

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL -7 P2:36

SENATE
S. No. 107

RECEIVED BY:

Introduced by Senator Grace Poe

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

EXPLANATORY NOTE

It is our vision to make economic growth not only inclusive but also sustainable for all Filipinos through the judicious disposition, utilization, management, conservation, and rehabilitation of the country's natural resources. Through rational and respectful development practices, we can ensure that the country's precious resources will not only contribute to poverty alleviation but will remain to be equitably accessible to the present and future generations.

The Philippines is a highly mineralized country, with approximately 14 million hectares of land known to be potential sites for metallic and non-metallic mineral reserves. As promising a venture as it may seem to be, the country's mining industry remains beset with challenges.

The Philippine mining industry remains underutilized, as shown by the decline in gross domestic product (GDP) contribution. Based on latest figures from the Mines and Geosciences Bureau (MGB), the contribution of mining to GDP is now at 0.5% in the first quarter of 2021. The gross value added in mining amounted to P22.5 billion during the period, down 5.6% from the same period last year. The flawed provisions of Republic Act No. 7492, or the "Philippine Mining Act of 1995," are said to be the

culprit behind these limited investments and flawed mining policies, thus further stunting the local economy.

There are also other issues that have historically plagued the country's mining industry. Among these are the reported cases of militarization and human rights violations as well as nature-induced disasters in large-scale mining operations. Today's mining issues are intricately connected to the issue of development aggression, where businesses and their operations are being guaranteed protection by State actors, with mining companies forming no exception. On this matter, the prior administration directed the creation of special Civilian Armed Forces Geographical Units (CAFGUs) specifically to protect mining concerns in the name of anti-insurgency. This has affected even surrounding Lumad communities in utter disregard of their fundamental rights to autonomy and utilization of their ancestral domains, at times resulting in violence and killings. Indigenous communities and villages are caught in the crossfire.

If properly regulated and managed, the Philippine mining industry can be a promising sector for inclusive growth and true human development, particularly if our laws will breathe life and meaning to the right of communities and indigenous peoples to develop and to participate in the development process. The bill thus seeks to provide the framework for the utilization and management of the country's mineral resources, which will address the needs of the domestic economy and uphold the rights of various stakeholders – from industry workers to indigenous peoples and local communities. It also seeks to increase the government share to ten percent (10%) from the gross revenues it earns from the development and utilization of mineral resources, which shall be set aside for the general fund of the government.

It is high time to reorient Philippine mining policy towards national interest, environmental protection, and social justice. Fair, just, and sustainable management of our national resources can be achieved through the establishment of a rational minerals management regime.

In view of the foregoing, speedy approval of this bill is eagerly sought.

Grace Poe
GRACE POE
GP

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

22 JUL -7 P2:36

SENATE
S. No. 107

RECEIVED BY.



Introduced by Senator Grace Poe

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:

1 CHAPTER I

2 DECLARATION OF POLICIES

3 Section 1. *Short Title.* - This Act shall be known as the "Philippine Mineral
4 Resources Act of 2022".

5 Sec. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to:

- 6 a) Maintain peace and order, protect life, liberty and property and promote the
7 general welfare;
- 8 b) Advance the medium- and long-term needs of the Philippines;
- 9 c) Encourage the advancement of the industry's technology with emphasis on
10 existing indigenous knowledge, research and development;
- 11 d) Protect and advance the right of the people to a balanced and healthful
12 ecology in accord with the rhythm and harmony of nature;
- 13 e) Value the dignity of every human person and guarantees full respect for
14 human rights;
- 15 f) Promote social justice in all phases of national development;

- 1 g) Recognize and promote the rights of indigenous cultural communities within
2 the framework of national unity and development and protect the right to
3 self-determination of the indigenous and Moro peoples;
- 4 h) Protect and promote the right to health of the people and instill health
5 consciousness among them;
- 6 i) Pursue an independent foreign policy. In its relations with other states, the
7 paramount consideration shall be national sovereignty, territorial integrity,
8 national interest, and the right to self-determination;
- 9 j) Develop a self-reliant and independent national economy effectively controlled
10 by Filipinos;
- 11 k) Ensure the autonomy of local governments;
- 12 l) Give the highest priority to the enactment of measures that protect and
13 enhance the right of all the people to human dignity, reduce social, economic,
14 and political inequalities, and remove cultural inequities by equitably diffusing
15 wealth and political power for the common good;
- 16 m) Encourage non-governmental, community-based, or sectoral organizations
17 that promote the welfare of the nation; and
- 18 n) Adopt and accept the generally accepted principles as embodied in the
19 International Covenant on Civil and Political Rights, International Covenant on
20 Economic, Social, Cultural Rights, UN Declaration on the Rights of Indigenous
21 Peoples, UN Convention on Biodiversity and other international accords on
22 human rights, labor rights, the rights of women and children, and the
23 protection and preservation of the environment, of which the State is a party.

24 *Sec. 3. National Industrialization Program.* – Mining is vital to nation-building
25 and the economic advancement of our people. The mineral industry plays an
26 essential role in establishing a progressive, independent, and self-reliant economy.

27 The State shall formulate a National Industrialization Program pursuant to the
28 principles of agricultural modernization, development of industrial and manufacturing
29 industries, and rational, sustainable, and equitable development of the national
30 economy. Pursuant to the foregoing, the State shall implement a Mineral
31 Management Plan that provides the framework for the utilization and management
32 of the country's mineral resources, which will address the needs of the domestic

1 economy and upholds the rights of industry workers, indigenous peoples, and local
2 communities.

3 Sec. 4. *Exploration, Development, and Utilization of Philippine Mineral*
4 *Resources.* – The judicious stewardship of our mineral resources, as well as its
5 exploration, development, and utilization shall comply with the following principles:

- 6 a) The current export-orientation of mining is hereby reversed and domestic
7 needs-based development of the industry shall be pursued by the State as a
8 step towards achieving genuine economic development;
- 9 b) The mining industry shall be geared towards national industrialization and
10 shall be built for the production of raw materials such as base metals, basic
11 chemicals, and petrochemicals needed by the basic, medium, and heavy
12 industries to produce as much consumer, intermediate, and capital goods
13 with the country's stock of finite mineral and non-mineral industrial raw
14 materials and in the process provide jobs to the country's vast human
15 resources;
- 16 c) The community shall actively participate in the stewardship of mineral
17 resources. Community-based initiatives shall be encouraged and supported
- 18 d) The State and its members shall develop its human resources and encourage
19 the evolution of its own appropriate technologies. The State shall provide the
20 appropriate support and protection to Filipino corporations to further develop
21 and increase their participation in the industry. All mining industry
22 investments shall be mutually-beneficial and help achieve the specific target
23 and goals of the National Industrialization Program. To come up with the
24 large capital requirement for mining, the State must use local sources such as
25 but not limited to the granting of incentives and financial aid to local private
26 sector investors, re-channeling of government budget allocations for foreign
27 debt payments and military expenditures, and the proceeds from the
28 government shares of the Malampaya Natural Gas Project;
- 29 e) The State shall allow, in exceptional cases, foreign corporations to invest in
30 the mineral industry. Based on the National Industrialization Program and the
31 country's capability and capacity, the government must identify the mineral
32 areas where foreigners can help and invest subject to rigorous screening and

1 strict regulations as provided in this Act and related laws. The participation of
2 foreign companies in the critical stages of minerals extraction and processing
3 shall be in accordance with a mandatory program or agreement for
4 technology transfer and equity shares that do not exceed 40 percent of the
5 full capital requirements; *Provided,* that capital accumulation and
6 reinvestment within the country shall be primarily encouraged over profit
7 repatriation by the foreign companies and that foreign mining corporations,
8 their principals, local firms and conduits that have a bad track record in the
9 Philippines are banned from investing in the country;

10 f) In land and water use, the production of sufficient food free from pollution
11 towards food security shall always be the priority;

12 g) Long-term mining development shall be programmed by the State in
13 accordance with the country's availability of resources, capability and well-
14 being of the people, technological capacity and people's acceptability. The
15 right of Muslim Filipinos and indigenous peoples to self-determination and
16 ancestral domain shall be recognized and their collective property rights are
17 guaranteed by this Act;

18 h) Job security, adequate wages, benefits, and safe working conditions for mine
19 workers shall be ensured in state and privately-owned mining corporations.
20 Their right to organize and form their own associations, to collective
21 bargaining, and to strike shall be upheld. The state will strictly prohibit forced
22 and child labor in the industry;

23 i) Small-scale mining operations shall be supported and regulated by the State.
24 The State will encourage the formation of cooperatives among small-scale
25 miners and provide financial and technical support to develop the labor-
26 intensive and upgrade the backward technologies into a more efficient and
27 less environmentally destructive mining process. Whenever small-scale mining
28 is stopped, alternative and sustainable livelihood shall be provided to the
29 small-scale miners;

30 j) Mining operations shall not in any way create or exacerbate conflicts. In no
31 instance shall the Armed Forces of the Philippines (AFP), the Philippine

1 National Police (PNP), and private security and paramilitary groups be used to
2 coerce or force the entry and protection of mining operations;

3 k) Mining industry research and development shall focus on harnessing more
4 economically efficient and less environmentally-destructive methods. The
5 advanced technologies from other countries that are proven to be appropriate
6 locally shall be adopted in the industry;

7 l) All mining operations shall be strictly regulated to ensure the domestic
8 processing of mineral ores up to the secondary and tertiary stages of
9 industrial production to develop our own basic and medium industries.
10 Recycling programs and substitution in the use of minerals shall be
11 incorporated in the overall plan of mining development to reduce mine waste
12 and pollution, and mining rehabilitation techniques. Indigenous technologies
13 that are relevant and appropriate, particularly with respect to the domestic
14 processing of minerals shall be promoted, harnessed, expanded, and
15 upgraded;

16 m) The State and its members shall share in the burden of satisfying the need for
17 mineral resources primarily through reusing and recycling existing mineral
18 products. Ecologically-sound practices at all stages of mining shall be
19 promoted. Mining technologies such as open-pit mining and submarine mine
20 tailing disposal methods that are banned abroad or proven inappropriate in
21 countries like the Philippines must all be banned. Environmental standards
22 shall be set to ensure the protection and efficient utilization of the country's
23 mineral resource base. Ecological considerations in mining development shall
24 be given due emphasis and attention to substantially eliminate destructive
25 effects that certain mining industrial processes might have on the people's
26 health and the environment. Monitoring mechanisms with strong participation
27 from the local communities will be instituted;

28 n) Mining in environmentally-critical areas such as small island ecosystems,
29 primary forests, and watersheds shall be banned. Dumping of mine wastes
30 and tailings to rivers, lakes, and seas are prohibited. The integrity of the
31 environment shall not be compromised; and

1 o) Areas affected by mining shall be rehabilitated, including abandoned mines.

2 Violators shall be strictly punished and made to pay heavy compensation to
3 the State and the affected communities.

4 Sec. 5. Intergenerational Responsibility. - The exploration, development, and
5 utilization of natural resources must comply with the principles of intergenerational
6 responsibility.

7 CHAPTER II

8 SCOPE AND GENERAL PRINCIPLES

9 Sec. 6. *Scope.* – This Act shall govern the ownership, management, and
10 governance of both metallic and non-metallic ore minerals onshore and offshore, as
11 well as quarry resources, sand and gravel, guano, and gemstones and the
12 conservation, exploration, development, utilization, processing, and transportation
13 thereof. The ownership, management, and governance of petroleum, natural gas,
14 and coal shall be governed by special laws. Offshore mining shall also be governed
15 by special laws.

16 This Act shall cover onshore and offshore, large-scale, and small-scale mining
17 operations in the country, including mining projects in ancestral domains in
18 accordance with the existing national and international policies on our indigenous
19 peoples.

