Republic of the Philippines Department of Environment and Natural Resources MIMAROPA Region 1515 DENR By the Bay Building Roxas Boulevard, Ermita, Manila

IN RE: ILLEGAL CONSTRUCTION OF CAUSEWAY AND OTHER RELATIVE ACTIVITIES OF ALTAI PHILIPPINES MINING CORPORATION (APMC)



ALTAI PHILIPPINES MINING CORPORATION,

Respondent.

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MOTION FOR RECONSIDERATION (of Joint Order dated 06 February 2023)

Respondent ALTAI PHILIPPINES MINING CORPORATION ("APMC", for brevity), through the undersigned counsel, to this Honorable Office, respectfully states: THAT –

1. On 07 February 2023, during the scheduled Technical Conference at the EMB-MIMAROPA Office at Ermita, Manila, a copy of the subject **Joint Order** dated 06 February 2023 was served upon the representatives of APMC by Atty. Joseph Delos Santos of DENR-Region IVB MIMAROPA. The Joint Order was issued by Engr. Glenn Marcelo C. Noble, Mines and Geoscience Bureau (MGB) Regional Director — MIMAROPA; Joe Amil M. Salino, Environmental Management Bureau (EMB) Regional Director — MIMAROPA; and Lormelyn E. Claudio, CESO IV, Department of Environment and Natural Resources (DENR) Regional Executive Director — MIMAROPA. The dispositive portion thereof reads:

"WHEREFORE, this Office hereby ORDERS the following:

1. For APMC to CEASE AND DESIST from the construction and operation of its causeway in Sitio Bato,

Brgy. España, San Fernando, Romblon as precautionary measure against potential irreparable damage to the environment;

2. Ore Transport Permit No. OTP-APMC-162-001-2022-MIMAROPA issued to APMC is TEMPORARILY SUSPENDED by virtue of Item No. 1 hereof;

3. APMC to STOP transporting ore from the contract site to the causeway:

- 4. APMC's application for Miscellaneous Lease Agreement is DENIED for its violations of commonwealth Act 141, otherwise known as the Public Land Act, as amended, and other related issuances;
- 5. PENRO Romblon to FILE appropriate legal actions, if warranted, on the reported cutting of trees without permit; and
- 6. PENRO Romblon to CONDUCT investigation on the potentially damaged sea grass and other marine resources.

This Order is immediately executory upon receipt.

SO ORDERED."

- 2. APMC moves for the reconsideration of the subject Joint Order dated 06 February 2023 on the following grounds:
 - (1) It is not supported by any evidence that warranted the issuance and immediate execution thereof.
 - (2) It was issued in gross deprivation of APMC's constitutional right to due process of law.
 - (3) The first, second, and third Orders contained in the Joint Order have been mooted by APMC's voluntary stoppage of exploration and related activities as of 06 February 2023, even prior to the receipt of the subject Joint Order.

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- A. Background of APMC's Exploration and Related Activities and Events Leading to the Issuance of the Joint Order:
- 1. APMC secured relevant permits, clearances, authorizations, and Certificates of Non-Coverage; and duly filed its applications for Miscellaneous Lease Agreement (MLA), Environmental Compliance Certificate (ECC), and Tree Cutting Permit (TCP).
- 1.a <u>APMC's Exploration Permit and Certificates of Non-Coverage</u>
- 1.a.1 APMC is a holder of a Mineral Production Sharing Agreement ("MPSA") denominated as **MPSA No. 304-2009-IVB** dated December 23, 2009. As this Honorable Office knows, it is still under exploration stage with a <u>renewed Exploration Permit</u> issued by the DENR-MGB on July 12, 2022 and <u>Exploration Work Program ("ExWP")</u> without bulk sampling approved on July 12, 2022 and <u>ExWP with bulk sampling</u> that was likewise approved on December 21, 2022.4
- 1.a.2 Pursuant to the Revised Procedural Manual for DENR Administrative Order No. 30 Series of 2003 (DAO 2003-30) or the Implementing Rules and Regulations of Presidential Decree No. 1586, Establishing the Philippine Environmental Impact Statement System, the DENR-EMB issued to APMC Certificates of Non-Coverage for its Construction of Exploration Access Road 35, Exploration Access Road Construction⁶, Construction of Laboratory Facilities⁷, Exploration Base Camp⁸, Proposed APMC Bato Causeway⁹, APMC Pier Yard¹⁰, and Exploration Perimeter Access Road.¹¹

1 Annex "1" - APMC's MPSA No. 304-2009-IVB dated December 23, 2009.

Annex "2" – APMC's Renewed Exploration Permit dated July 12, 2022.
 Annex "3" - APMC's Exploration Program without bulk sampling approved on July 12, 2022.

