

Primer On Application For Exploration Permit (EP)

(For application filed on August 26, 2005, or thereafter)

NOTE: This Primer is based on Republic Act No. 7942, i.e., "The Philippine Mining Act of 1995" and its implementing rules and regulations.

What is an Exploration Permit?

An Exploration Permit (EP) is an initial mode of entry in mineral exploration allowing a Qualified Person to undertake exploration activities for mineral resources in certain areas open to mining in the country.

Who is a Qualified Person?

A Qualified Person is:

- (a) any Filipino citizen of legal age and with capacity to contract;
- (b) a Filipino-owned Corporation, Partnership, Association or Cooperative, at least sixty percent (60%) of the capital is owned by Filipino citizens, 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 the law; or
- (c) a foreign-owned Corporation, Partnership, Association or Cooperative duly registered in accordance with law and in which less than fifty percent (50%) of the capital is owned by Filipino citizens.

How much area is granted for an Exploration Permit?

Each Qualified Person is limited to the following maximum size of area to apply for or hold at any one time under an EP.

QUALIFIED PERSON	ONSHORE (in any one Province)	ONSHORE (In the entire Philippines)	OFFSHORE (In the entire Philippines, beyond five hundred meters [500 m] from the mean low tide level)
<i>Individual</i>	20 meridional blocks or 1,620 hectares	40 meridional blocks or 3,240 hectares	100 meridional blocks or 8,100 hectares
<i>Corporation/ Partnership/ Association/ Cooperative</i>	200 meridional blocks or 16,200 hectares	400 meridional blocks or 32,400 hectares	1,000 meridional blocks or 81,000 hectares

Note: One meridional block is equivalent to approximately 81 hectares.

What is the term of an Exploration Permit?

The term of an Exploration Permit is for a period of two (2) years from date of its issuance, renewable for like periods but not to exceed a total term of four (4) years for nonmetallic mineral exploration or six (6) years for metallic mineral exploration.

Renewal of the Permit is allowed if the Permittee has complied with all the terms and conditions of the Permit and he/she/it has not been found guilty of violation of any provision of Republic Act No. 7942 or the “The Philippine Mining Act of 1995” and its implementing rules and regulations.

Likewise, the conduct of a feasibility study and filing of the declaration of mining project feasibility are undertaken during the term of the Permit.

What are the mandatory requirements in the acceptance of an EP application?

An EP application shall be filed in the Mines and Geosciences Bureau (MGB) Regional Office (RO) concerned, for mineral and non-mineral reservation areas, using the prescribed form (MGB Form No. 05-1) through payment of the filing fee and submission of five (5) sets of the following mandatory requirements:

- Location map/sketch plan** of the proposed permit area showing its geographic coordinates/ meridional block(s) and boundaries in relation to major environmental features and other projects using a National Mapping and Resource Information Authority (NAMRIA) topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;
- Two-year Exploration Work Program** (MGB Form No. 5-4) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist;
- Proof of technical competence**, including, among others, curricula vitae and track records in exploration and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Exploration Work Program;
- Proof of financial capability** to undertake the Exploration Work Program, such as the following:
 1. For an individual – Copy of income tax return for the preceding year and proof of **bank deposit or credit line** in the amount of at least **Two Million Five Hundred Thousand Pesos (PhP 2,500,000.00)** and
 2. For a corporation, partnership, association or cooperative - Latest audited financial statement and, where applicable, **Annual Report** for the preceding year, **credit line(s), bank guarantee(s)** and/or similar **negotiable instruments**;

- Photocopy of Articles of Incorporation/Partnership/Association, By-Laws and Certificate of Registration**, duly certified by the Securities and Exchange Commission or authorized Government agency(ies) concerned, for a corporation, partnership, association or cooperative, or Certification from the Bureau/Regional Office concerned that said documents are duly registered in that Office; and
- Affidavit of Undertaking for corporation, partnership, association or cooperatives*** (Annex A of DENR Memorandum Order No. 99-10) declaring:
 1. The list of applications filed and the Mining Permit(s)/Contract(s) granted to the applicants, including the corresponding hectarage and location of the areas, disaggregated on a per province basis; and
 2. The list of other Applicant(s)/Contractor(s)/Permittee(s) in which more than seventy percent (70%) of the authorized capital stock is held by stockholders of the applicant, including the corresponding hectarage, disaggregated on a per province basis.

Please note that any application with incomplete mandatory requirements shall not be accepted.

What are the other additional requirements after an EP application is filed?

The following additional requirements shall be required from the applicant submitted after the acceptance of the application but prior to the issuance of the Exploration Permit:

- Certificate of Environmental Management and Community Relations Record (CEMCRR)/Certificate of Exemption;**
- Environmental Work Program** (MGB Form No. 16-1 or MGB Form No. 16-1A). If the applicant is a member of the Chamber of Mines of the Philippines, Inc. (COMP), he/she/it must submit Certificate of Good Membership Standing, which is a necessary requirement before the EWP can be evaluated.
- Certification Precondition** from the National Commission on Indigenous Peoples attesting that –
 - a. The proposed permit area does not overlap any ancestral land/domain claim in case of non-Indigenous People (IP) area; or
 - b. The Free and Prior Informed Consent (FPIC) has been issued by the Indigenous Cultural Community (ICC)/IP concerned.

For OFFSHORE applications, the following additional requirements shall be submitted:

- Name, port of registry, tonnage, type and class of survey vessel(s) or platform(s). If a foreign vessel is to be used, the expected date of first entry or appearance and final departure of the survey vessel shall be provided and the necessary clearances obtained

- A certification from the Coast and Geodetic Survey Department of NAMRIA that the proposed Exploration Work Program was duly registered to provide update in the publication of “Notice to Mariners” together with a list of safety measures to be regularly undertaken to ensure the safety of navigation at sea and prevent accident

- An agreement to:
 1. Properly identify all installations, vessels and other crafts involved in exploration recognizable to all vessels within reasonable distance;
 2. Notify the Bureau 30 calendar days prior to the intention to remove all scientific installations or equipment and apparatus; and
 3. Allow the Bureau’s authorized personnel, the Philippine Coast Guard and other authorized persons during reasonable hours to board the vessel(s) while within the Exclusive Economic Zone.

- Other supporting documents that may required by the Mines and Geosciences Bureau.

EP PROCESS FLOWCHART

