

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
MIMAROPA Region

7/F DENR Building, 1515 Roxas Boulevard, Ermita, Manila
Telefax No. (+632) 8536-0215 / (+632) 5310-1369
Email: region4b@mgb.gov.ph



20 July 2022

MEMORANDUM

FOR : **The PENRO**
Provincial Environment and Natural Resources Office
Odiongan, Romblon

FROM : **The Regional Director**
This Office

SUBJECT : **Resumption of Exploration Activities of Altai Philippines Mining Corp. in San Fernando, Romblon, Sibuyan Island**

This is to formally inform your Office of the resumption of activities of Altai Philippines Mining Corp. (Altai) under its Mineral Production Sharing Agreement (MPSA) No. 304-2009-IVB in San Fernando, Romblon, Sibuyan Island.

Hereunder are the facts:

1. The MPSA No. 304-2009-IVB was granted to Altai on 23 December 2009 pursuant to Republic Act No. 7942, the Philippine Mining Act of 1995 and its Implementing Rules and Regulations.
2. The Department of Environment and Natural Resources (DENR), through its Decision dated 09 September 2021, has lifted the 19 September 2011 Cease-and-Desist Order suspending the exploration activities under MPSA No. 304-2009-IVB granted to Altai for the following reasons:
 - a. The MPSA of Altai is merely in the Explorative Phase, meaning that the full-scale mining project is still subject to another application and assessment for Declaration of Mining Project Feasibility, the grant of which is contingent on whether or not the project is technically, socially, environmentally, and financially feasible and compliant.
 - b. The activities of Altai are limited only to activities to determine the feasibility of the project and is not a full-scale mining operation, and any disturbances that may happen to the environment are properly addressed in Altai's 23 December 2009-approved Environmental Work Program.
 - c. The records of MGB-MIMAROPA Region showed that the activities performed by Altai prior to the 19 September 2011 CDO was found to be in accordance with the terms and conditions of its 23 December 2009-approved Exploration Work Program.

Furthermore, the condition on the above stated Decision of the DENR on the approval of the assignment of MPSA No. 304-2009-IVB from Altai to Sibuyan Nickel Properties Development Corporation (Sibuyan Nickel) was deemed moot and academic due to the withdrawal of the Application of

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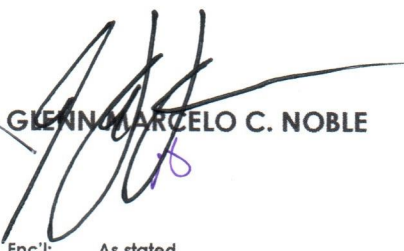
the Deed of Assignment by Altai and Sibuyan Nickel per the 09 November 2021 letter of Altai.

3. Altai paid its Occupation Fees for CYs 2011-2022 on 27 June 2022 at the Municipality of San Fernando amounting to PhP1,630,406.25 pursuant to Section 218 of DENR Administrative Order No. 2010-21. These Occupation Fees shall accrue to the Province of Romblon and the Municipality of San Fernando at 30% and 70%, respectively.
4. The application for the first renewal of the Exploration Period of MPSA No. 304-2009-IVB was filed by Altai at the Mines and Geosciences Bureau - Central Office (MGB - CO).
5. The MGB - CO granted the first renewal of the Exploration Period under MPSA No. 304-2009-IVB as per 12 July 2022 Letter addressed to Altai (copy attached), which was received by this Office on 15 July 2022.
6. A Performance Bond in the amount of PhP8,807,000.00 was issued by Milestone Guaranty and Assurance Corporation to guarantee the faithful performance of Altai of its obligations in connection with the exploration period under MPSA No. 304-2009-IVB. This Performance Bond can be forfeited in favor of the government in case of violation/s to the exploration activities.

In view of the above, this Office is requesting for the conduct of reconnaissance to ascertain the extent of activities of Altai. Our embedded personnel assigned in your Office may be assigned in this undertaking.

Attached is a copy of the 12 July 2022 letter of the MGB - CO to Altai, renewing its exploration period.

For the PENRO's information and appropriate action, please.