⁴ Annex "4" - APMC's Exploration Program without bulk sampling approved on December 9, 2022.

⁵ Annex "5" - CNC for Construction Exploration Access Road 3 dated July 4, 2022.

⁶ Annex "6" - CNC for Exploration Access Road Construction dated August 16, 2022.

⁷ Annex "7" – CNC for Construction of Laboratory Facilities dated August 24, 2022.

Annex "8" – CNC for APMC Exploration Base Camp dated September 12, 2022.

Annex "9" - CNC for Proposed APMC Bato Causeway dated October 25, 2022.

¹⁰ Annex "10" - CNC for APMC Pier Yard dated November 8, 2022.

¹¹ Annex 11" – CNC for APMC Exploration Perimeter Access Road dated December 15, 2022.

1.b Application for Environmental Compliance Certificate (ECC)

- 1.b.1 APMC's proposed causeway project was designed as an integral component of the Sibuyan Nickel Project for its approved MPSA. It is located at Sitio Bato, Brgy. España, Sibuyan Island, San Fernando, Romblon. The project area is within APMC's privately owned land with target commencement of port construction in December 2022. The causeway facility with an estimated loading capacity of 3,000,000 wet metric tons (WMT) for direct shipment per year is intended to exclusively serve the shipment activities of APMC's nickel mining operation. It shall be operated as a private non-commercial port specifically designed to accommodate up to six (6) barges loading two (2) vessels at a time to achieve its target annual production.
- 1.b.2 APMC filed an online application for ECC at EMB Central Office for its mine site which included the causeway project at Sitio Bato, Barangay Espana, San Fernando, Romblon. This online application was duly acknowledged by EMB Central Office through a letter dated June 14, 2022. Accordingly, APMC through a letter dated June 20, 2022 submitted to EMB Central Office its Draft Environmental Impact Statement (EIS) Report for review and evaluation and the same was received by EMB Central Office on June 21, 2022.
- 1.b.3 APMC's application for the ECC of its mine site is still undergoing the EIA process which has six (6) stages under DAO 2003-30 such as: (1) Screening; (2) Scoping; (3) EIA Study and Report Preparation; (4) EIA Review and Evaluation; (5) Decision-Validation (6)Post-ECC Monitoring. Evaluation/Audit Stage. APMC already passed through the necessary Screening Stage with the issuance of corresponding Notice of Public Scoping 14 by EMB Central Office. APMC's application for the ECC of its mine site is still under the second stage which is Scoping. Notices of Public Scoping were issued accordingly to the participants and the same was conducted by APMC with the assistance of EMB-MIMAROPA on January 19. 2023 in San Fernando, Sibuyan Island, Romblon. APMC is in the process of preparing a scoping report for submission to EMB

¹⁴ Annex "14" - Notice of Public Scoping from EMB Central Office.

¹² Annex "12" – EMB Central Acknowledgement Receipt of APMC's online application dated June 14, 2022.

¹³ Annex "13" - APMC's letter to EMB Central Office date June 20, 2022.

Central Office for review and approval so that Technical Scoping can be conducted as well in due time.

- 1.b.4 The processing of APMC's ECC application is currently saddled with an issue as to whether or not a separate ECC for the causeway—as differentiated from the ECC for mine site, (which although required, is not yet currently necessary until the mining phase is started)—must be secured. A separate ECC for APMC's causeway is being taken into consideration since APMC has to undergo bulk metallurgical sampling of nickel ores for testing to a capable laboratory abroad. This activity is part of APMC's approved ExWP that will necessarily entail the use of the causeway at its Bato Port. This matter was openly broached and discussed with DENR for the first time only during the Technical Conference, or after the related Notice of Violation was issued.
- 1.b.5 APMC's representatives attended the Technical Conference last February 7, 2023 at EMB-MIMAROPA Office. During said Technical Conference the Notice of Violation for an alleged violation of P.D. 1586 for constructing a causeway without ECC was discussed. It is settled that the causeway is a component of APMC's Mine Site for which the ECC is being applied for. According to EMB-MIMAROPA, should a separate ECC for the causeway need to be secured, the same can be processed at the **Regional Office** but since APMC's ECC application is pending at **EMB Central Office**, APMC need to make a written inquiry from EMB Central Office about the matter and await its reply. APMC committed to follow the February 7, 2023 advice of EMB-MIMAROPA and the latter assured of their prompt assistance in the event that the separate ECC for the causeway has to be processed at the Regional Office.

