 others, prioritizing development for local communities and all other stakeholders directly
184 affected by mining operations.

185

186 **SEC. 10.** – The State shall have primary role, responsibility and concern in the management,
187 conservation, utilization, and development of the mining industry and shall ensure the peoples
188 participation in policy making and implementation of the same at all levels of government. The
189 management of mineral resources shall be a shared concern and responsibility among the
190 national government, corporations, all levels of local government, and the communities affected
191 by the exploration, development, and utilization of mineral resources.

192

193 **SEC. 11.** – The State shall accord support to communities dependent on small-scale mining
194 whose operations shall strictly adhere to the provisions of this law.

195

196 **SEC. 12.** – Subject to their right to self-determination, indigenous cultural communities/
197 indigenous peoples (ICCs/IPs) own and have the responsibility to manage the mineral resources
198 in their respective ancestral domains, free from external manipulation, interference, force
199 threat, intimidation, coercion and other analogous acts. The State shall support indigenous
200 cultural communities in developing capacities to effectively exercise their right and
201 responsibility.

202

203 **SEC. 13.** – Mining shall be limited in scale in accordance with this Act.

204

205 **SEC. 14.** – Mineral resources development, utilization and processing shall be reserved for
206 Filipino citizens and for Filipino corporations. Exploration shall be undertaken directly by the
207 State for the benefit of the nation.

208
209 **SEC. 15.** – Remining and recycling of mineral resources shall be prioritized over the opening of
210 new mines to maximize and recover the remaining minerals resources from the rejects or
211 wastes of previous mines and mining operations.

212
213 **SEC. 16.** – The State shall prioritize the rehabilitation of the abandoned mines in the country.
214 The State shall ensure the fullest compliance of all government and corporate entities in and on
215 the closure of mines, the rehabilitation/restoration of the immediate environs or each mining
216 project/activity in the country as provided by law.

217
218 **SEC. 17.** – The State shall encourage and support Filipino private corporations and mining
219 cooperatives to participate and invest in the mining industry on mutually-beneficial grounds that
220 will push forward the National Industrialization Program in both small-scale and large-scale
221 projects.

222
223 **SEC. 18.** – Mineral resource extraction shall be allowed based on the Philippine Government's
224 National Industrial Plan. The sharing of profits from mining activities, including the anticipated
225 environmental and social costs on the affected local communities of each mining project, should
226 far outweigh ecological and social benefits and costs from other land uses. The anticipated cost
227 of environmental and social impacts on the affected local communities, which shall at all times
228 be prevented and/or mitigated through the allocation of sufficient funds for this purpose. In
229 mining projects with foreign participation, a just return of investment scheme for the foreign
230 entrants into the industry shall be prescribed by law.

231
232 **SEC. 19.** – The State shall prioritize the development of mineral resources needed for national
233 development and the creation of domestic processing capacity for industrial metals, the
234 integration of agricultural modernization and other labor-intensive downstream industries. Mine
235 planning shall be conducted to meet this principle.

236
237 The National Industrial Plan shall support national development based on the principles of
238 sustainable development and modernization of its economic base. This framework will define
239 minerals to be extracted, volume to be extracted and when to be extracted. This shall be
240 matched with the approved mining areas as identified by the Councils. These matched areas
241 are eligible for mining operations.

242
243 **CHAPTER III**
244 **DEFINITION OF TERMS**
245

246 **SEC. 20. *Definition of Terms.*** – As used in and for the purposes of this Act, the following
247 terms, whether used in singular or in plural form, shall mean:

- 248
249 a. *Abandonment* – the act of the contractor leaving a mine without rehabilitating the
250 affected areas or completing such rehabilitation despite the legal obligation to do
251 the same;
- 252
253 b. *Acid mine drainage* – the dissolution, mobilization and transportation of toxic metals
254 from rocks resulting from the chemical reaction of the acid-generating minerals in
255 rock and waste materials having high permeability to both air and rainfall and other
256 water inflows when land is opened up for mining and initiates the chemical reaction,
257 resulting to a perpetual machine of acid generation;
- 258
259 c. *Ancestral domains* – all areas generally belonging to indigenous cultural
260 communities/indigenous peoples (ICCIs/IPs) comprising lands, inland waters,
261 coastal areas, and natural resources therein, held under a claim of ownership,
262 occupied or possessed by ICCIs/IPs, by themselves or through their ancestors,
263 communally or individually since time immemorial, continuously to the present

264 except when interrupted by war, force majeure or displacement by force, deceit,
265 stealth or as a consequence of government projects or any other voluntary dealings
266 entered into by government and private individuals/corporations, and which are
267 necessary to ensure their economic, social and cultural welfare. It shall include
268 ancestral lands, forests, pasture, residential, agricultural, and other lands
269 individually owned whether alienable and disposable or otherwise, hunting grounds,
270 burial grounds, areas of worship , bodies of water, mineral and other natural
271 resources, and lands which may no longer be exclusively occupied by ICCs/IPs but
272 from which they traditionally and historically had access to for their subsistence and
273 traditional activities, particularly the home ranges of ICCs/IPs who are still nomadic
274 and/or shifting cultivators
275

- 276 d. *Ancestral lands* – lands occupied, possessed and utilized by individuals, families and
277 clans who are members of the ICCs/IPs by themselves or through their
278 predecessors-in-interest, under claims of individual or traditional group ownership,
279 continuously, to the present except when interrupted by war, force majeure or
280 displacement by force, deceit, stealth, or as a consequence of government
281 development aggression projects and other voluntary dealings entered into by
282 government and private individuals/corporations including, but not limited to,
283 residential lots, rice terraces or paddies, private forests, swidden farms and tree
284 lots;
- 285 e. *Beneficiation* – a process wherein a large fraction of the waste material is removed
286 from the mineral ore;
- 287 f. *Buffer Zones* – identified areas outside the boundaries of and immediately adjacent
288 to designated protected areas designated by law that need special development
289 control in order to avoid or minimize harm to the protected area;
- 290 g. *Bureau* – the Mines and Geosciences Bureau (MGB) under the Department of
291 Environment and Natural Resources (DENR);
- 292 h. *Carrying capacity* – the capacity of natural and human environments to
293 accommodate and absorb change without experiencing conditions of ecological
294 instability and attendant degradation;
- 295 i. *Certificate of Ancestral Domains Title (CADT)* – title formally recognizing the rights
300 of possession and ownership of ICCs/IPs over their ancestral domains identified and
301 delineated in accordance with law;
- 302 j. *Certificate of Ancestral Lands Title (CALT)* – a title formally recognizing the rights of
303 ICCs/IPs over their ancestral lands;
- 304 k. *Closure of mines* – permanent cessation of operations at a mine or mine processing
305 site after completion of the decommissioning process;
- 306 l. *Consensus* – the decision communally reached after appropriate participatory
307 consultation and discussion, free from any external manipulation, interference and
308 coercion, and other analogous cases and obtained after fully disclosing the intent
309 and scope, including the positive and negative impacts of the activity, in a language
310 and process understandable to the community or group.
- 311 m. *Consent* – the free, prior and informed assent of the relevant person/s, ICCs/IPs,
312 barangay assemblies, landowner or occupant or possessor, given after fully
313 disclosing the intent and scope, including the positive and negative impacts of the
314 activity, in a language and process understandable to said persons or communities
315 or assemblies;

- 322 n. *Contract area* – the area delineated as specifically provided by a mineral agreement
323 for the development or utilization of mineral resources found therein;
- 325 o. *Critical watershed* – refers to a drainage area of a river system, lake or water
326 reservoir supporting existing and proposed hydroelectric power, domestic water
327 supply, geothermal power and irrigation works, which needs immediate
328 rehabilitation and protection to minimize soil erosion, improve water yield and
329 prevent possible flooding. The term shall also include areas which are traditional
330 human settlements, land-uses, or sea-uses which are representative of a
331 culture/cultures, or human interaction with the environment especially when it has
332 become vulnerable under the impact of irreversible change;
- 334 p. *Critical habitats* – place or environment where species or subspecies naturally occur
335 or has naturally established its population that are crucial to the survival of a
336 species and essential for its conservation;
- 338 q. *Cultural sites* – those that bear a unique or at least exceptional testimony to a
339 cultural tradition or to a civilization which is living or which has disappeared or,
340 directly or tangibly associated with events or living traditions, with ideas, or with
341 beliefs, with artistic and literary works of outstanding universal significance;
- 343 r. *Customary laws* – body of written and/or unwritten rules, usages, customs and
344 practices traditionally recognized, accepted and observed by respective ICCs/IPs
345 and local communities;
- 347 s. *Decommissioning* – the activity or process that begins after cessation of prospecting
348 activities or mineral production (including metallurgical plant production). It
349 involves, among others, the removal of unwanted infrastructure, making
350 excavations and waste repositories safe and stable and surface rehabilitation with a
351 view to negate or minimize any adverse environmental impacts remaining after
352 cessation of mineral production. It includes the after-care or maintenance that may
353 be needed;
- 355 t. *Downstream industries* – are mining activities that cover minerals processing,
356 refining, manufacturing of intermediate and capital goods and marketing of such;
- 358 u. *Ecological profile or eco-profile* – geographic-based instruments for planners and
359 decision-makers which present an evaluation of the environmental quality and
360 carrying capacity of an area and measures the specific interactions that will be
361 affected by any and all mining operations;
- 363 v. *Exploration* – covers the methods of searching or prospecting for mineral resources
364 by non-invasive means for the purpose of determining the existence, extent,
365 quantity and quality thereof, which may include but not limited to seismic, gravity,
366 magnetic, electromagnetic, radar, induced polarization, radio-wave and
367 electrogeochemical;
- 369 w. *Extraction* – ore-removal activities that take place at the mine site itself;
- 371 x. *Free, prior, and informed consent (FPIC)* – the consensus of all members of the
372 ICCs/IPs to be determined in accordance with their respective customary laws and
373 practices, free from any external manipulation, interference, coercion, and other
374 analogous acts and obtained after fully disclosing the intent and scope, including
375 the positive and negative impacts, of all the activities, in a language and process
376 understandable and acceptable to the community;
- 378 y. *Indigenous peoples/Indigenous cultural communities (IP/ICC)* – refer to a group of
379 people or homogenous societies identified by self-ascription and ascription by
380 others, who have continuously lived as organized community on communally

381 bounded and defined territory, and who have, under claims of ownership since time
382 immemorial, occupied, possessed and utilized such territories, sharing common
383 bonds of language, customs, traditions and other distinctive cultural traits, or who
384 have, through resistance to political, social and cultural inroads of colonization, non-
385 indigenous religions and cultures, became historically differentiated from the
386 majority of Filipinos. ICCs/IPs shall likewise include peoples who are regarded as
387 indigenous on account of their descent from the populations which inhabited the
388 country, at the time of conquest or colonization, or at the time of inroads of non-
389 indigenous religions and cultures, or the establishment of present state boundaries,
390 who retain some or all of their own social, economic, cultural and political
391 institutions, but who may have been displaced from their traditional domains or
392 who may have resettled outside their ancestral domains. They are peoples who
393 have a spiritual relationship with the land;

