

MINUTES OF THE 1st QUARTER 2021
MINE REHABILITATION FUND COMMITTEE (MRFC) MEETING
BERONG NICKEL CORPORATION
Zoom Virtual Meeting
26 March 2021 3:30 p.m.

ATTENDANCE:

MRFC Members:

Present:

Roland A. De Jesus	-	Chairperson and Regional Director MGB – MIMAROPA Region
Ma. Lourdes G. Ferrer	-	Vice-Chairperson and Regional Executive Director, DENR-MIMAROPA
Nunilon R. Tanguilig	-	Representing Atty. Michael Drake P. Matias Regional Director, EMB – MIMAROPA Region
Perlita I. Quiling	-	Representing Atty. Teodoro Jose Matta Executive Director, Palawan Council Sustainable Development Staff
Noel E. Aquino	-	Representing Gov. Jose C.H. Alvarez LGU – Palawan
Vienie Badang	-	Representing Fr. Jasper Lahan Social Action Director, Apostolic Vicariate Puerto Princesa
Loreto Cagatulla	-	NGO - Palawan NGO Network, Inc.
Deo V. Gatchalian	-	Berong Nickel Corporation (BNC)

Absent:

Marie Grace T. Pascua	-	Regional Director, NCIP MIMAROPA
Hon. Joselito O. Ayala	-	Mayor, MLGU – Quezon

Guests and other Participants:

Lyndel Novencido	-	DENR MIMAROPA
Marc Raymund Zamora	-	BNC
Jaypee R. Dela Cruz	-	BNC
Rolando L. Sajot	-	BNC
Deborah A. Arquio	-	BNC
Brenda D. Segovia	-	BNC
Renato Sabat	-	BNC
Jonathan Pilien	-	BNC
Julie Ann Agustin	-	BNC

MMT Members:

Leonard T. Caluya	-	CENRO Quezon, MMT Team Leader
Venus V. Jesoro	-	MGB MIMAROPA, MMT
Dessa Jie B. Madarcos	-	MGB MIMAROPA, MMT
Kenneth Kevin Perez	-	MGB MIMAROPA, MMT

Secretariat:

Ferdinand P. Olivares	-	MGB MIMAROPA, Secretariat
Joel V. Balquiedra	-	MGB MIMAROPA, Secretariat
Rocelyn F. Rebullante	-	MGB MIMAROPA, Secretariat
Al Janry S. Tuazon	-	MGB MIMAROPA, Secretariat
Hanna Lee B. Arriesgado	-	MGB MIMAROPA, Secretariat

I. PRELIMINARIES

The meeting started with a prayer led by Mr. Rolando L. Sajot of BNC.

Upon confirmation of a quorum by the Secretariat, with eight (8) out of ten (10) members present, the meeting was called to Order at around 3:30 p.m. by Engr. Roland A. De Jesus, MGB MIMAROPA Regional Director and Chairperson of the Mine Rehabilitation Fund Committee (MRFC).

II. MEETING PROPER

A. Review/Approval of the Provisional Agenda

The Chairperson requested the members to review the Provisional Agenda for the 1st Quarter 2021 MRFC meeting, for any comments and/or additional issues/concerns/topics for inclusion in the agenda.

With no additional matters to be included in the agenda, upon motion for approval of Engr. Nunilon Tanguilig (EMB MIMAROPA) duly seconded by Atty. Noel E. Aquino (PLGU Palawan), the Chairperson approved the provisional agenda.

The Chairperson proceeded with the review/approval of the draft minutes for the 4th quarter 2020 MRFC meeting held on 17 December 2020 via online using Zoom application and matrix of issues of concerns arising therefrom.

B. Review/Approval of the draft Minutes of the 4th Quarter 2020 MRFC Meeting and Matrix of Issues and Concerns Arising therefrom

With no corrections/amendments on the draft minutes of the meeting and matrix of issues and concerns, the Chairperson approved the aforementioned documents upon motion for approval of Dir. Ma. Lourdes Ferrer (DENR MIMAROPA) duly seconded by Ms. Loreto Cagatulla (PNNI).

C. Matters Arising from the Minutes of the Previous Meeting

1. Approval of the MOA between BATA and BNC

Engr. Deo V. Gatchalian (BNC) updated the committee that up to now, they have not received NCIP MIMAROPA's approval of the MOA between Berong-Aramaywan Tagbanua Association (BATA), Inc. and BNC.

The Chairperson informed the committee that Dir. Roberto Almonte retired last March 21, 2021 and was replaced by Dir. Marie Grace T. Pascua. The new director is keen to meet with the mining companies and learn how the Indigenous Peoples Republic Act (IPRA) is being implemented in the mining sector, he added.

