

Status of Compliance to MMT Commitments

**3rd Quarter 2022 MMT Validation & 4th Quarter
2022 MMT Sampling Activities**

December 15, 2022 | 4thQ2022 MRFC Meeting
Citinickel Mines and Development Corporation – Toronto Nickel
Mining Project

LAND RESOURCES AND VEGETATION

Observation/Findings	Recommendation	Status of Compliance
<p>Progressive Rehabilitation – Backfilling and Land Preparation of Mined-out areas: 4.5 hectares out of 6.0 hectares (75%)</p>	<p>Ensure completion of the target hectarage for the year.</p>	<p>This is an on-going compliance. As of November 15, 2022, the company prepared 5.07 has. in Block A Rehabilitation areas 5 (0.19 ha.), 6 (3.13 has.), 7 (1.16 has.) & 8 (0.59 ha.) out of 6.0 hectares based on the 2022 AEPEP target (84.50% accomplishment). On-going land preparation works in Block A Rehabilitation area 5.</p>



LAND RESOURCES AND VEGETATION

Observation/Findings	Recommendation	Status of Compliance
<p>Progressive Rehabilitation – Backfilling and Land Preparation of Mined-out areas: 4.5 hectares out of 6.0 hectares (75%)</p>	<p>Ensure completion of the target hectarage for the year.</p>	<p>This is an on-going compliance. As of November 15, 2022, the company prepared 5.07 has. in Block A Rehabilitation areas 5 (0.19 ha.), 6 (3.13 has.), 7 (1.16 has.) & 8 (0.59 ha.) out of 6.0 hectares based on the 2022 AEPEP target (84.50% accomplishment). On-going land preparation works in Block A Rehabilitation area 5.</p>



LAND RESOURCES AND VEGETATION

Observation/Findings	Status of Compliance
<p>Mining Forest Program (MFP) Plantation within Tenement 1 accomplishment: Hectarage: 0.076 ha (for the quarter) 2.016 ha. (from 1st to 3rdQ2022) No. of seedlings planted: 190 (3rdQ2022) 6,253 (1st to 3rdQ2022)</p>	<p>As of November 15, 2022, the company planted 10,991 assorted endemic seedlings to 4.64 hectares in Block A Rehabilitation areas 5, 6, 7 & 8. For 4th Quarter only from October 1-November 15, 2022, the company planted 4,738 seedlings in Block A Rehab area 6.</p>





LAND RESOURCES AND VEGETATION

Observation/Findings	Recommendation	Status of Compliance
Eroded slope at Block B Rehabilitation Area 5.	Seek the best methods (e.g. provision of coconet, grass planting by block) to stabilize the subject face wall. Provide bund wall upon stabilization.	Grass planting activity at the slopes of Block B Rehabilitation area 5 will be implemented by the year 2023. Provision of coconet will be considered.