- 394
- 395 z. *Indigenous political structure* – refers to organizational and cultural leadership
396 systems, institutions, relationships, patterns and processes for decision-making and
397 participation, identified by ICCs/IPs such as, but not limited to, Council of Elders,
398 Council of Timuays, Bodong Holders, and any other tribunal or body of similar
399 nature;
- 400
- 401 aa. *Joint venture agreement* – an agreement wherein the government and a qualified
402 person organize a joint-venture company, with both parties having equity shares, to
403 develop and manage mineral resources. Aside from earnings on the equity, the
404 Government shall be entitled to a share in the output computed at a certain
405 percentage mutually agreed upon by and beneficial to both parties.
- 406
- 407 bb. *Key biodiversity areas* – are sites of global biodiversity conservation significance.
408 They are defined by standardized criteria and thresholds to guide conservation
409 interventions such as the establishment of protected areas;
- 410
- 411 cc. *Large-scale mining* – mining in areas with more than twenty (20) hectares, using
412 mechanized tools and equipment, requiring considerable capital and having large-
413 scale environmental, social, cultural and economic impacts with regard to resource
414 use and/or consumption;
- 415
- 416 dd. *Mineral agreement* – a contract entered into by the government, in behalf of the
417 State, and a private Filipino person, granting such person/s the privilege to mine a
418 specific contract area;
- 419
- 420 ee. *Mineral resource* – any concentration of minerals/rocks with potential economic
421 value;
- 422
- 423 ff. *Mineral processing* – the milling, beneficiation or upgrading of ores or minerals and
424 rocks or by similar means to convert the same into marketable products;
- 425
- 426 gg. *Minerals* – all naturally occurring inorganic substance in solid, gas, liquid, or any
427 intermediate state excluding energy materials such as coal, petroleum, natural gas,
428 radioactive materials, and geothermal energy;
- 429
- 430 hh. *Mine development* – preparing the mine site for production by shaft sinking or pit
431 excavation building of access roads, and constructing of surface facilities;
- 432
- 433 ii. *Mine wastes and tailings* – rock materials from surface or underground mining and
434 milling operations with little or no economic value to the generator of the same;
- 435
- 436 jj. *Mining activity* – any or all of the following activities: exploration, extraction,
437 utilization, processing, transportation and other activities conducted for the same;
- 438

- 439 kk. *Mining area* – a portion of the contract area which has been identified by the
440 contractor wherein actual mining operations are conducted;
- 441
- 442 ll. *Mining operations* – either all or any of the mining activities involving exploration,
443 feasibility, development, utilization, and processing;
- 444
- 445 mm. *National industrialization* – in the mining industry, this shall denote the primacy of
446 mineral production, processing and distribution for the primary benefit of the
447 domestic economy. This includes creating favorable conditions for Filipino
448 entrepreneurs to engage in mining through various state-private agreements that
449 shall ensure that mining shall help spur more domestic investments, increase
450 agricultural production and produce both consumer and producer goods and
451 manufactures;
- 452
- 453 nn. *National park* – an area of the public domain essentially natural wilderness, scenic,
454 or historic in character which has been withdrawn from settlement, occupancy, or
455 any form of exploitation except in conformity with an approved management plan
456 and set aside exclusively to conserve the area or preserve the scenery, the natural
457 and historic objects, wild animals, and plants therein mainly for the purpose of
458 biodiversity conservation and/or human enjoyment;
- 459
- 460 oo. *Natural forest* – forests composed of indigenous trees, not planted by man, whose
461 structure, functions, and dynamics have been largely the result of natural
462 succession processes;
- 463
- 464 pp. *Natural parks* – is a relatively large area not materially altered by human activity
465 where extractive resource uses are not allowed. These parks are maintained to
466 protect outstanding natural and scenic areas of national or international significance
467 for scientific, educational and recreational use;
- 468
- 469 qq. *Open-pit mining* – Extracting metal ores and minerals that lie near the surface by
470 removing the overlying material and breaking and loading the ore. Also known as
471 open-cast mining and open-cut mining;
- 472
- 473 rr. *Ore* – a material that contains minerals in such quantities that it can be mined and
474 worked commercially to extract that mineral. The mineral is usually contained in
475 chemical combination with some other element in addition to various impurities;
- 476
- 477 ss. *Pollution control and infrastructure devices* – *infrastructure, machinery, equipment*
478 *and/or improvements used for impounding*, treating, or neutralizing, precipitating,
479 filtering, conveying and cleansing mine industrial waste and tailings as well as
480 eliminating or reducing hazardous effects of solid particles, chemicals, liquids or
481 other harmful by-products and gases emitted from any facility utilized in mining
482 operations for their disposal;
- 483
- 484 tt. *Private land* – any land belonging to any private person which includes alienable
485 and disposable land being claimed by a holder, claimant, or occupant who has
486 already acquired a vested right thereto under the law, although the corresponding
487 certificate or evidence of title or patent has not been actually issued;
- 488
- 489 uu. *Processing* – includes all treatment an ore receives after its extraction and
490 beneficiation, which involves changes in the chemical nature of the mined minerals;
- 491
- 492 vv. *Progressive rehabilitation* – rehabilitation which involves the staged treatment of
493 disturbed areas during exploration, construction/development and mining
494 operations;
- 495

- 496 ww. *Protected areas* – identified portions of land and water set aside by reason of their
497 unique physical and biological significance, managed to enhance biological diversity
498 and protected against destructive human exploitation;
- 499
- 500 xx. *Protected landscapes, seascapes, marine sanctuaries* – areas of national
501 significance which are characterized by the harmonious interaction of man and the
502 environs while providing opportunities for public enjoyment through recreation and
503 tourism within the bounds of the normal lifestyle and economic activity of these
504 areas;
- 505
- 506 yy. *Quarry resources* – any common rock or other mineral substances as the Director of
507 the Mines and Geosciences may declare to be quarry resources such as, but not
508 limited to, andesite, basalt, conglomerate, coral sand, diatomaceous earth, diorite,
509 decorative stones, gabbro, granite, limestone, marble, marl, red burning clay for
510 potteries and bricks, rhyolite, rock phosphate, sandstone, serpentine, shale, tuff,
511 volcanic cinders, and volcanic glass, *Provided*, That such quarry resources do not
512 contain metals or metallic constituents and /or other valuable minerals in
513 economically workable quantities; *Provided further*, That non-metallic minerals such
514 as kaolin, feldspar, bull quartz, quartz or silica, sand and pebbles, bentonite, talc,
515 asbestos, barite, gypsum, bauxite, magnesite, dolomite, mica, precious and semi-
516 precious stones, and other non-metallic minerals that may later be discovered and
517 which the Director declares the same to be of economically workable quantities,
518 shall not be classified under the category of quarry resources;
- 519
- 520 zz. *Quarrying* – process of extracting, removing and disposing quarry resources found
521 on or underneath the surface of private or public land;
- 522
- 523 aaa. *Regional Director* – the regional director of any mines regional office;
- 524
- 525 bbb. *Regional Office* – any of the mines regional offices;
- 526
- 527 ccc. *Recycling* – shall refer to the treating of used or waste materials through a process
528 of making them suitable for beneficial use and for other purposes, and includes any
529 process by which solid waste materials are transformed into new products in such a
530 manner that the original products may lose their identity, and which may be used
531 as raw materials for the production of other goods or services: *Provided*, That the
532 collection, segregation and re-use of previously used packaging material shall be
533 deemed recycling under the Act;
- 534
- 535 ddd. *Rehabilitation* – the process by which the land will be returned to a form and
536 productivity in conformity with a prior land use plan including a stable ecological
537 state that does not contribute substantially to environmental deterioration and is
538 consistent with surrounding aesthetic values;
- 539
- 540 eee. *Remediation* – removal of pollution or contaminants from environmental media for
541 the general protection of the area and the people;
- 542
- 543 fff. *Remining* – maximizing and recovering the remaining minerals from the rejects or
544 wastes of previous mines and mining operations;
- 545
- 546 ggg. *Restoration* – where the intent is to recreate an ecosystem as close as possible to
547 the original which existed at the site, with most of the structure and productivity
548 matching that of the original ecosystem, and most of the original biodiversity: in
549 time ecological processes and functions will match those of the original forest;
- 550
- 551 hhh. *Self-determination* – refers to the right of a people to determine its own political
552 destiny as defined by existing Philippine laws. The right to self-determination has
553 includes the right of ICCs/IPs to choose their form of government within existing

- 554 national borders to achieve a greater degree of autonomy to help preserve their
555 culture, ancestral domain, and way of life;
- 556
- 557 iii. *Small-scale mining* – mining activities which rely heavily on manual labor using
558 simple implements and methods and do not use explosives or any heavy mining
559 equipment, primarily engaged in for sustainable living. Impacts from small-scale
560 mining shall not be large-scale, otherwise, the mining activity shall be defined as
561 large-scale mining;
- 562
- 563 jj. *Small-scale mining permit* – permit issued for small-scale mining;
- 564
- 565 kkk. *Strategic minerals* – minerals needed for national industrialization, including rural
566 development;
- 567
- 568 III. *Tailings Disposal System or Tailings Placement* – the method wherein the waste
569 from mining operations are dumped, placed, or disposed;
- 570
- 571 mmm. *Traditional small-scale mining* – small-scale mining using traditional means and
572 without the use of chemical or mechanized extraction and separation means,
573 methods, implements, and/or equipment;
- 574
- 575 nnn. *Watershed continuum* – shall refer to an area consisting of the watershed and its
576 divide including its connection from the headwaters to the reef or a land area
577 drained by a stream or a fixed body of water and with tributaries having a common
578 outlet for surface runoff. It is the system by which the mining-affected communities
579 shall be determined following the drainage of a stream or fixed body of water with
580 tributaries having a common outlet for surface runoff;
- 581
- 582 ooo. *Wildlife* – undomesticated forms and varieties of flora and fauna.

CHAPTER IV OWNERSHIP AND GOVERNANCE

587 **SEC. 21. Authority of the Bureau.** – The Mines and Geosciences Bureau shall be a scientific
588 research institution under the Department of Environment and Natural Resources (DENR)
589 primarily conducting and developing research of mineral resources and mining technologies and
590 training of local communities, local government units and indigenous peoples. It shall also
591 regulate the operations of persons involved in mining activities. It shall also work with the Multi-
592 Sectoral Mineral Council in the monitoring of mining activities.

593 **SEC. 22. Regional offices.** – The Bureau shall have as many regional offices in the country as
594 may be established by the Secretary, upon the recommendation of the Director.

597 **SEC. 23. Bureau as repository of information.** – The Bureau shall be the central repository
598 of information regarding mineral lands, resources, permits, studies and other information
599 relevant to the operation of a mine, including the necessary requirements which a contractor is
600 obliged to submit. All other governmental offices and other bodies created under this Act shall
601 copy furnish the Bureau of all other information related to mining.

603 **SEC. 24. Recording system.** – There shall be established a national and regional filing and
604 recording system. A mineral resource database system shall be set up in the Bureau which shall
605 include, among others, a mineral rights management system.

607 **SEC. 25. Publication.** – The Bureau shall publish at least annually a mineral gazette of
608 nationwide circulation containing among others, a current list of mineral rights, their locations
609 specified in the appropriate map, mining rules and regulations, other official acts affecting
610 mining, and other information relevant to mineral resources development. A system of
611 publication fund shall be included in the regular budget of the Bureau.

