

COMPLIANCE MONITORING AND VALIDATION REPORT (CMVR) FORM FOR MINING INDUSTRIES

IPILAN NICKEL CORPORATION
Maasin, Mambalot, Ipilan and Calasaguen, Brooke’s Point, Palawan

Date of Compliance Monitoring and Validation: 15-17 February 2023
Monitoring Period Covered: July to December 2022 Quarter/Semester/Year 4th Quarter

I. BASIC INFORMATION

ECC Control No./Reference Code No.	ECC Ref. No. 1006-007
Date ECC Issued	October 08, 2010
MPSA Control No./Reference Code No.	MPSA No. 017-93-IV
Date MPSA Issued	September 18, 1993, and amended on April 10, 2000
Project Current Name	Ipilan Nickel Corporation
Project Name in the ECC	Ipilan Nickel Project
Project Status	Fully operational phase
Project Geographical Coordinates	X: 8.87313434 N Y:117.93182453 E
Proponent Name	Mr. Ken Stein
Proponent Contact Person/Position	Chief Operating Officer
Proponent Mailing Address	INC Penthouse, Platinum Tower, Aseana Ave., Cor Fuentes St., Aseana Parañaque City
Proponent Telephone No./Fax No.	0917-8047358
Proponent Email Address	moarlegui@gfni.com.ph
MMT Contact Person/Position	Hanna Lee Arriesgado/Sr. SRS/Team Leader
MMT Mailing Address	6 TH Flr. DENR by the Bay Bldg., Roxas Blvd., Ermita Manila
MMT Telephone No./Fax No.	
MMT Email Address	

II. EXECUTIVE SUMMARY OF COMPLIANCE

Requirements		Complied		Remarks/ECC or EPEP Condition#
		Yes	No	
Compliance with ECC Conditions/ Commitments	Validity	✓		ECC Ref. No. 1006-007 issued on October 08, 2010
	Project coverage/limits/components	✓		Land Area: estimated 260 ha Production output: Average daily production output:3,144 MT Total output this 4 th Quarter: 282.960 MT
	EMP and updates as deemed necessary	✓		
	Regular reporting of Self-Monitoring Results by the Project Proponent	✓		With SMR presented during MMT activity
	Other sectoral requirements mandated by other agencies to be complied with	✓		Presented corresponding permits and clearances prior to the activity conducted.

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Compliance with EPEP Commitments	Implementation of Environmental Impact Control Strategies	✓		Strictly monitor and implement appropriate and effective environmental impact remedial actions in case of exceedances.
	Safety	✓		Strict implementation of compliances in safety management and protocols
	Road Rehabilitation	✓		Improvement of haul roads is still on-going.
Compliance with SDMP Commitments				
Complaints Management	Complaint receiving set-up			
	Case investigation			
	Implementation of control measures			
	Communication with the complainant/public			
	Complaint documentation			
Accountability- qualified personnel are charged with the routine monitoring of the project activities in terms of education, training, knowledge and experience of the environmental team		✓		Mr. Marvin Louei Arlegui is the PCO and MEPEO of the company
Others...				

III.PROCESS DOCUMENTATION OF ACTIVITIES UNDERTAKEN

Activities	Date Conducted	MMT Members Involved	Methodology/Other Remarks
Document Review of:			
- Compliance with ECC Conditions/Commitments	16-17 February 2023	All MMT members	Conducted during the MMT activities.
- Compliance with EPEP & SDMP Commitments	16-17 February 2023		
- Compliance with DENR Permits Conditionalities	16-17 February 2023		
- Compliance with SEP Clearance Conditionalities	16-17 February 2023		
Site Validation - Ocular			
Site Validation - Confirmatory Sampling (if conducted)	16-17 February 2023	MMT Sampling Team	Air, Water, and Noise Sampling was conducted for 4 th Quarter 2022.