20 Sec. 7. Ore minerals form part of the country's irreplaceable and non-
21 renewable natural wealth and capital. The conservation of our mineral wealth is a
22 paramount public interest and mineral resources shall be utilized only in a rational
23 manner for national and local development as specified by law and the National
24 Industrialization Program and the Mineral Management Plan. The economic benefits
25 derived from mining shall be equitably distributed by, among others, prioritizing
26 development for local communities and all other stakeholders directly affected by
27 mining operations.

28 Sec. 8. The State shall have a primary role, responsibility, and concern in the
29 management, conservation, utilization, and development of the mining industry and
30 shall ensure the people's participation in policy-making and implementation of the
31 same at all levels of government. The management of mineral resources shall be a
32 shared concern and responsibility among the national government, corporations, all

1 levels of local government, and the communities affected by the exploration,
2 development, and utilization of mineral resources.

3 Sec. 9. The State shall accord support to communities dependent on small-
4 scale mining whose operations shall strictly adhere to the provisions of this law.

5 Sec. 10. Subject to their right to self-determination, Indigenous Cultural
6 Communities/Indigenous Peoples (ICCs/IPs) own and have the responsibility to
7 manage the mineral resources in their respective ancestral domains, free from
8 external manipulation, interference, force threat, intimidation, coercion, and other
9 analogous acts. The State shall support indigenous cultural communities in
10 developing capacities to effectively exercise their right and responsibility.

11 Sec. 11. Mining shall be limited in scale in accordance with this Act.

12 Sec. 12. Mineral resources development, utilization, and processing shall be
13 reserved for Filipino citizens and for Filipino corporations. Exploration shall be
14 undertaken directly by the State for the benefit of the nation.

15 Sec. 13. Re-mining and recycling of mineral resources shall be prioritized over
16 the opening of new mines to maximize and recover the remaining minerals
17 resources from the rejects or wastes of previous mines and mining operations.

18 Sec. 14. The State shall prioritize the rehabilitation of the abandoned mines in
19 the country. The State shall ensure the fullest compliance of all government and
20 corporate entities in and on the closure of mines, the rehabilitation/restoration of the
21 immediate environs of each mining project/activity in the country as provided by
22 law.

23 Sec. 15. The State shall encourage and support Filipino private corporations
24 and mining cooperatives to participate and invest in the mining industry on mutually-
25 beneficial grounds that will push forward the National Industrialization Program in
26 both small-scale and large-scale projects.

27 Sec. 16. Mineral resource extraction shall be allowed based on the Philippine
28 Government's National Industrial Plan. The sharing of profits from mining activities,
29 including the anticipated environmental and social costs on the affected local
30 communities of each mining project, should far outweigh ecological and social
31 benefits and costs from other land uses. The anticipated cost of environmental and
32 social impacts on the affected local communities shall at all times be prevented

1 and/or mitigated through the allocation of sufficient funds for this purpose. In
2 mining projects with foreign participation, a just return of investment scheme for the
3 foreign entrants into the industry shall be prescribed by law.

4 Sec. 17. The State shall prioritize the development of mineral resources
5 needed for national development and the creation of domestic processing capacity
6 for industrial metals, the integration of agricultural modernization, and other labor-
7 intensive downstream industries. Mine planning shall be conducted to meet this
8 principle. The National Industrial Plan shall support national development based on
9 the principles of sustainable development and modernization of its economic base.
10 This framework will define minerals to be extracted, volume to be extracted, and
11 when to be extracted. This shall be matched with the approved mining areas as
12 identified by the Councils. These matched areas are eligible for mining operations.

13 CHAPTER III

14 DEFINITION OF TERMS

15 Sec. 18. *Definition of Terms.* – As used in and for the purposes of this Act,
16 the following terms, whether used in singular or in plural form, shall mean:

- 17 a) "*Abandonment*" - the act of the contractor leaving a mine without
18 rehabilitating the affected areas or completing such rehabilitation despite the
19 legal obligation to do the same;
- 20 b) "*Acid mine drainage*" - the dissolution, mobilization, and transportation of
21 toxic metals from rocks resulting from the chemical reaction of the acid-
22 generating minerals in rock and waste materials having a high permeability to
23 both air and rainfall and other water inflows when land is opened up for
24 mining and initiates the chemical reaction, resulting to a perpetual machine of
25 acid generation;
- 26 c) "*Ancestral domains*" - all areas generally belonging to Indigenous Cultural
27 Communities/Indigenous Peoples (ICCs/IPs) comprising lands, inland waters,
28 coastal areas, and natural resources therein, held under a claim of ownership,
29 occupied or possessed by ICCs/IPs, by themselves or through their ancestors,
30 communally or individually since time immemorial, continuously to the present
31 except when interrupted by war, force majeure or displacement by force,
32 deceit, stealth or as a consequence of government projects or any other

1 voluntary dealings entered into by government and private
2 individuals/corporations, and which are necessary to ensure their economic,
3 social and cultural welfare. It shall include ancestral lands, forests, pasture,
4 residential, agricultural, and other lands individually owned whether alienable
5 and disposable or otherwise, hunting grounds, burial grounds, areas of
6 worship, bodies of water, mineral and other natural resources, and lands
7 which may no longer be exclusively occupied by ICCs/IPs but from which they
8 traditionally and historically had access to for their subsistence and traditional
9 activities, particularly the home ranges of ICCs/IPs who are still nomadic
10 and/or shifting cultivators;

11 d) "*Ancestral lands*" - lands occupied, possessed and utilized by individuals,
12 families, and clans who are members of the ICCs/IPs by themselves or
13 through their predecessors-in-interest, under claims of individual or traditional
14 group ownership, continuously, to the present except when interrupted by
15 war, force majeure or displacement by force, deceit, stealth, or as a
16 consequence of government development aggression projects and other
17 voluntary dealings entered into by government and private
18 individuals/corporations including, but not limited to, residential lots, rice
19 terraces or paddies, private forests, swidden farms and tree lots;

20 e) "*Beneficiation*" - a process wherein a large fraction of the waste material is
21 removed from the mineral ore;

22 f) "*Buffer Zones*" - identified areas outside the boundaries of and immediately
23 adjacent to designated protected areas designated by law that need special
24 development control in order to avoid or minimize harm to the protected
25 area;

26 g) "*Bureau*" - the Mines and Geosciences Bureau under the Department of
27 Environment and Natural Resources;

28 h) "*Carrying capacity*" – the capacity of natural and human environments to
29 accommodate and absorb change without experiencing conditions of
30 ecological instability and attendant degradation;

- 1 i) "*Certificate of Ancestral Domains Title (CADT)*" – title formally recognizing
2 the rights of possession and ownership of ICCs/IPs over their ancestral
3 domains identified and delineated in accordance with law;
- 4 j) "*Certificate of Ancestral Lands Title (CALT)*" – a title formally recognizing the
5 rights of ICCs/IPs over their ancestral lands;
- 6 k) "*Closure of mines*" – permanent cessation of operations at a mine or mine
7 processing site after completion of the decommissioning process;
- 8 l) "*Consensus*" – the decision communally reached after appropriate
9 participatory consultation and discussion, free from any external
10 manipulation, interference and coercion, and other analogous cases and
11 obtained after fully disclosing the intent and scope, including the positive and
12 negative impacts of the activity, in a language and process understandable to
13 the community or group;
- 14 m) "*Consent*" – the voluntary assent of the landowner or those who have been
15 in open, continuous, exclusive, and notorious possession of the land for more
16 than ten (10) years in good faith, or thirty (30) years in bad faith, free from
17 any external manipulation, interference, and coercion, and obtained after fully
18 disclosing the intent and scope, including the positive and negative impacts of
19 the activity, in a language and process understandable to the said landowner
20 or occupant;
- 21 n) "*Contract area*" – the area delineated as specifically provided by a mineral
22 agreement for the development or utilization of mineral resources found
23 therein;
- 24 o) "*Critical watershed*" – a drainage area of a river system, lake, or water
25 reservoir supporting existing and proposed hydroelectric power, domestic
26 water supply, geothermal power, and irrigation works, which needs
27 immediate rehabilitation and protection to minimize soil erosion, improve
28 water yield, and prevent possible flooding. The term shall also include areas
29 which are traditional human settlements, land-uses or sea-uses which are
30 representative of a culture/cultures, or human interaction with the
31 environment especially when it has become vulnerable under the impact of
32 irreversible change;

- 1 p) "*Critical habitats*" - place or environment where species or subspecies
2 naturally occur or has naturally established its population that are crucial to
3 the survival of a species and essential for its conservation;
- 4 q) "*Cultural sites*"- those that bear a unique or at least exceptional testimony to
5 a cultural tradition or to a civilization which is living or which has disappeared
6 or, directly or tangibly associated with events or living traditions, with ideas,
7 or with beliefs, with artistic and literary works of outstanding universal
8 significance;
- 9 r) "*Customary laws*" – a body of written and/or unwritten rules, usages,
10 customs, and practices traditionally recognized, accepted, and observed by
11 respective ICCs/IPs and local communities;
- 12 s) "*Decommissioning*" - the activity or process that begins after cessation of
13 prospecting activities or mineral production (including metallurgical plant
14 production). It involves, among others, the removal of unwanted
15 infrastructure, making excavations and waste repositories safe and stable and
16 surface rehabilitation with a view to negate or minimize any adverse
17 environmental impacts remaining after cessation of mineral production. It
18 includes the after-care or maintenance that may be needed;
- 19 t) "*Downstream industries*" - are mining activities that cover minerals
20 processing, refining, manufacturing of intermediate and capital goods and
21 marketing of such;
- 22 u) "*Ecological profile or eco-profile*" - geographic-based instruments for planners
23 and decision-makers which present an evaluation of the environmental quality
24 and carrying capacity of an area and measures the specific interactions that
25 will be affected by any and all mining operations;
- 26 v) "*Exploration*" - covers the methods of searching or prospecting for mineral
27 resources by non-invasive means for the purpose of determining the
28 existence, extent, quantity, and quality thereof, which may include but not
29 limited to seismic, gravity, magnetic, electromagnetic, radar, induced
30 polarization, radio-wave and electro geochemical;
- 31 w) "*Extraction*"- ore-removal activities that take place at the mine site itself;

- 1 x) "*Free, prior and informed consent (FPIC)*" - the consensus of all members of
2 the ICCs/IPs to be determined in accordance with their respective customary
3 laws and practices, free from any external manipulation, interference,
4 coercion, and other analogous acts and obtained after fully disclosing the
5 intent and scope, including the positive and negative impacts, of all the
6 activities, in a language and process understandable and acceptable to the
7 community;
- 8 y) "*Indigenous Peoples/indigenous Cultural Communities (IP/ICC)*" – a group of
9 people or homogenous societies identified by self-ascription and ascription by
10 others, who have continuously lived as an organized community on
11 communally bounded and defined territory, and who have, under claims of
12 ownership since time immemorial, occupied, possessed and utilized such
13 territories, sharing common bonds of language, customs, traditions, and other
14 distinctive cultural traits, or who have, through resistance to political, social
15 and cultural inroads of colonization, non-indigenous religions, and cultures,
16 became historically differentiated from the majority of Filipinos. ICCs/IPs shall
17 likewise include peoples who are regarded as indigenous on account of their
18 descent from the populations which inhabited the country, at the time of
19 conquest or colonization, or at the time of inroads of non-indigenous religions
20 and cultures, or the establishment of present state boundaries, who retain
21 some or all of their own social, economic, cultural and political institutions,
22 but who may have been displaced from their traditional domains or who may
23 have resettled outside their ancestral domains. They are people who have a
24 spiritual relationship with the land;
- 25 z) "*Indigenous political structure*" - organizational and cultural leadership
26 systems, institutions, relationships, patterns and processes for decision-
27 making and participation, identified by ICCs/IPs such as, but not limited to,
28 Council of Elders, Council of Timuays, Bodong Holders, and any other tribunal
29 or body of similar nature;
- 30 aa) "*Joint venture agreement*" - an agreement wherein the government and a
31 qualified person organize a joint-venture company, with both parties having
32 equity shares, to develop and manage mineral resources. Aside from earnings

