

Celestial Nickel Mining Exploration Corp./Ipilan Nickel Corp.

MPSA No. 017-93-IV as Amended 2000

QUICK FACTS

Mining Tenement	Mineral Production Sharing Agreement (MPSA)
Tenement No.	MPSA No. 017-93-IV as Amended-2000
MPSA Contractor	Celestial Nickel Mining Exploration Corporation
Operator	Ipilan Nickel Corporation (Ipilan) (Operating Agreement approved on April 20, 2015)
Date Granted/Registered	September 18, 1993/December 8, 1993
Date Amended	April 10, 2000
Date Registered	May 23, 2000
Date of Expiration	April 10, 2025 (per December 21, 2020 DENR Order)
Contract Area	2,917.2743 hectares pursuant to the December 13, 2016 approved Survey Plan
Location	Brgys Ipilan, Mambalot, Brooke's Point, Palawan
Mineral Commodity	Nickel ore and other associated mineral deposits
Environmental Protection and Enhancement Program	Projected allotment PhP563,126,000.00 for the 10-year period Approved on November 25, 2021
Final Mine Rehabilitation/Decommissioning Plan	Commitment = PhP157,968,944.00 Approved November 25, 2021
Social Development and Management Program	Projected allotment PhP136,294,600.00 Approved February 17, 2022
Contact Person	Atty. Dante R. Bravo President
Address	7F Corporate Business Center 151 Paseo de Roxas cor Arnaiz St. 1228 Makati City
	Operator: Ipilan Nickel Corporation Penthouse, Platinum Tower Aseana Ave. cor Fuentes St., Aseana, Paranaque City

DATE	RELEVANT EVENTS
September 8, 1992	Celestial Nickel Mining Exploration Corporation (CNMEC) filed an Application for a Mineral Production Sharing Agreement (MPSA).
September 18, 1993	MPSA No. 017-93-IV was entered into by and between the Philippine Government and CNMEC covering an area of 2,835.06 hectares situated in Brgys. Mambalot and Ipilan, Brooke's Point, Palawan. It was registered on 08 December 1993.
April 10, 2000	MPSA No. 017-93-IV was amended and signed by DENR Secretary Antonio H. Cerilles and Mr. Denis C. Hernandez, President of CNMEC to conform with the provision of Republic Act No. 7942, the Philippine Mining Act of 1995 and its implementing rules and regulations.
October 8, 2010	An ECC was granted to Ipilan Nickel Project located at Brgy. Ipilan, Mambalot, Maasin and Calasaguen, Municipality of Brooke's Point, Province of Palawan.
December 21, 2010	The Palawan Council for Sustainable Development granted to Ipilan the SEP Clearance No. MODP-122110-001 covering the 2,835.06 hectare MPSA contract area. The same clearance, however, required that a 200-meter buffer on both sides of Maasin River must be delineated and marked on the ground and must not be subjected to mining activities to serve as natural barriers against erosion and siltation.
April 20, 2015	The MGB CO approved the January 19, 2005 Operating Agreement executed by and between CNMEC and Ipilan Nickel Corp. (Ipilan), granting the latter the exclusive right to initially explore, then possibly develop and commercially utilize nickel and other associated mineral deposits that may be discovered within the contract area for a maximum term of 25 years, renewable for like period.
April 21, 2016	The MGB CO approved the Partial Declaration of Mining Project Feasibility (PDMPF) for the 343.3-hectare portion of the contract area of MPSA No. 017-93-IV.
May 26, 2016	The DENR MIMAROPA Region issued a Tree Cutting and Earth Balling Permit No. DENR IV-B MIMAROPA-2016-04 covering 52.15 hectares and a <i>"Maximum of only 13,490 trees of various species with diameters of 16 centimeters and above shall be authorized to be cut and 14,439 trees</i>