1.c <u>Application for Miscellaneous Lease Agreement</u> (MLA)

1.c.1 It is APMC's position that the shipment of its bulk metallurgical sample is a one-time activity and as such, it is part and parcel of its approved ExWP. Moreover, APMC was issued a CNC for its Port Bato Causeway (Annex "9", hereof). Thus, without prejudice to the pending application for its filed ECC application for the mine site, APMC sought to secure a tenurial instrument for this one-time activity by way of a Miscellaneous Lease Agreement/Contract ("MLA"), which APMC applied for on

September 12, 2022 under MLA No. 045913-3¹⁵ at DENR-PENRO MIMAROPA Region (Romblon).

- 1.c.2 The following is the timeline of APMC's MLA application for the appreciation of this Honorable Office:
- (1) On September 12, 2022, APMC filed its MLA and submitted to DENR-PENRO MIMAROPA all documentary requirements. APMC filed this precisely in compliance with Article 51 of the Water Code or P.D. 1607.
- (2) Sometime in October 2022 following the initial evaluation of its MLA, APMC was required to amend all submitted supporting documents and to submit lacking requirements. This includes evidence of competent identity, Articles of Incorporation, copy of title of adjacent lot and feasibility study. Accordingly, APMC resubmitted the amended supporting documents and submitted the said lacking documents on the same month.
- (3) Thereafter, APMC came to know that staff work anent its MLA which included an ocular inspection in the vicinity of the area applied for has been completed with at least two (2) significant findings, to wit:
 - 3.1 Letters addressed to different offices and agencies such as DPWH, PPA, Office of the Municipal Engineer, and Office of Municipal Planning Officer have already been sent out and there were no opposition signified by any of the agencies and offices as of the month of October, 2022.
 - 3.2 APMC has satisfied all the requirements needed for the approval of its MLA.
- (4) It has come to APMC's knowledge as well that its MLA has been endorsed by DENR-PENRO Romblon to the Regional

¹⁵ Annex "15" - MLA No. 045913-3 dated September 12, 2022.

Executive Director as of December 2022. Given the above favorable findings and there appears to be no other compliance issue, APMC reasonably anticipated the immediate release of its MLA. But this has not happened for reasons both unknown and beyond its control. It is unclear what exactly was done by DENR-PENRO Romblon and the Office of the Regional Executive Director with APMC's MLA from the time the above-mentioned staff work was completed with favorable findings. Neither was APMC apprised of its status by way of a formal correspondence.

- (5) APMC learned for the first time on February 7, 2023 that its MLA was denied when its representatives were served with a copy of the aforesaid Joint Order during the Technical Conference.
- 1.d <u>Applications filed before the Philippine Ports Authority</u> (PPA) and Permits from PPA and BOC
- 1.d.1 Pending the approval and release of its MLA, APMC applied in good faith on January 24, 2023 at the PPA for an Application to Develop and Construct (PDC) a Non-Commercial Port ("APMC-Bato Causeway") and requested for consideration a Temporary Use of APMC-Bato Port at Sitio Bato, Barangay Espana, San Fernando, Sibuyan Island, Romblon¹⁶, pursuant to Section 19 in relation to Sections 17 (a) and 18, of PPA Administrative Order No. 5-2022 dated June 29, 2022 or the Revised Policy on the Development, Construction, Operations and Maintenance of Private Ports ("2022 Revised Policy of Private Ports"). APMC filed this application in an honest belief and understanding that a permit from PPA along with its CNC for its Proposed Bato Causeway shall suffice for its intended one-time shipment of bulk metallurgical sample for testing.
- 1.d.2 Subsequently, the PPA issued to APMC a letter dated January 25, 2023¹⁷ allowing APMC to temporarily use its causeway for the loading of export cargo/laterite nickel ore on the vessel subject to conditions stated therein. In addition, APMC likewise secured from the PPA the following in support of the

¹⁶ Annex "16" – Letter dated January 21, 2023, APMC's application for PDC with Request for Temporary Use of APMC Bato Causeway.