1 on the equity, the Government shall be entitled to a share in the output
2 computed at a certain percentage mutually agreed upon by and beneficial to
3 both parties;

4 bb) "*Key biodiversity areas*" - are sites of global biodiversity conservation
5 significance. They are defined by standardized criteria and thresholds to guide
6 conservation interventions such as the establishment of protected areas;

7 cc) "*Large-scale mining*" - mining in areas with more than twenty (20) hectares,
8 using mechanized tools and equipment, requiring considerable capital and
9 having large-scale environmental, social, cultural, and economic impacts with
10 regard to resource use and/or consumption;

11 dd) "*Mineral agreement*" - a contract entered into by the government, on behalf
12 of the State, and a private Filipino person, granting such person/s the
13 privilege to mine a specific contract area;

14 ee) "*Mineral resource*" - any concentration of minerals/rocks with potential
15 economic value;

16 ff) "*Mineral processing*" - the milling, beneficiation, or upgrading of ores or
17 minerals and rocks or by similar means to convert the same into
18 marketable products;

19 gg) "*Minerals*" - all naturally occurring inorganic substances in solid, gas,
20 liquid, or any intermediate state excluding energy materials such as coal,
21 petroleum, natural gas, radioactive materials, and geothermal energy;

22 hh) "*Mine development*" - preparing the mine site for production by shaft sinking
23 or pit excavation building of access roads, and construction of surface
24 facilities;

25 ii) "*Mine wastes and tailings*" - rock materials from surface or underground
26 mining and milling operations with little or no economic value to the
27 generator of the same;

28 jj) "*Mining activity*" - any or all of the following activities' exploration,
29 extraction, utilization, processing, transportation, and other activities
30 conducted for the same;

31 kk) "*Mining area*" - a portion of the contract area which has been identified by the
32 contractor wherein actual mining operations are conducted;

- 1 ll) "*Mining operations*" - either all or any of the mining activities involving
2 exploration, feasibility, development, utilization, and processing;
- 3 mm) "*National industrialization*" - in the mining industry, this shall denote the
4 primacy of mineral production, processing, and distribution for the primary
5 benefit of the domestic economy. This includes creating favorable conditions
6 for Filipino entrepreneurs to engage in mining through various state-private
7 agreements that shall ensure that mining shall help spur more domestic
8 investments, increase agricultural production and produce both consumer
9 and producer goods and manufactures;
- 10 nn) "*National park*" - an area of the public domain essentially natural
11 wilderness, scenic, or historic in character which has been withdrawn from
12 settlement, occupancy, or any form of exploitation except in conformity with
13 an approved management plan and set aside exclusively to conserve the area
14 or preserve the scenery, the natural and historic objects, wild animals, and
15 plants therein mainly for the purpose of biodiversity conservation or
16 human enjoyment;
- 17 oo) "*Native title*" - pre-conquest rights to lands and domains which, as far back as
18 memory reaches, have been held under a claim of private ownership by
19 ICCs/IPs, have never been public lands, and are thus indisputably presumed
20 to have been held that way since before the Spanish Conquest;
- 21 pp) "*Natural forest*" - forests composed of indigenous trees, not planted by man,
22 whose structure, functions, and dynamics have been largely the result of
23 natural succession processes;
- 24 qq) "*Natural parks*" - is a relatively large area not materially altered by human
25 activity where extractive resource uses are not allowed. These parks are
26 maintained to protect outstanding natural and scenic areas of national or
27 international significance for scientific, educational, and recreational use;
- 28 rr) "*Open-pit mining*" - extracting metal ores and minerals that lie near the
29 surface by removing the overlying material and breaking and loading the ore.
30 Also known as open-cast mining and open-cut mining;
- 31 ss) "*Ore*" - a material that contains minerals in such quantities that it can be
32 mined and worked commercially to extract that mineral. The mineral is

- 1 usually contained in chemical combination with some other element in
2 addition to various impurities;
- 3 tt) "*Pollution control and infrastructure devices*" - infrastructure,
4 machinery, equipment or improvements used for impounding, treating, or
5 neutralizing, precipitating, filtering, conveying and cleansing mine
6 industrial waste and tailings as well as eliminating or reducing hazardous
7 effects of solid particles, chemicals, liquids or other harmful by-products and
8 gases emitted from any facility utilized in mining operations for their disposal;
- 9 uu) "*Private land*" - any land belonging to any private person which includes
10 alienable and disposable land being claimed by a holder, claimant, or
11 occupant who has already acquired a vested right thereto under the law,
12 although the corresponding certificate or evidence of title or patent has not
13 been actually issued;
- 14 vv) "*Processing*" - includes all treatment an ore receives after its extraction and
15 beneficiation, which involves changes in the chemical nature of the mined
16 minerals;
- 17 ww) "*Progressive rehabilitation*" - rehabilitation which involves the staged
18 treatment of disturbed areas during exploration, construction/development,
19 and mining operations;
- 20 xx) "*Protected areas*" - identified portions of land and water set aside by reason
21 of their unique physical and biological significance, managed to enhance
22 biological diversity and protected against destructive human exploitation;
- 23 yy) "*Protected landscapes, seascapes, marine sanctuaries*" - areas of national
24 significance which are characterized by the harmonious interaction of
25 people and the environs while providing opportunities for public enjoyment
26 through recreation and tourism within the bounds of the normal lifestyle and
27 economic activity of these areas;
- 28 zz) "*Quarry resources*" - any common rock or other mineral substances as the
29 Director of the Mines and Geosciences may declare to be quarry resources
30 such as, but not limited to, andesite, basalt, conglomerate, coral sand,
31 diatomaceous earth, diorite, decorative stones, gabbro, granite,
32 limestone, marble, marl, red burning clay for potteries and bricks, rhyolite,

1 rock phosphate, sandstone, serpentine, shale, tuff, volcanic cinders, and
2 volcanic glass, *Provided*, That such quarry resources do not contain metals or
3 metallic constituents and/or other valuable minerals in economically workable
4 quantities; *Provided further*, That non-metallic minerals such as kaolin,
5 feldspar, bull quartz, quartz or silica, sand and pebbles, bentonite, talc,
6 asbestos, barite, gypsum, bauxite, magnesite, dolomite, mica, precious
7 and semi-precious stones, and other non-metallic minerals that may later be
8 discovered and which the Director declares the same to be of economically
9 workable quantities, shall not be classified under the category of quarry
10 resources;

11 aaa) "*Quarrying*" - the process of extracting, removing, and disposing quarry
12 resources found on or underneath the surface of private or public land;

13 bbb) "*Regional Director*" - the regional director of any mines regional office;

14 ccc) "*Regional Office*" - any of the mines regional offices;

15 ddd) "*Recycling*" - the treating of used or waste materials through a process of
16 making them suitable for beneficial use and for other purposes, and includes
17 any process by which solid waste materials are transformed into new
18 products in such a manner that the original products may lose their identity,
19 and which may be used as raw materials for the production of other goods
20 or services: *Provided*, That the collection, segregation, and re-use of
21 previously used packaging material shall be deemed recycling under the Act;

22 eee) "*Rehabilitation*" - the process by which the land will be returned to a form and
23 productivity in conformity with a prior land use plan including a stable
24 ecological state that does not contribute substantially to
25 environmental deterioration and is consistent with surrounding aesthetic
26 values;

27 fff) "*Remediation*" - removal of pollution or contaminants from environmental
28 media for the general protection of the area and the people;

29 ggg) "*Re-mining*" - maximizing and recovering the remaining minerals from the
30 rejects or wastes of previous mines and mining operations;

31 hhh) "*Restoration*" - where the intent is to recreate an ecosystem as close as
32 possible to the original which existed at the site, with most of the

1 structure and productivity matching that of the original ecosystem, and most
2 of the original biodiversity: in time ecological processes and functions will
3 match those of the original forest;

4 iii) "*Self-determination*" - the right of a people to determine their own political
5 destiny as defined by existing Philippine laws. The right to self-determination
6 includes the right of ICCs/IPs to choose their form of government within
7 existing national borders to achieve a greater degree of autonomy to help
8 preserve their culture, ancestral domain, and way of life;

9 jjj) "*Small-scale mining*" - mining activities that rely heavily on manual labor using
10 simple implements and methods and do not use explosives or any heavy
11 mining equipment, primarily engaged in for a sustainable living. Impacts from
12 small-scale mining shall not be large-scale, otherwise, the mining activity shall
13 be defined as large-scale mining;

14 kkk) "*Small-scale mining permit*" - permit issued for small-scale mining;

15 lll) "*Strategic minerals*" - minerals needed for national industrialization,
16 including rural development;

17 mmm) "*Tailings Disposal System or Tailings Placement*" - the method wherein the
18 waste from mining operations are dumped, placed, or disposed of;

19 nnn) "*Traditional small-scale mining*" - small-scale mining using traditional means
20 and without the use of chemical or mechanized extraction and separation
21 means, methods, implements, or equipment;

22 ooo) "*Watershed continuum*" - an area consisting of the watershed and its divide
23 including its connection from the headwaters to the reef or a land area
24 drained by a stream or a fixed body of water and with tributaries having a
25 common outlet for surface runoff. It is the system by which the mining-
26 affected communities shall be determined following the drainage of a
27 stream or fixed body of water with tributaries having a common outlet
28 for surface runoff;

29 ppp) "*Wildlife*" - undomesticated forms and varieties of flora and fauna.

30 CHAPTER IV

31 OWNERSHIP AND GOVERNANCE

1 Sec. 19. *Authority of the Bureau.* – The Mines and Geosciences Bureau shall
2 be a scientific research institution under the Department of Environment and Natural
3 Resources (DENR) primarily conducting and developing research of mineral
4 resources and mining technologies and training of local communities, local
5 government units and indigenous peoples. It shall also regulate the operations of
6 persons involved in mining activities. It shall also work with the Multi-Sectoral
7 Mineral Council in the monitoring of mining activities.

8 Sec. 20. *Regional Offices.* – The Bureau shall have as many regional offices in
9 the country as may be established by the Secretary, upon the recommendation of
10 the Director.

11 Sec. 21. *Bureau as the Repository of Information.* – The Bureau shall be the
12 central repository of information regarding mineral lands, resources, permits,
13 studies, and other information relevant to the operation of a mine, including the
14 necessary requirements which a contractor is obliged to submit. All other
15 governmental offices and other bodies created under this Act shall copy furnish the
16 Bureau of all other information related to mining.

17 Sec. 22. *Recording System.* – There shall be established a national and
18 regional filing and recording system. A mineral resource database system shall be
19 set up in the Bureau which shall include, among others, a mineral rights
20 management system.

21 Sec. 23. *Publication.* – The Bureau shall publish at least annually a mineral
22 gazette of nationwide circulation containing among others, a current list of mineral
23 rights, their locations specified in the appropriate map, mining rules and regulations,
24 other official acts affecting mining, and other information relevant to mineral
25 resources development. A system of publication fund shall be included in the regular
26 budget of the Bureau.

27 Sec. 24. *Bureau to Conduct Exploration Activities.* – Exploration of mineral
28 resources shall be exclusively and directly undertaken by the State through the
29 Bureau. In no case shall this function be delegated or contracted out to private
30 corporations or persons.

1 Sec. 25. *Non-Invasive Exploration.* – Exploration activities shall only be non-
2 invasive such as seismic, gravity, magnetic, electromagnetic, radar, induced
3 polarization, radio-wave, and electro-geochemical.

4 Sec. 26. *Consent.* – The Bureau shall not enter into any private lands for
5 the purposes of exploration activities without the written consent of the landowner,
6 possessor, or occupant; or the FPIC of the ICC/IP and payment of just compensation
7 for the use of property. Neither shall the Bureau enter into any part of the ancestral
8 domains/lands of ICCs/IPs without their free and prior informed consent. Further,
9 the Bureau shall not enter into any distributed land under the Comprehensive
10 Agrarian Reform Program within the ten (10) years prohibited period of the said
11 program.