613 **SEC. 26. Bureau to conduct exploration activities.** – Exploration of mineral resources shall
614 be exclusively and directly undertaken by the State through the Bureau. In no case shall this
615 function be delegated or contracted out to private corporations or persons.
616

617 **SEC. 27. Non-invasive exploration.** – Exploration activities shall only be non-invasive such
618 as seismic, gravity, magnetic, electromagnetic, radar, induced polarization, radio-wave and
619 electro-geochemical.
620

621 **SEC. 28. Consent** – The Bureau shall not conduct any exploration activity without the free,
622 prior and informed written consent of relevant land owner, possessor and/or occupant; the
623 affected communities; and/or of the ICC/IP. Neither shall the Bureau enter into any part of the
624 ancestral domains/lands of ICCs/IPs without their free and prior informed consent. Further, the
625 Bureau shall not enter into any distributed land under the Comprehensive Agrarian Reform
626 Program within the 10 years prohibited period of the said program.
627

628 **SEC. 29. Ownership of ICCs/IPs.** – The mineral resources within ancestral
629 domains/ancestral lands are the collective private property of the indigenous cultural
630 communities/indigenous peoples (ICCs/IPs) as provided by law. The management of such
631 mineral resources shall build on the indigenous knowledge systems and practices of the
632 ICCs/IPs.
633

634 **SEC. 30. Free, prior, and informed consent.** – No mining activity shall be conducted within
635 the ancestral domains/lands of ICCs/IPs without their free, prior, and informed consent (FPIC),
636 in addition to the conditions set forth under the succeeding sections of this Act.
637

638 **SEC. 31. When ancestral domain is not formally recognized.** – When ancestral domain
639 is not covered by a Certificate of Ancestral Domain Title/Certificate of Ancestral Land Title
640 (CADT/CALT), or is covered by a different title issued in favor of members of the ICCs/IPs,
641 mineral resources shall nevertheless be managed by the ICCs/IPs concerned when it can be
642 presumed that the area is part of ancestral domain. An area is presumed to be part of
643 ancestral domain by virtue of historic rights and self-delineation by the ICCs/IPs.
644

645 **SEC. 32. When ICCs/IPs displaced from ancestral domain, and when ancestral
646 domain is already covered by other titles emanating from the State other than
647 CADT/CALT.** – IP/ICC rights over ancestral domain subsists notwithstanding the fact that the
648 ICCs/IPs who hold such rights have been displaced therefrom or that such ancestral domains
649 have been occupied by other persons or corporations under another claim of title emanating
650 from the State. In such cases, ICCs/IPs shall continue to own such mineral resources.
651

652 **SEC. 33. Questions on the validity of FPIC.** – In instances that there are questions on the
653 legality or validity of the issued free, prior, and informed consent, mining operations shall not
654 be allowed to be conducted in the ancestral domains or lands of the ICCs/IPs without the final
655 resolution of such question on the legality or validity of the FPIC.
656

657 **SEC. 34. Ownership of the State.** – The mineral resources found outside ancestral
658 domains/lands shall be owned by the State. The State shall ensure that the management of
659 mineral resources shall be primarily for the benefit of the local communities in whose territory
660 the same shall be found. Any minerals extracted shall be solely used for local industries
661 consistent with the Minerals Management Plan. The State may directly undertake development,
662 utilization and processing of mineral resources or it may enter into mineral agreements with
663 eligible parties pursuant to the provisions of this Act.
664

665 **SEC. 35. Inventory of mineral resources.** – The Bureau shall identify and provide an
666 inventory of the available mineral resources, including the mine tailings and wastes within the
667 country. It shall submit to the DENR a report which shall contain the following information:
668

- 669 a. the classification of minerals;
- 670 b. the quality and grade of the ore;
- 671 c. the potential mine life;

- 672 d. the geological description of the area;
673 e. the economic viability of mine tailings;
674 f. whether the area is a key biodiversity area or if it is a critical habitat; and
675 g. all other relevant information necessary for potential mineral investments.

676
677 The process for mineral exploration and/or approval for a mining permit shall not commence
678 without the said inventory.

679
680 **SEC. 36. Identification of strategic minerals.** – The Bureau shall conduct researches and
681 studies prior to any mining operations to identify strategic mineral resources. Only mineral
682 resources that shall be needed for local industries, agricultural modernization and rural
683 development shall be opened to mining subject to the implementing rules and regulations of
684 this Act.

685
686 **SEC. 37. Demarcation of mineral areas.** – The Bureau shall demarcate the boundaries of all
687 areas identified as containing commercial quantities of mineral resources on the ground.

688
689 **SEC. 38. Baseline information on watershed continua.** – The baseline information on
690 all watersheds in the country shall be required and made available to the public, online as much
691 as possible. No mining permit shall be issued without this baseline information.

692
693 **SEC. 39. Affected local community and local government unit.** – For the purposes of
694 this Act, the affected local community and the affected local government unit are defined in
695 relation to the watershed continuum which is potentially negatively impacted by mining
696 operation in the demarcated area. The local communities and the local government units
697 therefore are those who are dependent on the watershed eco-system and its resources.

698
699 **SEC. 40. Establishment of Multi-Sectoral Mineral Councils.** – A Multi-Sectoral Mineral
700 Council shall be established for the purposes of this Act. There shall be as many Multi-Sectoral
701 Mineral Councils as there are watershed continua with demarcated mineral areas.

702
703 **SEC. 41. Powers of the Council.** – The Council shall have the following powers, among
704 others:

- 705
706 a. To determine whether or not mining operations shall be allowed;
707 b. To deliberate on proposals for mineral agreements;
708 c. To approve the proposal for mineral agreements;
709 d. To monitor the conduct of mining operations; and
710 e. To establish its internal rules of procedure which are not contradictory to this Act.

711
712 **SEC. 42. Composition of the Multi-Sectoral Mineral Council.** – The Multi-Sectoral Mineral
713 Council shall be composed of representatives from the Bureau, one representative from each of
714 the affected provincial governments/independent component cities/highly urbanized cities,
715 representatives from peoples/community/sectoral/non-governmental organizations as many as
716 the representatives of local government units, and the affected ICCs/IPs within the watershed
717 continuum. The Bureau shall be the convenor of the Council.

718
719 No mining operations shall be allowed without the Council having been properly convened.

720
721 **SEC. 43. Areas open to mining.** – The Council shall have the power to determine whether or
722 not the land where mineral resources are found shall be opened to mining. Areas may only be
723 opened to mining upon the vote of two-thirds of all the members of the Council pursuant to the
724 guidelines provided by this Act. In determining whether or not such area shall be opened, the
725 following shall be required:

- 726
727 a. Report of the Bureau on the conducted exploration;
728 b. Existence of downstream industries for the mineral resources;
729 c. Potential environmental impacts;
730 d. Potential cultural impacts;

- 731 e. Conflict and risk assessment;
732 f. Potential health impacts;
733 g. Potential economic benefits of the development and utilization of the minerals;
734 h. Carrying capacity and the ecological profile of the area;
735 i. Existing and alternative land uses of the area; and
736 j. Local government land use plan.

737
738 No mining application shall be allowed unless an environmental economic audit or resource valuation of the proposed mining area has been conducted or prepared applying acceptable valuation standards. This audit or resource valuation shall be conducted in coordination with multisectoral group of experts and community stakeholders. It shall include determination of the expected economic returns and the potential negative impacts from mining on the enjoyment and exercise of human rights, cultural rights, and on peace and security. A detailed study must mention the flora, fauna and environment present in the mining claim and the impact of mining operations on the environment, the possible environmental degradation and the attendant loss of subsistence resources cause. There must be mention of existence of sacred areas or areas otherwise of cultural significance and address the impacts of resource exploitation on indigenous peoples and local communities.

749
750 This information shall be accessible to the public at all times. *Provided* That in no case shall the Council open the following areas to mining:

- 752
753 a. Areas declared by Local Government Units as No-Mining Zones as specified by local ordinances, and other issuances;
754 b. Densely populated areas, especially residential areas;
755 c. Head waters of watershed areas;
756 d. Areas with potential for acid mine drainage;
757 e. Critical watersheds;
758 f. Critical habitats;
759 g. Climate disaster-prone areas;
760 h. Geohazard areas;
761 i. Small island ecosystems;
762 j. Cultural sites, which may include, but not limited to, sacred sites and burial grounds;
763 k. Traditional swidden farms and hunting grounds;
764 l. Lands covered by the Comprehensive Agrarian Reform Law or Republic Act No. 6657, as amended;
765 m. Prime agricultural lands, irrigable and irrigated lands as defined by Republic Act No. 9700;
766 n. Cultural property enumerated under the National Cultural Heritage Act of 2009 or Republic act No. 10066;
767 o. Community sites;
768 p. Key biodiversity areas;
769 q. High conflict areas;
770 r. The Province of Palawan pursuant to Republic Act No. 7611 and other areas covered by local ordinances;
771 s. In military and other government reservations, except upon prior written clearance by the government agency/agencies concerned;
772 t. Near or under public or private buildings, cemeteries, archaeological and historic sites, bridges, highways, waterways, railroads, reservoirs, dams or other infrastructure projects, public or private works including plantations or valuable crops, except upon written consent of the government agency/agencies or private entity concerned;
773 u. In areas expressly prohibited by law or ordinances;
774 v. In areas covered by small-scale miners as defined by law unless with prior consent of the small-scale miners, in which case a royalty payment upon the utilization of minerals shall be agreed upon by the parties, said royalty forming a trust fund for the socioeconomic development of the community concerned; and
775 w. Old growth, natural or primary and secondary forests, watershed forest reserves, wilderness areas, mangrove forests, mossy forests, national parks, protection forests, provincial/municipal forests, parks, greenbelts, game refuges and bird sanctuaries and

790 their respective buffer zones prohibited under the National Integrated Protected Area
791 System (NIPAS) under Republic Act No. 7586, Department Administrative Order No.
792 25, series of 1992 and other laws and ordinances and those expressly prohibited by
793 other laws.

794
795 The determination whether or not the same are absolutely closed to mining shall not only be
796 limited to the existence of a law or ordinance declaring it as protected areas, but also to the
797 actual use of said area.

798
799 **SEC. 44. Process of determination for opening an area to mining.** – After the
800 submission of the exploration report and the resource valuation report, the Bureau shall
801 convene the Council. The Council shall thereafter convene their respective constituents to
802 determine whether or not their respective territories shall be opened for mining.

803
804 Sections 26 and 27 of the Local Government Code on consultation and consent shall be strictly
805 adhered to. Local government units at all levels shall conduct mandatory public hearings with
806 the affected local communities, to be carried out within their respective territories and
807 presenting those enumerated under Section 41.

808
809 The decision of the respective Sanggunians of all the local government units in the watershed
810 continuum shall be made in accordance to the sentiment of the peoples of the local government
811 unit as a result of the consultations conducted.

812
813 Provided, That each Sangguniang Barangay within the watershed continuum shall convene their
814 respective barangay assemblies for the purpose of this section. Local government units shall
815 ensure that the Bureau shall comprehensively explain the goals and objectives of the project or
816 program, its negative and positive impact upon the people and the community in terms of
817 environmental or ecological balance, and the measures that will be undertaken to prevent or
818 minimize the adverse effects thereof. The free prior and informed consent of all barangay
819 assemblies within the watershed continuum shall be a condition precedent for any mining
820 activity.

821
822 Provided further, That no mining activity shall be approved by the council without the free and
823 prior informed consent of all indigenous peoples within the watershed continuum.