IV.COMPLIANCE MONITORING RESULTS AND DISCUSSIONS

A. Compliance to Project Location and Coverage Limits
(as specified in ECC and/or EPEP)

Parameter	Specification (specify if in ECC or EPEP)	Within Specs?		Remarks - Description of Actual Implementation
		Yes	No	
Project Location (indicate geographic coordinates)	Ipilan Nickel Project X: 8.87313434 N Y:117.93182453 Area located at Barangay Ipilan, Mambalot, Maasin, and Calasaguen	✓		Based on the Environmental Impact Statement System (EIS) study
Type of Minerals	Nickel Ore	✓		Nickel Ore
Annual Production	Annual: 1,000,000 DMT of Nickel Ore	✓		Production Average daily production output:3,144 MT Total output this 4 th Quarter:

				282. 960 MT
Access/Transportation	Road and Air Access Transportation	✓		Approximately 175 km by a national road, from Puerto Princesa going to Brooke’s Point. It can be reach via public transport with a time travel approximately 3-4 hours.
Components	<ol style="list-style-type: none">1. Mining/extraction area2. Crushing and screening plant with approximate rated capacity of 250 t/day3. Primary stockpile with a land area of 10 ha and composed solar/wind drying pads, ore stockpile, settling ponds, and equipment service area4. Coastal/secondary stockpile area with a land area of 20 ha and located near the causeway5. haul roads6. causeway to be located at Brgy. Mambalot7. support facilities which includes administration facilities, medical facilities, a campsite/living area, as assay laboratory, workshops, a water supply system, power generation, and fuel storage area, oil storage area, sediment control structures, waste overburden storage area, waste management facilities			
Workforce				With total of 837 workforce

B. Review & Validation of Proponent's Self-Monitoring Report

B.1. Compliance to other ECC Conditions

(Directions: The MMT shall check compliance of the Proponent to the conditions stipulated in the ECC.)

ECC Conditions	Complied?		Proof of Compliance/Remarks
	Yes	No	
ENVIRONMENTAL MANAGEMENT			
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	✓		Kindly see the MGB Report for reference

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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; 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;			
1. 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;	✓		With established nursery for seedling production at mine camp and at old camp including organic fertilizer production. Additional constructed nursery with 1,900,000 holding capacity and vermi-composting facility near at SY 5.
2. Construction of a rain water harvesting structure for water conservation;	✓		With installed rainwater harvester within the mine camp
3. Implementation of an intensive and effective Information, Education and Communication (EC) Program to inform an 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			
4. The mining operations shall conform with the provisions of R.A. No. 6969 (<i>Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990</i>), R.A. No. 9003 (<i>Ecological Solid Waste Management Act of 2000</i>), R.A. No. 9275 (<i>Philippine Clean Water Act of 2004</i>), and R.A. No. 8749 (<i>Philippine Clean Air Act of 1999</i>);	✓		1. RA 6969 Toxic Substances and Hazardous and Nuclear Waste Control Act) 1. Hazardous Waste Generators ID-Online Approved OL-GR-R4B-53-027117 2. RA 8749 (Philippine Clean Air Act) 2. A. With valid Permit to Operate PTO until CY 2027. 3. RA 9003 (Ecological Solid Waste Management Act) 3. A. Storage bins and Materials Recovery Facility (MRF) were observed within the project site

			<p>B. Conversion generated residual waste into eco-bricks was observed and being implemented.</p> <p>4. RA 9275 Philippine Clean Water Act)</p> <p>A. With pending 2 applications for DP for SY 4-5-Overflow</p>
<p>5. The proponent shall comply with the environmental management and protection requirements of the pertinent provisions of the <i>Philippine Mining Act of 1995</i>(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:</p>			
<p>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;</p> <p>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;</p> <p>c. Setting up of a Contingent Liability and Rehabilitation Fund (CLRF) and Environmental Trust Fund (ETF);</p> <p>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;</p> <p>e. Establishment of Mine Rehabilitation Fund Committee (MRFC) and Multipartite Monitoring Team (MMT); and</p> <p>f. Designation of a Community Relations Officer (CRO); -</p>	✓		<p>a. Complied. Submitted to the DENR-MGB.</p> <p>b. With approved SDMP and submitted to the MGB Regional Office No. IV-B.</p> <p>c. Complied. With CLRF and ETF.</p> <p>d. Mr. Marvin Louei Arlegui is the PCO and MEPEO of the company.</p> <p>e. Complied. With established MRFC and MMT.</p> <p>f. Mr. Alex Arabis, Resident Mine Manager is also the designated Community Relations Officer (CRO).</p>

6. The proponent shall ensure that its contractors and sub-contractors properly comply with the relevant conditions of this Certificate;	✓		Noted by the proponent. The LGU concern will look after the business permits prior to project operation. And EMB embedded will also conduct inspection and survey on applicable laws, rules, and regulations prior to project operation.
II. RESTRICTIONS			
7. The extraction method within the approved mining area shall be surface mining with no on-site chemical processing and blasting involved;	✓		No on-site chemical processing and blasting was observed during the MMT activity.
8. 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	✓		Complied.
9. 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.			Noted by the project proponent.