116 **2. Relocation of Air, Water and Noise Sampling Stations**

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118 According to Engr. Tanguilig, a virtual meeting took place between EMB
119 MIMAROPA and BNC. The former is still waiting for the other documentary
120 requirements being asked from the company.

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122 Mr. Jaypee Dela Cruz (BNC) responded that one of the requirements is the
123 MMT's resolution on the relocation of the air, water and noise sampling
124 stations. A resolution was already drafted during the MMT, this will be
125 submitted along with the other requirements being asked by EMB
126 MIMAROPA, he added.

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128 The Chairperson advised the company to submit the documents before the
129 2nd quarter 2021 MMT validation activities so that the relocation of the
130 sampling stations will take effect.

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132 **3. Request for change of NGO representative in the MRFC and MMT**

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134 The Chairperson informed the Committee that PNNI already provided the
135 alternate representative of Mr. Roger Garinga in the person of Ms. Loreto
136 Cagatullan. Thus, this matter was already resolved.

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139 **D. Other Matters**

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141 **1. Complaint of Mr. Joy Cansing/Mr. Epifaño Monsale**

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143 CENRO Caluya updated the committee that they were able to talk to the
144 complainant during the 4Q2020 MMT last March 15 – 19, 2021. There were
145 changes on what was agreed upon during the 3Q2020 MMT. Thus, it was
146 recommended for the company to settle the matter with Mr. Cansing and
147 Mr. Monsale.

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149 The Chairperson requested CENRO Caluya to give an overview on the
150 nature of the complaint.

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152 CENRO Caluya narrated that the silt emanating from the barangay road
153 entered Mr. Cansing's titled property. Before, Mr. Cansing already agreed
154 to the solution proposed by BNC to construct a canal beside his property
155 that will trap all the silt and water during heavy rains. At his wife's prodding,
156 Mr. Cansing's changed his mind, he now wants BNC to rent his land. Hence,
157 the MMT advised BNC to talk to Mr. Cansing.

158
159 CENRO Caluya continued that as for Mr. Monsale, his rice field was flooded
160 – overflow of a nearby canal. BNC already resolved this by installing a
161 gated culvert. However, Mr. Monsale also changed his mind, he wanted
162 BNC to rent his land. Same with Mr. Cansing, the MMT advised the company
163 to talk to the complainant to resolve the matter.

164
165 Atty. Aquino commented that the first course of action is to determine
166 whether the area was really affected by silt. Afterward, adopt mitigating
167 measures (i.e. canal or drainage system) that would address the siltation.
168 Leasing the property should be the last resort as this would strangle either
169 party. He advised to adopt a simple solution to the complaint.

170
171 The Chairperson asked if siltation was evident in the area.

CENRO Caluya replied that the MMT visited Mr. Cansing's property and saw the destruction brought about by siltation. Hence, the MMT suggested to construct a canal to divert the silt. Mr. Cansing already agreed to this solution during the 3rd quarter 2020 MMT but then he changed his mind.

Mr. Dela Cruz explained that the area was previously leased by the company for about two (3) to three (3) years. The company planned to construct a settling pond at Mr. Cansing's property. However, they found a more suitable area to construct the said structure thus the company terminated the lease agreement.

Mr. Dela Cruz continued that the area experienced torrential rains around October or November 2020, which caused the gravel and sand from the barangay road to flow to Mr. Cansing's property. However, the complainant was blaming the company for the incident. Mr. Jose and Joy Cansing raised this concern before the MMT and the MMT suggested to construct a canal that will divert the silt. The complainant agreed to this solution but it was Ms. Margarita Cansing (wife of Mr. Jose) disagreed and wanted the lot to be leased instead. The company will not be amenable to this since no structure will be erected in the area. The company and Mr. Cansing are scheduled to resolve the matter before *Punong Barangay Recedillo Indap* after the holy week.

The Chairperson asked the company if they are admitting that the siltation was caused by their operations.

Mr. Dela Cruz responded that the siltation came from the barangay road but the company is willing to help since the equipment and materials for the construction of the canal are available.

Engr. Gatchalian asked if the canal will be constructed inside the property of Mr. Cansing and Mr. Monsale.

Mr. Dela Cruz replied in the affirmative and explained that Mr. Cansing's property acts as a catch basin (natural drainage). With the *barangay's* permission, the company raised the road's elevation to prevent the water from draining to their property (and divert the water to the settling pond). However, there is a need to construct a canal in one side to prevent the sediments from entering Mr. Cansing's property.