	<i>with diameter of 15 centimeters and below shall be earth-balled."</i>
December 14, 2016	The DENR cancelled the ECC granted to Ipilan pursuant to DAO No. 2003-30 item 10.d, which states that "the ECC automatically expires if a project has not been implemented within five (5) years from ECC issuance, or if the ECC was not requested for extension within three (3) months from the expiration of its validity."
January 4, 2017	Ipilan filed at the DENR its Letter-Reconsideration pertaining to the cancellation of its ECC.
April 12, 2017	The MGB CO informed IPILAN that it lacks ECC as it has been cancelled by the DENR and that it has failed to comply with the conditions stated in the Order dated April 20, 2016, approving its PDMPF.
May 5, 2017	IPILAN thru its letter to the PENRO of Palawan states that the ECC cancellation has yet to attain finality.
May 12, 2017	Thru a Letter, MGB MIMAROPA Region advised IPILAN to refrain from conducting any mining or related activities pending resolution of its Motion for Reconsideration ECC.
May 15, 2017	IPILAN thru its Letter to MGB CO, in reply to the April 12, 2017 Letter informed that it has filed a Motion for Reconsideration pertaining to the ECC cancellation and that it has substantially complied with the conditionalities stated in the approval of its PDMPF.
May 17, 2017	DENR MIMAROPA Region issued a Notice of Suspension, directing Ipilan to <i>"STOP AND SUSPEND all cutting and earth-balling activities within the area covered by your permit until the DENR has fully assessed and accepted your compliance with the terms and conditions of the permit."</i>
May 17, 2017	DENR MIMAROPA Region issued a Show Cause Order to Ipilan stating that <i>"with the cancellation of the ECC, all related mining activities including tree cutting permit are likewise deemed cancelled."</i> Hence, the company was <i>"ordered to show cause why he should not be charged of qualified theft for violation of Section 77 (formerly 68) of Presidential Decree No. 705, as amended within three (3) days from receipt hereof."</i>
May 26, 2017	In the Memorandum Report of the CENRO of Brooke's Point, Palawan to the DENR Undersecretary for Field Operation, it was reported that <i>"there are 3,352 felled trees inventoried/scaled with a total volume of 1,648.59 cubic</i>

	<i>meters dominated by Agoho, Malabayabas, Nato, Apitong baboy and other hardwood species."</i>
May 26, 2017	The Special Tree Cutting Permit expired.
July 27, 2017	The Palawan Council for Sustainable Development (PCSD) issued Resolution No. 17-588, which recalled the SEP Clearance No. MODP-122110-001 issued to Ipilan.
June 5, 2020	The DENR issued a Resolution lifting the July 21, 2017 Cease and Desist Order issued to Ipilan and reinstated its ECC.
December 21, 2020	The DENR issued an Order clarifying that the MPSA shall expire on April 10, 2025 based on the April 10, 2000 amendment of the MPSA to conform to the provisions of RA No. 7942.
August 16, 2021	Ipilan paid its Occupation Fees for <ul style="list-style-type: none"> • CY2018-2019 at the Municipality of Brooke's Point in the amount of Php273,562.50 under OR No. 6104308 G • CY2019-2020 at the Municipality of Brooke's Point in the amount of Php273,562.50 under OR No. 6104309 G • CY2020-2021 at the Municipality of Brooke's Point in the amount of Php273,562.50 under OR No. 6104310 G
August 19, 2021	The PCSD issued Resolution No. 21-783 reinstating SEP Clearance No. MODP-122110-001 issued to Ipilan.
September 9, 2021	The municipality of Brooke's Point issued a Mayor's Permit for mining to Ipilan.
November 15, 2021	The MGB CO approved the 3YWP of Ipilan for CYs 2021-2023.
November 24, 2021	MGB MIMAROPA requested MGB CO to clarify the following issues in relation to the approval of Ipilan's 3YWP: <ol style="list-style-type: none"> 1. EPEP/FMRDP 2. NCIP Certification 3. Compliance to the conditions under the Resolution reinstating the SEP Clearance, such as: <ul style="list-style-type: none"> • An ECAN Board or Sangguniang Bayan Resolution showing that Ipilan complies with the applicable ECAN Zoning of the Municipality of Brooke's Point; • A Mayor's Permit • PCSD Staff's delineation of encroachment in the watershed, protected areas, and core zone, if any.

