

British mining firm posts bond for Nueva Vizcaya gold project

British mining firm Metals Exploration PLC's local subsidiary FCF Minerals Corp. has posted a P175 million bond with the Mines and Geosciences Bureau (MGB) for the conversion of its exploration permit into a financial and technical assistance agreement (FTAA).

FCF is currently exploring for gold and molybdenum in its Runruno project in Nueva Vizcaya. It reportedly plans to spend at least \$208 million for the development of the project.

FCFMC has filed for a conversion of its EP into an FTAA, which application has been favorably endorsed by Environment and Natural Resources Secretary Jose L. Atienza Jr. to Malacañang for approval in March this year.

FCFMC has secured an extension of its EP up to July 31 this year. The EP extension will automati-

cally terminate upon the approval of the conversion of the EP to a FTAA.

Atienza said the grant of an FTAA to FCFMC would advance the revitalization program of the country's minerals industry. If approved, FCFMC's FTAA would be the 4th granted under the Philippine Mining Act of 1995.

Atienza said "the approval of FCFMC's FTAA will show once more the continuing confidence of investors in the Philippines and the government's sustained efforts to rise above difficulties, thus showing the country remains a sound proposition for investments."

An FTAA is an agreement between the government and a contractor for large-scale exploration, development and utilization of gold, copper, nickel, lead, zinc and other minerals, except for cement

raw materials, marble, granite and sand and gravel and construction aggregates.

Securing an FTAA is open to Filipinos and foreign corporations with up to 100 percent foreign equity. An FTAA has a term of 25 years, renewable for the same period upon expiration.

Atienza said the entry of FCFMC would intensify the development of the gold and molybdenum deposits in the area which the mining firm had identified in its recent exploration activities in the area.

FCFMC said it plans to start operations by the second half of this year.

FCFMC is qualified to apply for an FTAA considering that the company's current authorized capital of P210 million or \$4.468 million is way above the government's required minimum paid-up capital of P10 million.