824
825 For the purposes of declaring that an area is open for mining, the Council shall ensure that all
826 the requisites under Section 41 and 42 have been complied with.

827
828 Provided finally, That any member of the community may file a protest with the Council during
829 the period of consultations and deliberations for the Council's consideration.

830
831 **SEC. 45. Violation of Section 54.** – Local government officials who are administratively
832 found to violate the preceding section and Section 54 of this Act vis-à-vis the pertinent sections
833 of the Local Government Code shall be removed from office and perpetually disqualified from
834 holding any elective or appointive position in government, its divisions, subsidiaries and any
835 government owned and controlled corporations.

836
837 **SEC. 46. Pool of consultants.** – There shall be a pool of independent consultants that may
838 assist the local government units, local communities or ICCs/IPs with regard to the technical
839 aspects of mining.

840
841 **Section 47. Publication, posting and radio announcement requirements.** The decision
842 of the Council shall be published by the Bureau in the local newspaper in the local language,
843 shall be announced on the local radio programs for not less than six (6) weeks and notices shall
844 be distributed widely in communities. The notice containing relevant information shall likewise
845 be posted in conspicuous places for the information of the general public and shall be
846 announced during the local market day.

SEC. 48. Modes of mineral agreement. – A mineral agreement may only take the following forms as herein defined;

- a. *Mineral production sharing agreement* – is an agreement where the Government grants to the contractor the exclusive right to conduct mining operations within a contract area and shares in the gross output. The contractor shall provide the financing, technology, management and personnel necessary for the implementation of this agreement;
- b. *Co-production agreement* – is an agreement between the Government and the contractor wherein the Government shall provide inputs to the mining operations other than the mineral resource; and
- c. *Joint venture agreement* – is an agreement where a joint-venture company is organized by the Government and the contractor with both parties having equity shares. Aside from earnings in equity, the State shall be entitled to a share in the gross output.

In no case shall Financial or Technical Assistance Agreements, or any other similar agreements, contracts, and/or executive issuances granting license or permission to explore, develop and/or utilize mineral resources be awarded to foreign entities or persons.

SEC. 49. Eligibility. – Only Filipino citizens or corporations sixty percent (60%) of whose equity is owned or controlled by such citizens shall be allowed to conduct development, utilization and processing of mineral resources within the country.

SEC. 50. Identification of mining projects. – With the vote of two-thirds of all the members of the Council, to open areas for mining operations, the Bureau shall prepare the necessary information sheets on the said area for potential investments. The Bureau shall call for proposals to develop the mining area based on the Mineral Management Plan.

SEC. 51. Pre-screening of mining proposals. – Mining proposals shall be pre-screened by the Bureau according to the National Industrialization Program and Mineral Management Plan upon the submission of interested parties of the following:

- a. demonstration of financial capability;
- b. proven social and environmental track record, including those of its officers and directors;
- c. clear corporate structure and ownership;
- d. proof of physical office and operations of the proponent within the Philippines;
- e. identification of potential investors;
- f. mining project feasibility;
- g. mining operation work plan;
- h. proposed operation, mitigation and prevention methods and/or equipment;
- i. capacity to process minerals;
- j. intent to develop downstream industries;
- k. intent to contribute to local community development; and
- l. Submission of the Environmental and Social Impact Assessment and Mitigation Plan

The Council shall fix the minimum capitalization that any bidder must satisfy based on its determination of the expected economic returns and the potential negative impacts from mining, upon reference to an independent study proposing such minimum capitalization.

SEC. 52. Environmental and Social Impact Assessment and Mitigation Plan. – The contractor shall submit an Environmental and Social Impact Assessment and Mitigation Plan (ESIAMP) containing the means, methods, processes and schedule by which the contractor shall

CHAPTER V MINERAL AGREEMENTS

908 conduct its operations and mitigate negative environmental and social impacts. Social impact
909 shall include possible impacts on the enjoyment and exercise of human rights, cultural rights.
910 The ESIAMP shall include plans relative to mining operations; the rehabilitation, regeneration
911 and restoration of mineral areas; slope stabilization of mined out and tailings covered areas;
912 aquaculture, watershed development and water conservation; the relocation and return of
913 displaced population; and provisions for alternative livelihood and socioeconomic development.
914

915 The ESIAMP shall also contain a Social Development Plan which shall likewise contain the plans
916 of the proponent for the development of the community through the establishment of
917 infrastructures and programs that shall be sustainable even after the closure of the mine.
918

919 **SEC. 53. Pre-qualification.** – The Bureau shall thereafter identify the top three (3) proposals
920 and shall recommend the same to the Council for deliberation.
921

922 **SEC. 54. Deliberation of the proposals.** – Pre-conditions provided in Section 45 on the free,
923 prior and informed consent of persons, landowners, possessors or occupants, communities or
924 barangay assemblies, IPs/ICCs, and/or local Sanggunians shall likewise be required under this
925 Section.
926

927 **SEC. 55. Posting and publication requirement.** – After notice, the Bureau shall notify the
928 proponent of the accepted proposal and cause the publication and posting of the accepted
929 proposal.
930

931 *Provided,* That any member of the community may contest the decision of the Council within six
932 (6) weeks upon the posting and publication of notice of the acceptance of the proposal in the
933 manner provided in Section 44. No mining operations shall be allowed to be conducted pending
934 any action questioning the legality or validity of the proposal.
935

936 **SEC. 56. Issuance of the permit.** – After six (6) weeks from the date of the posting and
937 publication, if no contest is filed, the Bureau shall issue a permit in accordance with the decision
938 of the Council on the winning proposal.
939

940 **SEC. 57. Environmental and Social Impact Compliance Certificate.** – The mining
941 proponent shall be issued an Environmental and Social Impact Compliance Certificate by the
942 Bureau with the approval of the Council.
943

944 *Provided,* That no amendments to the conditions of the Certificate shall be allowed, unless such
945 proposed amendment shall work for the benefit of the communities, and in which case, the
946 Council and the Bureau shall be notified of any amendments to the ESIAMP and that the former
947 should give their consent to the same, after the proponent explaining in detail the reason for
948 such amendment and the possible impacts and consequences of these amendments.
949

950 *Provided further,* That any violation of the ESIAMP shall cause the cancellation of the
951 Certificate.
952

953 **SEC. 58. Maximum areas for mineral agreements.** – The maximum area under mineral
954 agreements that a person can hold at any one time shall be determined by the Council.
955 *Provided,* That the contract area per agreement shall not exceed five hundred (500) hectares;
956

957 *Provided further,* That no person shall be awarded in excess of the total contract area of seven
958 hundred-fifty (750) hectares in any given watershed area. For the purposes of this Act, the
959 prohibition on the maximum area shall also include corporations that shall have common
960 directors or significant shareholders.
961

962 **SEC. 59. Term of mineral agreement.** – The term of the mineral agreement shall be
963 equivalent to the mine life plus an additional five (5) years for the rehabilitation of the mining
964 area. *Provided,* That in no case shall a Mineral Agreement have a term beyond fifteen (15)
965 years. *Provided further,* That the contractor shall already include rehabilitation/remediation of
966 the mining area within the ten-year term.

967
968 In no case shall a Mineral Agreement be extended without just cause to be determined by the
969 Council, *Provided*, That the extension shall not cause the term of the agreement to exceed the
970 fifteen (15) year term mentioned in the preceding section. *Provided further*, That for the
971 purposes of this Act, just cause shall mean acts or events resulting from war, force majeure or
972 those beyond the control of the mining proponent not attributable to the same.
973

974 *Provided finally*, That in no case shall mineral agreements be renewed after the expiration of
975 the fifteen-year period.
976

977 **SEC. 60. Prohibition on open-pit mining method and submarine tailings disposal.** –
978 Open-pit mining method for the extraction of mineral ores and the submarine tailings disposal
979 method shall be prohibited.
980

981 **SEC. 61. Failure to initiate mining operations.** – Failure to commence the development
982 stage of the mining operations in accordance with the work program within two (2) years from
983 the award of the mineral agreement shall cause the cancellation of the mineral agreement. The
984 contractor thereafter forfeits the value of the improvements made upon the land. The
985 contractor and other corporations who are also run by the same directors and officers are
986 thereafter banned from bidding to conduct mining operations for ten (10) years after failure to
987 commence the development stage of the mining operations in accordance with the work
988 program.
989

990 **SEC. 62. Mandatory consultations in each mining phase.** – Mandatory consultations with
991 affected persons and communities shall be undertaken in each phase of mining operation:
992 exploration, extraction, processing, and mine closure to ensure that the peoples shall be
993 informed of the proposed plans and methods that are proposed to be conducted.
994

995 **SEC. 63. FPIC on each stage of mining operation.** – The free and prior informed consent
996 of the ICCs/IPs, the barangay assemblies, and private landowners, possessors, occupants shall
997 be required at each and every stage of the mining operations.
998

999 As to ICCs/IPs, their free and prior informed consent shall be secured in accordance with their
1000 laws, practices and processes. Violation of any of the conditions imposed by the ICCs/IPs on
1001 the contractor shall cause the cancellation of the mineral agreement. Included in this process is
1002 the explanation of the rights of ICCs/IPs of ownership and self-determination.
1003

1004 **SEC. 64. Multi-partite monitoring.** – The Council shall form a multi-partite monitoring team
1005 to monitor compliance by the contractor of the terms and conditions of the mineral agreement.
1006 It may conduct ocular inspections of the contract area at any time of the day and night. It shall
1007 also inspect all the books of contractors and refer the same to independent auditors. The Multi-
1008 partite monitoring team and/or the Bureau may confiscate surety, performance and guaranty
1009 bonds posted through an order to be promulgated by the Director. The Council, the Director or
1010 the local government authorities may deputize, when necessary, any member or unit of the
1011 Philippine National Police, barangay, duly registered nongovernment organization (NGO) or any
1012 qualified person to police any and all mining activities.
1013

1014 **SEC. 65. Withdrawal from the mineral agreement.** – The contractor may withdraw from
1015 the mineral agreement at any time for justifiable cause with one (1) month's notice to the
1016 Bureau, the Council and/or the ICCs/IPs, and other government agencies as may be provided
1017 by law. The Council, in cooperation with other concerned government agencies, shall issue a
1018 clearance for withdrawal upon certifying that the contractor has complied with all its legal
1019 obligations, including the appropriate measures for mine closure and rehabilitation. Funds and
1020 bonds which have been put up by the contractor in accordance with this Act shall be forfeited.
1021

1022 **SEC. 66. Non-transferability of mineral agreements.** – In no case shall mining rights
1023 under this Act be transferrable. The contractor shall also immediately notify the Council and the
1024 Bureau of any substantial change in the ownership and/or control of the corporation. Violation

1025 of this provision shall cause the cancellation of the agreement and forfeiture of assets and
1026 equipment of the contractor in favor of the State.

SEC. 67. Access to information. – All contractors for mineral permits and agreements shall provide information to affected indigenous peoples, local communities, and local governments. The following information, among others, shall be required:

- a. The full disclosure of methods and processes of mining;
 - b. The full disclosure of environmental and social risks;
 - c. The full disclosure of ownership structure; and
 - d. The full disclosure of financial sources.

1037 All information and documents related to proposals, mineral agreements, permits and mining
1038 operations shall not be considered confidential. Refusal to grant access to this information shall
1039 be cause for the disqualification of prospective proponents or cancellation of mineral
1040 agreements and permits.