B.2. Compliance to Impact Management Commitments in EIA Report & EPEP

(Directions: The MMT shall check compliance of the Proponent to the commitments in the EMP.)

Project Impacts	Mitigating Measures/Control Strategies		Effective		Recommendation
	Planned	Actual Observation	Yes	No	
OPERATIONS (For other recommendations, see attached MMT Exit presentation)	1. Road Maintenance	With on-going road maintenance and improvement	✓		Continuous improvement of haul roads, sprinkling and other maintenance activity.
	2. Erosional Control & Reforestation	Planted trees along the periphery of the project was observed	✓		Continuous seedling production.
	3. Checkdams, Oil-Water Separator and septic tanks	With 2 pending application for DP on SY 4-5-Overflow, no valid DP for septic tanks and OWS	✓		Installation of Oil-Water Separator (OWS) within the contractor's camp.
	4. Drainage Channel Peripheral Drainage Canal/Screen	There are some canals with possible overflowing.		✓	Regular maintenance of perimeter berm, canals, and check dams as necessary
	5. Environmental Monitoring Program Air/Water/Noise	Conducts regular air and water quality and noise level monitoring.	✓		Continue the monitoring activity. Results is being reflected in the SMR submission.
	Solid Waste Management	With trash bins and MRF within the mine camp. Conversion of residual waste	✓		Continue to implement proper waste management by means of creating

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		into eco-bricks			environmentally sound solutions for waste minimization.
	Hazardous Waste Management	Drums and other storage container have a label. Stored in drums and properly sealed to prevent spill/leakage. With installed summary inventory of generated waste.			Improvement of signages and placards and storage management. Install Emergency Flow Chart. Installation of Hazardous Waste Facility within the contractor's camp

Air Quality Impact Assessment

Sampling Location 1: _____

Parameter	Result				EQPL			Remarks
	In SMR		MMT Confirmatory Sampling		Red Flag	Action	Limit (DENR Int'l Stds)	
	Current 2Q 2022	Previous 1Q 2022	Current 2Q 2022	Previous 1Q 2022				
	ug/Nm ³		ug/Nm ³	ug/Nm ³				
	ug/Nm ³		ug/Nm ³	ug/Nm ³				
Date/time of sampling: (In SMR);								
Weather and wind direction:								
Explanation of why confirmatory sampling was conducted for specific parameter in the sampling station:								

Sampling Location 2: _____

Parameter	Result				EQPL			Remarks
	In SMR		MMT Confirmatory Sampling		Red Flag	Action	Limit (DENR Int'l Stds)	
	Current 2Q 2022	Previous 1Q 2022	Current 2Q 2022	Previous 1Q 2022				
			ug/Nm ³	ug/Nm ³				
			ug/Nm ³	ug/Nm ³				
Date/time of sampling: (In SMR);								
Weather and wind direction:								
Explanation of why confirmatory sampling was conducted for specific parameter in the sampling station:								

Sampling Location 3: _____

Parameter	Result		EQPL			Remarks
	In SMR	MMT Confirmatory	Red	Action	Limit	

Weather and wind direction:
Explanation of why confirmatory sampling was conducted for specific parameter in the sampling station:

a. Compliance with good practices in Solid and Hazardous Waste Management

(Directions: The MMT shall indicate its observations on how solid waste is handed, stored, disposed.)

