



Region: Eastern Visayas (Region VIII)

Municipality: 22

Barangays: 597

Population: 467,160 (as of 2015)

Income classification: 2nd Class Province

Major economic activities: *farming, fishing, mining, manufacturing*

Economic Growth

The Philippine government commits to provide a competitive investment climate and adequate protection of the rights and privileges of mining investors.

Mineral Statistics

PhP18,051,441.53

Estimated amount contributed by the operating mines in the province in the form of taxes, fees and royalties

Mining Investments

US\$1,437,500 or PhP69,000,000.00 million (as of December 2016)

Total reported investments of mining projects in ES

Mineral Commodities

PhP503,561,066.00.

Estimated value of chromite and nickel ore produced in ES for 2016

PhP642,092,842.08.

Estimated total value of nickel and iron concentrate exported in 2014-2016 to China

Employment

1,643 as of 2016

Workers employed at the four (4) operating mines in ES. While estimates vary, it is conservatively assumed that for every basic job in the mining company, about four non-basic jobs may be generated in the upstream and downstream sectors.

Taxes Paid

PhP18,051,441.53

Amount of national and local taxes, fees and royalties generated and contributed to the Philippine economy in 2014-2016 by operating mines in ES.

Eastern Samar MINERAL PROFILE

The Philippine government promotes the rational exploration, development, utilization and conservation of mineral resources guided by its commitment to responsible minerals development



Mineral resource Development Projects

2 chromite mines

- Chromiteking Mining Corp. operated by Techiron Res. Inc.
- Mt. Sinai Resources and Exploration Corporation

1 nickel mines

- Emir Mineral Resources Corporation

CMP

- Hinatuan Mining Corporation

Social Equity and Development

The Philippine government recognizes the rights and participation of the communities and ensures fair and equitable sharing of benefits among the company, the government and host communities.

Land Area and Mineral Potential

466,611 hectares

Total land area of Eastern Samar in hectares.

21% or 2,010.1601 hectares

Percentage of Eastern Samar's total land area covered by operating mines out of 9,742.6371 approved mining rights.

Environment Protection and Management

The Philippine government ensures the adequate protection of the environment, before, during, mining operations and beyond the life of the mine.

Social Development and Management

PhP365,706,205.95

Amount committed by operating mines for the development of their host and neighboring communities through their approved Social Development and Management Programs which benefited about 5 barangays.

Environmental Protection and Management

PhP1,235,117.

Amount committed for the implementation of approved plans/programs/projects/activities under the Environmental protection and Enhancement Programs and Final Mine Rehabilitation and/or Decommissioning plans, respectively.

Mining Forest Program

111,413 seedlings

Number of seedlings planted by the operating mines in about 126.0432 hectares of mined-out and other barren areas as of 2016.