The Bureau, being the repository of all relevant information under this Act is mandated to grant access to the public of any information in its custody. Refusal or unnecessary delay by the officers of the Bureau to give information shall be punishable by a fine of fifty thousand pesos (PhP 50,000.00) for every instance of refusal or unnecessary delay. Information requested by indigents or marginalized sectors shall be given to them for free.

CHAPTER VI
SMALL-SCALE MINING

SEC. 68. Applicability of RA 7076. – Small-scale mining shall continue to be governed by the provisions of Republic Act No. 7076 or the People's Small-Scale Mining Act of 1991, *Provided*, That the Provincial/City Mining Regulatory Board shall be composed of the Governor or City Mayor, as chairperson, as the case may be, a representative from the DENR as co-chairperson, one (1) small-scale mining representative, one (1) large-scale mining representative, one representative from a nongovernment organization who shall come from an environmental group, one representative from a people's organization (PO) coming from the marginalized sector, and at least one (1) representative from the indigenous communities, whenever applicable, as members. The representatives from the private sector, non-government organization and indigenous communities shall be selected by their respective organizations and/or communities, and appointed by the PMRB or CMRB: *Provided further*, That the conduct of small-scale mining shall also comply with the prohibitions and regulations established herein for large-scale mining. Only qualified individuals and cooperatives may apply for a small-scale mining permit.

SEC. 69. Maximum term of small-scale mining permits. – The term for small-scale mining permits shall be three (3) years, extendable to a maximum of fifteen (15) years.

SEC. 70. Traditional small-scale mining within ancestral domains. – The Council shall conduct regular monitoring activities within its jurisdiction to determine if the provisions of relevant laws are complied with in traditional small-scale mining by ICCs/IPs within their respective ancestral domains.

SEC. 71. FPIC in small-scale mining. – Small-scale mining activities within any ancestral domain by any person shall also require the free, prior, and informed consent of ICCs/IPs.

SEC. 72. Requirement for an Environmental and Social Impact Compliance Certificate. – Small-scale mining shall likewise require an Environmental and Social Impact Compliance Certificate. All small-scale mining applicants or proponents must show proof of compliance with the terms and conditions of its Environmental and Social Impact Compliance Certificate (ESICC) prior to the issuance of a small scale mining permit. Failure to submit this requirement will result in the non-issuance of the small-scale mining permit (SSMP).

1084 **SEC. 73. Environmental measures in small-scale mining.** – The State shall immediately
1085 address the environmental and health hazards and problems in small-scale mining, including the
1086 use of hazardous chemicals, such as mercury, cyanide and other chemicals, in the
1087 amalgamation of gold by small-scale miners.

1088
1089 **SEC. 74. Prohibition on the use of mercury.** – Mercury use in small-scale mining shall be
1090 prohibited. The Bureau shall research, develop and actively promote appropriate technologies in
1091 small-scale mining including labor-intensive methods, environmental protection and physical
1092 techniques of gold extraction among small-scale miners.

1093
1094 **SEC. 75. Multisectoral monitoring team.** – A multisectoral monitoring team shall be
1095 organized to monitor the SSMP permittee's compliance with the terms and conditions of its
1096 SSMP and ECC. The MMT shall conduct ocular inspections of the SSMP area at any time of the
1097 day and night and shall have visitorial powers.

1098
1099 **SEC. 76. Alternative livelihood support.** – The state shall support the improvement of the
1100 livelihood of small-scale-miners by extending the services for access to other more viable and
1101 sustainable forms of livelihood, and, if the same is not possible, the following support services:

- 1102
1103 a. access to minerals markets and to financing;
1104 b. facilitating partnership with mining companies or contractors by, among others,
1105 requiring mining companies to buy tailings from small-scale mining operations for
1106 further processing or recycling;
1107 c. facilitating partnership among small-scale mining cooperatives; and
1108 d. other incentives to attract informal small-scale miners to formalize their status.

1109
1110 **SEC. 77. Buying stations.** – The Bangko Sentral ng Pilipinas shall ensure that buying stations
1111 acquire gold from small-scale traders at prevailing international gold market prices and the
1112 prevailing exchange rate set by the BSP Treasury Department on a daily basis.

1113
1114
1115 **CHAPTER VII**
1116 **QUARRY RESOURCES**
1117

1118 **SEC. 78. Quarry resources within ancestral domains.** – Gathering of quarry resources,
1119 sand and gravel, guano and other organic fertilizer materials, and gemstones within ancestral
1120 domains shall likewise be subject to the free prior informed consent of ICCs/IPs. ICCs/IPs and
1121 the government shall be entitled to at least ten per cent (10%) of royalties depending on
1122 whether the resources are found inside or outside ancestral domains. Permits shall be limited
1123 to a maximum term of five (5) years, renewable for like periods but not exceeding a total term
1124 of twenty five (25) years, and a maximum area of five (5) hectares.

1125
1126 **SEC. 79. Quarry Permit.** – Any qualified Filipino may apply for a quarry permit on privately-
1127 owned lands except ancestral domains and/or public lands for building and construction
1128 materials such as marble, basalt, andesite, conglomerate, tuff, adobe, granite, gabbro,
1129 serpentine, inset filling materials, clay for ceramic tiles and building bricks, pumice, perlite and
1130 other similar materials that are extracted by quarrying from the ground at the provincial/city
1131 mining regulatory board. The provincial governor shall grant the permit after the applicant has
1132 complied with all the requirements as prescribed by the rules and regulations set forth by this
1133 Act. *Provided*, That gathering/extraction of sand for its metallic contents such as magnetite
1134 from the country's rivers and shorelines shall be require a mineral agreement in lieu of a quarry
1135 permit.

1136
1137 The maximum area which a qualified person may hold at any one time shall be limited to a
1138 surface area of five hectares (5 has.): *Provided*, That in large-scale quarry operations involving
1139 cement raw materials, marble, granite, sand and gravel and construction aggregates, a qualified
1140 person and the government may enter into a mineral agreement as defined herein.

1142 A quarry permit shall have a term of five (5) years, renewable for like periods but not to exceed
1143 a total term of twenty-five (25) years. No quarry permit shall be issued or granted on any area
1144 covered by a mineral agreement.

1145

1146 **SEC. 80. Quarry Fee and Taxes.** – A permittee shall pay a quarry fee as provided for under
1147 the implementing rules and regulations. The permittee shall also pay the excise tax as provided
1148 by pertinent laws.

1149

1150 **SEC. 81. Cancellation of Quarry Permit.** – A quarry permit may be cancelled by the
1151 provincial governor for violations of the provisions of this Act or its implementing rules and
1152 regulations or the terms and conditions of said permit: *Provided*, That before the cancellation of
1153 such permit, the holder thereof shall be given the opportunity to be heard in an investigation
1154 conducted for the purpose.

1155

1156 **SEC. 82. Commercial Sand and Gravel Permit.** – Any qualified person may be granted a
1157 permit by the provincial governor to extract and remove sand and gravel or other loose or
1158 unconsolidated materials outside ancestral domains which are used in their natural state,
1159 without undergoing processing from an area of not more than five hectares (5 has.) and in such
1160 quantities as may be specified in the permit.

1161

1162 **SEC. 83. Industrial Sand and Gravel Permit.** – Any qualified person may be granted an
1163 industrial sand and gravel permit by the Bureau for the extraction of sand and gravel and other
1164 loose or unconsolidated materials outside ancestral domains that necessitate the use of
1165 mechanical processing covering an area of not more than five hectares (5 has.) at any one
1166 time. The permit shall have a term of five (5) years, renewable for a like period but not to
1167 exceed a total term of twenty-five (25) years.

1168

1169 **SEC. 84. Exclusive Sand and Gravel Permit.** – Any qualified person may be granted an
1170 exclusive sand and gravel permit by the provincial governor to quarry and utilize sand and
1171 gravel or other loose or unconsolidated materials from public lands for his own use, *Provided*,
1172 That there will be no commercial disposition thereof.

1173

1174 **SEC. 85. Government Gratuitous Permit.** – Any government entity or instrumentality may
1175 be granted a gratuitous permit by the provincial governor to extract sand and gravel, quarry or
1176 loose unconsolidated materials outside ancestral domains needed in the construction of building
1177 and/or infrastructure for public use or other purposes over an area of not more than two
1178 hectares (2 has.) for a period coterminous with said construction.

1179

1180 **SEC. 86. Private Gratuitous Permit.** – Any owner of land may be granted a private
1181 gratuitous permit by the provincial governor to extract sand and gravel, quarry or loose
1182 unconsolidated materials within his property.

1183

1184 **SEC. 87. Guano Permit.** – Any qualified person may be granted a guano permit by the
1185 provincial governor to extract and utilize loose unconsolidated guano and other organic fertilizer
1186 materials in any portion of a municipality where he/she has an established domicile outside
1187 ancestral domains. The permit shall be for specific caves and/or for confined sites with locations
1188 verified by the Department's field officer in accordance with existing rules and regulations.
1189 *Provided*, That extraction does not violate and is consistent with the provisions in the Cave
1190 Conservation Act and the Wildlife Act.

1191

1192 **SEC. 88. Gemstone Gathering Permit.** – Any qualified Filipino may be granted a non-
1193 exclusive gemstone gathering permit by the provincial governor to gather loose stones useful as
1194 gemstones in rivers and other locations outside ancestral domains.

1195

1196 **SEC. 89. Council recommendation for approval.** – All permits under Chapter VII of this Act
1197 shall require the recommendation of the Multi-Sectoral Mineral Council prior to approval by the
1198 provincial government unit. The absence of a recommendation from the Council prohibits the
1199 approval of any permit in this Chapter.

1200

CHAPTER VIII

TRANSPORT, SALE AND PROCESSING OF MINERALS

SEC. 90. *Ore transport permit.* – A permit specifying the origin and quantity of non-processed mineral ores or minerals shall be required for their transport. Transport permits shall be issued by the Bureau. The absence of a permit shall be considered as *prima facie* evidence of illegal mining and shall be sufficient cause for the confiscation of the ores or minerals being transported, the tools and equipment utilized, and the vehicle containing the same.

SEC. 91. Mineral trading registration. – No person shall engage in the trading of mineral products, either locally or internationally, unless registered with the Department of Trade and Industry and accredited by the Department, with a copy of said registration submitted to the Bureau.

SEC. 92. *Track record.* – Only mining companies with demonstrated capacity and good environmental track record in mineral processing shall be given mineral processing permit. The Council shall encourage contractors to put up processing plants within the community with the end in view of generating employment and developing other downstream industries.

SEC. 93. Mineral processing permit. – No individual, partnership, corporation, cooperative, or other entity shall engage in the Secretary of the Department of Environment and Natural Resources (DENR).

In the case of small-scale miners, the processing of mineral ores they produce, as well as the licensing of their custom mills or processing plants, shall continue to be governed by the provisions of Republic Act No. 7026.

In the case of individuals, corporations, partnerships, cooperatives or other entities who are parties to a Mineral Agreement or a Financial or Technical Assistance Agreement, holders of quarry and industrial sand and gravel permits, the approved work program for the production period shall be sufficient requirement for them to process minerals in lieu of a mineral processing permit.

