



MAR 12 2010

MEMORANDUM ORDER

No. 2010-04

TO : **The Director**
Mines and Geosciences Bureau

All Regional Executive Directors
Department Regional Offices

SUBJECT : **Reforms in the Department Mining Tenement System**

In line with the ongoing thrust of the Government to revitalize the Philippine minerals industry, the following policy directives are hereby issued for the compliance of all concerned:

A. Expediting the Grant of Mining Contracts and Permits

1. Issuance of a new Exploration Permit:

An Exploration Permit application that has complied with all pertinent requirements shall be approved within a **maximum period of 10 weeks** from the date of acceptance of the said application. Attached as "Annex A" is the pertinent flow chart, for guidance.

2. First and second renewal of an Exploration Permit:

An application for the first or second renewal of an Exploration Permit shall be granted **within 15 days** from the date of payment of the pertinent renewal fee: *Provided*, That all the pertinent requirements shall be submitted within 15 days from receipt of the renewed Exploration Permit.

3. Grant of a Mineral Agreement for Initial Exploration

A Mineral Agreement application for initial exploration, which has complied with all pertinent requirements, shall be approved within a **maximum period of 10 weeks** from the date of effectivity of this Order, following as guide the flow chart attached as "Annex A."

4. Renewal of the Exploration Period of a Mineral Agreement:

An application for renewal of the Exploration Period of a Mineral Agreement shall be granted **within 15 days** from the date of payment of the pertinent renewal fee: *Provided*, That all the pertinent requirements shall be submitted within 15 days from receipt of the Letter-Notice approving the renewal of the said Exploration Period.



5. *Issuance of Area Status and Clearance for Mining Applications:*

The Mines and Geosciences Bureau (MGB) Regional Office shall now issue the Area Status and Clearance for mining applications previously handled by the One-Stop Shop Committee: *Provided*, That the Regional Executive Director shall provide the MGB Regional Office with timely and updated data and information on land classifications and uses.

6. *Processing of mining applications involved in mining cases or that are the subject of protest/s or opposition/s:*

- a. The processing of a mining application at the regional level shall continue notwithstanding the filing of protest/s or opposition/s¹, subject to their final resolution.
- b. A mining application that has complied with all requirements but is involved in a case in the Mines Adjudication Board (MAB), may be approved, upon the resolution of such case by the MAB and upon the posting of bond to protect the right/s of the third party/ies, notwithstanding the filing of appeals in the Court of Appeals.

B. Cleansing of Mining Applications

1. *Strict implementation of the Three (3) Letters-Notice Policy:*

The maximum time interval of 30 days between Letters-Notice shall be strictly followed in the implementation of the Three (3) Letters-Notice Policy in exacting compliance with the requirements for the grant of mining tenements and as ground for denial of mining applications.

2. *Denial of mining applications due to rejection of the request for Free and Prior Informed Consent:*

The rejection of a request for Free and Prior Informed Consent by the rightful Indigenous Peoples concerned as certified by the National Commission on Indigenous Peoples (NCIP) shall be a ground for denial of the mining application concerned: *Provided*, That such rejection is carried out in accordance with the NCIP's procedural guidelines on securing the Free and Prior Informed Consent.

Subject to the aforesaid guidelines, the mining applicant concerned shall be allowed a maximum of two (2) attempts to secure the Free and Prior Informed Consent from the Indigenous Peoples concerned.

3. *Grounds for denial of mining applications:*

Mining applications that have not complied with any of the following requirements shall also be denied:²

¹ Pertaining to environmental degradation and other perceived adverse impacts of mining, in the event that the mining applications are approved. Adverse claims are not included.

- a. Securing the NCIP Certificate of Non-Overlap within 1 year and NCIP Certification Precondition (Compliance Certificate) within 3 years from the date of NCIP's receipt of the pertinent letter-request from MGB.
- b. Securing the proof of consultation with the *Sanggunian* concerned within 2 years from the date of acceptance of the mining application.
- c. Completion of the publication, posting and radio announcement requirements within 1 year from the date of acceptance of the mining application.

C. Strengthening of Compliance Requirements

1. The minimum exploration expenditure of a contractor or permittee shall be PhP 500.00 per hectare per year, for metallic minerals.
2. Failure to implement the 3-Year Development/Utilization Work Program or Exploration Work Program for 2 consecutive years shall be a ground for cancellation of the mining contract or permit.³
3. Mineral Agreements with expired Exploration Periods for 5 years or more shall be cancelled.⁴
4. Comprehensive field inspection by the Department shall be required prior to the commissioning of a mining project.
5. A resident mine inspector shall be deployed by the MGB in every major mining project to monitor strict compliance with contractual obligations.

For Items B.3, C.2 and C.3 above, the mining applicants or contractors concerned are given a grace period of 2 months from the effectivity hereof, after which said provisions shall immediately apply.

Where applicable, the corresponding implementing guidelines shall be hereafter issued to fully carry out this Order.

This Memorandum Order shall supersede other orders inconsistent with it and shall be effective 15 days after its publication in a newspaper of general circulation and registration in the Office of National Administrative Register.


HORACIO C. RAMOS
 Secretary 



Republic of the Philippines
 DEPARTMENT OF ENVIRONMENT
 AND NATURAL RESOURCES





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² Subject to exceptions due to *force majeure* or justifiable cause/s.

³ *Ibid.*

⁴ *Ibid.*

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 ONAR, U.P. Law Center

FLOW CHART IN THE PROCESSING OF AN EXPLORATION PERMIT APPLICATION