EASTERN SAMAR

Mineral Profile

I. GENERAL INFORMATION

Region: *Eastern Visayas (Region VIII)*

Province: *Eastern Samar*

Population: *467,160 (as of 2015)*

Income classification: 2nd Class Province

Major economic activities: *farming, fishing, mining, manufacturing*

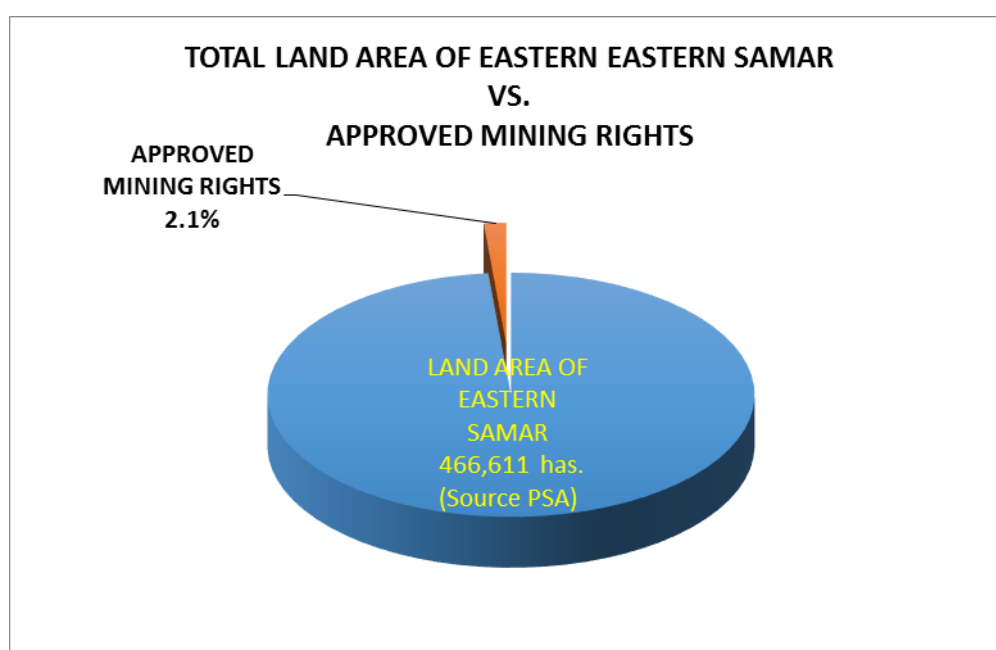
Eastern Samar occupies the eastern portion of the island of Samar. The entire east coast of the province faces the Philippine Sea that forms part of the Pacific Ocean. Eastern Samar's other boundaries are: Northern Samar on the north; Samar on the west; and on the south is Leyte Gulf that merges farther south with Surigao Strait. Its capital is the city of Borongan.

Eastern Samar comprises 22 municipalities and one city, further subdivided into 597 barangays all encompassed by a single legislative district.

The largest offshore island of Homonhon and the island of Suluan in Guiuan lie off the southern tip of the province. The other main islands of the province are: Manicani and Tubabao in Guiuan; Gutosan in Arteche; San Vicente (formerly known as Catalab-an in Sulat; Hilaba-an in Dolores; Divinubo in Borongan; and Butig in Salcedo.

II. LAND AREA AND MINERAL POTENTIAL

Total land area of Eastern Samar is 466,611 hectares. The total area covered by the approved mining rights is only 2.1% or 9,742.6371 hectares of the total land area of Eastern Samar and only around 21% or 2,010.1601 hectares are covered by operating mines out of 9,742.6371 approved mining rights.



Number of Mining Rights Issued by National Government in Eastern Samar

TYPE OF MINING RIGHT	NUMBER	AREA (has.)
Mineral Production Sharing Agreements (MPSA)	5	8,296.87
Exploration Permits (EP)		-
Minahang Bayan	4	80.00
JOA/PMDC	3	1,365.76
TOTAL	12	9,742.63

The estimated metallic mineral reserve of the province is 106.673 million metric tons. Approximately 60 percent of this reserve is bauxite. Certain parts of the province contain substantial deposits of nickel, copper, and chromite. The estimated nickel deposit in Borongan and Guiuan is 14.0 million metric tons. Approximately 32.5 million metric tons of copper are in Sulat. Meanwhile, Llorente, Hernani, Gen. MacArthur, and Maydolong have chromite deposits estimated at 3.5 million metric tons. Both citaneferous and titaneferous magnetite ores are present in Borongan and Guiuan with total estimated reserves aggregating to 4.65 million metric tons. Some areas hold undetermined deposits of gold, aluminum, iron, and jade.

The province has undetermined vast reserves of gravel and sand that can be found in major rivers and along the coastline. Coal deposits in Giporlos have been estimated to be in the vicinity of 123,145 metric tons.

Estimated Metallic, Non-Metallic and Other Mineral Deposits

Mineral Resources	Location	Estimated Reserve (in million mt)	Status
Metallics			
Nickel	Borongan	13.278	Unknown
	Guiuan	1.028	
Copper	Sulat	0.032	Under Exploration
Bauxite	Salcedo	10.658	Explored/Unmined
	Mercedes	47.858	
	Guiuan	25.640	
Manganese	Borongan	0.0007	Under Exploration
Chromite	Llorente	-	Unknown
	Hernani	-	
	Gen. MacArthur	3.500	
	Maydolong	0.013	
	Guiuan	-	
Laterite Iron	Maydolong	0.012	Unknown
Citaniferous Magnitite	Borongan	4.596	Unknown
Titaniferous Magnitite	Guiuan	0.058	Unknown
Total		106.673	
B. Non-Metallics			
Coal	Giporlos	0.123	
Clay	Dolores	0.189	
	Borongan	0.108	
Total		0.420	
Sand and Gravel	Rivers of Borongan Sulat and Gen. Mac Arthur		
Rocks and Boulder along Corals and Rocks	Interior of Taft Entire Coastline of the province		
Marble-like stone	In some white beaches		
Guano	Taft and several caves of the province		