A mineral processing permit shall be for a period of ten (10) years, renewable for like periods: *Provided*, That renewal shall not be allowed unless the permit holder has complied with all the terms and conditions of the permit and has not been found guilty of violation of any provision of this Act and its implementing rules and regulations.

After due process, a mineral processing permit may be suspended, revoked or cancelled by the DENR for violation of its terms and conditions, or of pertinent laws, rules and regulations.

Mineral processing shall be included in the Investment Priority plan to be prepared by the Board of Investment in accordance with Executive Order No. 226, as amended, otherwise known as the Omnibus Investment Code of 1987 and shall always be listed as a preferred area of investment.

CHAPTER IX

DEVELOPMENT OF COMMUNITIES, SCIENCE, AND TECHNOLOGY

SEC. 94. Expenditure for community development. – A contractor shall assist in the development of the community, and the promotion of the general welfare of its inhabitants towards sustainable development. Community development projects shall in no way decrease the obligation of the corporation with regard to royalties and fees due to communities or local government units. Community development projects should be consistent with the Comprehensive Land Use Plans (CLUP), Ancestral Domains Sustainable Development and Protection Plan (ADSDPP) and annual investment plans of the local governments, CADT/CALT holders and the like.

SEC. 95. Employment of Filipinos and training of members of the local community.—A contractor and/or permittee shall give preference to Filipino citizens in all types of mining employment within the country. Members of the local community shall be trained in all aspects of the mining operations, including remining, recycling, rehabilitation, and the management thereof.

SEC. 96. Use of indigenous goods, services and technologies. – A contractor shall give preference to the use of local goods, services, and the scientific and technical resources in all stages of mining operations, where the same are of equivalent quality and are available on equivalent terms as their imported counterparts.

SEC. 97. *Donation/turnover of facilities.* – Prior to the cessation of mining operations occasioned by abandonment or withdrawal of operations, on public lands by the contractor, the latter shall have a period of one (1) year therefrom within which to remove improvements; otherwise all the infrastructure, facilities and equipment shall be turned over or donated tax-free to the proper government authorities, national or local, to ensure that said infrastructure facilities and equipment are continuously maintained and utilized by the host and neighboring communities. A fine of one hundred thousand pesos (PhP100,000.00) shall be imposed for every day of delay.

CHAPTER X

BENEFIT SHARING, TAXES AND FEES

SEC. 98. Taxes and fees. – The contractor shall pay all taxes and fees as required by law, including, but not limited to:

- a. contractor's income tax;
 - b. customs, duties and fees on imported capital equipment;
 - c. value-added tax on imported goods and services;
 - d. withholding tax on interest payments on foreign loans;
 - e. withholding tax on dividends to foreign stockholders;
 - f. documentary stamps taxes;
 - g. capital gains tax;
 - h. excise tax on minerals;
 - i. local business tax;
 - j. real property tax;
 - k. community tax;
 - l. occupation fees;
 - m. registration, accreditation, and permit fees; and
 - n. water usage fees.

SEC. 99. *Government share.* – Aside from the taxes and fees referred to in the preceding section, Government shall have at least a share equivalent to ten per cent (10%) of the gross revenues from the development and utilization of mineral resources that are owned by it to be set aside for the general fund of the government to be used, among others, for special projects such as energy development and generation and the management and conservation of protected areas in areas within the vicinity or adjacent to mining operations.

SEC. 100. Indigenous cultural communities' royalty. – In case of mineral operations within ancestral domains, the contractor shall pay at least ten percent (10%) of the gross revenues as royalty to the ICCs/IPs. Community development programs shall not be considered as royalty payment. The payment of the royalties shall directly be given to the communities in a process that build on the ICCs/IPs' traditional and customary laws: *Provided*, That the royalty established in this Act shall be a minimum royalty payment and may still be subject to other conditions to be agreed by the parties, free from any external manipulation, interference, coercion, and other analogous acts, and obtained after fully disclosing the intent and scope, including the positive and negative impacts of the activity, in a language and process understandable and acceptable to them.

1318 **SEC. 101. *Scientific research and development fund.*** – A Scientific Research and
1319 Development Fund shall be set aside to be devoted to research and development of clean
1320 mining technologies, improvement of mining processes, mine rehabilitation, mitigating
1321 technologies, setting up and maintenance of an independent pool of experts, and operational
1322 expenses of the Bureau.

SEC. 102. *Legal support services fund.* – A legal support fund shall be set aside for the use of the communities and local government units for cases that they may file against mining permittees or cases that may be filed against them by mining companies in trying to do their responsibility of protecting the rights of the marginalized groups, the environment and sustainable development in general.

SEC. 103. Local Government Unit share. – Local Government Units shall be entitled to a share of the net revenues from mining operations which shall be paid directly to the provincial/independent component city/highly urbanized city treasurer/s for distribution to other local government units. To determine the government share, the following variables shall be considered:

- a. Classification of local government;
 - b. Vulnerability; and
 - c. Human development index.

1340 A percentage of this amount shall be set aside by the respective local government units for
1341 Disaster Risk Management. This fund shall likewise benefit ICCs/IPs within the territory of the
1342 local government unit. *Provided*, That the administrative and operational expenses of the
1343 Council shall also be taken from this share.

SEC. 104. Mine wastes and tailings fees. – A semi-annual fee to be known as mine wastes and tailings fee is hereby imposed on all operating mining companies in accordance with the implementing rules and regulations. The mine wastes and tailings fee shall accrue to a fund to be used as support funds for monitoring activities of the Council. The Secretary is authorized to increase mine wastes and tailings fees, when public interest so requires.

SEC. 105. *Incentives.* – Incentives that shall be given to the contractors shall only be limited to pollution control or mitigation devices.

SEC. 106. Deposit of capital and profits requirement. – As part of their demonstrated financial capacity, all large-scale mining companies/contractors are required to deposit their capital investment and profits in banks or financial institutions that are owned, managed and operated by the Philippine government.

SEC. 107. General rule on profit repatriation. – Contractors with foreign financial assistance shall be allowed to repatriate their profits from mining projects that should not exceed fifty percent (50 %) of the total posted at the end of every fiscal year. Full disclosure of profits is required. The full repatriation of profits shall be allowed one year after the cessation of mining activities and the progressive rehabilitation of a mining area as specified in the mineral agreement of each contractor.

1366 The guidelines for Sections 106 and 107 shall be issued by the Bangko Sentral ng Pilipinas and
1367 shall be furnished to the Department, Bureau, Council and all respective contractors in the
1368 industry.

CHAPTER XI

SAFETY AND ENVIRONMENTAL PROTECTION

A. SAFETY

SEC. 108. *Mines safety.* – All contractors and permittees shall strictly comply with all the mines and safety rules and regulations concerning the safe and sanitary upkeep of the mines.

1377 and mining development. Government personnel involved in the implementation of mines
1378 safety, occupational health and environmental rules and regulations shall be covered under
1379 Republic Act No. 7305 or the Magna Carta of Public Health Workers.

1380
1381 **SEC. 109. Mine labor.** – No person under sixteen (16) years of age shall be employed in any
1382 place of mining operations and no person under eighteen (18) years of age shall be employed
1383 in a mine.

1384
1385 **SEC. 110. Mine supervision.** – All mining and quarrying operations shall have at least one
1386 (1) licensed mining engineer for every fifty (50) employees. Such engineer/s shall have at least
1387 five (5) years of experience in mining operations, and one (1) registered foreman.

1388
1389 **SEC. 111. Safety of workers.** – All mining companies shall provide safeguards to the health
1390 and well-being of workers. The Regional Office of the Department of Labor and Employment
1391 shall inspect all mining sites within their areas of jurisdiction to determine the conditions of
1392 workers. Denial of entry shall be punishable under this Act. Representatives of labor unions
1393 shall also have visitatorial rights.

1394
1395 **SEC. 112. Mine inspection.** – The mines regional directors and the Council shall have
1396 jurisdiction over the safety inspection of all installations, surface or underground, in mining
1397 operations at reasonable hours of day or night and as much as possible in a manner that will
1398 not impede or obstruct work in progress of a contractor or permittee. Monitoring reports and
1399 recommendations of the Bureau shall be submitted to the Council.

1400
1401 **SEC. 113. Power to issue orders.** – The mines regional director, in consultation with the
1402 Environmental Management Bureau, forthwith or within such time as specified in the order,
1403 require the contractor to remedy any practice connected with mining, which is not in
1404 accordance with safety and anti-pollution laws and regulations. In case of imminent danger to
1405 life or property, the Director may summarily suspend the mining operation until the danger is
1406 removed, or appropriate measures are taken by the contractor. Unreasonable delay to remove
1407 the danger or introduce the necessary improvements by the contractor shall be a cause for the
1408 cancellation of the mineral agreement.

1409
1410 **SEC. 114. Report of accidents.** – In case of any incident or accident, causing or creating the
1411 danger of loss of life or serious physical injuries, the person in charge of operations shall
1412 immediately report the same to the regional office where the operations are situated. Failure to
1413 report the same without justifiable reason shall be cause for the imposition of administrative
1414 sanctions prescribed in the rules and regulations implementing this Act.

1415
1416
1417 **B. ENVIRONMENTAL PROTECTION**

1418
1419 **SEC. 115. Environmental Insurance.** – Contractors and mineral processing permit holders
1420 shall be obliged to execute an insurance contract as an environmental assurance for each and
1421 every source of pollution or disaster, relative to the "worst case scenario" costs, following
1422 accepted actuarial standards, *Provided*, That in no way shall this provision be construed to
1423 remove or reduce the liability of the contractors and/or permit holders to compensate any
1424 damage caused by their operations. *Provided further*, That the insurer shall be an accredited
1425 international company in good standing.

1426
1427 Prior to the approval of the insurance contract by the DENR, the DENR shall seek and consider
1428 the opinion of an independent expert as to the financial credibility of the insurer.

1429
1430 **SEC. 116. Calamity and Human Rights Protection Fund.** – Persons issued a mineral
1431 agreement shall deposit five million pesos (PhP 5,000,000.00) semi-annually in an interest-
1432 bearing account a common fund maintained by the national government which shall be used for
1433 responding to, or ameliorating the effects of calamities, natural disasters and human rights
1434 violations including militarization, displacement, and forcible evacuation in any part of the
1435 country in relation to mining activities. *Provided*, That in no way shall this provision be

1436 construed to remove or reduce the liability of the contractors and/or permit holders to
1437 compensate any damage caused by their operations.

1438

1439 **SEC. 117. Performance Bond.** – The contractor shall put up a bond in an amount equivalent
1440 to fifty per cent (50%) of the projected cost of rehabilitation as validated by independent
1441 studies. This amount shall be deposited in an interest-bearing account. The bond shall be
1442 forfeited in the event that the contractor shall fail or default in the rehabilitation or remediation
1443 of the mining area as included in the work plan of the contractor or abandons the mine at any
1444 time of its operations.

1445

1446 **SEC. 118. Rehabilitation.** – Contractors and permittees shall technically and biologically
1447 rehabilitate the excavated, mined-out, tailings covered and disturbed areas to the condition of
1448 environmental safety, as may be provided in the implementing rules and regulations of this
1449 Act. A mine rehabilitation fund shall be created, based on the contractor's approved work
1450 program, and shall be deposited as a trust fund in a government depository bank and used for
1451 physical and social rehabilitation of areas and communities affected by mining activities and for
1452 research on the social, technical and preventive aspects of rehabilitation. Failure to fulfill the
1453 above obligation shall mean immediate suspension or closure of the mining activities of the
1454 contractor/permittee concerned.

