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**DENR ADMINISTRATIVE ORDER**  
**No. 2019- 19**

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**SUBJECT: GUIDELINES ON THE DISPOSITION OF RESIDUAL STOCKPILES SOURCED FROM SMALL-SCALE MINING OPERATION PREVIOUSLY COVERED BY VALID MINING PERMITS ISSUED PURSUANT TO PRESIDENTIAL DECREE NO. 1899 AND TEMPORARY SMALL-SCALE MINING CONTRACTS UNDER DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES ADMINISTRATIVE ORDER NO. 2012-07, THE IRR OF EXECUTIVE ORDER NO. 79, SERIES OF 2012**

Pursuant to Republic Act (RA) No. 7942, otherwise known as the Philippine Mining Act of 1995, and its Revised Implementing Rules and Regulations (IRR), Department of Environment and Natural Resources Administrative Order (DAO) No. 2010-21; Executive Order (EO) No. 79, Series of 2012 in re: Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources, and their IRR, and other pertinent laws, rules and regulations, the following are hereby promulgated for the guidance and compliance of all concerned:

## **SECTION 1. COVERAGE**

This Administrative Order shall cover all undisposed residual stockpiles sourced from small-scale mining operations previously covered by Small-Scale Mining Permits (SSMP) issued pursuant to Presidential Decree (PD) No. 1899 or Temporary Small-Scale Mining Contract (TSSMC) pursuant to Section 14 (a)<sup>1</sup> of DAO No. 2012-07.

## **SECTION 2. DEFINITIONS**

As used in and for purposes of this Administrative Order, the following terms are defined accordingly:

- a. "Qualified Applicant" refers to any holder of SSMP under PD No. 1899 or TSSMC issued under DAO No. 2012-07 or Accredited Trader/Buyer/Retailer under DAO No. 2010-21;

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<sup>1</sup> xxx Small-scale mining operations under Small-Scale Mining Permits (SSMP) issued under PD No. 1899 shall be recognized until their expiration unless the same are earlier revoked, cancelled or terminated with cause: Provided, that the affected small-scale miners operating under SSMPs involving gold, silver and chromite and non-metallic minerals may have the option to continue small-scale mining operations thru a Small-scale Mining Contract (SSMC) issued pursuant to the provisions of RA No. 7076: Provided, further, that holders of SSMPs with a remaining term of less than one (1) year may be given a temporary SSMPs by Governor/City Mayor concerned upon the recommendation by the P/CMRB concerned to continue small-scale mining operations within a period of six (6) months or until their area is declared a Minahang Bayan, whichever comes first.

- b. "Residual stockpile" refers to ores that were previously extracted by a Qualified Applicant but were not disposed during the validity of the mining permit/contract; and
- c. "Environmental Management Plan" refers to the plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the disturbed environment during the disposition of the residual stockpiles.

### **SECTION 3. CONDITIONS FOR THE DISPOSAL OF RESIDUAL STOCKPILES**

The residual stockpiles may be disposed subject to the following conditions:

1. The residual stockpiles outside the mine site should have been covered by an Ore Transport Permit (OTP) and/or Mineral Ore Export Permit (MOEP) and validated by the Mines and Geosciences Bureau Regional Office (MGB RO) concerned;
2. The residual stockpiles are not subject of any pending case or adverse claims;
3. The volume of residual stockpile and disposed ores shall not exceed the allowable volume of extraction pursuant to the permit/contract or the Environmental Compliance Certificate (ECC), whichever is lower; and
4. Proof of ownership of the stockpiles shall be established, e.g., permits/contracts, supply agreements, and actual possession.

### **SECTION 4. FILING OF APPLICATION AND MANDATORY REQUIREMENTS**

The application for the disposition of residual stockpiles together with the following mandatory requirements shall be filed in the MGB RO concerned:

1. Filled-up Application Form (Annex A);
2. Original or Certified True Copy (CTC) of the SSMP and TSSMC;
3. Original or CTC of the ECC;
4. Original or CTC of OTPs and MOEPs issued to the permit holder/contractor;
5. Original or CTC of the Sales Invoice/Receipt of previously sold/exported similar minerals/mineral products/by-products, if any;
6. MGB RO concerned validation report; and
7. Sworn Undertaking that the Qualified Applicant shall be liable for any third-party claims over the subject residual stockpiles.

