

**DENR ADMINISTRATIVE ORDER
NO. 5**

**SUBJECT: Rules and Regulations Governing the Granting of
Processor's Permit Related to Small Scale Gold Mining.**

Pursuant to Section 8 of Presidential Decree No. 1988, entitled "Establishing Small Scale Mining as a New Dimension in Mineral Development", the following rules and regulations are hereby promulgated for the guidance of all concerned:

Section 1. Definition of Terms. – Unless otherwise specified, the terms and phrases used in these rules and regulations shall have the following meaning:

- (a) "Government" – the Government of the Republic of the Philippines
- (b) "Secretary" – the Secretary of the Department of Environment and Natural Resources
- (c) "Regional Executive Director" – the head of the Department of Environment and Natural Resources Regional Office
- (d) "Mayor" – city or municipal mayor
- (e) "Processing" – extraction of gold from naturally occurring rocks or minerals such as gravity concentration, leaching, beneficiation, cyanidation, amalgamation, smelting, hydrometallurgy, and other similar activities.
- (f) "Mineral Processing Zone" – designated place outside subsisting mining lease/license/permit where gold bearing naturally occurring rocks or minerals may be processed

Section 2. Processor's Permit. A person or entity may engage in the processing of gold bearing naturally occurring rocks or minerals upon issuance of a processor's permit by the Regional Executive Director or persons duly deputized by the Regional Executive Director. However, those who are presently engaged in the said activity shall secure a processor's permit within three (3) months from the effectivity of this Order.

Section 3. Qualification. Any Filipino citizen, of legal age and with capacity to contract, duly registered and accredited association or cooperative or corporation or partnership at least sixty per centum (60%) of the capital of which is owned by Filipinos, may apply for and may be granted a processor's permit.

Section 4. Application. An application for a gold processor's permit by a qualified person who will be using cyanide, mercury and other toxic substance shall be filed with, and be approved or disapproved by the Regional Executive Director concerned within thirty (30) days after filing, accompanied by the following:

- (a) Proof of financial and technical capability to undertake the processing of gold bearing rocks or minerals in accordance with the accompanying work plan and proposed plant capacity, such as but not limited to the latest financial statements, bank certification, and list of technical men employed by the applicant;
- (b) Work plans, plant site, mill and plant layout design, clearly indicating the safety and antipollution devices/measures as well as the plant capacity which shall not-exceed 50,000 tons of mill feed per year;
- (c) If the applicant is a partnership, association, cooperative or corporation, proofs or evidences showing that it is a licensed and/or duly registered with appropriate government agencies;
- (d) Environmental Clearance Certificate from the Environmental Management Bureau; and
- (e) Application fee in the amount of Three Hundred Pesos (P300.00).

Holders of planning permit and those who use gravity concentration method or nontoxic substances may apply for be granted a processor's permit by the Mayor concerned upon deputization by the Regional Executive Director. Said application shall be accompanied only by the abovementioned application fee.

Section 5. Plant Site. The processing plant shall be located within a mining lease/license/permit area or in a Mineral Processing Zone designated by the Mayor of the municipality or city wherein the site is located, upon recommendation of the Regional Executive Director.

Section 6. Term of the Permit. The term of the permit shall be for a period of four (4) years and renewable for like periods.

Section 7. Renewal. The application for renewal of a gold processor's permit shall be filed thirty (30) to forty five (45) days before the expiration of the processor's permit and shall be acted upon on or before the day of expiration. The renewal may be approved provided that the applicant has complied with all the terms and conditions of the permit and the relevant provisions of mining laws, rules and regulations, as well as of this administrative order.

Section 8. Compliance with Health and Environmental Laws. All laws, rules and regulations governing health, sanitation, pollution control, zoning, labor and mine safety, as well as those for the protection and enhancement of the environment shall be observed and complied within the operation of the gold processing plant.

Section 9. Monitoring and Submission of Reports. The operators of gold processing plants shall submit quarterly production and activity reports in the prescribed form to the Regional Executive Director concerned, who may however require them to submit other reports related to the plant operations. The Regional Executive Director or his authorized representative shall conduct an on site inspection of deliveries of cyanide, mercury and other substances as well as validation of the reports submitted for which the operators may be charged a verification and inspection fee therefrom.

Section 10. Cancellation, Suspension of Permit and Administrative Fines. The noncompliance with and/or violation of this rules and regulations and terms and conditions of the permit shall constitute grounds for the imposition of administrative fines to be imposed by the Regional Executive Director in an amount of not less than FIVE THOUSAND but not more than TWENTY THOUSAND PESOS, and/or suspension/cancellation of the permit.

Section 11. Separability Clause. If any clause, sentence, provision or section of this rules and regulations shall be held invalid or unconstitutional, the remaining parts of this rules and regulations shall not be affected thereby.

Section 12. Repealing Clause. Section 1 (z) and Section 27-A of Mines Administrative Order No. MRD-41, series of 1984, as amended by Mines Administrative Order No. MRD-50, and all other orders, rules and regulations inconsistent with the provisions of this Administrative Order are hereby repealed and/or modified accordingly.

Section 13. Effectively. This Administrative Order shall take effect fifteen (15) days after publication in a newspaper of national circulation and the Official Gazette.

FULGENCIO S. FACTORAN, JR.
Secretary

Recommended by:

GUILLERMO R. BALCE
Director

Signed on January 11, 1989