Annex "17" – Letter dated January 25, 2023 from PPA stating that APMC's request may be granted subject to compliance with stated requirements.

intended one-time shipment of bulk metallurgical sample for testing:

- (1) **Authority To Transact**¹⁸ (per Philippine Ports Authority Memorandum Circular No. 06-2021)—issued by the PPA to APMC's nominated provider of **Cargo Handling Services**, North Coast Shipping NCS Corporation for a one-time transaction like this bulk sampling shipment. This is valid from January 26, 2023 to February 24, 2023.
- (2) **Authority To Transact**¹⁹ (per Philippine Ports Authority Memorandum Circular No. 06-2021) issued by the PPA to APMC's nominated provider of **Lighterage/Barging Services**, North Coast Shipping NCS Corporation for one-time transaction like this bulk sampling shipment. This is valid from January 26, 2023 to February 24, 2023.
- 1.d.3 APMC likewise secured the following from the Bureau of Customs (BOC):
 - (1) Authority To Load²⁰ after payment of excise taxes²¹ pursuant to BOC Memorandum Order {CMO} No. 04-2020) or The Implementing Customs Administrative Order (CAO) 15-2019 in relation to Sections 1418-1421, R.A. 10863 or Customs Modernization and Tariff Act (CMTA) the permission given by customs personnel at the office of destination to load the Goods For Outright Exportation like nickel ores.
 - (2) **Shipside Permit No. 042-23** dated January 30, 2023²² for LCT 208 (25,000 MT).

¹⁸ Annex "18" – Authority To Transact issued by the PPA to APMC's nominated provider of Cargo Handling Services, North Coast Shipping – NCS Corporation.

Annex "20" – Authority To Load issued by the BOC.
 Annex "21" – Excise Tax Return dated December 28, 2022.

¹⁹ Annex "19" – Authority To Transact issued by the PPA to APMC's nominated provider of Lighterage/Barging Services, North Coast Shipping – NCS Corporation.

²² Annex "22" - BOC Shipside Permit No. 042-23 dated January 30, 2023.

(3) **Shipside Permit No. 042-23** dated January 30, 2023²³ for LCT 98 (25,000 MT).

1.e Ore Transport Permit and Mineral Ore Export Permit

- 1.e.1 APMC applied for, and was issued by MGB Region IVB-MIMAROPA Ore Transport Permit (OTP-APMC-162-001-2022-MIMAROPA) on December 28, 2022 which was valid until January 27, 2023²⁴ pursuant to DENR Administrative Order No. 2010-21 or The Implementing Rules and Regulations of R.A. No. 7942 that gave authority to APMC to haul and transport extracted sample ores from source alongside the area of the existing old road in the tenement or the extraction site to the port. This OTP was renewed and/or Amended on January 25, 2023²⁵ for another period of thirty (30) days or until February 27, 2023.
- 1.e.2 For the shipment of its bulk metallurgical sample for testing, APMC likewise applied for, and was issued by the MGB Central Office a **Mineral Ore Export Permit (MOEP No. DENR-MGB-22-08)** on December 29, 2022²⁶ which was valid until January 28, 2023 pursuant to the same DENR Administrative Order No. 2010-21. This MOEP gave authority to APMC to ship out or export ore samples, subject to payment of all taxes and fees imposed by the Bureau of Customs (BOC).
- 1.e.3 APMC applied for the extension of its MOEP through a letter dated January 17, 2023 and the same was answered by then MGB Director Atty. Wilfredo G. Moncano through a letter dated January 19, 2023²⁷ wherein he referred APMC's application for MOEP extension to MGB Regional Office pursuant to Section 5 of DMO No. 2010-07. Thus, in a letter dated January 26, 2023²⁸, APMC formally brought to the attention of MGB Regional Office 4B its application for renewal of MOEP which was expiring on January 28, 2023. But in its letter dated January 27, 2023²⁹ which was signed by Chief of Geosciences Division of MGB Region 4B and not by the MGB Regional Director, MGB Region 4B refused to give due course to

²⁴ Annex "24" - Ore Transport Permit issued on December 28, 2022.

²³ Annex "23" - BOC Shipside Permit No. 043-23 dated January 30, 2023.

²⁵ Annex "25" - Amended/Renewed Ore Transport Permit issued on January 25, 2023.

²⁶ Annex "26" - Mineral Ore Transport Permit issued on December 29, 2022.

²⁷ Annex "27" – Letter dated January 19, 2023 from MGB Director Moncano to APMC.

²⁸ Annex "28" - Letter dated January 26, 2023 from APMC to MGB Regional Director

²⁹ Annex "29" - Letter dated January 27, 2023 from the MGB Regional Director to APMC.

APMC's request on the ground that the issuance of MOEP that is intended for bulk testing is outside the Regional Office's jurisdiction.

