

MALACAÑANG
M a n i l a

PRESIDENTIAL DECREE No. 512 July 19, 1974

**DECLARING PROSPECTING AND OTHER MINING OPERATIONS OF PUBLIC USE AND BENEFIT AND
ESTABLISHING THE BASIS AND PRESCRIBING THE RULES AND PROCEDURES RELATIVE TO
ACQUISITION AND USE OF SURFACE RIGHTS IN MINERAL PROSPECTING, DEVELOPMENT AND
EXPLOITATION, AND PROVIDING PROTECTION AND COMPENSATION TO SURFACE OWNERS**

WHEREAS, the total efforts being exerted being by the Government to encourage and accelerate the development of our mineral resources is sometimes snagged or hampered by the difficulties and delays in securing surface rights under existing laws and regulations for the entry into private lands for purposes of prospecting, location, exploration, development and exploitation of mining claims, due to the frequent and, the time, unreasonable objections on the part of owners and occupants of private lands;

WHEREAS, it is desirable that there should be incentives and encouragement given to surface right owners and occupants to grant the necessary entry permit for mineral prospecting, location, exploration, development, and exploitation; and

WHEREAS, in order to achieve full and accelerated mineral resources development and to provide necessary protection to private land owners and occupants, a new system of surface rights acquisition and use by mining prospectors and claimants has to be provided.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order as part of the law of the land the following:

Section 1. Mineral prospecting, location, exploration, development and exploitation is hereby declared of public use and benefit, and for which the power of eminent domain may be invoked and exercised for the entry, acquisition and use of private lands: Provided, That any person or entity acquiring any option or right on such land after the first publication of the notice of any mining lease covering such land shall not be entitled to the compensation herein provided.

Section 2. Subject to prior notification, prospectors or claimants of mineral lands shall not be prevented from entry into private lands surface owners and occupants when prospecting or exploring therein: Provided, That any damage done to the property of the surface owner shall be properly compensated: Provided, further, That to guarantee such compensation to the surface owner, the prospector or claimowner shall post a bond with the Bureau of Mines in an amount to be fixed by the Director of Mines based on the type of property and the prevailing price of lands in the area where prospecting and other mining activities are to be conducted and with surety or sureties satisfactory to the Director of Mines. The decision of the Director of Mines may be appealed within five (5) days from receipt thereof to the Secretary of Natural Resources, whose decision shall be final.

Section 3. The owner of a titled property within which mineral development or exploitation is undertaken shall be entitled to at least one-third (1/3) of the total royalty due the claimowner from the operator based on the prevailing standard royalty in the area where said mining operation is being undertaken, or one percent (1%) of the value of the gross output of minerals therein where there is no prevailing standard royalty or in any other case where no royalty payment is involved or has been, arranged: Provided, That such landowner may choose to receive payment for any damage caused to his property and compensation for his land at the prevailing market price or assessed value, whichever is higher, plus five percent (5%) of the royalty due the claimowner of the value of gross output of metallic minerals therein; Provided, further, That if the right of the surface owner to his land is based on incomplete land titles, as homesteads, sales, leases and other forms of land rights not perfected under the torrens systems, the surface right compensation shall be one-fifth (1/5) of the total royalty due the claimowner from the operator, or damages and payment of the land plus three percent (3%) of the royalty due the said claimowner, or six-tenths of one percent (1%) of the value of the gross output as above stated: Provided, finally, That the rate of royalty herein set shall apply only in cases of the exploration, development and exploitation of metallic ores. Metallic ores shall be those containing metals, such as gold, copper, silver, iron, nickel and other minerals which the Director of Mines may determine as such by regulation.

Section 4. Government reserved lands for purposes other than mining shall be open to prospecting by filing an application therefor to the agency supervising the reserved lands, through the Director of Mines, subject always to compliance with pertinent laws and rules and regulations covering such reserved lands; Provided, That such applications shall be acted upon thirty (30) days: Provided, further, That in such cases the compensation due the surface owner shall accrue equally between the supervising agency and the Bureau of Mines as part of their Special Funds, to be disbursed for conservation measures.

Section 5. The Director of Mines with the approval of the Secretary of Natural Resources shall issue the necessary

rules and regulations to implement and put into effect the provisions of this Decree.

Section 6. All provisions of existing decrees, laws, orders, rules and regulations or parts thereof in conflict or inconsistent herewith are hereby repealed or modified accordingly.

Section 7. This Decree shall take effect immediately.

DONE in the City of Manila, this 19th day of July, in the year of Our Lord, nineteen hundred and seventy-four.