



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



FEB 26 2026

DENR ADMINISTRATIVE ORDER

No. 2026 - 08

SUBJECT: ISSUANCE OF INTERIM SMALL - SCALE MINING CONTRACTS

Pursuant to Executive Order No. 192, series of 1987; Republic Act No. 7076, otherwise known as the "People's Small-Scale Mining Act of 1991"; DENR Administrative Order No. 2022-03, "Revised Implementing Rules and Regulations of RA 7076", the following guidelines on the application, processing and awarding of Interim Small-Scale Mining Contracts (SSMCs) are hereby issued:

SECTION 1. Basic Policy. It is the policy of the State to promote, develop, protect and rationalize viable small-scale mining activities in order to generate more employment opportunities and provide an equitable sharing of the nation's wealth and natural resources, giving due regard to existing rights.

SECTION 2. Objectives. To facilitate the formalization of small-scale mining activities, promote equitable utilization of mineral resources, generate livelihood for local communities, and strengthen the sale of gold for our domestic reserves while ensuring that all operations comply with safety, health, environmental, and social standards.

SECTION 3. Scope and Coverage. All persons undertaking or intending to undertake small-scale mining operations within a declared *Minahang Bayan* and registered with the Board pursuant to Section 6 of DAO No. 2022-03, or its amendment.

SECTION 4. Application, Processing, and Awarding of Interim Small-Scale Mining Contracts.

1. All persons undertaking or intending to undertake small-scale mining operations within a declared *Minahang Bayan* shall register with the Board pursuant to Section 6 of DAO No. 2022-03, or its amendment. In the case of associations/cooperative/corporation/partnership, their representatives shall register with the Board;



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2. Applicants shall submit to the Board the duly accomplished application form for Small-Scale Mining Contract (Form No. SSM-01) and pay the application fee of PhP10,000.00;
3. Interested applicants may submit to the Board a Letter of Intent to avail of the issuance of Interim SSMC covering the same area applied for SSMC, together with their Work Programs, following the outline in Annex A hereof;
4. Upon determination or verification that the applicant is a Filipino citizen and that the area applied for under the Interim SSMC is located within declared *Minahang Bayan*, the Board, or the MGB Regional Director, upon authorization by the Board to act as its representative, shall accept and process applications for Interim SSMC, and issuance thereof, granting the Interim SSMC holder the right to extract and process minerals for a non-renewable and non-extendable term of two (2) years, subject to the condition that the Interim SSMC holder shall forthwith commence compliance with the requirements for SSMC application and the provisions of RA No. 7076, other applicable laws, and their implementing rules and regulations, including the following:
 - a. That the extraction and/or mineral processing activities shall be confined within the area covered by the Interim SSMC: *Provided*, That for purposes of this Order, mineral processing activities shall refer to activities for the treatment of mineral ore for the recovery of minerals and by-products, pursuant to R.A. No. 7076 and DENR Administrative Order No. 2022-03; *Provided further*, That mineral processing operations located outside the Interim SSMC area shall be covered by a Mineral Processing License (MPL) within a duly designated Mineral Processing Zone (MPZ);
 - b. No mercury shall be used in any stage of the mining operations;
 - c. No person below eighteen (18) years of age shall be engaged, employed, or allowed to participate in mining or mineral processing activities;
 - d. That the gold produced and/or recovered through mineral processing activities that are integral to the extraction activities or through a separate facility covered by an MPL, shall be sold to the *Bangko Sentral ng Pilipinas* (BSP);
 - e. The SSMC application requirements shall be completed not later than six (6) months prior to the expiration of the Interim SSMC;
 - f. That the Interim SSMC holder shall take all reasonable measures and exercise due diligence to protect and promote the safety of the small-scale miners and to prevent, mitigate, and minimize adverse

environmental impacts. The Interim SSMC holder shall deposit in any Government depository bank an environmental and social funds covering the entire period of the interim SSMC contract. For the first quarter, it shall be deposited in the bank within two (2) months from the issuance of the Interim SSMC. The environmental and social funds for the succeeding quarters shall be deposited before the start of the succeeding quarter. Said funds shall be deposited in any Government depository bank after the execution of the Memorandum of Agreement (MOA) by and between the Interim Small-Scale Mining Contractor/Small-Scale Mining Contractor or MPL holder, and the Board;

- g. Small-scale mining and mineral processing, including mine waste and tailings management and proper use of water resources, shall be undertaken in accordance with the approved work programs; and
 - h. Conduct of environmental enhancement and protection activities in adjacent or affected areas including but not limited to reforestation, pollution prevention and control measures, and similar interventions, shall be implemented in accordance with the approved work programs.
5. A Multi-partite Monitoring Team shall be constituted by the Board for the purpose of monitoring compliance with safety, environmental, and other relevant laws, rules, and regulations;
 6. The Board shall monitor quarterly the compliance of the Interim SSMC Holder with the terms and conditions of the Interim SSMC, including the work programs and sale of gold to the BSP or its accredited traders;
 7. Applications for Interim SSMCs shall be accepted only within two (2) years from the effectivity of this Administrative Order;
 8. The following shall be the grounds, after due process, for the cancellation of the Interim SSMC and the denial of the application for SSMC:
 - a. Violation of the terms and conditions of the Interim SSMC;
 - b. Non-implementation of the work programs; and
 - c. Non-compliance with any of the provisions of this Administrative Order.

SECTION 5. Separability Clause. If any clause, sentence, section, or provision of this Order is held or declared to be unconstitutional or invalid by a competent court, the remaining parts of this Order shall not be affected thereby.

SECTION 6. Repealing Clause. All orders, circulars and directives or parts thereof inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

SECTION 7. Effectivity. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and upon filing of three (3) certified copies with the Office of the National Administrative Register (ONAR) and the UP Law Center.


RAPHAEL P.M. LOTILLA
Secretary



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