1.e.4 The above apparent tossing of responsibility anent APMC's request for MOEP extension between MGB Central Office and MGB Regional Office-MIMAROPA was further aggravated when its resolution was overtaken by the transfer of former MGB Director Atty. Moncano to another post which left the Office of the MGB Director vacant. APMC's application for MOEP renewal is thus left hanging and continues to be at the mercy of these offices.

1.f Application for Tree Cutting Permit (TCP)

- 1.f.1 Before APMC applied for a Tree Cutting Permit (TCP), APMC requested for the conduct of Tree Inventory over the 20-hectare Exploration Area and Proposed Access Road as early as 11 April 2022³⁰ since a Tree Inventory is necessary before one may apply for a TCP. This request of APMC was acted upon only in October 2022 and the Report was transmitted to APMC only on 11 November 2022 or seven (7) months after its request was made. Thereafter on November 22, 2022³¹, APMC submitted its request for TCP but the same remains unacted upon.
- 1.f.2 APMC's request for Tree Inventory and TCP can be summarized as follows for the appreciation of the Honorable office:
 - (1) On 11 April 2022 (Annex "30", hereof), APMC requested for a Tree Inventory over the 20-hectare Exploration Area and Proposed Access Roads;
 - (2) On 15 August 2022³², APMC requested for an Inspection and Tree Inventory of the 20-hectare land, Binayaan Exploration Area and the proposed one-hectare Nursery Area;

30 Annex "30" - APMC's letter request to PENRO for Tree Inventory dated April 11, 2022.

Annex "31" – APMC's letter request to PENRO for TCP dated November 22, 2022.
Annex "32" – APMC's letter request for inspection and Tree Inventory dated August 15, 2022.

- (3) On 07 September 2022³³, DENR MIMAROPA issued an Invitation for a Technical Conference;
- (4) On 11 November 2022³⁴, DENR PENRO issued its Inspection Report on the Inspection and Tree Inventory requested by APMC over the 20-hectare area. In the Memorandum dated October 26, 2022³⁵ attached to the said Inspection Report, the following recommendations are worth noting:

"Considering the above findings and observations, the undersigned found that the applicant complied with the requirements of existing laws, rules and regulations of the DENR. It is therefore recommended for the issuance of Cutting Permit in favor of ALTAI Philippines Mining Corporation in Sitio Binayaan, Brgy. Espana, San Fernando, Romblon." (Emphasis supplied)

(5) On November 22, 2022 (Annex "31", hereof), APMC submitted its request for TCP but this remains unacted upon by DENR-PENRO Romblon.

To this date, APMC has not received any formal communication from the DENR-PENRO Romblon about the status of its TCP application.

- 2. APMC conducted its exploration and related activities with covering permits and authorizations from the national government.
- 2.1 APMC commenced the hauling and transport of bulk metallurgical sample on January 26, 2023 with a duly issued

³³ Annex "33" – DENR MIMAROPA Invitation for Technical Conference dated September

Annex "34" - DENR PENRO Inspection Report dated November 11, 2022.

Annex "35" - DENR MIMAROPA Memorandum dated October 26, 2022.

OTP from the national government acting through MGB-Region IVB-MIMAROPA.

- 2.2 During the entire hauling and transport activities from the tenement to the port, there was a designated/assigned personnel from the DENR- MGB of Region IV-B MIMAROPA who observed the transport activities and submitted real time reports to the Regional Office. All the times material, APMC was practically being watched by the government thru the MGB.
- 2.3 As regards the exploration activity in the mine site, the extraction of ore samples was limited along the sides of the old exploration access. The clearing that was done, if any, was limited to shrubs that were less than 150 mm in diameter and tall grass. APMC did not cut any fully grown and duly inventoried trees.
- 3. APMC's permitted transport of its bulk metallurgical sample from the extraction site to the port was prevented by unruly anti-mining residents of Barangay Espana which gained undue media attention and followed by issuance of series of Notices of Violation from the Office.
- 3.1 With the above-enumerated permits, APMC expected a timely and orderly conduct of the shipment activities at its port. But beginning January 22, 2023 when APMC was yet to commence the transport of bulk metallurgical sample from extraction site to the port, some residents of Barangay Espana began congregating at a vacant lot across the port entrance. Since then, anti-mining residents continued to flock at the area.
- 3.3 On January 26, 2023 when APMC commenced the transport of bulk metallurgical sample from extraction site to the port, anti-mining residents began to block the port's entrance with motorcycles and tricycles and some of them barricaded the area. For good measure, APMC sought police assistance from PNP San Fernando to ensure maintenance of peace and order due to the presence of such blockades that intensified in the next days.
- 3.3 Anti-mining residents who do not appear to constitute the majority of Sibuyan Island residents were led by certain barangay officials of Barangay Espana and known anti-mining advocates who began flooding the social media with misinformation and unfair accusations against APMC. They

prevented APMC from conducting a lawful activity even in the presence of PNP personnel who exercised maximum tolerance albeit the assembly of these anti-mining residents who rallied and threw invectives at the personnel of APMC was not permitted by the local government of San Fernando. They caused substantial delays in the transportation and targeted shipment schedules of APMC that resulted to serious financial damage and unquantifiable disturbance to its lawful extraction activities.