WATER RESOURCES AND QUALITY

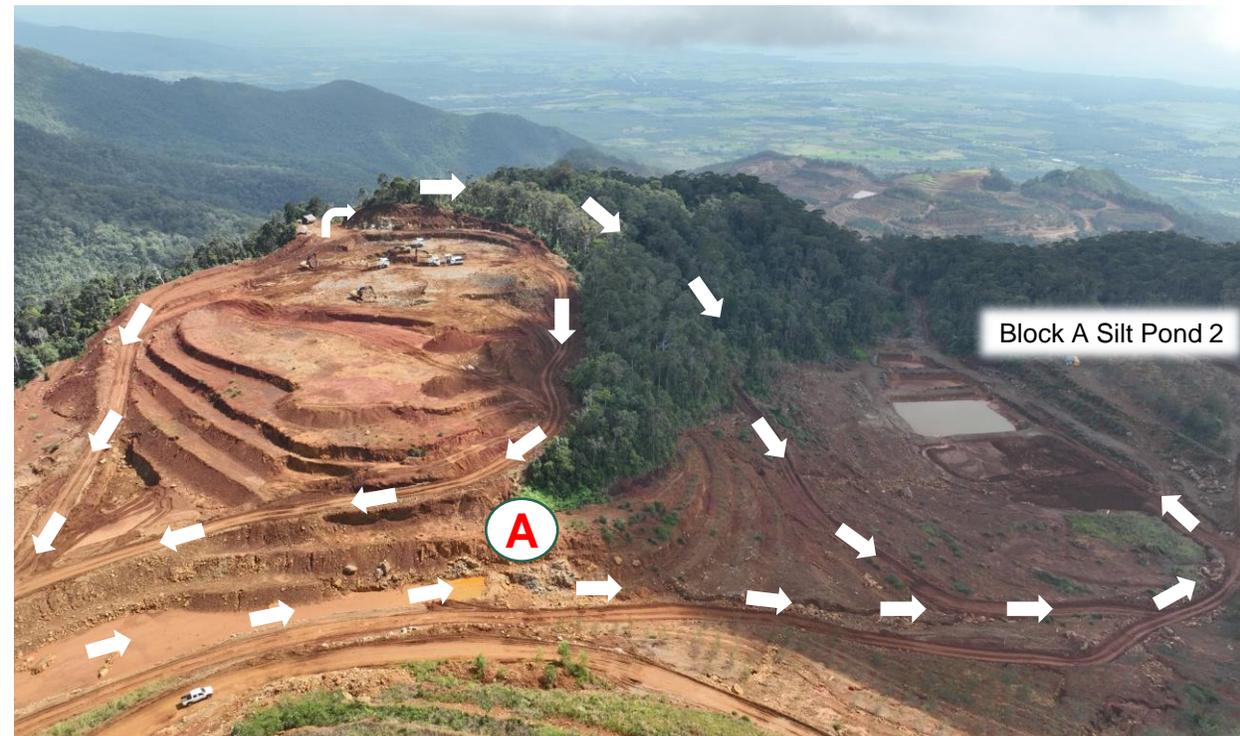
Recommendation	Status of Compliance
Provision of signage detailing the structure name, capacity and flow diagram at Kilometer 2.5 Siltation Pond and New Communal Dam Siltation Pond.	For procurement of the materials needed for the construction of permanent signage.

Recommendation	Status of Compliance
Drums of Hazardous Wastes with faded labels. Replace the dulled labels.	Request for job order of heavy duty labeling for hazardous waste drums was done on November 10, 2022 with JO No. ENVI-756. For allotment of budget and procurement.

Recommendation	Status of Compliance
As minimum requirement for the hazardous waste storage facilities, the facility should be enclosed by adequately ventilated.	For planning/lay-out and subject for funding by Head Office.

WATER RESOURCES AND QUALITY

Observation/Findings	Recommendation	Status of Compliance
Current active area at Block B Rehab area 8 (previously under TRP).	Ensure environmental measures are implemented (e.g. bud walls, SCS)	The water flow system was already existing even during the inactive phase of the mining area. The drainage system was then improved along with the reactivation of access roads prior to the resumption of mining activity.



WATER RESOURCES AND QUALITY

Observation/Findings	Recommendation	Status of Compliance
For reconstruction/modification of MRF. This will entail additional expenses thus, the allocation for the year will be insufficient for the completion of the activity.	Implement the revised plan.	For procurement of the materials upon allotment of budget based on the revised plan. Included to the 2023 AEPEP.

TABLE 18. 2023 AEPEP OF CITINICKEL MINES AND DEVELOPMENT CORPORATION - TORONTO NICKEL MINING PROJECT

Activities	Unit of Measure/ Unit Cost	Target (Physical/Financial)					Remarks
		1Q	2Q	3Q	4Q	Annual	
• WATER QUALITY AND RESOURCE (20%)		882,460.00	1,108,312.00	1,224,832.00	612,000.00	3,827,604.00	
<i>B. MRF/Sanitary Landfill</i>							
1. Improvement/Expansion of MRF	No. of facility improved	0	0	1	0	1	Improvement of existing MRF facility Php 50,000.00 of the total budget was carried-over from 2022 AEPEP allotment.
	152,000.00	0.00	0.00	152,000.00	0.00	152,000.00	
2. Maintenance of MRF	No. of Facility Maintained	1	1	1	1	1	Maintenance of MRF facility in a weekly basis.
	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	40,000.00	