Type of Waste	ECC/EPEP Commitments			Adequate?		Remarks
	Handling	Storage	Disposal	Yes	No	
Non-biodegradable Solid Waste	Waste segregation	Storage facility	Conversion of residual waste into eco-bricks	✓		Continuous waste conversion and other environmentally-sound solutions/projects for waste minimization.
Hazardous Waste: Lead Compounds, used industrial oil including sludge, arsenic and its compounds, pathological waste, WEEE, oil contaminated materials, grease wastes, pharmaceutical wastes	Strict implementation of Hazardous waste management, storage, and labeling	Hazardous Waste storage facility	Not yet for disposal	✓		Hazardous wastes are stored in their designated facility. All hazardous waste generated are properly sealed, properly labeled, well ventilated, and covered with steel fence to prevent the entry of unauthorized entity.

b. Compliance with good practices in Chemical Safety Management

(For those companies using/producing Chemicals listed in EMB's PCL and CCO list)

Chemicals in PCL and CCO	Adequate?* (Put/If Adequate)				Remark
	Risk Management	Training	Handling	Emergency Preparedness	
	N/A				

C. Field Findings/Observations:

1. Ipilan Nickel Corporation operates the Ipilan Nickel Project under Mineral Production Sharing Agreement (MPSA) No. 017-93-IV issued to Celestial Nickel Mining Exploration Corporation (CNMEC) with a total area of 2,835 hectares, located in the Municipality of Brooke’s Point, Palawan.
2. There are four (4) impact barangays consisting of Barangay Maasin, Mambalot, Calasaguen, and Ipilan.
3. During entry meeting, SB Member Culili (also a MMT Member) raised that the Ipilan Nickel Corporation is operating without a valid Mayor’s Permit because of the lacking requirements set by the Local Government of Brooke’s Point. Mr. Alex Arabis, discussed certain reasons and arguments pertaining on concerned. This matter is being handle by the company legal office.
4. There’s a complaint lodged from Mrs. Gloria Bernas pertaining on the damages to her adjacent property re; construction of causeway and haul roads. This matter will be endorsed to the appropriate office for appropriate action.
5. There are 5 Phases included in the construction of causeway. Upon monitoring only Phase 1 and 2 was 100% accomplished and construction of Phase 3 will start tentatively this coming March 2023.
6. Discoloration around the causeway/pier area was observed (February 16, 2023) and it was also observed during sampling activity (February 17, 2023). However, gradient was also observed at sampling station Marine Water (MW) 1,2, and 3 located at Brgy. Mambalot which are located afar from the pier.

7. Installed silt fence along pier was wrecked during the heavy rainfall that occurred last December 2022 and January 2023.
8. Fisherfolks (lobster farmer) has been relocated to other area provided with financial assistance and other livelihood program.
9. There are 256 silt traps installed along the haul roads. However, it was observed that there are some silt traps which is not properly maintained and needs maintenance and repair.
10. Road maintenance/road sprinkling was observed for dust minimization.
11. Sedimentation pond together with perimeter berm adjacent to the MYs was observed to prevent unfiltered wastewater to infiltrate/overflow into the adjacent water body.
12. Stock Yard (SY) 4 and 5 is no longer operational and no stockpile was observed. These are previously known as the MY 1 and 2. Only SY 1, 2, and 3 are being used for stockpiling.
13. All standby generators set, and fuel tanks have a valid Permit to Operate until CY 2027 and submits SMR in compliance to issued post-condition.
14. Registered as HW Generator. Summary inventory of HW generated was observed within the HW facility. Improvement on HW Facility including storage management, proper labeling is still on-going.
15. Conversion of generated residual waste into eco-bricks was observed.
16. With pending application for Discharge Permit SY 04-05-overflow.

Recommendations:

1. Improve hazardous waste management including labelling requirements, signages, and placards.
2. Improve traffic management.
3. Conduct regular sampling to establish sampling sites together with regular monitoring.
4. Continuous improvement of haul roads, water sprinkling, and other maintenance activities.
5. Installation of OWS and hazardous waste storage facility at contractor's camp.
6. Regular maintenance of perimeter berm, canals, and check dams as necessary.
7. Continue to implement proper waste management by means of creating environmentally sound solutions for waste minimization.
8. Installation of Emergency Flow Chart at Hazardous Waste Facility, and
9. Provide sampling pet bottles for sampling activity.

PHOTOS DURING MMT ACTIVITY



Site visit in the pier site



Discoloration was observed around the pier site.



Installed Silt fence that needs maintenance and repair.



Fuel tanks with a total of 94 KL located at mine camp.



5 units of Oil and Water Separator.



Newly constructed vermi-composting facility and nursery with a total holding capacity of 1,900,000.





Active mine pit.



SY 4 and 5 (previously MY 1 and 2) are no longer operational, and no stockpile was observed.



Conversion of generated residual waste into eco-bricks



Road improvement was observed.