- 3.4 The anti-mining residents of Barangay Espana were led, agitated, and instigated by anti-mining activists and certain barangay officials with clear intent of stopping at all cost the duly permitted transport by APMC of bulk metallurgical sample from the exploration site to the port. They refused to recognize the copies of permits showed to them, rudely engaged the representatives of APMC, and posted on social media their encounters with government authorities and representatives of APMC with malicious innuendos. The concerted efforts to prevent APMC from performing a legal act became very obvious and easily comprehensible because of parallel mainstream and social media attacks that were launched against APMC's exploration activities. Certainly, the Honorable Office is aware of these.
- 3.5 All the times material, a team of PNP personnel were posted at the area to maintain peace and order. The tires of APMC's dump trucks that were parked at the vicinity of the port were flattened and their oil tanks were also damaged. By all indications, these were done by anti-mining forces at the area which even the PNP personnel were not able to prevent.
- 3.6 Because the illegal assembly and blockade by antimining residents, activists, and barangay officials should no longer be prolonged to APMC's prejudice, the rallyists were eventually dispersed on February 3, 2023 by the PNP. It was not violent contrary to what the anti-mining residents and their supporters continue to portray in mainstream and social media. In truth, they were the ones who were unruly as they threatened both the police and APMC personnel with bodily harm. They had to be stopped from unlawfully blocking the entry of APMC's trucks to the port but given the intense resistance that they have shown, physical contacts became inevitable.

It is unfortunate that in the midst of these, the sides of APMC and the PNP were sparingly accommodated on mainstream media and only the sides of anti-mining activists, whose pronouncements border on sheer propaganda, were highlighted.

- 3.7 While APMC was doing its best to manage the situation at its port and to address issues raised against the permits that it secured from the government, the following series of Notices of Violation (NOVs) were issued by the Honorable Office on succeeding dates, copies of which received by APMC on February 4, 2023, to wit:
 - (1) Notice of Violation dated January 27, 2023 (Annex "36") - issued by OIC-PENR Officer For. Arnoldo A. Blaza, Jr. ordering APMC to submit a notarized position paper within ten (10) days upon receipt thereof why it should not be held liable to pay a fine of Php23,579.48 pursuant to Section 28 9275, amended by Pollution as Adjudication Board (PAB) Resolution No. 1, Series of 2019 and PAB Resolution No. 5, Series of 2021, and for the alleged violation by APMC of DENR EMB MC 2014-05 of the "Revised Guidelines for Screening and Standard Requirements under the Philippine EIS System or PD 1586" arising from construction of Sea Port with reclamation activities.
 - (2) Notice of Violation dated February 1, 2023 (Annex "37") issued by OIC-PENR Officer For. Arnoldo A. Blaza, Jr. for the alleged violation by APMC of Article 51 of Presidential Decree (PD) No. 1067 or the Water Code of the Philippines and violation of Section 2 (c) and Section 2 (f) of DAO 2004-24. APMC was ordered to stop from further developing the area, avoid unnecessary activities that would worsen the situation in the area, and to abide by existing Environmental Laws and Rules and Regulations.
 - (3) Notice of Violation dated February 2, 2023 (Annex "38") issued by EMB Regional Director Joe Amil M. Salino ordering APMC to submit a notarized position paper within ten (10) days upon receipt why no penalties amounting to

Php50,000.00 should be imposed against APMC for violation of Section 9, P.D. 1586 and Section 6 (b). Article IV of DENR Administrative Order No. 2003-30. APMC was further directed to suspend developments relative further construction and operation of its causeway project effective immediately until and unless Environmental Compliance Certificate (ECC) is secured. APMC was finally ordered to attend an in-person Technical Conference on February 7, 2023 at 2:00 PM at the office of the EMB Regional Director-MIMAROPA.

