



DENR-EMB
ISO 14001 Certified

Republic of the Philippines
Department of Environment and Natural Resources
ENVIRONMENTAL MANAGEMENT BUREAU

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OCT 08 2010

ECC Ref. No. 1006-0017

Mr. Ken Stein

Chief Operating Officer

Ipilan Nickel Corporation

3F Corinthian Plaza, 121 Paseo De Roxas St.

Legaspi Village 1229, Makati City

Subject: **ENVIRONMENTAL COMPLIANCE CERTIFICATE**

Dear Sir:

This refers to the Environmental Compliance Certificate (ECC) application for the proposed **Ipilan Nickel Project** to be located at Barangays Ipilan, Mambalot, Maasin, and Calasaguen, Municipality of Brooke's Point, Province of Palawan.

After satisfying the requirements in the said application and upon recommendation of the Environmental Management Bureau (EMB), this Department has decided to grant an ECC to the above-mentioned Project.

With the issuance of this ECC, you are expected to implement the measures presented in the Environmental Impact Statement (EIS) and Environmental Management Plan (EMP), which are intended to protect and mitigate the Project's adverse impacts on community health, welfare and the environment. Environmental considerations shall be incorporated in all phases and aspects of the Project. You may proceed with Project implementation after securing all the necessary permits from other pertinent Government agencies. This Office will be monitoring the Project periodically to ensure your compliance with stipulations cited in the attached ECC.

Please be guided accordingly.

Very truly yours,


ATTY. JUAN MIGUEL T. CUNA
OIC - Director

cc: EMB Region IV-B
MGB Central Office
MGB Region IV-B
Municipal Office of Brooke's Point
Provincial Office of Palawan



ENVIRONMENTAL COMPLIANCE CERTIFICATE
(Issued pursuant to Presidential Decree 1586 and its IRR)
ECC Ref. No. 1006-0017

THIS IS TO CERTIFY THAT THE PROPONENT **IPILAN NICKEL CORPORATION**, as represented by its Chief Operating Officer, **Ken Stein**, is granted this Environmental Compliance Certificate (ECC), for its proposed ***Ipilan Nickel Project*** to be located at Barangays Ipilan, Mambalot, Maasin, and Calasaguen, Municipality of Brooke's Point, Province of Palawan, by the Department of Environment and Natural Resources (DENR), through the Environmental Management Bureau (EMB).

SUBJECT to the conditions and restrictions set-out herein labeled as **Annexes A and B**.

PROJECT DESCRIPTION

This Certificate shall cover the extraction of nickel laterite ore within the 2,835.06-hectare Mineral Production Sharing Agreement (MPSA No. 017-93-IV) of area located at Barangays Ipilan, Mambalot, Maasin, and Calasaguen, Municipality of Brooke's Point, Province of Palawan. The MPSA was granted on September 18, 1993 and amended on April 10, 2000 with the contract area bounded by the following geographical coordinates:

Point	Longitude	Latitude
01	117°54'30.544"	08°54'34.236"
02	117°54'03.880"	08°54'34.236"
03	117°54'03.880"	08°54'07.570"
04	117°52'17.210"	08°54'07.570"
05	117°52'17.210"	08°54'24.240"
06	117°52'31.260"	08°54'24.240"
07	117°52'31.260"	08°54'34.240"
08	117°52'21.260"	08°54'34.240"
09	117°52'21.260"	08°54'44.240"
10	117°52'11.260"	08°54'44.240"
11	117°52'11.260"	08°54'54.240"
12	117°52'17.210"	08°54'54.240"
13	117°52'17.210"	08°55'14.240"
14	117°52'20.540"	08°55'14.240"
15	117°52'20.540"	08°55'24.240"
16	117°52'40.540"	08°55'24.240"
17	117°52'40.540"	08°55'34.240"
18	117°52'50.540"	08°55'34.240"
19	117°52'50.540"	08°55'44.240"
20	117°53'00.540"	08°55'44.240"
21	117°53'00.540"	08°55'54.240"
22	117°53'10.540"	08°55'54.240"
23	117°53'10.540"	08°56'47.570"
24	117°53'10.540"	08°57'14.240"
25	117°53'10.540"	08°58'34.240"
26	117°54'03.870"	08°58'34.240"