C. Other Mineral Reserves Gold Aluminum Iron Jade	Llorente, Gen. MacArthur, Hernani, Giporlos and Balangiga Salcedo & Quinapondan Gen. MacArthur and Mercedes Lawaan		
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Source: Mines and Geo-Sciences Bureau, Region VIII

III. MINERAL RESOURCES DEVELOPMENT PROJECTS

In 2016, Eastern Samar hosts three (3) operating mines; two (2) chromite, one (1) nickel. Hinatuan Mining Corporation (HMC) is under care and maintenance program but was able to ship its remaining stockpiles.

		Mining Projects/ Operators
2 chromite mines		<ul style="list-style-type: none"> • Chromiteking Mining Corp. operated by Techiron Res. Inc. located in Brgy. Cagusuan and Pagbabangnan, Homonhon Is. Eastern Samar • Mt. Sinai Resources and Exploration Corporation located in Brgy. Cagusuan, Culasi and Pagbabangnan, Homonhon Is. Eastern Samar
1 nickel mines		<ul style="list-style-type: none"> • Emir Mineral Resources Corporation in Brgy. Casuguran and Canawayon, Homonhon Is. Eastern Samar
CMP		<ul style="list-style-type: none"> • Hinatuan Mining Corporation located in Brgy. San Jose, Hamorawon, Buenavista and Banaag, Manicani Island, Guiuan, Eastern, Samar

IV. ECONOMIC CONTRIBUTION

In 2014-2016, mining has significantly contributed to the province's economic landscape in the form of fees and taxes such as occupation fees and excise taxes paid by the mining companies.

As shown in the table below, from 2014 up to 2016, the mining sector contributed a total of PhP18,051,441.53.

Taxes, Fees and Royalties Collected, 2014-2016

CONTRACTOR	TENEMENT NUMBER	ANNUAL OCCUPATION FEE	EXCISE TAX (Shipment)	EXTRACTION FEE	ROYALTY (MGB)
Chromitekine, Inc.	MPSA-292-2009-VIII-B	791,325.00	3,524,496.05		
Hinatuan Mining Corporation	MPSA-012-92-VIII	262,095.00	6,919,316.12		1,827,167.78
Masada Resources and Mining Corporation	JOA	184,054.41			
Mt. Sinai Mining Exploration and Development Corporation	JOA	21,454.50			
Emir Mineral Resources Corporation		20,934.73	5,922,540.72		
Masada Resources and Mining Corporation IP-2010-000091-VIII	SGIP			405,225.00	
		1,279,863.64	16,366,352.89	405,225.00	1,827,167.78

➤ Mining Investments

Total reported investments of mining projects in the province amounted to US\$1,437,500 or PhP69,000,000.00 million (as of December 2016). In terms of amount invested, Chromiteking Inc. and Nickel Ace Inc. reported the highest with US\$520,833 million each.

Investment of Operating Mines Eastern Samar

CONTRACTOR	TENEMENT NUMBER	COMMODITY	INVESTMENT (PhP Million)	INVESTMENT (US\$ Million)
			69,000,000.00	1,437,500.00
Chromiteking, Inc. Operator: Techiron Resources, Inc.	MPSA-292-2009-VIII (Amended-B)	Chromite, Etc.	25,000,000.00	520,833
Nickelace, Inc.	MPSA-292-2009-VIII (Amended-A)	Nickel, Etc.	25,000,000.00	520,833
Mt. Sinai Mining and Development Corporation	MPSA-351-2011-VIII	Chromite, Etc.	10,000,000.00	208,833.33
Emir Mineral Resources, Inc.	SMP-01-2015	Nickel, Etc	5,000,000.00	104,166.67
Hinatuan Mining Corporation	MPSA-012-1992-VIII	Nickel, Etc	4,000,000.00	83,333.33

Note: Foreign exchange rate used US\$1.00 = Php48.00

➤ Production

The total mine production in Eastern Samar was 29,044.7 dry metric tons for chromite direct shipping ore and 705,862 dry metric tons for nickel with total estimated value of PhP503,561,066.00.