In case the owner/possessor is an Accredited Trader/Buyer, in addition to the above requirements, he/she shall submit the Sales Contract/Agreement made during the validity of the SSMP or TSSMC.

### **SECTION 5. ENVIRONMENTAL MANAGEMENT PLAN**

Upon determination that the stockpiles can be disposed of, the Qualified Applicant shall be required to submit the Environmental Management Plan (EMP), Annex B hereof, duly prepared by a licensed Mining/Metallurgical Engineer/Geologist/Environmental Planner. This shall cover the three (3) months allowable period for the disposition of the residual stockpiles. The EMP shall be approved by the MGB RO concerned within seven (7) days upon receipt thereof.

The total budget equivalent to no less than ten percent (10%) of the gross sales value of the residual stockpiles shall be deposited in a Government depository bank under the name of the Qualified Applicant. The request for withdrawal and disbursement from said amount by the Qualified Applicant shall be submitted to the MGB Regional Director concerned for consideration and approval, based on the approved EMP. Receipt of deposit shall be submitted to the MGB RO concerned prior to any issuance of OTP and/or MOEP.

#### **SECTION 6. POSTING OF NOTICE OF APPLICATION**

The MGB RO concerned shall issue the Notice of Application to the Qualified Applicant for posting on the bulletin board of the municipality or city and barangay(s) concerned for one (1) week.

The Certification that the Notice was posted and no adverse claim was filed shall be issued by the municipality/city and barangay concerned. The Qualified Applicant shall submit to the MGB RO concerned the required Certifications.

#### **SECTION 7. ISSUANCE OF OTP AND/OR MOEP**

If the above requirements are complied with, the MGB RO concerned shall issue the corresponding OTP and/or MOEP for the disposition of the residual stockpiles, pursuant to existing rules and regulations.

#### **SECTION 8. DISPOSITION OF RESIDUAL STOCKPILES**

The residual stockpiles must be disposed within three (3) months from the issuance of the OTP and/or MOEP.

Failure to dispose the residual stockpiles within the prescribed period shall mean abandonment of the same in favor of the Government.

#### **SECTION 9. REPORTING**

The MGB RO concerned shall report and provide a copy of its issued OTPs and MOEPs, with all the pertinent documents, to the MGB Central Office within seven (7) days from the issuance thereof.

#### **SECTION 10. PENAL AND OTHER PROVISIONS**

Violation of any of the provisions of this Administrative Order shall be penalized pursuant to existing laws, rules and regulations.

The Qualified Applicant shall pay for damages that may be caused by the same until such time that the residual stockpiles are disposed.

The Qualified Applicant shall strictly comply with the provisions of DAO No. 97-30 in re: Small-Scale Mine Safety Rules and Regulations in the disposition of the residual stockpiles.

## **SECTION 11. REPEALING CLAUSE**

All orders, rules and regulations, and other issuances, or parts thereof, in conflict or inconsistent herewith are hereby repealed and/or modified accordingly.

## **SECTION 12. SEPARABILITY AND AMENDING CLAUSE**

Any section or provision of this Administrative Order, which is declared unconstitutional, shall not affect the other sections or provisions hereof.

The Secretary shall have the authority, *inter alia*, to amend, revise, add, clarify, supplement, interpret, delete, or make exemptions to any provision of this Administrative Order.

## **SECTION 13. EFFECTIVITY**

This Administrative Order shall take effect fifteen (15) days following its publication in a newspaper of general circulation and its registration in the Office of the National Administrative Register.

All residual stockpiles for disposal not applied within one (1) year from the effectivity of this Administrative Order shall be declared as abandoned and shall be owned by the Government.

  
**ROY A. CIMATU**  
Secretary



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U.P. LAW CENTER