1455

1456 Mining firms are hereby mandated to reforest 100 hectares of land for every one hectare of
1457 land they utilize in the course of their mining operations. Mining firms are also mandated to
1458 immediately restore and replant areas that they have already finished excavating as they move
1459 on to other development sites: *Provided*, That if mining firms cannot do the reforestation in
1460 their immediate area they could do the reforestation in other areas provided they comply with
1461 100:1 hectare ratio. Any mining firm found to have violated or have not complied with the
1462 foregoing mandatory provisions shall be held liable with the penalty of revocation of their
1463 mining permits and payment of a fine of not less than One Million Pesos (PhP 1,000,000).

1464

1465 The owners, officers and management employee of said mining firms shall also be held liable
1466 and be subject to imprisonment of not less than one (1) year nor more than three (3) years.

1467

1468 **SEC. 119. Progressive rehabilitation.** – Contractors shall also conduct progressive
1469 rehabilitation activities.

1470

1471 **SEC. 120. Adoption of Precautionary Principle.** – When an activity related to mining raises
1472 threats of harm to human health or the environment, precautionary measures shall be taken
1473 proactively even if some cause and effect relationship are not fully established scientifically. The
1474 mining proponent and the Bureau shall also be obliged to disclose whether or not the cause and
1475 effect have not yet been scientifically established.

1476

1477 **SEC. 121. Adoption of Polluter Pays Principle.** – Polluters shall pay for the damage they
1478 cause to the environment. The amount of damages shall be determined by accredited
1479 independent consultants, to be chosen from a list and agreed upon by both the mining
1480 proponent and by the Council.

1481

1482 **SEC. 122. Tailings impoundment.** – Tailings impoundments shall be built away from critical
1483 watershed drainage areas. Furthermore, it shall be ensured that impoundments will not
1484 endanger critical watershed areas or low lying valleys in the event of accidents under abnormal
1485 conditions. Tailing impoundments and dams shall meet the international standards for large
1486 dams.

1487

1488 **SEC. 123. Dumping of waste.** – Dumping of waste or tailings in any body of water shall be
1489 prohibited. Provisions on the Clean Water Act and Clean Air Act shall be strictly implemented.

1490

1491 **SEC. 124. Use of toxic chemicals and methods.** – At all times, mining contractors shall use
1492 chemicals or reagents which would result to the least environmental and social destruction. The
1493 use of mercury and cyanide for the extraction of gold, silver and other minerals shall be

1494 prohibited. The use of blow torching to separate gold from amalgam shall likewise be
1495 prohibited.

1496
1497 **SEC. 125. Preservation of topsoil.** – The removed topsoil, or the more productive horizons
1498 of the soil shall be preserved for other uses.

1499
1500 **SEC. 126. Priority use for water.** – The National Water Resources Board shall investigate
1501 any existing use of water resources in the area whether or not covered by any existing water
1502 permit or registration. Upon determination of any existing use, the applicant shall procure the
1503 consent of all water users and/or the free prior and informed consent of ICCs/IPs with or
1504 without water permits within the same groundwater network or any downstream users of water
1505 resources. In all instances, priority shall be given to use of water for domestic, municipal, and
1506 agricultural purposes. If potential negative impact on other water users is identified, the water
1507 permit shall not be granted. For water resources within the ancestral domain of indigenous
1508 peoples, no water permit shall be granted by the National Water Resources Board without the
1509 free and prior informed consent of indigenous peoples.

1510
1511 **SEC. 127. Recycling of water resources.** – Water used in mining operations shall be
1512 recycled. Mining contractors shall be required to provide for the methods or equipment for the
1513 recycling or reuse of water. Released contaminated water shall be treated accordingly to meet
1514 national standards. Released water must at least be equivalent in quality to the baseline water
1515 quality.

1516
1517 **SEC. 128. Water user fee.** – A water user fee that reflects the value of water to the country
1518 and community shall be imposed by the Council for water used in mining operations.
1519 Contractors shall pay the fee to the National Water Resources Board which shall use the same
1520 for monitoring and improvement of the affected waterways and systems and the mitigation of
1521 negative impacts thereon to ensure that communities shall have access to clean water.

C. ACID MINE DRAINAGE

1522
1523 **SEC. 129. Prohibition from using acid-generating waste rock to build roads or dams.**
1524 – To prevent or mitigate acid mine drainage, there shall be a prohibition against using acid-
1525 generating waste rock to build roads or dams or other infrastructures. The use of such materials
1526 shall only be used after treatment to neutralize the effect of acid mine drainage.

1527
1528 **SEC. 130. Establishment of a prediction and monitoring system.** – The Bureau shall
1529 establish a prediction and monitoring system to identify potential acid-producing materials and
1530 monitor their production of acid waste.

1531
1532 **SEC. 131. Avoidance of waterways.** – Open pits, waste rock piles and tailings
1533 impoundments shall not be built near or on waterways to prevent contact and subsequent acid
1534 production and groundwater contamination.

1535
1536 **SEC. 132. Remining.** – Remining shall be prioritized over the opening of new mines to
1537 maximize and recover the remaining minerals from the rejects or wastes of previous mines and
1538 mining operations. *Provided,* That remining operations shall follow the processes, standards,
1539 parameters and guidelines set for mining operations in this Act.

1540
1541 **SEC. 133. Suits after the termination of contracts or projects.** – Recognizing that the
1542 effects of mining may be seen or felt, actions relating to the health of affected communities or
1543 peoples, environmental degradation and other similar effects may be maintained against the
1544 project proponent and/or persons even after the mineral agreement or mining project has
1545 terminated.

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1553 **CHAPTER XII**
1554 RESOLUTION OF CONFLICTS

1555 **SEC. 134. Panel of arbitrators.** – There shall be a panel of arbitrators in the regional office
1556 of the Department composed of three (3) members, two (2) of whom must be members of the Philippine Bar in good standing and one a licensed mining engineer or a professional in a related field, and duly designated by the Secretary as recommended by the Mines and Geosciences Bureau Director. Those designated as members of the panel shall serve as such in addition to their work in the Department without receiving any additional compensation. As much as practicable, said members shall come from the different bureaus of the Department in the region. The presiding officer thereof shall be selected by the drawing of lots. His tenure as presiding officer shall be on a yearly basis. The members of the panel shall perform their duties and obligations in hearing and deciding cases until their designation is withdrawn or revoked by the Secretary. Within thirty (30) working days, after the submission of the case by the parties for decision, the panel shall have exclusive and original jurisdiction to hear and decide on the following:

- 1557 a. Questions involving compliance with the established technical guidelines and standards herein established, or those to be established by the implementing rules and regulations of this Act;
- 1558 b. Questions involving the compliance with technical procedures herein established, or those to be established by the implementing rules and regulations; and,
- 1559 c. Other similar instances wherein the technological and technical expertise of the Department shall be needed.

1560 Disputes involving real rights, contractual obligations and the other causes of action that are outside the technological and technical expertise of the Panel of Arbitrators shall be under the jurisdiction of the regular courts or as otherwise provided by other special laws.

1561 *Provided*, That disputes pending before the Bureau and the Department at the date of the effectiveness of this Act shall undergo an immediate review within sixty (60) working days upon the passage of this Act to determine the cause of action. Those which are outside the technical expertise of the Department or Bureau shall be refiled with the appropriate court, without costs to the complainant or petitioner.

1562 **SEC. 135. Appeal.** – The decision or order of the panel of arbitrators may be appealed by the party not satisfied thereto to the Mines Adjudication Board within fifteen (15) days from receipt thereof which must decide the case within thirty (30) days from submission thereof for decision.

1563 **SEC. 136. Mines Adjudication Board (MAB).** – The Mines Adjudication Board shall be composed of three (3) members. The Secretary of the DENR shall be the Chairperson with the Director of the Mines and Geosciences Bureau and the Undersecretary for Operations of the Department as members thereof. The Board shall have the following powers and functions:

- 1564 a. To promulgate rules and regulations governing the hearing and disposition of cases before it, as well as those pertaining to its internal functions, and such rules and regulations as may be necessary to carry out its functions;
- 1565 b. To administer oaths, summon the parties to a controversy, issue subpoenas requiring the attendance and testimony of witnesses or the production of such books, papers, contracts, records, statement of accounts, agreements, and other documents as may be material to a just determination of the matter under investigation, and to testify in any investigation or hearing conducted in pursuance of this Act;

- 1607 c. To conduct hearings on all matters within its jurisdiction, proceed to hear and
1608 determine the disputes in the absence of any party thereto who has been
1609 summoned or served with notice to appear, conduct its proceedings or any part
1610 thereof in public or in private, adjourn its hearings at any time and place, refer
1611 technical matters or accounts to an expert and to accept his report as evidence
1612 after hearing of the parties upon due notice, direct parties to be joined in or
1613 excluded from the proceedings, correct, amend, or waive any error, defect or
1614 irregularity, whether in substance or in form, give all such directions as it may
1615 deem necessary or expedient in the determination of the dispute before it, and
1616 dismiss the mining dispute as part thereof, where it is trivial or where further
1617 proceedings by the Board are not necessary or desirable:
1618
- 1619 d. To hold any person in contempt, directly or indirectly, and impose appropriate
1620 penalties therefor; and
1621
- 1622 e. To enjoin any or all acts involving or arising from any case pending before it
1623 which, if not restrained forthwith, may cause grave or irreparable damage to any
1624 of the parties to the case or seriously affect social and economic stability.
1625

1626 In any proceeding before the Board, the rules of evidence prevailing in courts of law or equity
1627 shall not be controlling and it is the spirit and intention of this Act that shall govern. The Board
1628 shall use every and all reasonable means to ascertain the facts in each case speedily and
1629 objectively and without regard to technicalities of law or procedure, all in the interest of due
1630 process and social justice. In any proceeding before the Board, the parties may be represented
1631 by legal counsel. The findings of fact of the Board shall be conclusive and binding on the parties
1632 and its decision or order shall be final and executory.
1633

1634 A petition for review by certiorari and question of law may be filed by the aggrieved party with
1635 the Supreme Court within thirty (30) days from receipt of the order or decision of the Board.
1636

CHAPTER XIII ACCESS TO JUSTICE

1641 **SEC. 137. Obligation to respect human rights.** – Corporations shall respect, protect and
1642 promote the human rights of communities affected by mining, including the right to life, liberty
1643 and property, freedom of movement, right of public participation and the right to self-
1644 determination of indigenous cultural communities.
1645

1646 **SEC. 138. Violations of human rights.** – Extrajudicial killing, torture, involuntary
1647 disappearance, forcible displacement of populations, setting up of checkpoints, and imposition
1648 of toll fees which impede the freedom of movement within mineral areas, deprivation of food
1649 and water sources, vote-buying and bribery for the purpose of securing consent or
1650 endorsement for the mining project, and other analogous acts are violations of human rights.
1651 Violations of human rights by contractors shall cause the immediate cancellation of mineral
1652 agreements. The offending contractor, as well as corporations having the same directors and/or
1653 officers as of the offending contractor shall be perpetually disqualified from being granted a
1654 mineral agreement. All equipment and assets of the corporation or person shall be confiscated
1655 in favor of the government.
1656

1657 **SEC. 139. Use of paramilitary and military forces.** – All mining companies are strictly
1658 prohibited from employing paramilitary groups. Use of private and military forces shall result in
1659 the automatic cancellation of the mineral agreement and the filing of appropriate civil, criminal
1660 and/or administrative charges.
1661

SEC. 140. Strategic Legal Action Against Public Participation (SLAPP). – SLAPPs shall be strictly prohibited. SLAPP is any legal action, whether civil, criminal or administrative, filed to harass, vex, exert legal action or stifle legal recourse of community members complaining against violations of this Act or enforcing the provisions of the Act, or exercising their freedom of assembly or right of public participation. The investigating prosecutor or court shall immediately determine within a period of thirty (30) days from filing thereof whether a legal action is a SLAPP and accordingly dismiss the same.