TENEMENT TYPE	PRODUCTION					
	2014		2015		2016	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
METALLIC						
Chromiteking, Inc. Operator Techiron Resources, Inc. Chromite Concentrate (D.M.T.)	36,358.23	253,449,838.04	12,465.87	90,400,324.65	29,044.75	207,434,030.00
Hinatuan Mining Corp. Lateritic Nickel Ore (d.m.t.)	-	-	-	-	-	-
Mt. Sinai Mining Exploration and Development Corp. Chromite Concentrate (D.M.T.)	-	-	-	-	-	-
Emir Mineral Resources Corp. Lateritic Nickel Ore (d.m.t.)	-	-	-	-	705,862.00	296,127,036.00
Masada Resources Corp.	21,170.00	1,270,200.00	13,508.00	810,480.00	-	-
TOTAL	57,528.23	254,720,038.04	25,973.87	91,210,804.65	734,906.75	503,561,066.00

TENEMENT TYPE	SALES					
	2014		2015		2016	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
METALLIC						
Chromiteking, Inc. Operator Techiron Resources, Inc. Chromite Concentrate (D.M.T.)	37,199.74	252,966,230.27	12,907.60	95,086,180.28	29,154.09	176,224,802.72
Mt. Sinai Mining Exploration and Development Corp. Chromite Concentrate (D.M.T.)	-	-	-	-	-	-
Hinatuan Mining Corp. Lateritic Nickel Ore (d.m.t.)	-	-	-	-	219,730.59	345,965,806.08
Emir Mineral Resources Corp. Lateritic Nickel Ore (d.m.t.)	-	-	-	-	705,862.00	296,127,036.00
Masada Resources Corp.	18,990.00	1,139,400.00	13,508.00	810,480.00	-	-
TOTAL	56,189.74	254,105,630.27	26,415.60	95896660.28	954,746.18	818,317,644.80

**Sales of HMC covers waste stockpiles only.*

➤ EXPORTS

- For year 2016, the total chromite concentrate exported was 29,154.09 metric tons valued at 176,224,802.72.
- Meanwhile, the total nickel and iron concentrate exported for 2014-2016 was 925,596.59 metric tons valued at 642,092,842.08.

Chromite Concentrate, 2016			
Company	SALES		
	Tonnage (MT)	Value (PhP)	Excise Tax (PhP)
Chromiteking	29,154.09	176,224,802.72	3,524,496.05
Nickel/Iron Concentrate, 2016			
Emir Minerals Hinatuan Mining Corp.	705,862.00	296,127,036.00	5,922,540.72
TOTAL	954,746.68	818,317,644.08	16,366,352.89

Chromite Concentrate Exports, 2016

Country of Destination/ Name of Company	Quantity	Exports Value	
	MT	Value (PhP)	Value (US \$)
CHINA	29,154.09	176,224,802.72	3,790,031.44
Chromiteking, Inc.	16,071.82	97,091,459.72	2,089,336.34
Chromiteking, Inc.	13,082.27	79,133,343.00	1,700,695.10
TOTAL	29,154.09	176,224,802.72	3,790,031.44

Nickel/Iron Concentrate Exports, 2016

CHINA	925,596.59	642,092,842.08	13,713,587.19
Emir Minerals Inc.	705,866.00	296,127,036.00	6,352,612.59
Chromiteking, Inc.	219,730.59	345,965,806.08	7,360,974.60
TOTAL	925,596.59	642,092,842.08	13,713,587.19

➤ EMPLOYMENT

For 2014-2016, there are 1,643 personnel employed in the four (4) operating metallic mines in the region. While estimates vary, it is conservatively assumed that for every basic job in the mining company, about four non-basic jobs may be generated in the upstream and downstream sectors.

Ultimately, for every direct employment made, other jobs are created in the region in what can be considered as jobs supported by the mining industry, such that, other workers who are indirectly dependent on the presence of mining activities in the region.

The role of mining when it comes to employment generation whether direct or indirect in the rural areas cannot be overly emphasized.