12 Sec. 27. *Ownership of ICCs/IPs.* – The mineral resources within ancestral
13 domains/ancestral lands are the collective private property of the ICCs/IPs as
14 provided by law. The management of such mineral resources shall build on the
15 indigenous knowledge, systems, and practices of the ICCs/IPs.

16 Sec. 28. *Free, Prior, and Informed Consent.* – No mining activity shall be
17 conducted within the ancestral domains/lands of ICCs/IPs without their free, prior,
18 and informed consent (FPIC), in addition to the conditions set for under the
19 succeeding sections of this Act.

20 Sec. 29. *When Ancestral Domain is not Formally Recognized.* – When
21 ancestral domain is not covered by a Certificate of Ancestral Domain Title/Certificate
22 of Ancestral Land Title (CADT/CALT), or is covered by a different title issued in favor
23 of members of the ICCs/IPs, mineral resources shall nevertheless be managed by
24 the ICCs/IPs concerned when it can be presumed that the area is part of ancestral
25 domain An area is presumed to be part of ancestral domain by virtue of historic
26 rights and self- delineation by the ICCs/IPs.

27 Sec. 30. *When ICCs/Ips are displaced from the ancestral domain, and when*
28 *the ancestral domain is already covered by other titles emanating from the state*
29 *other than CADT/CALT.* – Native title over ancestral domain subsists notwithstanding
30 the fact that the ICCs/IPs who hold such native title have been displaced therefrom
31 or that such ancestral domains have been occupied by other persons or corporations

1 under another claim of title emanating from the State. In such cases, ICCs/IPs shall
2 continue to own such mineral resources.

3 Sec. 31. *Questions on the Validity of FPIC.* – In instances that there are
4 questions on the legality or validity of the issued free prior and informed consent,
5 mining operations shall not be allowed to be conducted in the ancestral domains or
6 lands of the ICCs/IPs without the final resolution of such question on the legality or
7 validity of the FPIC.

8 Sec. 32. *Ownership of the State.* – The mineral resources found outside
9 ancestral domains/lands shall be owned by the State. The State shall ensure that the
10 management of mineral resources shall be primarily for the benefit of the local
11 communities in whose territory the same shall be found. Any minerals extracted
12 shall be solely used for local industries consistent with the Minerals Management
13 Plan. The State may directly undertake development, utilization, and processing of
14 mineral resources or it may enter into mineral agreements with eligible parties
15 pursuant to the provisions of this Act.

16 Sec. 33. *Inventory of Mineral Resources.* – The Bureau shall identify and
17 provide an inventory of the available mineral resources, including the mine tailings
18 and wastes within the country. It shall submit to the DENR a report which shall
19 contain the following information:

- 20 1) the classification of minerals;
- 21 2) the quality and grade of the ore;
- 22 3) the potential mine life;
- 23 4) the geological description of the area;
- 24 5) the economic viability of mine tailings;
- 25 6) whether the area is a key biodiversity area or if it is a critical habitat;
- 26 7) and all other relevant information necessary for potential mineral investments.

27 The process for mineral exploration or approval for a mining permit shall not
28 commence without the said inventory.

29 Sec. 34. *Identification of Strategic Minerals.* – The Bureau shall conduct
30 research and studies prior to any mining operations to identify strategic mineral
31 resources. Only mineral resources that shall be needed for local industries,

1 Sec. 25. *Non-Invasive Exploration.* – Exploration activities shall only be non-
2 invasive such as seismic, gravity, magnetic, electromagnetic, radar, induced
3 polarization, radio-wave, and electro-geochemical.

4 Sec. 26. *Consent.* – The Bureau shall not enter into any private lands for
5 the purposes of exploration activities without the written consent of the landowner,
6 possessor, or occupant; or the FPIC of the ICC/IP and payment of just compensation
7 for the use of property. Neither shall the Bureau enter into any part of the ancestral
8 domains/lands of ICCs/IPs without their free and prior informed consent. Further,
9 the Bureau shall not enter into any distributed land under the Comprehensive
10 Agrarian Reform Program within the ten (10) years prohibited period of the said
11 program.

12 Sec. 27. *Ownership of ICCs/IPs.* – The mineral resources within ancestral
13 domains/ancestral lands are the collective private property of the ICCs/IPs as
14 provided by law. The management of such mineral resources shall build on the
15 indigenous knowledge, systems, and practices of the ICCs/IPs.

16 Sec. 28. *Free, Prior, and Informed Consent.* – No mining activity shall be
17 conducted within the ancestral domains/lands of ICCs/IPs without their free, prior,
18 and informed consent (FPIC), in addition to the conditions set for under the
19 succeeding sections of this Act.

20 Sec. 29. *When Ancestral Domain is not Formally Recognized.* – When
21 ancestral domain is not covered by a Certificate of Ancestral Domain Title/Certificate
22 of Ancestral Land Title (CADT/CALT), or is covered by a different title issued in favor
23 of members of the ICCs/IPs, mineral resources shall nevertheless be managed by
24 the ICCs/IPs concerned when it can be presumed that the area is part of ancestral
25 domain An area is presumed to be part of ancestral domain by virtue of historic
26 rights and self- delineation by the ICCs/IPs.

27 Sec. 30. *When ICCs/Ips are displaced from the ancestral domain, and when*
28 *the ancestral domain is already covered by other titles emanating from the state*
29 *other than CADT/CALT.* – Native title over ancestral domain subsists notwithstanding
30 the fact that the ICCs/IPs who hold such native title have been displaced therefrom
31 or that such ancestral domains have been occupied by other persons or corporations

1 under another claim of title emanating from the State. In such cases, ICCs/IPs shall
2 continue to own such mineral resources.

3 Sec. 31. *Questions on the Validity of FPIC.* – In instances that there are
4 questions on the legality or validity of the issued free prior and informed consent,
5 mining operations shall not be allowed to be conducted in the ancestral domains or
6 lands of the ICCs/IPs without the final resolution of such question on the legality or
7 validity of the FPIC.

8 Sec. 32. *Ownership of the State.* – The mineral resources found outside
9 ancestral domains/lands shall be owned by the State. The State shall ensure that the
10 management of mineral resources shall be primarily for the benefit of the local
11 communities in whose territory the same shall be found. Any minerals extracted
12 shall be solely used for local industries consistent with the Minerals Management
13 Plan. The State may directly undertake development, utilization, and processing of
14 mineral resources or it may enter into mineral agreements with eligible parties
15 pursuant to the provisions of this Act.

16 Sec. 33. *Inventory of Mineral Resources.* – The Bureau shall identify and
17 provide an inventory of the available mineral resources, including the mine tailings
18 and wastes within the country. It shall submit to the DENR a report which shall
19 contain the following information:

- 20 1) the classification of minerals;
- 21 2) the quality and grade of the ore;
- 22 3) the potential mine life;
- 23 4) the geological description of the area;
- 24 5) the economic viability of mine tailings;
- 25 6) whether the area is a key biodiversity area or if it is a critical habitat;
- 26 7) and all other relevant information necessary for potential mineral investments.

27 The process for mineral exploration or approval for a mining permit shall not
28 commence without the said inventory.

29 Sec. 34. *Identification of Strategic Minerals.* – The Bureau shall conduct
30 research and studies prior to any mining operations to identify strategic mineral
31 resources. Only mineral resources that shall be needed for local industries,

1 agricultural modernization, and rural development shall be opened to mining subject
2 to the implementing rules and regulations of this Act.

3 *Sec. 35. Demarcation of Mineral Areas.* – The Bureau shall demarcate the
4 boundaries of all areas identified as containing commercial quantities of mineral
5 resources on the ground.

6 *Sec. 36. Baseline Information on Watershed Continuums.* – The baseline
7 information on all watersheds in the country shall be required and made available to
8 the public, online as much as possible. No mining permit shall be issued without this
9 baseline information.

10 *Sec. 37. Affected Local Community and Local Government Unit.* – For the
11 purposes of this Act, the affected local community and the affected local government
12 unit are defined in relation to the watershed continuum which is potentially
13 negatively impacted by mining operation in the demarcated area. The local
14 communities and the local government units, therefore, are those who are
15 dependent on the watershed ecosystem and its resources.

16 *Sec. 38. Establishment of Multi-Sectoral Mineral Council.* – A multi-sectoral
17 Mineral Council shall be established for the purposes of this Act. There shall be as
18 many Multi-Sectoral Mineral Councils as there are watershed continuums with
19 demarcated mineral areas.

20 *Sec. 39. Powers of the Council.* – The Council shall have the following powers,
21 among others:

- 22 1) To determine whether or not mining operations shall be allowed;
- 23 2) To deliberate on proposals for mineral agreements;
- 24 3) To approve the proposal for mineral agreements;
- 25 4) To monitor the conduct of mining operations; and
- 26 5) To establish its internal rules of procedure which are not contradictory to this
27 Act.

28 *Sec. 40. Composition of the Multi-Sectoral Mineral Council.* – The Multi
29 Sectoral Mineral Council shall be composed of representatives from the Bureau, one
30 representative from each of the affected provincial governments/independent
31 component cities/highly urbanized cities, representatives from
32 peoples/community/sectoral/non-governmental organizations representatives of local

1 government units, and the affected as many as the ICCs/IPs within the watershed
2 continuum. The Bureau shall be the convenor of the Council.

3 No mining operations shall be allowed without the Council having been
4 properly convened.

5 Sec. 41. *Areas Open to Mining.* – The Council shall have the power to
6 determine whether or not the land where mineral resources are found shall be
7 opened to mining. Areas may only be opened to mining upon the unanimous vote
8 of all the members of the Council pursuant to the guidelines provided by this Act. In
9 determining whether or not such area shall be opened, the following shall be
10 required:

- 11 1) Report of the Bureau on the conducted exploration;
- 12 2) Existence of downstream industries for the mineral resources;
- 13 3) Potential environmental impacts;
- 14 4) Potential cultural impacts;
- 15 5) Conflict and risk assessment;
- 16 6) Potential health impacts;
- 17 7) Potential economic benefits of the development and utilization of the
18 minerals;
- 19 8) Carrying capacity and the ecological profile of the area;
- 20 9) Existing and alternative land uses of the area; and
- 21 10) Local government land-use plan.

22 No mining application shall be allowed unless an environmental economic
23 audit or resource valuation of the proposed mining area has been conducted or
24 prepared applying acceptable valuation standards. This audit or resource valuation
25 shall be conducted in coordination with multi-sectoral group of experts and
26 community stakeholders. It shall include determination of the expected economic
27 returns and the potential negative impacts from mining on the enjoyment and
28 exercise of human rights, cultural rights, and on peace and security. A detailed
29 study must mention the flora, fauna and environment present in the mining claim
30 and the impact of mining operations on the environment, the possible
31 environmental degradation and the attendant loss of subsistence resources
32 cause. There must be mention of existence of sacred areas or areas otherwise of

1 agricultural modernization, and rural development shall be opened to mining subject
2 to the implementing rules and regulations of this Act.

3 Sec. 35. *Demarcation of Mineral Areas.* – The Bureau shall demarcate the
4 boundaries of all areas identified as containing commercial quantities of mineral
5 resources on the ground.

6 Sec. 36. *Baseline Information on Watershed Continuums.* – The baseline
7 information on all watersheds in the country shall be required and made available to
8 the public, online as much as possible. No mining permit shall be issued without this
9 baseline information.

10 Sec. 37. *Affected Local Community and Local Government Unit.* – For the
11 purposes of this Act, the affected local community and the affected local government
12 unit are defined in relation to the watershed continuum which is potentially
13 negatively impacted by mining operation in the demarcated area. The local
14 communities and the local government units, therefore, are those who are
15 dependent on the watershed ecosystem and its resources.

16 Sec. 38. *Establishment of Multi-Sectoral Mineral Council.* – A multi-sectoral
17 Mineral Council shall be established for the purposes of this Act. There shall be as
18 many Multi-Sectoral Mineral Councils as there are watershed continuums with
19 demarcated mineral areas.

