

[REPUBLIC ACT NO. 7942, March 03, 1995]

AN ACT INSTITUTING A NEW SYSTEM OF MINERAL RESOURCES EXPLORATION, DEVELOPMENT, UTILIZATION, AND CONSERVATION

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

CHAPTER I

INTRODUCTORY PROVISIONS

SECTION 1. *Title.* - This Act shall be known as the Philippine Mining Act of 1995.

SEC. 2. *Declaration of Policy.* - All mineral resources in public and private lands within the territory and exclusive economic zone of the Republic of the Philippines are owned by the State. It shall be the responsibility of the State to promote their rational exploration, development, utilization and conservation through the combined efforts of government and the private sector in order to enhance national growth in a way that effectively safeguards the environment and protect the rights of affected communities.

SEC. 3. *Definition of Terms.* - As used in and for purposes of this Act, the following terms, whether in singular or plural, shall mean:

(a) "Ancestral lands" refers to all lands exclusively and actually possessed, occupied, or utilized by indigenous cultural communities by themselves or through their ancestors in accordance with their customs and traditions since time immemorial, and as may be defined and delineated by law.

(b) "Block" or "meridional block" means an area bounded by one-half (1/2) minute of latitude and one-half (1/2) minute of longitude, containing approximately eighty-one hectares

(c) "Bureau" means the Mines and Geosciences Bureau under the Department of Environment and Natural Resources.

(d) "Carrying capacity" refers to the capacity of natural and human environments to accommodate and absorb change without experiencing conditions of instability and attendant degradation.

(e) "Contiguous zone" refers to water, sea bottom and substratum measured twenty-four nautical miles (24 n.m.) seaward from the base line of the Philippine archipelago.

(f) "Contract area" means land or body of water delineated for purposes of exploration, development, or utilization of the minerals found therein.

(g) "Contractor" means a qualified person acting alone or in consortium who is a party to a mineral agreement or to a financial or technical assistance agreement.

(h) "Co-production agreement (CA)" means an agreement entered into between the Government and one or more contractors in accordance with Section 26 (b) hereof

(i) "Department" means the Department of Environment and Natural Resources.

(j) "Development" means the work undertaken to explore and prepare an ore body or a mineral deposit for mining, including the construction of necessary infrastructure and related facilities.

(k) "Director" means the Director of the Mines and Geosciences Bureau.

(l) "Ecological profile or eco-profile" refers to geographic-based instruments for planners and decision-makers which presents an evaluation of the environmental quality and carrying capacity of an area.

(m) "Environmental compliance certificate (ECC)" refers to the document issued by the government agency concerned certifying that the project under consideration will not bring about an unacceptable environmental impact and that the proponent has complied with the requirements of the environmental impact statement system.

(n) "Environmental impact statement (EIS)" is the document which aims to identify, predict, interpret, and communicate information regarding changes in environmental quality associated with a proposed project and which examines the range of alternatives for the objectives of the proposal and their impact on the environment.

(o) "Exclusive economic zone" means the water, sea bottom and subsurface measured from the baseline of the Philippine archipelago up to two hundred nautical miles (200 n.m.) offshore.

(p) "Existing mining/quarrying right" means a valid and subsisting mining claim or permit or quarry permit or any mining lease contract or agreement covering a mineralized area granted/issued under pertinent mining laws.

(q) "Exploration" means the searching or prospecting for mineral resources by geological, geochemical or geophysical surveys, remote sensing, test pitting, trenching, drilling, shaft sinking, tunneling or any other means for the purpose of determining the existence, extent, quantity and quality thereof and the feasibility of mining them for profit.

(r) "Financial or technical assistance agreement" means a contract involving

financial or technical assistance for large-scale exploration, development, and utilization of mineral resources.

(s) "Force majeure" means acts or circumstances beyond the reasonable control of contractor including, but not limited to, war, rebellion, insurrection, riots, civil disturbance, blockade, sabotage, embargo, strike, lockout, any dispute with surface owners and other labor disputes, epidemic, earthquake, storm, flood or other adverse weather conditions, explosion, fire, adverse action by government or by any instrumentality or subdivision thereof, act of God or any public enemy and any cause that herein describe over which the affected party has no reasonable control.

(t) "Foreign-owned corporation" means any corporation, partnership, association, or cooperative duly registered in accordance with law in which less than fifty per centum (50%) of the capital is owned by Filipino citizens.

(u) "Government" means the government of the Republic of the Philippines.

(v) "Gross output" means the actual market value of minerals or mineral products from its mining area as defined in the National Internal Revenue Code.

(w) "Indigenous cultural community" means a group or tribe of indigenous Filipinos who have continuously lived as communities on communally-bounded and defined land since time immemorial and have succeeded in preserving, maintaining, and sharing common bonds of languages, customs, traditions, and other distinctive cultural traits, and as may be defined and delineated by law.

(x) "Joint venture agreement (JVA)" means an agreement entered into between the Government and one or more contractors in accordance with Section 26(c) hereof.