SEC. 141. *Indigents' suit.* – Indigents shall be exempt from payment of any administrative or court fees, including docket fees for the filing of a case. Lawyers shall be provided by the Public Attorney's Office to pauper litigants in case they could not afford legal services.

SEC. 142. Application of the customary laws of ICCs/IPs. – The contractor shall respect the customary laws of the ICCs/IPs and shall submit to the processes of their customary laws, *Provided*, That these laws are not contrary to the provisions of the Constitution.

SEC. 143. *Strict liability.* – Mining corporations are strictly liable for all damages that the mining operations might cause. In case of any actual damage, the burden of proof shall lie with the corporations.

SEC. 144. *Piercing the corporate veil.* – When the separate personality of the corporation from its shareholders is being invoked as defense in order to perpetuate a crime, fraud or other machinations, or evade liability, the separate personality of the corporation shall be set aside. Civil, criminal and administrative actions may thus be filed directly against the members of the Board of Directors, officers and/or individual stockholders.

SEC. 145. *Citizen suits.* – For the purpose of enforcing the provisions of this Act or its implementing rules and regulations, any citizen may file appropriate civil, criminal and administrative suits against any of the following:

- a. Any person who violates or fails to comply with the provisions of this Act or its implementing rules and regulations;
 - b. Any public officer with respect to orders, rules and regulations inconsistent with this Act; or
 - c. Any public officer who willfully or grossly neglects the performance of an act specifically enjoined as a duty by this Act or its rules and regulations; or abuses the authority in the performance of a duty or duties under this Act or its implementing rules and regulations.

1706 The court shall exempt such action from the payment of filing fees, except fees for actions not
1707 capable of pecuniary estimation, and shall likewise, upon prima facie showing of non-
1708 enforcement or violation complained of, exempt the plaintiff from filing an injunction bond for
1709 the issuance of a preliminary injunction.

1711 The court shall determine whether or not the complaint is malicious or baseless and shall
1712 accordingly dismiss the petition within thirty (30) days upon the filing of the case.

CHAPTER XIV PENAL PROVISIONS

1717 SEC. 146. *Grounds for the cancellation of mineral agreements and permits*

- a. Violation of any provision of this Act;
 - b. Human rights violations perpetrated by the contractor or any agent of the contractor;
 - c. Non-payment of taxes;

- 1723 d. Bribery, use of force, intimidation, threat, coercion of public officials and
1724 communities;
1725 e. Any act that shall create or contribute to conflicts; and
1726 f. Other analogous acts.

1727
1728 Provided, That, violations of environmental provisions shall cause the immediate cancellation of
1729 mining permits, and the contractor shall be required to pay for the rehabilitation, restoration or
1730 clean up of the impacts of such violations.

1731
1732 Corporations, corporate directors and/or officers found guilty of the above enumeration may be
1733 subjected to a perpetual ban in the mining industry in the Philippines.

1734
1735 **SEC. 147. False statements.** – Any person who knowingly presents any false application,
1736 declaration, or evidence to the Government or publishes or causes to be published any
1737 prospectus or other information containing any false statement relating to mines, mining
1738 operations or mineral agreements and permits shall, upon conviction, be penalized by a fine of
1739 not exceeding One Hundred Thousand pesos (PhP100,000.00).

1740
1741 **SEC. 148. Illegal exploration.** – Any person undertaking exploration work without the
1742 necessary exploration permit shall, upon conviction, be penalized by a fine of not exceeding
1743 Five Million pesos (P5,000,000.00).

1744
1745 **SEC. 149. Theft of minerals.** – Any person extracting minerals and disposing the same
1746 without a mining agreement, lease, permit, license, or steals minerals or ores or the products
1747 thereof from mines or mills or processing plants shall, upon conviction, be imprisoned from six
1748 (6) months to six (6) years or pay a fine from One Hundred thousand pesos (P100,000.00) to
1749 One Million pesos (PhP1,000,000.00) or both, at the discretion of the appropriate court. In
1750 addition, he shall be liable to pay damages and compensation for the minerals removed,
1751 extracted, and disposed of. In the case of associations, partnerships, or corporations, the
1752 president and each of the directors thereof shall be responsible for the acts committed by such
1753 association, corporation, or partnership.

1754
1755 **SEC. 150. Unauthorized dealing, selling, and/or buying of gold.** – Any person,
1756 partnership or corporation who shall sell, buy or in any manner deal gold from any miner or
1757 person without being duly authorized by the *Bangko Sentral ng Pilipinas* shall be punished as
1758 unauthorized dealing and shall be penalized in accordance with the provisions in this Act.

1759
1760 **SEC. 151. Destruction of mining structures.** – Any person who willfully destroys or
1761 damages structures in or on the mining area or on the mill sites shall, upon conviction, be
1762 imprisoned for a period not to exceed five (5) years and shall, in addition, pay compensation for
1763 the damages which may have been caused thereby.

1764
1765 **SEC. 152. Mines arson.** – Any person who willfully sets fire to any mineral stockpile, mine or
1766 workings, fittings or a mine, shall be guilty of arson and shall be punished, upon conviction, by
1767 the appropriate court in accordance with the provisions of the Revised Penal Code and shall, in
1768 addition, pay compensation for the damages caused hereby.

1769
1770 **SEC. 153. Willful damage to a mine.** – Any person who willfully damages a mine, unlawfully
1771 causes water to run into a mine, obstructs any shaft or passage to a mine, renders useless,
1772 damages or destroys any machine, appliance, apparatus, rope, chain, tackle, or any other
1773 things used in a mine, shall be punished, upon conviction, by the appropriate court, by
1774 imprisonment not exceeding a period of five (5) years and shall, in addition, pay compensation
1775 for the damages caused thereby.

1776
1777 **SEC. 154. Illegal obstruction to permittees or contractors.** – Any person who, without
1778 justifiable cause, prevents or obstructs the holder of any permit, agreement or lease from
1779 undertaking his mining operations shall be punished, upon conviction by the appropriate court,
1780 by a fine not exceeding Five thousand pesos (PhP 5,000.00).

SEC. 155. *Vitiation of FPIC.* – Any person found to have vitiated the consent of the ICCs/IPs through bribery, threat, force, and/or intimidation, or any other similar means, shall suffer the penalty of six (6) years and one (1) day to ten (10) years in prison, and a fine of at least two million pesos (PhP 2,000,000.00). If the perpetrator is a government official, the penalty shall be eight (8) years and one (1) day to twelve (12) years imprisonment, and a fine of at least four (4) million pesos (PhP 4,000,000.00). He/she shall be perpetually prohibited from assuming public office, and shall be disqualified from receiving other benefits by virtue of his/her position in government.

SEC. 156. Penalty for human rights violations. – Contractors or other persons who have violated the human rights of communities in connection with the mining operations shall be penalized with ten (10) years to fourteen (14) years imprisonment and a fine of at least five million pesos (PhP 5,000,000,00) and shall indemnify the victims.

SEC. 157. Amendment to Section 27 of Republic Act No. 7076 or the Small-scale Mining Act. – Violations of the provisions of RA 7076 or of the rules and regulations issued pursuant hereto shall be penalized with imprisonment of six (6) years and 1 day to twelve (12) years. The State shall confiscate and seize equipment, tools and instruments; effect immediate suspension or closure of the mining activities of the permittee concerned, and revoke the permit.

SEC. 158. Abandonment. – Contractors and/or permittees who shall abandon mines shall be perpetually banned or disqualified from conducting mining operations, directly or indirectly. The ban and/or disqualification shall include the officers and directors of corporations that have abandoned mines.

SEC. 159. *Confiscation of equipment and property.* – The equipment and property of contractors and permit holders violating this Act shall be forfeited in favor of the government.

SEC. 160. Non-application of the corporate veil. – Any person violating the provisions of Commonwealth Act No. 108, or the Anti-Dummy Law of the Philippines as amended, or is found to have used the corporate structure to defeat the provisions of this Act shall suffer the penalty of five million pesos (PhP 5,000,000.00) and perpetual ban in the mining industry.

SEC. 161. *Reinstatement of revoked permits.* – After notice and hearing, revoked permits that have undergone due process may be reinstated, *Provided*, That it may only be reinstated once.

CHAPTER XV

TRANSITORY PROVISIONS

SEC. 162. – There shall be a moratorium on all mining activities until all the systems are in place for the proper implementation of the law.

SEC. 163. – All existing mining permits, licenses and agreements are hereby deemed cancelled. Those mine workers and their families that may be displaced during the transition period shall receive livelihood support and job placements to be facilitated by the appropriate agencies of the State.

SEC. 164. – The classification of public lands as mineral reservations pursuant to pre-existing laws shall hereby cease. All such lands shall be closed to mining unless opened thereto in accordance with the provisions of this Act. The President's power to declare mineral reservations shall henceforth cease to exist. A review of the current mineral land classification shall be conducted to determine the best livelihood and economic option for the said area.

SEC. 165. – The members of the panels of arbitrators and the provincial or city mining regulatory boards established under Republic Act No. 7942 shall hold-over their positions until replaced in accordance with provisions of this Act.

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1845 **CHAPTER XVI**
1846 FINAL PROVISIONS
1847

1848 **SEC. 166. Separability Clause.** – The provisions of this Act are hereby declared to be
1849 separable and, in the event of any such provisions are declared unconstitutional, the other
1850 provisions which are not affected thereby shall remain in force and effect.
1851

1852 **SEC. 167. Repealing Clause.** – Republic Act No. 7942, Presidential Decree 463, Presidential
1853 Decree 512, and other related mining laws are hereby repealed. All provisions in laws, decrees,
1854 issuances and other regulations inconsistent with this present law shall be deemed amended or
1855 repealed if the inconsistency is irreconcilable.
1856

1857 **SEC. 168. Funds.** – The amount of One Hundred Billion Pesos (PhP 100,000,000,000.00) is
1858 hereby appropriated for the proper functioning of the Bureau, the Council, and other bodies
1859 established under this Act of which half of the said amount shall be allotted for the baseline
1860 mineral exploration activities of the Bureau.
1861

1862 **SEC. 169. Implementing Rules and Regulations.** – The implementing rules and
1863 regulations of this Act shall be the product of joint collaboration by the Department, and
1864 representatives from the local government units, peoples' organizations, sectoral organizations
1865 and non-governmental organizations, and shall be drawn up after appropriate and exhaustive
1866 public consultations at all levels nationwide.
1867

1868 **SEC. 170. Effectivity.** – This Act shall take effect within fifteen (15) days following its
1869 publication in two (2) national newspapers of general circulation in the Philippines.
1870

1871 Approved,