20 Sec. 39. *Powers of the Council.* – The Council shall have the following powers,
21 among others:

- 22 1) To determine whether or not mining operations shall be allowed;
- 23 2) To deliberate on proposals for mineral agreements;
- 24 3) To approve the proposal for mineral agreements;
- 25 4) To monitor the conduct of mining operations; and
- 26 5) To establish its internal rules of procedure which are not contradictory to this
27 Act.

28 Sec. 40. *Composition of the Multi-Sectoral Mineral Council.* – The Multi
29 Sectoral Mineral Council shall be composed of representatives from the Bureau, one
30 representative from each of the affected provincial governments/independent
31 component cities/highly urbanized cities, representatives from
32 peoples/community/sectoral/non-governmental organizations representatives of local

1 government units, and the affected as many as the ICCs/IPs within the watershed
2 continuum. The Bureau shall be the convenor of the Council.

3 No mining operations shall be allowed without the Council having been
4 properly convened.

5 Sec. 41. *Areas Open to Mining.* – The Council shall have the power to
6 determine whether or not the land where mineral resources are found shall be
7 opened to mining. Areas may only be opened to mining upon the unanimous vote
8 of all the members of the Council pursuant to the guidelines provided by this Act. In
9 determining whether or not such area shall be opened, the following shall be
10 required:

- 11 1) Report of the Bureau on the conducted exploration;
- 12 2) Existence of downstream industries for the mineral resources;
- 13 3) Potential environmental impacts;
- 14 4) Potential cultural impacts;
- 15 5) Conflict and risk assessment;
- 16 6) Potential health impacts;
- 17 7) Potential economic benefits of the development and utilization of the
18 minerals;
- 19 8) Carrying capacity and the ecological profile of the area;
- 20 9) Existing and alternative land uses of the area; and
- 21 10) Local government land-use plan.

22 No mining application shall be allowed unless an environmental economic
23 audit or resource valuation of the proposed mining area has been conducted or
24 prepared applying acceptable valuation standards. This audit or resource valuation
25 shall be conducted in coordination with multi-sectoral group of experts and
26 community stakeholders. It shall include determination of the expected economic
27 returns and the potential negative impacts from mining on the enjoyment and
28 exercise of human rights, cultural rights, and on peace and security. A detailed
29 study must mention the flora, fauna and environment present in the mining claim
30 and the impact of mining operations on the environment, the possible
31 environmental degradation and the attendant loss of subsistence resources
32 cause. There must be mention of existence of sacred areas or areas otherwise of

1 cultural significance and address the impacts of resource exploitation on
2 indigenous peoples and local communities.

3 This information shall be accessible to the public at all times; *Provided*, That
4 in no case shall the Council open the following areas to mining:

- 5 1) Areas declared by Local Government Units as No-Mining Zones as specified by
6 local ordinances, and other issuances;
- 7 2) Densely populated areas, especially residential areas;
- 8 3) Headwaters of watershed areas;
- 9 4) Areas with potential for acid mine drainage;
- 10 5) Critical watersheds;
- 11 6) Critical habitats;
- 12 7) Climate disaster-prone areas;
- 13 8) Geohazard areas;
- 14 9) Small island ecosystems;
- 15 10) Cultural sites, which may include, but not limited to, sacred sites and burial
16 grounds;
- 17 11) Traditional swidden farms and hunting grounds;
- 18 12) Lands covered by the Comprehensive Agrarian Reform Law or Republic Act
19 No. 6657, as amended;
- 20 13) Prime agricultural lands, irrigable and irrigated lands as defined by Republic
21 Act No. 9700;
- 22 14) Cultural property enumerated under the National Cultural Heritage Act of
23 2009 or Republic Act No.10066;
- 24 15) Community sites;
- 25 16) Key biodiversity areas;
- 26 17) High conflict areas;
- 27 18) The Province of Palawan pursuant to Republic Act No. 7611 and other areas
28 covered by local ordinances;
- 29 19) In military and other government reservations, except upon prior written
30 clearance by the government agency concerned;
- 31 20) Near or under public or private buildings, cemeteries, archaeological and
32 historic sites, bridges, highways, waterways, railroads, reservoirs, dams or

1 other infrastructure projects, public or private works including plantations or
2 valuable crops, except upon written consent of the government agency or
3 private entity concerned;

4 21)In areas expressly prohibited by law or ordinances;

5 22)In areas covered by small-scale miners as defined by law unless with the prior
6 consent of the small-scale miners, in which case a royalty payment upon the
7 utilization of minerals shall be agreed upon by the parties, said royalty
8 forming a trust fund for the socio-economic development of the community
9 concerned; and

10 23)Old-growth, natural or primary forests, watershed forest reserves,
11 wilderness area, mangrove forests, mossy forests, national parks,
12 protection forests, provincial/municipal forests, parks, greenbelts, game
13 refuge and bird sanctuaries and their respective buffer zones prohibited under
14 the National Integrated Protected Area System (NIPAS) under Republic Act
15 No. 7586, Department Administrative Order No. 25, series of 1992 and other
16 laws and ordinances and those expressly prohibited by other laws.

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

20 *Sec. 42. Manner of Voting by the Council for Opening an Area to Mining. –*
21 Sections 26 and 27 of the Local Government Code on consultation and consent shall
22 be strictly adhered to. Local government units at all levels shall conduct mandatory
23 public hearings with the affected local communities, to be carried out within their
24 respective territories and presenting those enumerated under Section 41.

25 After the inventory of the existing minerals, the formulation of a mine plan,
26 and the existence of the baseline information of the particular watershed area, the
27 Bureau shall convene the Council.

28 The Council shall thereafter convene their respective constituents to
29 determine whether or not their respective territories shall be opened for mining.

30 Local government units, ICCs/IPs, NGOs and peoples organizations, shall
31 ensure that the Bureau shall comprehensively explain the goals and objectives of the
32 project or program, its negative and positive impact upon the people and the

1 community in terms of environmental or ecological balance, and the
2 measures that will be undertaken to prevent or minimize the adverse effects
3 thereof. Thereafter, the approval of the respective Sanggunians of the affected local
4 government units shall be required in accordance with the sentiment of the peoples
5 of the local government unit as a result of the consultations conducted; *Provided,*
6 That the affected local government unit representatives shall meet and shall relay
7 the decision of their respective constituents to the provincial
8 government/independent component cities/highly urbanized cities. The
9 provincial/component city/highly urbanized city government representative shall sit
10 in the Council and shall carry the result of the vote of all the affected local
11 government units within the province resulting from the process provided in the
12 preceding paragraph of this Section. There must be a unanimous vote among the
13 local government units for the purpose of opening a particular area for mining.
14 Failure to reach a unanimous vote for opening shall mean that the area is closed to
15 mining. All the proceedings shall at all times be recorded; *Provided, moreover,* That
16 in case there are affected ICCs/IPs within the watershed continuum, they shall also
17 bring the community's vote to the Council after undergoing their own processes in
18 accordance with their respective indigenous political structure, free from any
19 external manipulation, interference, coercion and other analogous acts, and
20 obtained after fully disclosing the intent and scope, including the positive and
21 negative impacts of the activity, in a language and process understandable and
22 acceptable to them; *Provided, finally,* That any member of the community may file a
23 protest with the Council during this period of consultations and deliberations for the
24 Council's consideration.

25 Sec. 43. *Violation of Section 52.* – Local government officials who are
26 administratively found to violate the preceding section and Section 52 of this Act *vis-*
27 *a-vis* the pertinent sections of the Local Government Code shall be removed from
28 office and perpetually disqualified from holding any elective or appointive position in
29 government, its divisions, subsidiaries, and any government-owned-and-controlled-
30 corporations.

1 Sec. 47. *Eligibility.* – Only Filipino citizens or corporations sixty percent (60%)
2 of whose equity is owned or controlled by such citizens shall be allowed to conduct
3 development, utilization, and processing of mineral resources within the country.

4 Sec. 48. *Identification of Mining Projects.* – With the unanimous vote of the
5 Council to open areas for mining operations, the Bureau shall prepare the necessary
6 information sheets on the said area for potential investments. The Bureau shall call
7 for proposals to develop the mining area based on the Mineral Management Plan.

8 Sec. 49. *Pre-screening of Mining Proposals.* – Mining proposals shall be pre-
9 screened by the Bureau according to the National Industrialization and Mineral
10 Management Plan upon the submission of interested parties of the following:

- 11 1) demonstration of financial capability;
- 12 2) proven social and environmental track record, including those of its officers
13 and directors;
- 14 3) clear corporate structure and ownership;
- 15 4) proof of physical office and operations of the proponent within the
16 5) Philippines;
- 17 6) identification of potential investors;
- 18 7) mining project feasibility;
- 19 8) mining operation work plan;
- 20 9) proposed operation, mitigation, and prevention methods and/or
21 equipment;
- 22 10) capacity to process minerals;
- 23 11) intent to develop downstream industries;
- 24 12) intent to contribute to local community development; and
- 25 13) submission of the Environmental and Social Impact Assessment and
26 Mitigation Plan.

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

31 Sec. 50. *Environmental and Social Impact Assessment and Mitigation Plan.* –
32 The contractor shall submit an Environmental and Social Impact Assessment and

1 Mitigation Plan (ESIAMP) containing the means, methods, processes, and schedule
2 by which the contractor shall conduct its operations and mitigate negative
3 environmental and social impacts. The social impact shall include possible impacts
4 on the enjoyment and exercise of human rights, cultural rights.

5 The ESIAMP shall include plans relative to mining operations; the
6 rehabilitation, regeneration, and restoration of mineral areas; slope stabilization of
7 mined out and tailings covered areas; aquaculture, watershed development, and
8 water conservation; the relocation and return of displaced population; and provisions
9 for alternative livelihood and socio-economic development.

10 The ESIAMP shall also contain a Social Development Plan which shall likewise
11 contain the plans of the proponent for the development of the community through
12 the establishment of infrastructures and programs that shall be sustainable even
13 after the closure of the mine.

14 *Sec. 51. Pre-qualification.* – The Bureau shall thereafter identify the top three
15 (3) proposals and shall recommend the same to the Council for deliberation.

16 *Sec. 52. Deliberation of the Proposals.* – after the Bureau's transmittal of its
17 recommendations to the Council together with all the submitted documents for the
18 prequalification, the Council shall initiate the deliberation process of the pre-qualified
19 proposals.

20 Immediately thereafter, Sections 26 and 27 of the Local Government Code on
21 consultation and consent shall be strictly adhered to. Local government units at all
22 levels shall conduct mandatory public hearings with the affected local communities,
23 to be carried out within their respective territories and presenting those enumerated
24 under Section 43. Local Government Units, ICCs/IPs, NGOs, and peoples
25 organizations, shall ensure that the mining applicant shall comprehensively explain
26 the goals and objectives of the project or program, its negative and positive impact
27 upon the people and the community in terms of social, cultural, and environmental
28 or ecological balance, and the measures that will be undertaken to prevent or
29 minimize the adverse effects thereof. Thereafter, the approval of the respective
30 Sanggunians of the affected local government units shall be required in accordance
31 with the sentiment of the peoples of the local government unit as a result of the
32 consultations conducted. *Provided,* That the affected local government unit

1 representatives shall meet and shall relay the decision of their respective
2 constituents to the provincial government/ independent component cities/highly
3 urbanized cities through the submission of the minutes of meeting declaring their
4 decision with signatures from the constituent. The provincial/component city/highly
5 urbanized city government representative shall sit in the Council and shall carry the
6 result of the vote of all the affected local government units within the
7 province/independent component city/highly urbanized city resulting from the
8 process provided in the preceding paragraph of this Section.

9 In determining which proposal is acceptable to the people, a majority vote of
10 the local government units within the province/independent component city/highly
11 urbanized city shall be required.

