

government's share however, will not be less than 5% of gross revenues from such operations inclusive of excise tax.

Table 3.2: Minimum Investment and Area Requirements

Activity	Investment Requirement	Area Requirement
Prospecting	US\$1 million or Peso equivalent in direct costs; max. of 2 yrs.	onshore : < 40,000 has. offshore: <100,000 has.
Exploration	US\$1 million or Peso equivalent in direct costs; max. of 6 yrs.	onshore : < 20,000 has. offshore: < 50,000 has.
Mining Operations	US\$20 million or Peso equivalent; in direct costs; max. of 2 yrs.	---

Source: Mineral Resource Development Act of 1988 (Draft)

Chapter Notes

- [1] For example, alternative estimates by Consolidated Goldfields and the Brook Hunt Associates show that BMGS estimates were underestimated by 31% and 25% respectively in 1985. Although these estimates may be speculative, there is no doubt about the increasing contribution of panned gold production to the country's overall gold production.
- [2] Active mining areas are mining claims or areas under actual exploration, development, utilization or commercial production.
- [3] Priority areas will be those occupied and actively mined by small scale miners before August 1, 1987 such fact has been duly registered with the regional executive director.
- [4] SGV Study on Mining and Ore Dressing Sector (1989).
- [5] The following terms are defined as follows in the proposed Mineral Resources Development Act of 1988:

Prospecting - the cursory examination of lands for the purpose of finding indications of mineral resources and delineating areas called prospects that could possibly contain them.