GLENN MARCELO C. NOBLE

Enc'l: As stated

cf: **The Director**
Mines and Geosciences Bureau
North Ave., Diliman, Quezon City

The Regional Executive Director
Department of Environment and Natural Resources
MIMAROPA Region





Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU

North Avenue, Diliman, Quezon City, Philippines

Tel No. (+63 2) 920-9120/920-9130 Trunkline No. 667-6700 loc. 134 Fax No. (+63 2) 920-1635 Email: central@mgb.gov.ph.

July 12, 2022

Mr. Hanniel T. Ngo
President
Altai Philippines Mining Corporation
1901 Tycoon Center, Pearl Drive
Ortigas Center, San Antonio
Pasig City

Dear Mr. H. T. Ngo:

This refers to the application for renewal of the Exploration Period under Mineral Production Sharing Agreement (MPSA) No. 304-2009-IVB granted to Altai Philippines Mining Corporation (APMC) on December 23, 2009 for the exploration, development and utilization of nickel, iron, cobalt, chromite and other associated mineral deposits existing within the 1,580.8010-hectare contract area situated in San Fernando, Romblon, Sibuyan Island.

After evaluation of the pertinent documents, this Office hereby grants the first renewal of the Exploration Period under MPSA No. 304-2009-IVB pursuant to the pertinent provisions of Department of Environment and Natural Resources Administrative Order (DAO) Nos. 2010-21¹ and 2021-12², to take the effect starting this date, subject to the following conditions:

1. Such renewal of the Exploration Period shall represent the 3rd and 4th years of the Exploration Period under MPSA No. 304-2009-IVB as provided for under Section 5.1 thereof and that it shall not constitute an extension of the 25-year term of MPSA No. 304-2009-IVB.
2. A negative variance of at least twenty percent (20%) in the implementation of the Exploration Work Program (ExWP) and the corresponding expenditures shall be subject to the prior approval of the Director.
3. This grant requires the **full implementation** of the approved ExWP and Environmental Work Program (EWP), as well as compliance with the terms and conditions of the MPSA and the applicable provisions of DAO Nos. 2010-21 and 2021-12.

Please be guided that:

- a. The implementation of the approved ExWP and EWP by APMC is subject to periodic audit/monitoring by this Office and the Mines and Geosciences Bureau (MGB) MIMAROPA Region;
- b. A copy of the approved ExWP and EWP should be furnished by APMC to the *Sangguniang Panlalawigan* of Romblon; and

¹ Providing for a Consolidated Department of Environment and Natural Resources Administrative Order for Implementing Rules and Regulations of Republic Act No. 7942, otherwise known as the 'Philippines Mining Act of 1995.'

² Guidelines for the Automatic Renewal of the Exploration Period and the Timely Filing of the Declaration of Mining Project Feasibility under the Exploration Permit, Mineral Production Sharing Agreement, Financial and Technical Assistance Agreement and Similar Mining Tenements.

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- c. The status reports on compliance with the approved ExWP and EWP should be submitted to MGB MIMAROPA Region, copy furnished this Office.

It is understood that failure to comply with the above requirement shall also constitute a breach of the MPSA. Attached is a copy of the approved EWP for your compliance.

4. APMC shall secure the approval of the Community Development Program and Safety and Health Program in MGB MIMAROPA Region within 60 days from receipt hereof.
5. APMC shall submit within 15 days from receipt hereof the following:
- a. Amended *PERFORMANCE BOND* No. 27191 issued by Milestone Guaranty and Assurance Corporation extending the expiry of the said Bond from July 05, 2024 to July 12, 2024;
 - b. Revised EWP, taking into consideration the comments dated May 04, 2022 of the Mine Safety, Environment and Social Development Division of this Office, a copy of which is attached; and
 - c. Revised ExWP, taking into consideration the comments of even date by the Mining Tenements and Management Division of his Office, a copy of which is attached.

In the interim, APMC may implement the proposed ExWP and EWP pending the approval of its revision.

Failure to submit the said documents within the deadline shall constrain this Office to withdraw the grant of this renewal of the Exploration Period under MPSA No. 304-2009-IVB.

Thank you.

Very truly yours,


ENGR. JUANCHO PABLO S. CALVEZ
Officer-In-Charge, Office of the Director

c.f.: **Engr. Glenn Marcelo C. Noble**
Regional Director
Mines and Geosciences Bureau
MIMAROPA Region
7/F, 1515 DENR Building
Roxas Boulevard, Ermita
1500 Manila