12 The affected ICCs/Ips shall also deliberate on the proposals in accordance
13 with their own systems and processes free from any external manipulation,
14 interference, coercion, and other analogous acts, and obtained after fully disclosing
15 the intent and scope, including the positive and negative impacts of the activity, in a
16 language and process understandable and acceptable to them.

17 After the respective processes are complied with, the Council shall then meet
18 and decide which proposal, if any, is most acceptable and consistent with their own
19 socio-economic, environmental, and cultural programs and shall notify the Bureau of
20 the chosen proposal.

21 *Sec. 53. Posting and Publication Requirements.* – After notice, the Bureau
22 shall notify the proponent of the accepted proposal and cause the publication and
23 posting of the accepted proposal; *Provided,* That any member of the community
24 may contest the decision of the Council within six (6) weeks upon the posting and
25 publication of notice of the acceptance of the proposal in the manner provided in
26 Section 42. No mining operations shall be allowed to be conducted pending any
27 action questioning the legality or validity of the proposal.

28 *Sec. 54. Issuance of the Permit.* – After the six (6) weeks from the date of the
29 posting and publication, if no contest is filed, the Bureau shall issue a permit in
30 accordance with the decision of the Council on the winning proposal.

31 *Sec. 55. Environmental and Social Impact Compliance Certificate (ESICC).* –
32 The mining proponent shall be issued an Environmental and Social Impact

1 Compliance Certificate (ESICC) by the Bureau with the approval of the Council.
2 *Provided*, no amendments and to the conditions of the Certificate shall be allowed,
3 unless such proposed amendment shall work for the benefit of the communities, and
4 in which case, the Council and the Bureau shall be notified of any amendments to
5 the ESIAMP and that the former should give their consent to the same, after the
6 proponent explaining in detail the reason for such amendment and the possible
7 impacts and consequences of these amendments; *Provided further*, That any
8 violation of the ESIAMP shall cause the cancellation of the Certificate.

9 Sec. 56. *Maximum Areas for Mineral Agreements.* – The maximum area under
10 mineral agreements that a person can hold at any one time shall be determined by
11 the Council. *Provided*, That the contract area per agreement shall not exceed five
12 hundred (500) hectares, *Provided further*, That no person shall be awarded in
13 excess of the total contract area of seven hundred-fifty (750) hectares in any given
14 watershed area. For the purposes of this Act, the prohibition on the maximum area
15 shall also include corporations that shall have common directors or significant
16 shareholders.

17 Sec. 57. *Term of Mineral Agreement.* – The term of the mineral agreement
18 shall be equivalent to the mine life plus an additional five (5) years for the
19 rehabilitation of the mining area. *Provided*, That in no case shall a Mineral
20 Agreement have a term beyond fifteen (15) years, *Provided further*, That the
21 contractor shall already include rehabilitation/remediation of the mining area within
22 the ten-year term.

23 In no case shall a Mineral Agreement be extended without just cause to be
24 determined by the Council, *Provided*, That the extension shall not cause the term of
25 the agreement to exceed the fifteen (15) year term mentioned in the preceding
26 section. *Provided further*, That for the purposes of this Act, just cause shall mean
27 acts or events resulting from war, force majeure or those beyond the control of the
28 mining proponent not attributable to the same; *Provided finally*, That in no case shall
29 mineral agreements be renewed after the expiration of the fifteen-year period.

30 Sec. 58. *Prohibition on Open-pit Mining Method and Submarine Tailings*
31 *Disposal.* – Open-pit mining method for the extraction of mineral ores and the
32 submarine tailings disposal method shall be prohibited.

1 Sec. 59. *Failure to Initiate Mining Operations.* – Failure to commence the
2 development stage of the mining operations in accordance with the work program
3 within two (2) years from the award of the mineral agreement shall cause the
4 cancellation of the mineral agreement. The contractor thereafter forfeits the value of
5 the improvements Made upon the land. The contractor and other corporations who
6 are also run by the same directors and officers are thereafter banned from bidding
7 to conduct mining operations for ten (10) years after the failure to commence the
8 development stage of the mining operations in accordance with the work program.

9 Sec. 60. *Mandatory Consultations in Each Mining Phase.* – Mandatory
10 consultations with affected communities shall be undertaken in each phase of mining
11 operation: exploration, extraction, processing, and mine closure to ensure that the
12 peoples shall be informed of the proposed plans and methods that are proposed to
13 be conducted.

14 Sec. 61. *FPIC of ICCs/IPs on Each Stage of Mining Operation.* – The free and
15 prior informed consent of the ICCs/IPs shall be required at each and every stage of
16 the mining operations. FPIC shall be secured in accordance with the laws, practices,
17 and processes of the concerned ICCs/IPs.

18 The violation of any of the conditions imposed by the ICCs/IPs on the
19 contractor shall cause the cancellation of the mineral agreement. Included in this
20 process is the explanation of the rights of ICCs/IPs of ownership and self-
21 determination.

22 Sec. 62. *Consent of Private Landowners.* – No person shall be allowed entry
23 into private lands without the written consent of the landowners, possessors, or
24 lawful occupants of the land and/or the FPIC of the ICCIIP.

25 Sec. 63. *Expropriation.* - Expropriation proceedings shall be filed with the
26 regular courts to determine whether the taking of private property for mining
27 purposes shall meet a public purpose and to determine just compensation.

28 Sec. 64. *Multi-Partite Monitoring.* – The Council shall form a multi-partite
29 monitoring team to monitor compliance by the contractor of the terms and
30 conditions of the mineral agreement. It may conduct ocular inspections of the
31 contract area at any time of the day and night. It shall also inspect all the books of
32 contractors and refer the same to independent auditors. The Multi-partite monitoring

1 team and/or the Bureau may confiscate surety, performance, and guaranty bonds
2 posted through an order to be promulgated by the Director.

3 The Council, the Director, or the local government authorities may deputize,
4 when necessary, any member or unit of the Philippine National Police, barangay,
5 duly registered NGO, or any qualified person to police any and all mining activities.

6 *Sec. 65. Withdrawal from the Mineral Agreement.* - The contractor may
7 withdraw from the mineral agreement at any time for justifiable cause with one (1)
8 month notice to the Bureau, the Council and/or the ICCs/IPs, and other government
9 agencies as may be provided by law. The Council, in cooperation with other
10 concerned government agencies, shall issue a clearance for withdrawal upon
11 certifying that the contractor has complied with all its legal obligations, including the
12 appropriate measures for mine closure and rehabilitation. Funds and bonds which
13 have been put up by the contractor in accordance with this Act shall be forfeited.

14 *Sec. 66. Non-transferability of Mineral Agreements.* - In no case shall mining
15 rights under this Act be transferrable. The contractor shall also immediately notify
16 the Council and the Bureau of any substantial change in the ownership and/or
17 control of the corporation. Violation of this provision shall cause the cancellation of
18 the agreement and forfeiture of assets and equipment of the contractor in favor of
19 the State.

20 *Sec. 67. Access to Information.* - All contractors for mineral permits and
21 agreements shall provide information to affected indigenous peoples, local
22 communities, and local governments. The following information, among others, shall
23 be required:

- 24 1) full disclosure of methods and processes of mining;
- 25 2) full disclosure of environmental and social risks;
- 26 3) full disclosure of ownership structure; and
- 27 4) full disclosure of financial sources.

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

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

7 CHAPTER VI

8 SMALL-SCALE MINING

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

24 *Sec. 69. Maximum Term of Small-scale Mining Permits.* – The term for small-
25 scale mining permits shall be three (3) years, extendable to a maximum of fifteen
26 (15) years.

27 *Sec. 70. Traditional Small-scale Mining within Ancestral Domains.* – The
28 Council shall conduct regular monitoring activities within its jurisdiction to determine
29 if the provisions of relevant laws are complied with in traditional small-scale mining
30 by ICCs/IPs within their respective ancestral domains.

1 *Sec. 71. FPIC in Small-scale Mining.* – Small-scale mining activities within any
2 ancestral domain by any person shall also require the free, prior informed consent of
3 ICCs/IPs.

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

9 *Sec. 73. Environmental Measures in Small-scale Mining.* – The State shall
10 immediately address the environmental and health hazards and problems in small-
11 scale mining, including the use of hazardous chemicals, such as mercury, cyanide,
12 and other chemicals, in the amalgamation of gold by small-scale miners.

13 *Sec. 74. Prohibition on the Use of Mercury.* – Mercury use in small-scale
14 mining shall be prohibited. The Bureau shall research, develop and actively promote
15 appropriate technologies in small-scale mining including labor-intensive methods,
16 environmental protection, and physical techniques or gold extraction among small-
17 scale miners.

18 *Sec. 75. Multi-sectoral Monitoring Team.* – A multi-sectoral monitoring team
19 shall be organized to monitor the SSMP permittee's compliance with the terms and
20 conditions of its SSMP and ECC. The MMT shall conduct ocular inspections of the
21 SSMP area at any time of the day and night and shall have visitorial powers.

22 *Sec. 76. Alternative Livelihood Support.* – The state shall support the
23 improvement of the livelihood of small-scale-miners by extending the services for
24 access to other more viable and sustainable forms of livelihood, and, if the same is
25 not possible, the following support services:

- 26 1) access to minerals markets and to financing;
- 27 2) facilitating a partnership with mining companies or contractors by, among
28 others, requiring mining companies to buy tailings from small-scale mining
29 operations for further processing or recycling;
- 30 3) facilitating partnership among small-scale mining cooperatives; and
- 31 4) other incentives to attract informal small-scale miners to formalize their
32 status.

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

4 Sec. 80. *Quarry Fee and Taxes.* – A permittee shall pay a quarry fee as
5 provided for under the implementing rules and regulations. The permittee shall also
6 pay the excise tax as provided by pertinent laws.

7 Sec. 81. *Cancellation of Quarry Permit.* – A quarry permit may be cancelled by
8 the provincial governor for violations of the provisions of this Act or its implementing
9 rules and regulations or the terms and conditions of the said permit; *Provided, That*
10 before the cancellation of such permit, the holder thereof shall be given the
11 opportunity to be heard in an investigation conducted for the purpose.

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

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

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

29 Sec. 85. *Government Gratuitous Permit.* – Any government entity or
30 instrumentality may be granted a gratuitous permit by the provincial governor to
31 extract sand and gravel, quarry, or loose unconsolidated materials outside ancestral
32 domains needed in the construction of building and/or infrastructure for public use

1 extract minerals. The Council shall encourage contractors to put up processing plants
2 within the community with the end in view of generating employment and
3 developing other downstream industries.

4 *Sec. 92. Mineral Trading Registration.* – No person shall engage in the trading
5 of mineral products, either locally or internationally, unless registered with the
6 Department of Trade and Industry and accredited by the Department, with a copy of
7 said registration submitted to the Bureau.

8 *Sec. 93. Mineral Processing Permit.* – No person shall engage in the
9 processing of minerals without first securing a minerals processing permit from the
10 Council. Minerals processing permits shall be for a period of five (5) years,
11 renewable for like periods but not to exceed a total term of twenty-five (25) years.

12 CHAPTER IX

13 DEVELOPMENT OF COMMUNITIES, SCIENCE, AND TECHNOLOGY

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

22 *Sec. 95. Employment of Filipinos and Training or Members of the Local*
23 *Community.* – A contractor and/or permittee shall give preference to Filipino citizens
24 in all types of mining employment within the country. Members of the local
25 community shall be trained in all aspects of the mining operations, including re-
26 mining, recycling, rehabilitation, and the management thereof.

27 *Sec. 96. Use of Indigenous Goods, Services, and Technologies.* – A contractor
28 shall give preference to the use of local goods, services, and the scientific and
29 technical resources in all stages of mining operations, where the same are of
30 equivalent quality and are available on equivalent terms as their imported
31 counterparts.