27	117°54'03.870"	08°59'27.570"
28	117°55'23.870"	08°59'27.570"
29	117°55'23.870"	08°58'34.240"
30	117°54'57.240"	08°58'34.240"
31	117°54'57.240"	08°58'07.570"
32	117°54'30.530"	08°58'07.570"
33	117°54'30.530"	08°57'14.240"
34	117°54'03.960"	08°57'14.240"
35	117°54'03.960"	08°56'47.570"
36	117°54'30.544"	08°56'47.570"
37	117°54'30.544"	08°56'20.910"
38	117°54'57.200"	08°56'20.910"
39	117°54'57.200"	08°55'00.910"
40	117°54'30.544"	08°55'00.910"
41	117°54'30.544"	08°54'34.236"

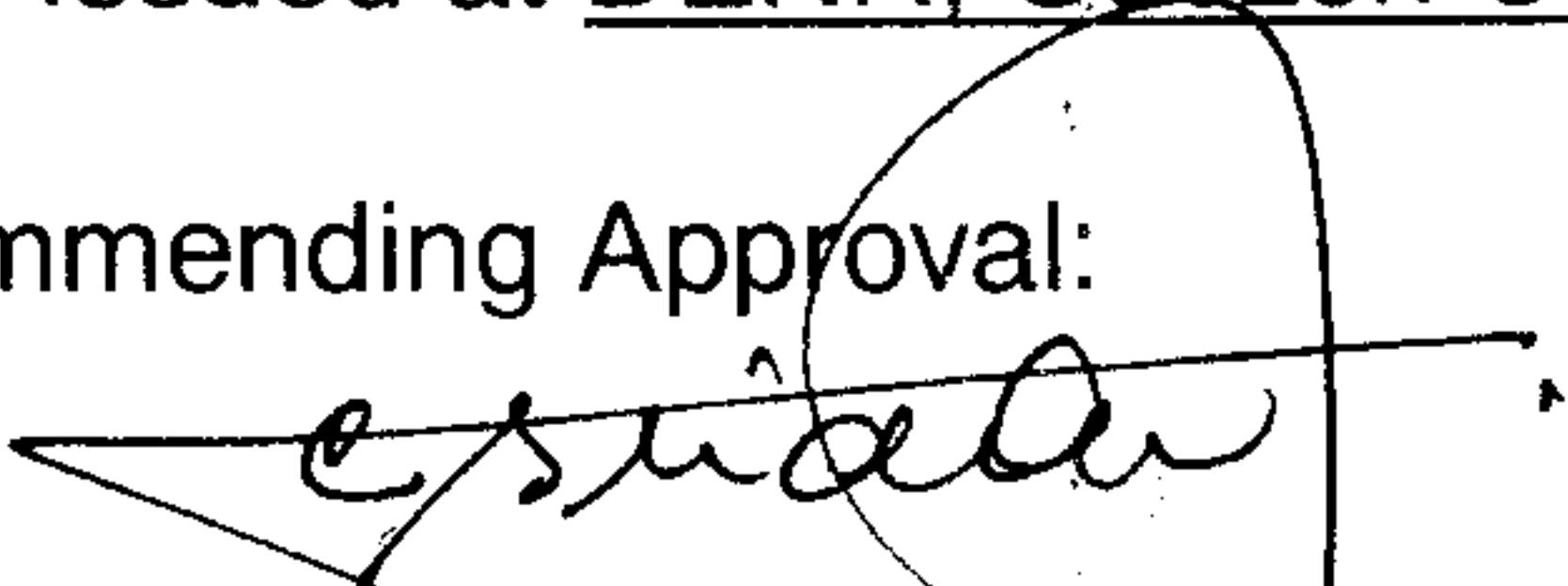
The proposed ***Ipilan Nickel Project*** shall have a maximum annual production rate of one million (1,000,000) dry metric tons (DMT) of nickel ore through surface mining method. It shall have the following components:

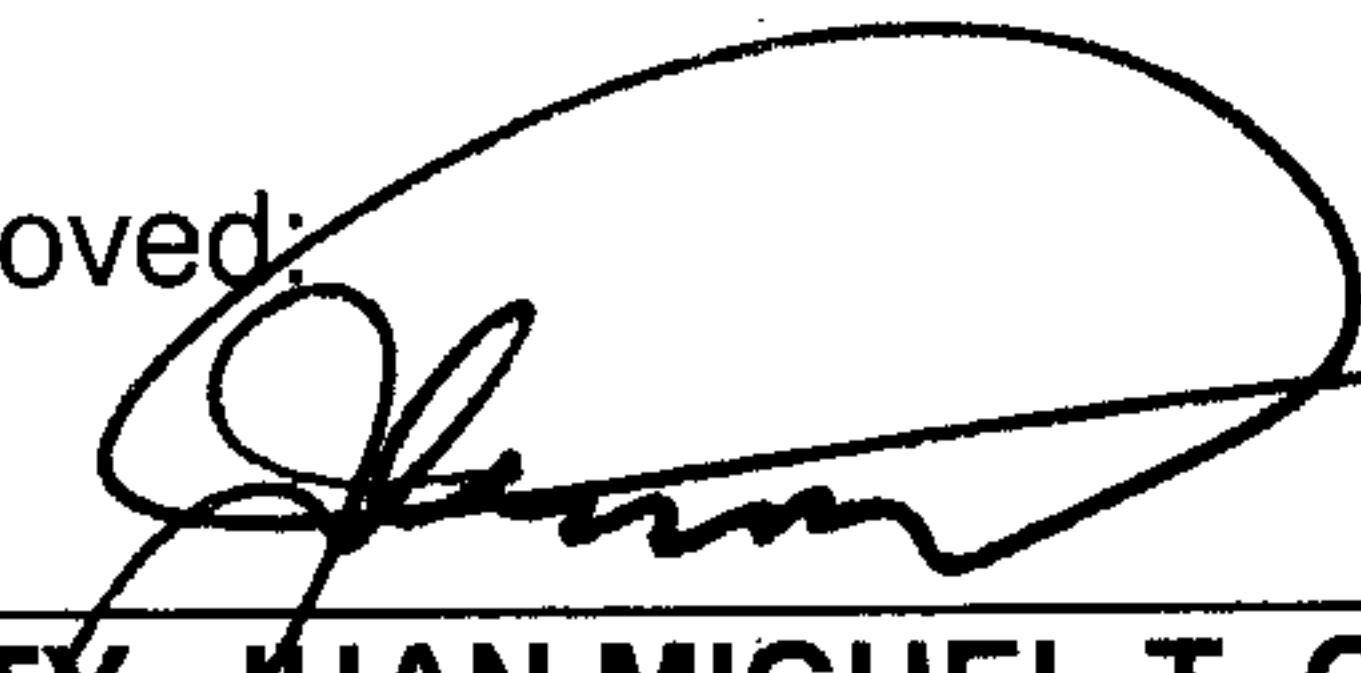
1. Mining/extraction area;
2. Crushing and screening plant with approximate rated capacity of 250 t/day;
3. Primary stockpile area with a land area of 10 ha and composed of solar/wind drying pads, ore stockpile, settling ponds, and equipment service area;
4. Coastal/secondary stockpile area with a land area of 20 ha and located near the causeway;
5. Haul roads;
6. Causeway to be located at Barangay Mambalot; and
7. Support facilities which includes administration facilities, medical facilities, a campsite/living area, an assay laboratory, workshops, a water supply system, power generation and fuel storage are, oil storage area, sediment control structures, waste overburden storage area and waste management facilities.

This Certification is issued pursuant to the provisions of Presidential Decree No. 1586 and in accordance to DENR Administrative Order No. 2003-30. Non-compliance with any of the provisions of this Certificate shall be a sufficient cause for the cancellation of this Certificate and/or imposition of a fine in an amount not to exceed Fifty Thousand Pesos (P50,000.00) for every violation thereof, without prejudice to imposition of penalties under other environmental laws. The EMB, however, is not precluded from re-evaluating and correcting any deficiencies or errors that may be found after issuance of this Certificate.