SUBJECT :BILL OF MATERIALS and COST ESTIMATES
PROJECT TITLE :PROPOSED RENOVATION/IMPROVEMENT OF MATERIALS RECOVERY FACILITY
ADDRESS :TORONTO NICKEL MINING PROJECT
OWNER :CITINICKEL MINES AND DEVELOPMENT CORPORATION

ITEM	SCOPE OF WORK/DISCRPTION	QTY.	UNIT	UNIT COST	AMOUNT
1.0	Siteworks				
	Layout and Staking				
	6-2"x1.5"x10' lumber	15.00	bd.ft	P 30.00	450.00
	6-2"x2"x10' lumber	20.00	bd.ft	P 30.00	600.00
	GI Nails (assorted)	2.00	kgs	P 70.00	140.00
	Nylons (# 200)	1.00	kgs	P 85.00	85.00
	Materials Cost				P 1,275.00
	Labor Cost				P 382.50
	Item Direct Cost				P 1,657.50
2.0	Concrete Works (Class A Mixture)				
	Cement	5.00	bags	P 240.00	P 1,200.00
	Screened Sand	0.50	cu.m	P 1,000.00	P 500.00
	3/4" dia. Gravel	1.00	cu.m	P 1,000.00	P 1,000.00
	Forms works and scaffoldings				
	10 - 2" x 3" x 12" lumber	60.00	bd.ft	P 30.00	P 1,800.00
	10 pcs - 2" x 2" x 12' Lumber	40.00	bd.ft	P 30.00	P 1,200.00
	GI Nails (assorted)	3.00	kgs	P 70.00	P 210.00
	1/4"x4'x8' ordinary plywood	2.00	pcs.	P 310.00	P 620.00
	Materials Cost				P 6,530.00
	Labor Cost				P 1,959.00
	Item Direct Cost				P 8,489.00
3.0	Masonry Works(Class B Mixture)				
	4" CHB	30.00	pcs	P 18.00	P 540.00
	Cement	3.00	bags	P 250.00	P 750.00
	Screened Sand	1.00	cu.m	P 1,000.00	P 1,000.00
	Materials Cost				P 2,290.00
	Labor Cost				P 687.00
	Item Direct Cost				P 2,977.00
4.0	Rebars				
	10mm Ø x 6.0m RSB	5.00	pcs	P 170.00	P 850.00
	16mm Ø x 6.0m RSB	1.00	pcs	P 505.00	P 505.00
	#16 G.I. Tie Wire	3.00	kg	P 80.00	P 240.00
	Materials Cost				P 1,595.00
	Labor Cost				P 478.50
	Item Direct Cost				P 2,073.50
5.0	Steel Works				
	2" x 4" x 1.2" C-Rafter Type	20.00	pcs	P 876.00	P 17,520.00
	2" x 3" Light Gauge LC-Shape Purlins	24.00	pcs	P 625.00	P 15,000.00
	2" x 2" x 5mm Angle bar	10.00	pcs	P 1,650.00	P 16,500.00
	1-1/2" x 1-1/2" x 3/16" Angle bar	8.00	pcs	P 650.00	P 5,200.00

WATER RESOURCES AND QUALITY

Observation/Findings	Recommendation	Status of Compliance
On-going pre-loading at the pier site. Materials may drop at the gaps along the ramp and at the barge's edges during actual dumping.	Provide fill along the observed gaps	Complied. The company is continuously ensuring that little to no ore materials will drop to the marine bodies during loading operation.





EMB FINDINGS

Observation/Findings

Tie up with the LGU Narra via Memorandum of Agreement (MOA) in utilizing portion of the Municipal Landfill to accommodate the residual wastes of the Company. Coordinate closely with the OIC, MENRO pertaining to the drafting of the MOA.

Status of Compliance

On-going compliance.