1 Sec. 100. *Indigenous Cultural Communities' Royalty.* – In the case of mineral
2 operations within ancestral domains, the contractor shall pay at least ten percent
3 (10%) of the gross revenues as royalty to the ICCs/IPs. Community development
4 programs shall not be considered as royalty payments. The payment of the royalties
5 shall directly be given to the communities in a process that builds on the ICCs/IPs'
6 traditional and customary laws; *Provided,* That the royalty established in this Act
7 shall be a minimum royalty payment and may still be subject to other conditions to
8 be agreed by the parties, free from any external manipulation, interference,
9 coercion, and other analogous acts, and obtained after fully disclosing the intent and
10 scope, including the positive and negative impacts of the activity, in a language and
11 process understandable and acceptable to them.

12 Sec. 101. *Scientific Research and Development Fund.* – A Scientific Research
13 and Development Fund shall be set aside to be devoted to research and
14 development of clean mining technologies, improvement of mining processes, mine
15 rehabilitation, mitigating technologies, setting up and maintenance of an
16 independent pool of experts, and operational expenses of the Bureau.

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

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

- 27 1) Classification of local government;
- 28 2) Vulnerability;
- 29 3) Human development index.

30 A percentage of this amount shall be set aside by the respective local
31 government units for Disaster Risk Management. This fund shall likewise benefit
32 ICCs/IPs within the territory of the local government unit. *Provided,* That the

1 administrative and operational expenses of the Council shall also be taken from this
2 share.

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

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

11 *Sec. 106. Deposit of Capital and Profits Requirement.* – As part of their
12 demonstrated financial capacity, all large-scale mining companies/contractors are
13 required to deposit their capital investment and profits in banks or financial
14 institutions that are owned, managed, and operated by the Philippine government.

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

22 The guidelines for Sections 106 and 107 shall be issued by BSP and shall be
23 furnished to the Department, Bureau, Council, and all respective contractors in the
24 industry.

25 CHAPTER XI

26 SAFETY AND ENVIRONMENTAL PROTECTION

27 *Sec. 108. Mines Safety.* – All contractors and permittees shall strictly comply
28 with all the mines and safety rules and regulations concerning the safe and sanitary
29 upkeep of the mines and mining development Government personnel involved in the
30 implementation of mines safety, occupational health, and environmental rules and
31 regulations shall be covered under Republic Act No. 7305 or the Magna Carta of
32 Public Health Workers.

1 Sec. 109. *Mine Labor.* – No person under sixteen (16) years of age shall be
2 employed in any place of mining operations and no person under eighteen (18)
3 years of age shall be employed in a mine.

4 Sec. 110. *Mine Supervision.* – All mining and quarrying operations shall have
5 at least one (1) licensed mining engineer for every fifty (50) employees. Such
6 engineer/s shall have at least five (5) years of experience in mining operations, and
7 one (1) registered foreman.

8 Sec. 111. *Safety of Workers.* – All mining companies shall provide safeguards
9 to the health and well-being of workers. The Regional Office of the Department of
10 Labor and Employment shall inspect all mining sites within their areas of jurisdiction
11 to determine the conditions of workers. Denial of entry shall be punishable under
12 this Act. Representatives of labor unions shall also have visitorial rights.

13 Sec.112. *Mine Inspection.* - The mines regional directors and the Council shall
14 have jurisdiction over the safety inspection of all installations, surface or
15 underground, in mining operations at reasonable hours of day or night and as much
16 as possible in a manner that will not impede or obstruct work in progress of a
17 contractor or permittee. Monitoring reports and recommendations of the Bureau
18 shall be submitted to the Council.

19 Sec. 113. *Power to Issue Orders.* – The mines regional director, in
20 consultation with the Environmental Management Bureau, forthwith or within such
21 time as specified in the order, require the contractor to remedy any practice
22 connected with mining, which is not in accordance with safety and anti-pollution
23 laws and regulations. In case of imminent danger to life or property, the Director
24 may summarily suspend the mining operation until the danger is removed, or
25 appropriate measures are taken by the contractor. Unreasonable delay to remove
26 the danger or introduce the necessary improvements by the contractor shall be a
27 cause for the cancellation of the mineral agreement.

28 Sec. 114. *Report of Accidents.* – In case of any incident or accident, causing
29 or creating the danger of loss of life or serious physical injuries, the person in charge
30 of operations shall immediately report the same to the regional office where the
31 operations are situated. Failure to report the same without justifiable reason shall be

1 cause for the imposition of administrative sanctions prescribed in the rules and
2 regulations implementing this Act.

3 Sec. 115. *Environmental Insurance.* – Contractors and mineral processing
4 permit holders shall be obliged to execute an insurance contract as an environmental
5 assurance for each and every source of pollution or disaster, relative to the "worst-
6 case scenario" costs, following accepted actuarial standards, *Provided,* That in no
7 way shall this provision be construed to remove or reduce the liability of the
8 contractors and/or permit holders to compensate any damage caused by their
9 operations. *Provided further,* That the insurer shall be an accredited international
10 company in good standing. Prior to the approval of the insurance contract by the
11 DENR, the DENR shall seek and consider the opinion of an independent expert as to
12 the financial credibility of the insurer.

13 Sec. 116. *Calamity and Human Rights Protection Fund.* – Persons issued a
14 mineral agreement shall deposit five million pesos (Php 5,000,000.00) semi-annually
15 in an interest-bearing account a common fund maintained by the national
16 government which shall be used for responding to, or ameliorating the effects of
17 calamities, natural disasters, and human rights violations including militarization,
18 displacement, and forcible evacuation in any part of the country in relation to mining
19 activities. *Provided,* That in no way shall this provision be construed to remove or
20 reduce the liability of the contractors and/or permit holders to compensate any
21 damage caused by their operations.

22 Sec. 117. *Performance Bond.* – The contractor shall put up a bond in an
23 amount equivalent to fifty percent (50%) of the projected cost of rehabilitation as
24 validated by independent studies. This amount shall be deposited in an interest-
25 bearing account. The bond shall be forfeited in the event that the contractor shall
26 fail or default in the rehabilitation or remediation of the mining area as included in
27 the work plan of the contractor or abandons the mine at any time of its operations.

28 Sec. 118. *Rehabilitation.* – Contractors and permittees shall technically and
29 biologically rehabilitate the excavated, mined-out, tailings covered, and disturbed
30 areas to the condition of environmental safety, as may be provided in the
31 implementing rules and regulations of this Act. A mine rehabilitation fund shall be
32 created, based on the contractor's approved work program, and shall be deposited

1 as a trust fund in a government depository bank and used for physical and social
2 rehabilitation of areas and communities affected by mining activities and for
3 research on the social, technical and preventive aspects of rehabilitation. Failure to
4 fulfill the above obligation shall mean immediate suspension or closure of the mining
5 activities of the contractor/permittee concerned.

6 Mining firms are hereby mandated to reforest 100 hectares of land for every
7 one hectare of land they utilize in the course of their mining operations. Mining firms
8 are also mandated to immediately restore and replant areas that they have already
9 finished excavating as they move on to other development sites: Provided, however,
10 that if mining firms cannot do the reforestation in their immediate area they could
11 do the reforestation in other areas provided they comply with 100: 1 hectare ratio.
12 Any mining firm found to have violated or have not complied with the foregoing
13 mandatory provisions shall be held liable with the penalty of revocation of their
14 mining permits and payment of a fine of not less than One Million Pesos
15 (P1,000,000.00).

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

19 *Sec. 119. Progressive Rehabilitation.* – Contractors shall also conduct
20 progressive rehabilitation activities.

21 *Sec. 120. Adoption of Precautionary Principle.* – When an activity related to
22 mining raises threats of harm to human health or the environment, precautionary
23 measures shall be taken proactively even if some cause and effect relationships are
24 not fully established scientifically. The mining proponent and the Bureau shall also
25 be obliged to disclose whether or not the cause and effect have not yet been
26 scientifically established.

27 *Sec. 121. Adoption of Polluter Pays Principle.* – Polluters shall pay for the
28 damage they cause to the environment. The amount of damages shall be
29 determined by accredited Independent consultants, to be chosen from a list and
30 agreed upon by both the mining proponent and by the Council

31 *Sec. 122. Tailings Impoundment.* – Tailings impoundments shall be built away
32 from critical watershed drainage areas. Furthermore, it shall be ensured that

1 impoundments will not endanger critical watershed areas or low-lying valleys in the
2 event of accidents under abnormal conditions. Tailing impoundments and dams shall
3 meet the international standards for large dams.

4 Sec. 123. *Dumping of Waste.* – Dumping of waste or tailings in any body of
5 water shall be prohibited. Provisions on the Clean Water Act and Clean Air Act shall
6 be strictly implemented.

7 Sec. 124. *Use of Toxic Chemicals and Methods.* – At all times, mining
8 contractors shall use chemicals or reagents which would result in the least
9 environmental and social destruction. The use of mercury and cyanide for the
10 extraction of gold, silver, and other minerals shall be prohibited. The use of blow
11 torching to separate gold from amalgam shall likewise be prohibited.

12 Sec. 125. *Preservation of Topsoil.* – The removed topsoil or the more
13 productive horizons of the soil shall be preserved for other uses.

14 Sec. 126. *Priority Use for Water.* – The National Water Resources Board shall
15 investigate any existing use of water resources in the area whether or not covered
16 by any existing water permit or registration. Upon determination of any existing use,
17 the applicant shall procure the consent of all water users and/or the free prior and
18 informed consent of ICCs/IPs with or without water permits within the same
19 groundwater network or any downstream users of water resources. In all instances,
20 priority shall be given to the use of water for domestic, municipal, and agricultural
21 purposes. If a potential negative impact on other water users is identified, the water
22 permit shall not be granted. For water resources within the ancestral domain of
23 indigenous peoples, no water permit shall be granted by the National Water
24 Resources Board without the free and prior informed consent of indigenous peoples.

25 Sec. 127. *Recycling of Water Resources.* – Water used in mining operations
26 shall be recycled. Mining contractors shall be required to provide for the methods or
27 equipment for the recycling or reuse of water. Released contaminated water shall be
28 treated accordingly to meet national standards. Released water must at least be
29 equivalent in quality to the baseline water quality.

30 Sec. 128. *Water User Fee.* – A water user fee that reflects the value of water
31 to the country and community shall be imposed by the Council for water used in
32 mining operations. Contractors shall pay the fee to the National Water Resources

1 without receiving any additional compensation. As much as practicable, said
2 members shall come from the different bureaus of the Department in the region.
3 The presiding officer thereof shall be selected by the drawing of lots. His tenure as
4 presiding officer shall be on a yearly basis. The members of the panel shall perform
5 their duties and obligations in hearing and deciding cases until their designation is
6 withdrawn or revoked by the Secretary. Within thirty (30) working days, after the
7 submission of the case by the parties for decision, the panel shall have exclusive and
8 original jurisdiction to hear and decide on the following:

- 9 a) Questions involving compliance with the established technical guidelines and
10 standards herein established, or those to be established by the implementing
11 rules and regulations of this Act;
- 12 b) Questions involving the compliance with technical procedures herein
13 established, or those to be established by the implementing rules and
14 regulations; and
- 15 c) Other similar instances wherein the technological and technical expertise of
16 the Department shall be needed.

17 Disputes involving real rights, contractual obligations, and the other causes of
18 action that are outside the technological and technical expertise of the Panel of
19 Arbitrators shall be under the jurisdiction of the regular courts or as otherwise
20 provided by other special laws; *Provided*, That disputes pending before the Bureau
21 and the Department at the date of the effectivity of this Act shall undergo an
22 immediate review within sixty (60) working days upon the passage of this Act to
23 determine the cause of action. Those which are outside the technical expertise of
24 the Department or Bureau shall be refiled with the appropriate court, without costs
25 to the complainant or petitioner.