(4) Notice of Violation dated February 3, 2023 (Annex "39") – issued by OIC PENR Officer For. Arnoldo A. Blaza, Jr. for the alleged violation by APMC of Section 77 of the Revised Forestry Code of the Philippines or P.D. 705, as amended. APMC was directed to stop cutting/clearing activities and submit to DENR-PENRO, Romblon the copy of Special Tree Cutting Permit within 15 days.

APMC submitted its replies and Position Papers to the above-mentioned Notices of Violation on February 13, 2023, copies of which are attached as **Annexes "40"**, "**41"**, "**42"**, and "**43"**, respectively, to form part of its Motion.

3.8 As of **February 6**, **2023** APMC voluntarily halted all exploration and related activities in order to address all regulatory and compliance issues that have been raised and more importantly, to ensure peace and order at the port as well as the safety of its site personnel who were being harassed by the antimining residents, and to preserve its properties thereat.

Premised on the foregoing background, APMC hereby avers the following in support of its Motion, to wit:

- The Joint Order is not supported by substantial evidence that warranted the issuance and immediate execution thereof.
- 1.1 In the above NOVs, APMC was given set periods of time to reply. It must be stressed that when APMC was served a

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copy of the Joint Order on February 7, 2023 during the Technical Conference called by the EMB-MIMAROPA anent NOV dated February 2, 2023 (Annex "38" hereof), APMC was yet to submit its replies and Position Papers to the previously issued NOVs. A close perusal of the Joint Order reveals that it contains the same alleged violations of APMC that are not supported by relevant Official Reports and/or Findings and as such, it cannot be considered as founded on substantial evidence.

- 1.2 Substantial evidence is defined under Section 6, Rule 133 of the 2019 Amendments to the 1989 Revised Rules on Evidence as "that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion." The quantum of proof in administrative proceedings necessary for a finding of guilt is substantial evidence or such relevant evidence as a reasonable mind may accept as adequate to support a conclusion.
- 1.3 The standard of substantial evidence is satisfied when there is a reasonable ground to believe, based on the evidence presented, that the respondent is responsible for the misconduct complained of. It need not be overwhelming or preponderant, as is required in an ordinary civil case, or evidence beyond reasonable doubt, as is required in a criminal case, but the evidence must be enough for a reasonable mind to support a conclusion (Office of the Ombudsman v. Manalaslas, 791 Phil. 557 [2016]; Aldecoa-Delorino v. Abellanosa, A.M. No. P-08-2472, October 19, 2010, 633 SCRA 448, 462).
- Substantial evidence, which is more than a mere scintilla but is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, would suffice to hold one administratively liable (Tapiador v. Office of the Ombudsman, 429 Phil. 47, 54 [2002]; Audion Electric Co., Inc. v. National Labor Relations Commission, G.R. No. 106648, 17 June 1999, 308 SCRA 340, 351; Association of Independent National Labor Relations Unions in the Phils. V. Commission, G.R. No. 120505, 25 March 1999, 305 SCRA 219, 231; Gonzales v. National Labor Relations Commission, G.R. No. 125735, 26 August 1999, 313 SCRA 169, 174).

The basic rule is that reliance on mere allegations, conjectures and suppositions will leave an administrative

complaint with no leg to stand on (Elisa Zara v. Atty. Vicente Joyas, A.C. No. 10994, 10 June 2019). Charges based on mere suspicion and speculation cannot be given credence (supra. note 33).

- 1.5 The Joint Order prominently stated under the second (2nd), third (3rd), and fourth (4th) WHEREAS Clauses thereof, the previous issuance of Cease and Desist Order (CDO) to APMC by MGB Central Office on September 19, 2011; that APMC filed a Motion To Recall the Appeal and to lift the CDO with the DENR Office on December 13, 2020; and that the DENR lifted the CDO on September 9, 2021. These premises have no relation whatsoever to the alleged violations of APMC that are stated in the NOVs. There is no cogent reason why they should even be included in the Joint Order when they are long-terminated matters, and as such, are now moot and academic.
- 1.6 With due respect to this Honorable Office, the foregoing are inappropriately stated in the Joint Order since they were laid down in such manner that tends to create an undue impression of recidivism on the part of APMC when the factual backdrop that led to the issuance of the previous CDO starkly differs from the present one. They cannot constitute that as evidence against APMC that warranted the issuance of the Joint Order. If anything, the lifting of the CDO should be construed in favor of APMC since it shows that there is no longer a hindrance for APMC to continue its operations.
- Order alluded to an investigation conducted by the Investigating Team of PENRO Romblon on January 17, 2023 confirming an ongoing construction of causeway and flattening of the proposed roadway. It further mentioned a "Report" that there was a reclamation activity that allegedly started on January 13, 2023. Suffice it to say that, up until this time, PENRO Romblon has not furnished APMC with any copy of the said Report that would have reasonably apprised APMC of the extent of the investigation made and the findings that provided the basis for the issuance of the Joint Order. Likewise, absolutely no evidence has been presented to show that this supposed reclamation activity even took place.
- 1.8 The CEASE AND DESIST Order issued against APMC from the construction and operation of its causeway in