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and executed this ___day of _____, 2022 in Narra, Palawan, Philippines, by and between:

MUNICIPALITY OF NARRA, PALAWAN a local government unit duly organized and existing by virtue of the laws of the Republic of the Philippines, with principal office address in Barangay Poblacion, Municipality of Narra, Palawan, Philippines, hereinafter referred to as "LGU NARRA" and represented by its Mayor, GERANDY B. DANA0;

-and-

CITINICKEL MINES AND DEVELOPMENT CORPORATION – TORONTO NICKEL MINING PROJECT (CMD-C-TNMP), a nickel mining company engaged in shallow surface mining operation involving extraction, pre-piling and sorting of the ore before transporting to customers. With plant office address at Bgy. San Isidro, Narra, Palawan, Philippines, hereinafter referred to as "CITINICKEL" and represented by its Resident Mine Manager, JAINAL M. UY, JR.;

WITNESSETH That:

WHEREAS, LGU NARRA owns and operates a Sanitary Landfill, build and operated in accordance to R.A. 9003 and R.A. 6969 and is a DENR – EMB registered Final Disposal Facility for treated hazardous wastes with Environmental Compliance Certificate (ECC) No. _____ and TSD Registration Certificate No. _____;

WHEREAS, CITINICKEL is generating, recycling and hauling residual solid waste for disposal and is looking for a sanitary landfill as final disposal for the same in compliance with R.A. 9003 and R.A. 6969;

WHEREAS, LGU NARRA and CITINICKEL are in agreement that the former will accept only for final disposal of residual wastes (domestic wastes) from the latter;

NOW, THEREFORE, for and in consideration of the above cited premises and mutual covenants herein contained, the Parties do hereby bind themselves and agree on the following TERMS and CONDITIONS, to wit:

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and executed this ___day of _____, 2022 in Narra, Palawan, Philippines, by and between:

MUNICIPALITY OF NARRA, PALAWAN a local government unit duly organized and existing by virtue of the laws of the Republic of the Philippines, with principal office address in Barangay Poblacion, Municipality of Narra, Palawan, Philippines, hereinafter referred to as "LGU NARRA" and represented by its Mayor, GERANDY B. DANA0;

-and-

CITINICKEL MINES AND DEVELOPMENT CORPORATION – TORONTO NICKEL MINING PROJECT (CMD-C-TNMP), a nickel mining company engaged in shallow surface mining operation involving extraction, pre-piling and sorting of the ore before transporting to customers. With plant office address at Bgy. San Isidro, Narra, Palawan, Philippines, hereinafter referred to as "CITINICKEL" and represented by its Resident Mine Manager, JAINAL M. UY, JR.;





EMB FINDINGS

Observation/Findings	Status of Compliance
<p>Water and Air Samples are assumed immediately brought to the third party laboratory. It is expected that the corresponding results maybe released as soon as possible preferably three to five days before the MRFC to have an extra time to prepare a more presentable power point presentation, thus avoiding "hurry" mode.</p>	<p>Currently, the company is selecting the Routine (5-10 working days for Air & 7 working days for Water) Turn Around Time (TAT) for the analysis and release of samples. We will propose the possible changing of TAT to the top management as it will incur additional expenses.</p>

<p>■ TAT starts 8 a.m. the following day if sample received beyond 12 noon at the laboratory</p>	<p>TAT: A = Overnight < 24 hrs.</p>	<p>B = Emergency Next Workday</p>	<p>C = Critical 2 Workdays</p>	<p>D = Urgent 3 Workdays</p>	<p><u>E = Routine 7 Workdays</u></p>
<p>Container Types: T=Tube V=VOA L=Liter P=Pint J=Jar B=Tedlar G=Glass P=Plastic M=Metal</p>					

<p>Turn Around Time</p>	
<p><u> </u> Urgent/Rush (2-5 Working Days)</p>	<p><u> ✓ </u> Routine (5-10 Working Days)</p>



EMB FINDINGS

Follow-up the PM10 Air Sampling Laboratory Result for November 2022 Inbox x



CMDC-TNMP MEPEO <cmdc.tnmpmepeo@gmail.com>
to shmacalangan, info, mfbriones, CMDC-PNMP, Citinickel

Mon, Dec 12, 1:24 PM (2 days ago) ☆ ↶ ⋮

Dear Ma'am,

Greetings!

We would like to kindly follow-up the PM10 air sampling of Citinickel Mines and Development Corporation - Toronto and Pulot Nickel Mining Projects (T&PNMP) for the month of November 2022.

We are hoping for your prompt response relative to this matter. Thank you po.