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

30 Sec. 136. *Mines Adjudication Board (MAB)* – The Mines Adjudication Board
31 shall be composed of three (3) members. The Secretary of the DENR shall be the
32 Chairperson with the Director of the Mines and Geosciences Bureau and the

1 Undersecretary for Operations of the Department as members thereof. The Board
2 shall have the following powers and functions:

- 3 a) To promulgate rules and regulations governing the hearing and disposition of
4 cases before it, as well as those pertaining to its internal functions, and such
5 rules and regulations as may be necessary to carry out its functions;
- 6 b) To administer oaths, summon the parties to a controversy, Issue subpoenas
7 requiring the attendance and testimony of witnesses or the production of
8 such books, papers, contracts, records, statement of accounts, agreements,
9 and other documents as may be material to a just determination of the
10 matter under investigation, and to testify in any investigation or hearing
11 conducted in pursuance of this Act;
- 12 c) To conduct hearings on all matters within its jurisdiction, proceed to hear and
13 determine the disputes in the absence of any party thereto who has been
14 summoned or served with a notice to appear, conduct its proceedings or any
15 part thereof in public or in private, adjourn its hearings at any time and place,
16 refer technical matters or accounts to an expert and to accept his report as
17 evidence after hearing of the parties upon due notice, direct parties to be
18 joined in or excluded from the proceedings, correct, amend, or waive any
19 error, defect or irregularity, whether in substance or in form, give all such
20 directions as it may deem necessary or expedient in the determination of the
21 dispute before it, and dismiss the mining dispute as part thereof, where it is
22 trivial or where further proceedings by the Board are not necessary or
23 desirable;
- 24 d) To hold any person in contempt, directly or indirectly, and impose appropriate
25 penalties therefore; and
- 26 e) To enjoin any or all acts involving or arising from any case pending before it
27 which, if not restrained forthwith, may cause grave or irreparable damage to
28 any of the parties to the case or seriously affect social and economic stability.

29 In any proceeding before the Board, the rules of evidence prevailing in courts
30 of law or equity shall not be controlling and it is the spirit and intention of this Act
31 that shall govern, The Board shall use every and all reasonable means to ascertain
32 the facts in each case speedily and objectively and without regard to technicalities of

1 law or procedure, all in the interest of due process and social justice. In any
2 proceeding before the Board, the parties may be represented by legal counsel. The
3 findings of fact of the Board shall be conclusive and binding on the parties and its
4 decision or order shall be final and executory.

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

8 CHAPTER XIII

9 ACCESS TO JUSTICE

10 Sec. 137. *Obligation to Respect Human Rights.* – Corporations shall respect,
11 protect and promote the human rights of communities affected by mining, including
12 the right to life, liberty, and property, freedom of movement, right of public
13 participation, and the right to self-determination of indigenous cultural communities.

14 Sec. 138. *Violations of Human Rights.* – Extrajudicial killing, torture,
15 involuntary disappearance, forcible displacement of populations, setting up of
16 checkpoints, and imposition of toll fees which impede the freedom of movement
17 within mineral areas, deprivation of food and water sources, vote-buying, and
18 bribery for the purpose of securing consent or endorsement for the mining project,
19 and other analogous acts are violations of human rights. Violations of human rights
20 by contractors shall cause the immediate cancellation of mineral agreements. The
21 offending contractor, as well as corporations having the same directors or officers as
22 of the offending contractor, shall be perpetually disqualified from being granted a
23 mineral agreement. All equipment and assets of the corporation or person shall be
24 confiscated in favor of the government.

25 Sec. 139. *Use of Paramilitary and Military Forces.* – All mining companies are
26 strictly prohibited from employing paramilitary groups. Use of private and military
27 forces shall result in the automatic cancellation of the mineral agreement and the
28 filing of appropriate civil, criminal and/or administrative charges.

29 Sec. 140. *Strategic Legal Action Against Public Participation (SLAPP).* –
30 SLAPPs shall be strictly prohibited. SLAPP is any legal action, whether civil, criminal
31 or administrative, filed to harass, vex, exert legal action or stifle legal recourses of
32 community members complaining against violations of this Act or enforcing the

1 provisions of the Act, or exercising their freedom of assembly or right of public
2 participation. The investigating prosecutor or court shall immediately determine
3 within a period of thirty (30) days from filing thereof whether legal action is a SLAPP
4 and accordingly dismiss the same.

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

9 Sec. 142. *Application of the Customary Laws of ICCs/IPs.* – The contractor
10 shall respect the customary laws of the ICCs/IPs and shall submit to the processes of
11 their customary laws, *Provided*, That these laws are not contrary to the provisions of
12 the Constitution.

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

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

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

- 25 a) Any person who violates or fails to comply with the provisions of this Act or its
26 implementing rules and regulations;
- 27 b) Any public officer with respect to orders, rules, and regulations inconsistent
28 with this Act;
- 29 c) Any public officer who willfully or grossly neglects the performance of an act
30 specifically enjoined as a duty by this Act or its rules and regulations; or
31 abuses the authority in the performance of a duty/ies under this Act or its
32 implementing rules and regulations.

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

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

8 CHAPTER XIV
9 PENAL PROVISIONS

10 Sec. 146. *Grounds for the cancellation of mineral agreements and permits:*

- 11 a) Violation of any provision of this Act;
12 b) Human rights violations perpetrated by the contractor or any agent of the
13 contractor;
14 c) Non-payment of taxes;
15 d) Bribery, use of force, intimidation, threat, coercion of public officials and
16 communities;
17 e) Any act that shall create or contribute to conflicts; and
18 f) Other analogous acts.

19 Violations of environmental provisions shall cause the immediate cancellation
20 of mining permits, and the contractor shall be required to pay for the rehabilitation,
21 restoration, or clean-up of the impacts of such violations.

22 Corporations, corporate directors/officers found guilty of the above
23 enumeration may be subjected to a perpetual ban in the mining operations in the
24 Philippines.

25 Sec. 147. *False Statements.* – Any person who knowingly presents any false
26 application, declaration, or evidence to the Government or publishes or causes to be
27 published any prospectus or other information containing any false statement
28 relating to mines, mining operations or mineral agreements and permits shall, upon
29 conviction, be penalized by a fine of not exceeding One Hundred Thousand pesos
30 (P100,000.00).

1 Sec. 148. *Illegal Exploration.* – Any person undertaking exploration work
2 without the necessary exploration permit shall, upon conviction, be penalized by a
3 fine of not exceeding Five Million Pesos (P5,000,000.00).

4 Sec. 149. *Panning.* – Panning shall be considered an act of mining. Any
5 person undertaking panning without the necessary mining permit shall upon
6 conviction, be convicted of illegal panning penalized under Section 27 (RA 7076). In
7 addition, such person shall be liable to pay damages made to the environment by
8 reason of such panning. In the case of associations, partnerships, or corporations,
9 the president and each of the directors thereof shall be responsible for the acts
10 committed by such association, corporation, or partnership.

11 Sec. 150. *Theft of Minerals.* – Any person extracting minerals and disposing of
12 the same without a mining agreement, lease, permit, license, or steals minerals or
13 ores or the products thereof from mines or mills or processing plants shall, upon
14 conviction, be imprisoned from six (6) months to six (6) years or pay a fine from
15 One Hundred thousand pesos (P100,000.00) to One Million Pesos (P1,000,000.00) or
16 both, at the discretion of the appropriate court. In addition, he shall be liable to pay
17 damages and compensation for the minerals removed, extracted, and disposed of.
18 In the case of associations, partnerships, or corporations, the president and each of
19 the directors thereof shall be responsible for the acts committed by such association,
20 corporation, or partnership.

21 Sec. 151. *Unauthorized Dealing, Selling, or Buying of Gold.* – Any person,
22 partnership, or corporation who shall sell, buy, or in any manner deal gold from any
23 miner or person without being duly authorized by BSP shall be punished as
24 unauthorized dealing and shall be penalized in accordance with the provisions in this
25 Act.

26 Sec. 152. *Destruction of Mining Structures.* – Any person who willfully
27 destroys or damages structures in or on the mining area or on the mill sites shall,
28 upon conviction, be imprisoned for a period not to exceed five (5) years and shall, in
29 addition, pay compensation for the damages which may have been caused thereby.

30 Sec. 153. *Mines Arson.* – Any person who willfully sets fire to any mineral
31 stockpile, mine or workings, fittings, or a mine, shall be guilty of arson and shall be
32 punished, upon conviction, by the appropriate court in accordance with the

1 provisions of the Revised Penal Code and shall, in addition, pay compensation for
2 the damages caused hereby.

3 Sec. 154. *Willful Damage to a Mine.* – Any person who willfully damages a
4 mine, unlawfully causes water to run into a mine, obstructs any shaft or passage to
5 a mine, renders useless, damages, or destroys any machine, appliance, apparatus,
6 rope, chain, tackle, or any other things used in a mine shall be punished, upon
7 conviction, by the appropriate court, by imprisonment not exceeding a period of five
8 (5) years and shall, in addition, pay compensation for the damages caused thereby.

9 Sec. 155. *Illegal Obstruction to Permittees or Contractors.* – Any person who,
10 without justifiable cause, prevents or obstructs the holder of any permit, agreement
11 or lease from undertaking his mining operations shall be punished, upon conviction
12 by the appropriate court, by a fine not exceeding Five Thousand Pesos (P5,000.00).

13 Sec. 156. *Vitiating of FPIC.* – Any person found to have vitiated the consent of
14 the ICCs/IPs through bribery, threat, force, and/or intimidation, or any other similar
15 means shall suffer the penalty of six (6) years and one (1) day to ten (10) years in
16 prison, and a fine of at least Two Million Pesos (Php 2,000,000.00). If the
17 perpetrator is a government official, the penalty shall be eight (8) years and one (1)
18 day to twelve (12) years imprisonment, and a fine of at least Four Million Pesos (Php
19 4,000,000.00). The person shall be perpetually prohibited from assuming public
20 office and shall be disqualified from receiving other benefits by virtue of his/her
21 position in government.

22 Sec. 157. *Penalty for Human Rights Violations.* – Contractors or other persons
23 who have violated the human rights of communities in connection with the mining
24 operations shall be penalized with ten (10) years to fourteen (14) years
25 imprisonment and a fine of at least Five Million Pesos (Php 5,000,000.00) and shall
26 indemnify the victims.

27 Sec. 158. *Amendment to Section 27 of Republic Act No. 7076 or the Small-*
28 *scale Mining Act.* – Violations of the provisions of RA 7076 or of the rules and
29 regulations issued pursuant hereto shall be penalized with imprisonment of six (6)
30 years and one (1) day to twelve (12) years. The State shall confiscate and seize
31 equipment, tools and instruments; effect immediate suspension or closure of the
32 mining activities of the permittee concerned, and revoke the permit.

1 Sec. 167. *Separability Clause.* – The provisions of this Act are hereby declared
2 to be separable and, in the event of any such provisions are declared
3 unconstitutional, the other provisions which are not affected thereby shall remain in
4 force and effect.

5 Sec. 168. *Repealing Clause.* – Republic Act 7942, Presidential Decree 463,
6 Presidential Decree 512, and other related mining laws are hereby repealed. All
7 provisions in laws, decrees, issuances and other regulations inconsistent with this
8 present law shall be deemed amended or repealed if the inconsistency is
9 irreconcilable.

10 Sec. 169. *Funds.* – The amount of One Hundred Billion Pesos
11 (PhP100,000,000,000.00) is hereby appropriated for the proper functioning of the
12 Bureau, the Council, and other bodies established under this Act of which half of the
13 said amount shall be allotted for the baseline mineral exploration activities of the
14 Bureau.

15 Sec. 170. *Implementing Rules and Regulations.* – The implementing rules and
16 regulations of this Act shall be the product of joint collaboration by the Department,
17 and representatives from the local government units, peoples' organizations, sectoral
18 organizations and non-governmental organizations, and shall be drawn up after
19 appropriate and exhaustive public consultations at all levels nationwide.

20 Sec. 171. *Effectivity Clause.* – This Act shall take effect within fifteen (15)
21 days following its publication in two national newspapers of general circulation in the
22 Philippines.

 Approved,