Issued at DENR, Quezon City Philippines this _____.

Recommending Approval:


ENGR. CESAR S. SIADOR, JR.
 OIC Chief, EIA Management Division

Approved: 
ATTY. JUAN MIGUEL T. CUNA
 OIC-Director

STATEMENT OF ACCOUNTABILITY

I, **Ken Stein**, Chief Operating Officer, representing Ipilan Nickel Corporation with office address located at 3F Corinthian Plaza, 121 Paseo De Roxas St., Legaspi Village, Makati City, take full responsibility in complying with all conditions contained in this Environmental Compliance Certificate (ECC).

Signature

TIN _____

Subscribed and sworn to before me on this ____ day of _____ 2010, the above-named affiant taking oath and presenting his Community Tax Certificate (CTC) No. _____ issued on _____ 2010 at _____.

Signature of Administering Officer

I. CONDITIONS

ENVIRONMENTAL MANAGEMENT

All commitments, appropriate mitigating/enhancement measures and monitoring requirements contained in the EIS, particularly in the Environmental Management and Monitoring Plans (EMMPs), as approved by the EMB, shall be instituted to minimize any adverse impact of the Project to the environment throughout its implementation, including the following:

1. Observance of appropriate vegetative practices, sound soil management, and proper waste management throughout the Project implementation, which include, among others, the following:
 - a. Proper stockpiling and disposal of the overburden and waste materials generated from the mining site, silt materials scooped-out from the settling ponds and other solid waste in permanent, stabilized areas away from any water body and drainage systems, and maintaining them in safe and non-polluting conditions;
 - b. Strict implementation of stabilization and erosion control in the mining area and affected side slopes of the roads and nearby gullies, water bodies and settling ponds within the Project site;
 - c. Using the recovered topsoil and overburden materials for re-soiling or as soil cover for rehabilitation of the mined-out areas, waste dumps, and other disturbed areas, as well as for landscaping of designated suitable areas. Topsoil stockpiling should be maintained at no more than three (3) meters high with appropriate stabilization measures to prevent erosion;
 - d. Limiting the clearing of vegetation within the planned areas to be mined;
2. Establishment of a reforestation and carbon sink program using endemic species and other species identified during the rehabilitation research to mitigate greenhouse gas (GHG) emissions of the project in line with the DENR's thrust for GHG emission reduction programs. The program shall be submitted to EMB prior to the project implementation;
3. Construction of a rain water harvesting structure for water conservation;
4. Implementation of an intensive and effective Information, Education and Communication (IEC) Program to inform and educate all stakeholders, particularly at Barangay Ipilan, about the mitigating measures embodied in its EIS and the conditions stipulated in this Certificate for greater awareness and understanding of the Project. The proponent shall implement an annual detailed IEC program in coordination with the Mines and Geosciences Bureau (MGB) Region IV-B Office and EMB Region IV-B;

GENERAL CONDITIONS

5. The mining operations shall conform with the provisions of R.A. No. 6969 (*Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990*), R.A. No. 9003 (*Ecological Solid Waste Management Act of 2000*), R.A. No. 9275 (*Philippine Clean Water Act of 2004*), and R.A. No. 8749 (*Philippine Clean Air Act of 1999*);
6. The proponent shall comply with the environmental management and protection requirements of the pertinent provisions of the *Philippine Mining Act of 1995* (R.A.

No. 7942) and its Revised Implementing Rules and Regulations (D.A.O. No. 96-40, as amended), as well as the pertinent provisions of the Memorandum of Agreement (MOA) between the EMB and MGB executed on 16 April 1998, such as, but not limited to, the following:

- a. Submission of Environmental Protection and Enhancement Program (EPEP), with the Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP) integrated thereto, to the MGB, for approval, prior to construction;
 - b. Submission of a Social Development and Management Program (SDMP) to the MGB Regional Office No. IV-B, for approval, prior to operation. The EMB shall be furnished with the approved SDMP within thirty (30) days from its approval;
 - c. Setting up of a Contingent Liability and Rehabilitation Fund (CLRF) and Environmental Trust Fund (ETF);
 - d. Establishment of Mine Environmental Protection and Enhancement Office (MEPEO) to competently handle the environment-related aspect of the Project. In addition to the monitoring requirements as specified in the EMP/EMoP and regular submission of Compliance Monitoring Report (CMR) in accordance with the prescribed format of the Philippine EIS System guidelines and regulations, the MEPEO shall also monitor the actual Project impacts vis-à-vis the predicted impacts and management measures identified in the EIS, and conduct monthly water quality monitoring prior to Project implementation;
 - e. Establishment of Mine Rehabilitation Fund Committee (MRFC) and Multipartite Monitoring Team (MMT); and
 - f. Designation of a Community Relations Officer (CRO);
7. The proponent shall ensure that its contractors and sub-contractors properly comply with the relevant conditions of this Certificate;

II. RESTRICTIONS

8. The extraction method within the approved mining area shall be surface mining with no on-site chemical processing and blasting involved;
9. The Proponent shall only commence Project implementation upon approval by the MGB Director of the Operating Agreement between Celestial Nickel Mining and Exploration Corporation and Ipilan Nickel Corporation; and
10. In case of transfer of ownership of this Project, these same conditions and restrictions for which written notification must be made by herein grantee to EMB within fifteen (15) days from such transfer.

O.R. No. : 9723231
Processing Fee : PhP 6,000
Date : June 17, 2010

PROJECT ASSESSMENT PLANNING TOOL

For the assistance of the Proponent and the Government agencies concerned in the management of the Project and for better coordination in mitigation of the impacts of the Project on its surrounding areas and the environment, and by way of recommendation, the following have been taken notice of by the EIA Review Committee and are forwarding these recommendations to the parties and authorities concerned for appropriate action.

OTHER REGULATORY REQUIREMENTS	GOVERNMENT AGENCIES/ENTITIES CONCERNED
1. Compliance with the Sanitation Code of the Philippines	DOH
2. Compliance with the Labor Code of the Philippines	DOLE-Bureau of Working Conditions
3. Provision of proper storm drainage canal, concrete culverts, and other flood control measures to adequately receive and channel the silt-laden runoff away from nearby receiving bodies of water	Provincial/Municipal Engineering Office
4. Allocation of water supply	NWRB
5. Implementation of a detailed Traffic Management Plan	Proponent and LGU concerned
6. Implementation of Ecological Solid Waste Management System	LGUs concerned
7. Secure Tree Cutting Permit	DENR
ENVIRONMENTAL PLANNING RECOMMENDATIONS FOR THE PROPONENT	
8. Proponent needs to design and construct roads with minimal land and ecological disturbance and with adequate drainage and continuously maintain access roads and other public/private roads within the Project site to offset impact of heavy vehicle traffic and nuisances/damages to the people and properties, as well as conduct regular water spraying to control dust generation and require vehicles to maintain low speed in dusty roads and populated area.	
9. The proponent is advised to officially submit to the PCSD its technical findings as the EIA Baseline Study within the ECAN Zones, as a basis for PCSD's review of the proponent's application and SEP clearance for the project.	
10. The proponent and its MMT, in coordination with EMB Region IV-B, to interface or link with adjacent mining companies and their corresponding MMTs for an integrated validation and evaluation of the progressive status of ambient environmental quality, biodiversity, ecological status of watersheds and other common impact areas.	
11. Priority of employment be given to qualified local residents and IPs. Adequate public information for jobs available to local residents and IPs in the affected areas needs to be provided	
12. An independent third party be commissioned to undertake an environmental audit, including a continuing study of the effects of the Project on the health of the workers and affected residents, including vulnerable groups. The results of the third party environmental audit, including the auditing of risks and hazards of the Project, shall be submitted to EMB and the MGB, while the result of the continuing health study shall be submitted, every two (2) years, to the Department of Health (DOH), for evaluation.	
13. The proponent to consider the Environmental Management System consistent with ISO 14001.	


ATTY. JUAN MIGUEL T. CUNA
 OIC-Director