The Chairperson commented that it cannot be ascertain what caused the siltation since the company is denying that it came from the mine pit.

CENRO Caluya replied that the sediments came from the barangay road (from the materials that are used to maintain the road) as the mining area is far from Mr. Cansing's property.

The Chairperson advised the company to continue negotiating with the complainants and hopefully arrived to an amicable settlement. Otherwise, an in depth study should be conducted to establish who/what caused the siltation, he added.

Engr. Gatchalian noted the Chairperson's advice and Atty. Aquino's suggestion to adopt an engineering solution that will diver the silt.

The Chairperson asked the company to study whether their operations contributed in any way to the siltation.

RED Ferrer asked if the company is leasing any property within the MPSA to which the company replied that they are leasing properties outside of the MPSA.

Dir. Ferrer recalled the time when they were processing the company's tree cutting permit, they were able to talk to some of the IPs in the area who said that their land is being leased by the company.

Engr. Gatchalian confirmed that the area was previously leased by the company. However, they found that they have no use for the area and terminated the lease agreement. This is when the environmental complaints/issues surfaced.

The Chairperson advised the company to proceed with the talks on a *barangay* level.

Mr. Dela Cruz replied that they are scheduled to discuss the matter before the *Punong Barangay* after the Holy Week, they will provide the MMT and the MRFC with the outcome of the said meeting.

2. Coastal Resource Assessment (including Brgy. Isugod)

Mr. Dela Cruz requested for the presentation to be deferred since Brgy. Isugod was not included last year. It will be included during the coastal resource assessment this 2021.

The Chairperson agreed to Mr. Dela Cruz's request.

E. Presentation of Technical Reports

1. Highlights of the entry and exit meetings of the 4Q2020 MMT Validation

Ms. Dessa Jie Madarcos discussed the issue and concerns raised during the MMT entry and exit meetings such as MMT resolution regarding the transfer of sampling stations for monitoring, equipment/vehicles parking proximate to the bridge along the Badlisan Road (in front of Ruth Store) and summary report regarding the complaints of Mr. Joy Cansing and Mr. Epifanio Monsale. She proceeded with the findings and recommendations of the MMT with regards to safety and health, environmental and social development management.

According to Ms. Madarcos' presentation, the overall financial and physical accomplishment (1st to 4th quarter of 2020) of BNC for its ASHP, AEPEP and ASDMP are as follows:

ASHP: No information on the physical accomplishment; 409% financial accomplishment (spent Php2,253,946.00 for activities and materials related to COVID-19)

AEPEP: Physical accomplishment of 96.50%; financial accomplishment of 77.97% (spent Php20,003,662.00 out of the Php25,654,500.00 budget)

ASDMP: Physical accomplishment of 91.92% with 273 out of the 297 targets accomplished; spent Php11,398,569.72 out of Php13,546,792.00 resulting to 84.14% financial accomplishment.

The Chairperson asked regarding the unspent budget for the ASDMP activities that will be carried over in 2021.

Ms. Debby Arquio (BNC) replied that the reflected expenditure is only as of December 30, 2020. There were materials that were delivered as of December 30, 2020. The latest physical and financial accomplishment is already reflected in the annual SDMP report.

The Chairperson asked whether the remaining 2020 budget can be realigned for the procurement of COVID-19 vaccine as MGB CO has an instruction regarding the procurement of COVID-19 vaccine.

Ms. Arquio responded that the remaining budget will be included in the reprogramming for 2021. As for the vaccines, most of the residents of Brgys. Berong and Aramaywan are apprehensive about getting the vaccine.

Mr. Sajot informed the committee that a series of information, education, and communication campaign (IEC) will be conducted regarding this in coordination with the Municipal Health Office (MHO). All *sitios* will be covered in coordination with the Rural Health Unit. The purpose of the IEC is to inform the community regarding the advantages of getting vaccinated.

Engr. Olivares inquired if the vaccine of the employees and their families will be covered by the company.

Engr. Gatchalian replied that the employees are covered but he will check if the family members are also included.

2. Report on the 1st Quarter 2021 Air, Noise and Water sampling

Ms. Quiling presented only the *in-situ* results for the 1st quarter 2021 air, noise and water sampling as the validation activities were conducted a week prior the MRFC.

According to her report, pH of the water samples and PM₁₀ of all air quality monitoring stations passed the DENR standards while the noise level is below the National Pollution Control Commission's standards.

The MMT sampling group recommended to conduct clean-up at BGW1 (water quality monitoring station) as domestic wastes were observed in the area such as plastic bags, sachet etc.