(y) "Mineral processing" means the milling, beneficiation or upgrading of ores or minerals and rocks or by similar means to convert the same into marketable products.

(z) "Mine wastes and tailings" shall mean soil and rock materials from surface or underground mining and milling operations with no economic value to the generator of the same.

(aa) "Minerals" refers to all naturally occurring inorganic substance in solid, gas, liquid, or any intermediate state excluding energy materials such as coal, petroleum, natural gas, radioactive materials, and geothermal energy.

(ab) "Mineral agreement" means a contract between the government and a contractor, involving mineral production-sharing agreement, co-production agreement, or joint-venture agreement.

(ac) "Mineral land" means any area where mineral resources are found.

(ad) "Mineral resource" means any concentration of minerals/rocks with

potential economic value.

(ae) "Mining area" means a portion of the contract area identified by the contractor for purposes of development, mining, utilization, and sites for support facilities or in the immediate vicinity of the mining operations.

(af) "Mining operation" means mining activities involving exploration, feasibility, development, utilization, and processing.

(ag) "Nongovernmental organization (NGO)" includes nonstock, nonprofit organizations involved in activities dealing with resource and environmental conservation, management and protection.

(ah) "Net assets" refers to the property, plant and equipment as reflected in the audited financial statement of the contractor net of depreciation, as computed for tax purposes, excluding appraisal increase and construction in progress.

(ai) "Offshore" means the water, sea bottom, and subsurface from the shore or coastline reckoned from the mean low tide level up to the two hundred nautical miles (200 n.m.) exclusive economic zone including the archipelagic sea and contiguous zone.

(aj) "Onshore" means the landward side from the mean tide elevation, including submerged lands in lakes, rivers and creeks.

(ak) "Ore" means a naturally occurring substance or material from which a mineral or element can be mined and/or processed for profit.

(al) "Permittee" means the holder of an exploration permit.

(am) "Pollution control and infrastructure devices" refers to infrastructure, machinery, equipment and/or improvements used for impounding, treating or neutralizing, precipitating, filtering, conveying and cleansing mine industrial waste and tailings as well as eliminating or reducing hazardous effects of solid particles, chemicals, liquids or other harmful byproducts and gases emitted from any facility utilized in mining operations for their disposal.

(an) "President" means the President of the Republic of the Philippines.

(ao) "Private land" refers to any land belonging to any private person which includes alienable and disposable land being claimed by a holder, claimant, or occupant who has already acquired a vested right thereto under the law, although the corresponding certificate or evidence of title or patent has not been actually issued.

(ap) "Public land" refers to lands of the public domain which have been classified as agricultural lands and subject to management and disposition or concession under existing laws .

(aq) "Qualified person" means any citizen of the Philippines with capacity to contract, or a corporation, partnership, association, or cooperative organized

or authorized for the purpose of engaging in mining, with technical and financial capability to undertake mineral resources development and duly registered in accordance with law at least Sixty per centum (60%) of the capital of which is owned by citizens of the Philippines: *Provided*, That a legally organized foreign-owned corporation shall be deemed a qualified person for purposes of granting an exploration permit, financial or technical assistance agreement or mineral processing permit.

(ar) "Quarrying" means the process of extracting, removing and disposing quarry resources found on or underneath the surface of private or public land.

(as) "Quarry permit" means a document granted to a qualified person for the extraction and utilization of quarry resources on public or private lands.

(at) "Quarry resources" refers to any common rock or other mineral substances as the Director of Mines and Geosciences Bureau may declare to be quarry resources such as, but not limited to, andesite, basalt, conglomerate, coral sand, diatomaceous earth, diorite, decorative stones, gabbro, granite, limestone, marble, marl, red burning clays for potteries and bricks, rhyolite, rock phosphate, sandstone, serpentine, shale, tuff, volcanic cinders, and volcanic glass: *Provided*, That such quarry resources do not contain metals or metallic constituents and/or other valuable minerals in economically workable quantities: *Provided, further*, That non-metallic minerals such as kaolin, feldspar, bull quartz, quartz or silica, sand and pebbles, bentonite, talc, asbestos, barite, gypsum, bauxite, magnesite, dolomite, mica, precious and semi-precious stones, and other non-metallic minerals that may later be discovered and which the Director declares the same to be of economically workable quantities, shall not be classified under the category of quarry resources.

(au) "Regional director" means the regional director of any mines regional office under the Department of Environment and Natural Resources.

(av) "Regional office" means any of the mines regional offices of the Department of Environment and Natural Resources.

(aw) "Secretary" means the Secretary of the Department of Environment and Natural Resources.

(ax) "Special allowance" refers to payment to the claim-owners or surface right-owners particularly during the transition period from Presidential Decree No. 463 and Executive Order No. 279, series of 1987.

(ay) "State" means the Republic of the Philippines.

(az) "Utilization" means the extraction or disposition of minerals.

CHAPTER II

GOVERNMENT MANAGEMENT

SEC. 4. *Ownership of Mineral Resources.* - Mineral resources are owned by the State