

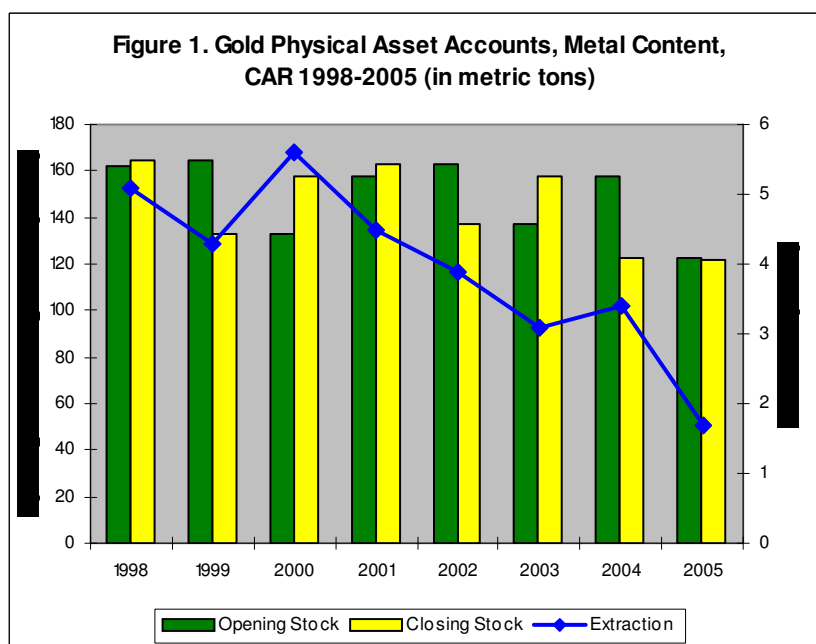


Gold reserves in Cordillera decline between 1998 and 2005

Based on data from the Mines and Geosciences Bureau (MGB), estimated gold metal reserves in the Cordillera Administrative Region (CAR) declined by nearly a quarter between 1998 and 2005.

At the onset of 1998, the gold reserves in the Cordilleras were estimated at 36.0 million metric tons (MT) in ore form, equivalent to about 162.4 MT of gold metal. At the end of 2005, gold reserves had declined to 28.0 million MT of ore or about 122.1 MT of metal.

Between 1996 and 2005, a total of 5.4 million MT of gold ore, containing about 31.5 MT of metal was extracted. On the average, this is equivalent to a yearly extraction of 0.68 million MT of gold ore. Extraction was highest in 2001 and 2004 with 0.86 million MT and 0.82 million MT of gold ore mined, respectively. Extraction was lowest in 2005 with only 0.43 million MT of gold ore mined. During said year, the mining industry suffered a decline in production due to a major strike that crippled one of the mining companies in the region.



If the 2005 level of extraction is maintained, gold reserves are expected to be exhausted in 72 years. CAR continues to be one of the country's major source of gold metal.

Table 1
Gold Physical Asset Accounts, Metal Content, CAR¹
1998-2005
(in metric tons)

ITEM ²	1998	1999	2000	2001	2002	2003	2004	2005
Opening Stock	162.4	164.5	132.7	157.7	162.8	136.3	157.3	123.0
Extraction	5.1	4.29	5.6	4.5	3.9	3.1	3.4	1.7
Other Accumulation	7.2	(27.5)	30.5	9.7	(22.6)	24.0	(30.9)	0.7
Other Volume Changes	-	-	-	-	-	-	-	-
Closing Stock	164.5	132.7	157.7	162.8	136.8	157.3	123.0	122.1

Notes:

1. Preliminary results from the updated CAR mineral accounts using the Philippine Economic-Environmental and Natural Resource Accounting (PEENRA) framework.
2. Definition of PEENRA terms:
Opening and Closing Stock - Consist of proven reserves of mineral deposits at the beginning and end of the accounting period
Extraction - Depletion of mineral reserves
Other Accumulation - Changes that result from economic decisions (e.g. discoveries and reassessment of the reserves' exploitability)
Other Volume Changes - Transactions not due to economic decisions but affect the level of reserves (e.g. natural disasters, mining ban, etc.)

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