3. Compliance to the 4Q2020 MMT's field findings and recommendations and presentation of physical and financial accomplishments, including updates on established Mine Rehabilitation Funds

Engr. Sajot presented the company's Safety and Health Accomplishment for the 1st quarter of 2021 as well as the actions taken regarding the 4Q2020 MMT findings and recommendations. He attested to Ms. Madarcos' report that more than 2 million was spent by safety in procuring COVID-19 related materials (disinfectant, hand soap, facemask etc.).

During his presentation, Engr. Sajot inquired whether GSMS (manpower agency of BNC managing about 250 individuals) needs to hire a safety engineer as this is one of the MMT findings.

Engr. Olivares asked for the number of employees then replied in the affirmative since the current number of safety engineers will not be able to monitor the two hundred fifty (250) individuals. Based on the number of personnel, GSMS is classified as Class A thus a safety engineer is needed.

Engr. Sajot responded that they will required the manpower agency to hire a Safety Engineer as required by MGB MIMAROPA. He continued with the company's accomplishment, which included an accumulated man hours without lost time accident of 4,993,118.83 since May 15, 2018. He also presented the recognition bestowed by the Municipal Government of Quezon to the company in terms of responding to emergencies such as fire and vehicular accidents. Overall, 98% of the physical targets for safety were accomplished (some trainings were not conducted due to the pandemic). Construction of triage and isolation room (inside the camp) and simulation drill should a symptomatic employee or member of the community were among the COVID-19 related accomplishment for the 1st quarter of 2021.

Engr. Olivares informed the company that there was a delay in releasing the Certificate of Approval for the ASHP as a board of resolution is needed re: change in signatory (highest official).

Engr. Gatchalian replied that the company is currently gathering all the requirements and that a board resolution is already in place. The compliance section will email an advance copy of said document.

Mr. Dela Cruz presented the company's financial and physical accomplishments with respect to the approved Annual Environmental Protection and Enhancement Program (AEPEP). According to his presentation, the status of the Mine Rehabilitation Funds and Final Mine Rehabilitation and Decommissioning Fund (FMRDF) as of 31 December 2020 are as follows:

- Rehabilitation Cash Fund: Php5,027, 241.69 (beyond Php5,000,000.00)
- Monitoring Trust Fund: Php151,721.81 (beyond Php150,000.00)
- Environmental Trust Fund: Php210,044.20 (beyond Php50,000.00)
- FMRDF: Php2,145,552.45 (completed the amount to be deposited Php2,104,750.00).

Mr. Dela Cruz also updated the committee regarding the status of the FMR/DP, which was reviewed by the Contingent Liability and Rehabilitation Fund – Steering Committee (CLRF-SC) twice. There were a few revisions to be made in the document while the FMRDF should be deposited by next year (2022).

According to Mr. Dela Cruz, the data presented by Ms. Madarcos regarding the company's AEPEP accomplishment was not the latest. As of December 2020, the overall financial accomplishment was 96.8% (Php24,840,310.00 out of the Php25,654,500.00 was spent) while 99.86% of the physical targets were accomplished.

The ASDMP accomplishments of the company were presented by Ms. Arquio. Due to the number of IEC conducted, the company accomplished 363 out of 297 physical targets while Php13,208,502.46 out of the Php13,546,792.00 budget was spent resulting to a financial accomplishment of 98%. For Brgy. Berong, bulk of the unspent funds were programmed to be used for livelihood (only 1 training was accomplished of the targeted 4 because of the pandemic) while for Brgy. Aramaywan, almost half of the

unspent funds were for infrastructure. As discussed earlier, reprogramming will be conducted for the remaining funds. Disinfectant and school supplies specifically bond papers and printer ink were among the COVID-19 related materials that were procured for the community using SDMP funds.

III. ADJOURNMENT

Prior adjournment, the Chairperson commended the company for receiving two major awards during the 2020 Presidential Mineral Industry Environmental Award (PMIEA), namely: Best Mining Forest Contest and PMIEA Award. In return, Engr. Zamora thanked the Chairperson and the committee for the encouragement and direction.

On a separate matter, the Chairperson advised the company to get in touch with the new NCIP MIMAROPA Director. The company will be receiving a letter containing the contact information of the new director. Meanwhile, RED Ferrer advised the company to inform the new director thru a letter regarding the MOA, which is pending for review.

All matters properly discussed, the meeting was adjourned at 6:00 p.m.

Attesting to the correctness of the foregoing:

HANNA LEE B. ARRIESGADO

Secretariat
MGB-MIMAROPA

Approved by:

ROLAND A. DE JESUS, CESO V

Assistant Director
Regional Director in Concurrent Capacity and
Chairperson, MRFC for BNC