Employment* of Operating Metallic Mines in Eastern Samar

PROVINCE	CONTRACTOR/PERMIT HOLDER	MINING TENEMENT/P ERMIT NUMBER	LOCATION	2013			2014			2015			2016		
				F	M	T	F	M	T	F	M	T	F	M	T
Eastern Samar				23	190	213	22	240	262	122	483	605	85	483	568
	Cambayas Mining Corporation. On May 2016, Assigned to Chromiteking and Operated by Techiron Resources, Inc.	MPSA-292-2009-VIII	Homomhon Island, Guiuan, Eastern Samar	21	184	205	21	233	254	29	242	271	67	420	487
	Emir Mineral Resources Corporation (Permit Issued of Aug. 28, 2915 Expired on Aug. 27-2016	SMP-01-2015	Homomhon Island, Guiuan, Eastern Samar	N/A	N/A	N/A	N/A	N/A	N/A	22	230	252	3	13	16
	Sand and Gravel Permit Issued by MGB RO8	IP-2010-000091-VIII	Vigan River, Gen. MacArthur, Eastern Samar	2	6	8	1	7	8	1	7	8	-	-	-
	Mt. Sinai Mining Exploration and Development Corporation. Stopped Operation Nov. 08, 2013.	MPSA-351-2011-VIII	Homomhon Island, Guiuan, Eastern Samar	No Data	No Data	No Data	No Data	No Data	No Data	70	4	74	1	9	10
	Hinatuan Mining Corporation											14	41	55	
TOTAL				89	597	686	85	735	820	196	965	1,161	145	716	861
				2013	2014			2015			2016				

*Employment data is based on the notarized Monthly Production, Sales and Employment Data Report submitted by mining companies to the Mines and Geosciences Report under Chapter XXIX, Section 270 of DAO No. 2010-21.

➤ TAXES PAID

- Total amount of national and local taxes, fees and royalties made by operating mines in Eastern Samar to the Philippine economy amounted to PhP19,878,609.31.
- Hinatuan Mining Corporation reported the highest amount paid with PhP9,008,578.9.
- Specific municipality where the mines operate is in Guiuan, Eastern Samar.
- It is important to note that not all the taxes, fees and royalty payments made by the mining companies go to the host province, municipality or barangays where they operate. Only a partial of the amount collected is downloaded to the Local Government Units.
- In terms of the excise tax collected, 60% goes to the national government and 40% to the local government. The 40% share of the local government will be distributed accordingly: Provincial (20%); City/Municipality (45%); and Barangay (35%)
- In terms of royalty payments on minerals extracted from mineral reservations which is 5% of the market value of the gross output extracted or produced. The amount collected will be distributed accordingly: 10% goes to MGB in the form of Mineral Reservation Fund and the 90% will be under the general fund of the government. The 90% will further be divided accordingly: 60% to the national government and 40% will be earmarked to the LGU which will serve as their share of the national wealth.
- It is very evident that the substantial amount of taxes paid by the mining companies in Eastern Samar is one important factor for the province's income classification.

V. SOCIAL DEVELOPMENT AND MANAGEMENT

Total amount committed by the mining companies in the province for the development of their host and neighboring communities through their approved Social Development and Management Program (SDMP) is PhP365,706,205.95. Around five (5) barangays stand to benefit from the implementation of approved community/social projects.

SDMP refers to the comprehensive 5-Year plan of the Contractor authorized to conduct actual mining and milling operations towards the sustained improvement in the living standards of the host and neighboring communities by creating responsible, self-reliant and resource-based communities capable of developing, implementing and managing community development programs, projects, and activities in a manner consistent with the principle of people empowerment.

**Only EMIR Minerals Corp. and Chromiteking Inc.-Techiron Resources, Inc. account for the SDMP contribution since only the said companies have approved SDMP from MGB RO*

VI. ENVIRONMENTAL PROTECTION AND MANAGEMENT

The total amount committed by the mining companies operating in the province for the implementation of their approved plans/programs/projects/activities under their Environmental Protection and Enhancement Programs (EPEP) is PhP1,235,117. EPEP refers to the comprehensive and strategic environmental management plan for the life of the mining project on which Annual EPEPs are based and implemented to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the disturbed environment.

**Only Hinatuan Mining Corp. accounts for the EPEP contribution*

➤ MINING FOREST PROGRAM

The total number of seedlings planted by the mining sector in the province is 111,413 in about 126.0432 hectares of mined-out and other barren areas as of 2016. Of these, 103,537 trees or 93% have survived.