Best regards,

MONICA A. ALASKA

Mine Environmental Protection and Enhancement (MEPE) Office
Citinickel Mines and Development Corporation - Toronto Nickel Mining Project (CMDC-TNMP)
Bgy. Bato-Bato, Narra, Palawan

Follow-up the November 2022 Water Laboratory Result for Citinickel



CMDC-TNMP MEPEO <cmdc.tnmpmepeo@gmail.com>
to crl, marialeee.carlos, grazziel.sanluis, Citinickel, CMDC-PNMP

Tue, Dec 13, 8:07 AM (1 day ago) ☆ ↶ ⋮

Dear Sir/Ma'am,

Greetings!

This is to follow-up the following Water Sampling Laboratory Result for Citinickel Mines and Development Corporation - Toronto Nickel Mining Project (TNMP) and Pulot Nickel Mining Project (PNMP):

- a. October 2022 Water Sampling Laboratory Result for CMDC-TNMP including the Nickel Parameter;
- b. November 2022 Water Sampling Laboratory Result for CMDC-TNMP; and
- c. November 2022 Water Sampling Laboratory Result for CMDC-PNMP.

We are hoping for your prompt response relative to this matter. Thank you po.

Best regards,

MONICA A. ALASKA

Mine Environmental Protection and Enhancement (MEPE) Office
Citinickel Mines and Development Corporation - Toronto Nickel Mining Project (CMDC-TNMP)
Bgy. Bato-Bato, Narra, Palawan



CLRF AND BANK CERTIFICATE (as of October 7, 2022)



75 YEARS OF BANKING FOR THE COUNTRY.

Trust Banking Group

DEVELOPMENT BANK OF THE PHILIPPINES

Head Office: Sen. Gil J. Puyat Avenue corner Makati Avenue, Makati City, Philippines



75 YEARS OF BANKING FOR THE COUNTRY.

Trust Banking Group

DEVELOPMENT BANK OF THE PHILIPPINES

Head Office: Sen. Gil J. Puyat Avenue corner Makati Avenue, Makati City, Philippines

CERTIFICATION

This is to certify that CITINICKEL MINES & DEVELOPMENT CORPORATION with principal address at 10F ORE Central Tower Bldg., 9th Ave. cor. 31st St., BGC 1634 Fort Bonifacio, Taguig City maintains accounts with the Development Bank of the Philippines-Trust Banking Group identified as Trust Account No. 016-33-012430 under account name CITINICKEL MINES & DEVT. CORP. – FMRDF (TORONTO AND PULOT PROJECTS).

As of October 07, 2022, the said account has a total assets of PESOS: FIFTY ONE MILLION SIXTY SEVEN THOUSAND THIRTY SIX & 13/100 ONLY (P51,067,036.13).

This certification is being issued upon the request of Ms. Connie Miñoza, Finance Head of Citinickel Mines & Development Corporation in compliance with the reportorial requirements of the Department of Environment and Natural Resources (DENR).

Done this 7th day of October 2022, at Makati City, Philippines.

JEFFREY D. LIGSAY
Assistant Vice President

P51,067,036.13).

DBP-TBPG-P-51067036130

CERTIFICATION

This is to certify that CITINICKEL MINES & DEVELOPMENT CORPORATION with principal address at 10F ORE Central Tower Bldg., 9th Ave. cor. 31st St., BGC 1634 Fort Bonifacio, Taguig City maintains accounts with the Development Bank of the Philippines-Trust Banking Group with total assets as of October 7, 2022 amounting to PESOS: TWELVE MILLION FIVE HUNDRED TWELVE THOUSAND EIGHT HUNDRED ONE AND 73/100 ONLY (P12,512,801.73) broken down as follows:

PULOT MINING

<u>PULOT MINING</u>	
Rehabilitation Cash Fund	5,637,442.22
Monitoring Trust Fund	338,151.09
Environmental Trust Fund	280,808.17
P	<u>6,256,401.48</u>

TORONTO MINING

<u>TORONTO MINING</u>	
Rehabilitation Cash Fund	P 5,637,440.99
Monitoring Trust Fund	338,151.09
Environmental Trust Fund	280,808.17
P	<u>6,256,400.25</u>
P	<u>12,512,801.73</u>

DBP-TBPG-P-12512801730



Thank you.