January 7, 2022	<p>MGB CO, in its Memorandum, clarified that:</p> <ol style="list-style-type: none"> 1. The PCSD has set certain requirements for the reinstatement of the SEP Clearance of Ipilan, however, based on the resolution, the Council en banc reinstated the SEP Clearance without imposing any conditions to the issuance of the reinstatement therein. Hence, it is construed that the issuance of the reinstatement is already in order and without any defects. 2. The Contingent Liability and Rehabilitation Fund Steering Committee issued the Certificate of Approval No. 195-2021-20 on November 25, 2021 approving the Environmental Protection and Enhancement Program and Final Mine Rehabilitation and/or Decommissioning Plan of Ipilan under MPSA No. 017-93-1V-as Amended 2000. 3. Ipilan should secure the pertinent Certificate Precondition (CP) or Memorandum of Agreement (MOA) prior to the conduct of development/construction and mining activities within the contract area of MPSA No. 017-93-1V-as Amended 2000. In case that Celestial/Ipilan has only secured a MOA, it is given ninety (90) days upon the commencement of the development/construction and mining activities to secure the CP from the NCIP. 4. Ipilan has secured the approval of the 3YD/UWP for CYs 2021-2023 under MPSA No. 017-93-1V-as Amended-2000, the implementation thereof is still held in abeyance pending the compliance with Section 59 of RA No. 8371 and Section 35 of DAO No. 2010-21.
February 17, 2022	<p>The MGB CO clarified that the effective date of the MPSA granted to Celestial shall be "reckoned from the date of the execution of the amended contract, which was on April 10, 2000. Thus, the applicability of securing the pertinent CP for the said mining tenement shall be observed and complied with by Celestial/Ipilan."</p> <p>MGB CO granted Celestial/Ipilan the authority to implement the approved 3YWP for CYs 2021-2023 subject to the following conditions:</p>
March 8, 2022	<p>The Philippine Ports Authority (PPA) granted clearance to Ipilan to undertake construction of the port facility upon securing the Permit to Construct from the Port Management Office of Palawan.</p>

March 15, 2022	Ipilan notified MGB MIMAROPA that it is "about to implement and conduct preliminary site preparation activity in relation to the implementation of the INC mine operation plan."
April 5, 2022	<p>The PPA issued to Ipilan a Permit to Construct Causeway/Port Facilities at Brgy. Mambalot and Brgy. Maasin, Brooke's Point, Palawan, among the condition is as follows:</p> <p>"Permittee is committed to start construction works within six (6) months from the date of approval of this Permit to construct, otherwise the Permit issued shall be rendered null and void."</p>
June 1, 2022	<p>The DENR MIMAROPA granted a Provisional Permit for Permit Application No. 045306-001 for the provisional use for CAUSEWAY/INDUSTRIAL purpose of the 118,580.00 sqm of foreshore land located in Barangay Maasin, Brooke's Point, Palawan.</p> <p>The provisional permit is valid until 01 June 2023.</p>
June 13, 2022	The Municipal Planning and Development Office Zoning Division of the Municipality of Brooke's Point issued the Locational/Zoning Clearance covering an area of 9,600.00 sqm for the Causeway/Port Facilities Project of Ipilan.
September 7, 2022	MGB CO issued to Ipilan its first Mineral Ore Export Permit (MOEP) denominated as DENR-MGB-22-007 for 54,000 WMT @1.5% Ni, 15-30% Fe for Guangdong China via M/V He Sheng Nan Fang.
September 13, 2022	The PPA issued Certificate of Registration/Permit to Operate No. 556 (Temporary/Non-Commercial) a NON-COMMERCIAL PRIVATE PORT.

/CoMMD MIMAROPA