Thirty-sixth session
5-30 June 1989, New York
Item 8 (c) of the provisional agenda

OTHER FUNDS AND PROGRAMMES

UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

Chromite Exploration in the Philippines (PHI/86/NOI)

Recommendation of the Administrator

I. BACKGROUND

1. A significant mineral potential is considered to exist in the Philippines and the current economic plan provides for a continuing and expanded commitment to mineral exploration. The Government encourages participation of both the private and public sectors, including foreign investors, to strengthen the mineral industry and increase export revenues of the country.

2. Following several evaluatory missions to select areas with the greatest possibilities of exploration success, the Government and the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) came to an agreement on a project recommendation for exploration work in two areas. The presence of mineralization is known in each of the areas and the project will concentrate its activities on increasing the level of knowledge of these occurrences and exploring and evaluating additional economic chromite deposits. A project agreement was signed on 2 March 1988.

II. THE PROJECT

3. The principal objective of the project will be to locate and evaluate metallurgical grade chromite mineralization in Area I (Palawan Island) and Area II (Dinagat Island). The two areas designated for exploration cover approximately 500 square kilometres.
4. The Minimum Work will have a duration of about 15 months and will include the following activities:

(a) **Area I (Palawan Island)**

(i) Compilation of existing data at a scale of 1:50,000;

(ii) Stream sediment coverage (panning) with analysis of concentrates (heavy minerals);

(iii) Soil panning of anomalous area indicated by above survey;

(iv) Detailed geological mapping at 1:5,000 aimed to indicate the distribution of dunite and peridotite, possibly with the help of aerial photos, and subsequent mapping at 1:1,000 scale of the most interesting zones delimited by the above methods;

(v) Gravimetric survey of favourable areas;

(vi) Trenching and pitting as required;

(vii) Evaluation of the area and location of drill holes (limited preliminary drilling during Minimum Work phase).

(b) **Area II (Dinagat Island).** Same work step succession as for Area I; also carrying out an inventory of all small-scale mines in the project area.

5. In carrying out the Minimum Work described above, UNRFNRE will spend the equivalent of $975,000 to finance the services of nationally and internationally recruited staff, as well as providing the necessary equipment, supplies and supporting services.

6. If the results of the Minimum Work are favourable, it is estimated that in order better to define and evaluate the economic potential of individual ore deposit(s) to the point where, in the opinion of UNRFNRE, development investment can be attracted, additional expenditure of up to $2 million will be required.

### III. FINANCIAL DATA

<table>
<thead>
<tr>
<th>UNRFNRE allocation</th>
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<tbody>
<tr>
<td>Minimum Work</td>
<td>975 000</td>
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<tr>
<td>Possible additional expenditure for further activities following the Minimum Work</td>
<td>2 000 000</td>
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<tr>
<td>Total possible cost of the project</td>
<td>2 975 000</td>
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7. The Administrator, in accordance with Governing Council decision 80/29 of 26 June 1980, approved the Minimum Work for the project on 5 May 1988. The financial assets of UNRFNRE are adequate to meet the cost of the project.

IV. RECOMMENDATION OF THE ADMINISTRATOR

8. In the light of the above, the Administrator recommends that the Governing Council take note of the approval by the Administrator of the Minimum Work for the project Chromite Exploration in the Philippines (PHI/86/NO1) at a cost of $975,000, as an obligation of UNRFNRE, and approve this project, involving a total possible expenditure of $2,975,000.