Sitio Bato, Brgy. Espana, San Fernando, Romblon as precautionary measure against potential irreparable damage to the environment is bereft of any evidentiary support. The use of the terms "precautionary measure" and "potential" in the Joint Order clearly indicates the absence of actual, clear, and present danger that the supposed construction and operation of its causeway pose against the environment. There is nothing in the Joint Order that distinctly points to any real or actual environmental damage that APMC has caused.

- There was no construction of APMC's port on the 1.9 date when the Joint Order was issued on February 6, 2023. Moreover, there was no more operation to speak of because as of February 6, 2023, APMC voluntarily stopped all its exploration and related activities. APMC duly informed the DENR, MGB, and EMB anent such voluntary stoppage through a letter dated February 14, 2023.36
- Had the Honorable Office provided an Official Report about the investigation that was purportedly conducted by PENRO Romblon on January 17, 2023, APMC could have readily contested the accuracy of such Report because the construction of its causeway for temporary use due to the intended one-time shipment of bulk metallurgical sample for testing was already terminated as of January 15, 2023.
- It must be highlighted that the NOVs and the Joint Order do not incorporate any Official Findings or Reports that the construction of APMC's causeway has allegedly caused, will cause or is already causing damage to the environment, specifically, to the sea grass and marine resources. In the Joint Order, PENRO Romblon was ordered to conduct investigation on the potentially damaged sea grass and other marine resources. This indicates that the CDO lacks factual basis, and that there is still a need to determine if there was any actual damage at all. The conduct of investigation on the potentially damaged sea grass and other marine resources, including the investigation on the "reported" cutting of trees without permit, AFTER the CDO was already issued is like putting the cart before the horse.

18

³⁶ Annex "44" – APMC's Notice of Voluntary Stoppage of Extraction and Related Activities as of February 6, 2023, dated February 14, 2023.

- The Joint Order is wanting of any evidence. The Joint 1.12 Order did not present any of the following: (a) any scientific data on the damage inflicted, or that the damage is imminent on sea grass and marine resources; (b) Affidavits of witnesses; (c) baseline data showing the condition of the receiving body of water and the presence of siltation, corals, sea grass and other marine life before and after the construction of causeway; (d) Tree Inventory Report before and after the extraction activity, (e) sediment flux study; (f) Investigation Reports; (g) corroborative data from the Bureau of Fisheries or the Department of Agriculture as to any damage to farmlands and fishponds, and other relevant agencies of the government, and (h) any similar evidence that are sufficient to support a conclusion of APMC's culpability. In short, the Joint Order is based purely on conjecture and hypothetical situations.
- 1.13 Verily, there is lack of full scientific certainty in establishing a causal link between APMC's causeway construction and its effect on the environment that would warrant the issuance of the CDO. There is not even a scintilla of proof consisting of scientific or baseline data that APMC's causeway is actually causing damage or has potential to cause damage to the environment.
- 1.14 Under DAO 2003-30, the EMB-RD may issue a CDO based on violations under the Philippine EIS System "to prevent grave or irreparable damage to the environment." But despite the clear terms thereof, the Joint Order even encompasses an alleged violation of PD 1586, PD 705, and the Public Land Act, as amended, because the CDO does not make any distinction at all. Be that as it may, APMC submits that such authority is coupled with responsibility on the part of the EMB, MGB and DENR in seeing to it that the issuance of the CDO is based on some credible proof or factual basis. It should not be based on pure conjecture or suppositions. There must be some evidence on record.
- 1.15 Tested against the aforementioned evidentiary rules and jurisprudence, the premises stated in the Joint Order do not constitute substantial evidence of APMC's administrative culpability for violation of PD 1586, PD 705, and the Public Land Act, as amended.

1.16 Within the field of administrative law, while strict rules of evidence are not applicable to quasi-judicial proceedings, nevertheless, in adducing evidence constitutive of substantial evidence, the basic rule that mere allegation is not evidence cannot be disregarded (Narazo v. Employees' Compensation Commission, G.R. No. 80157, 6 February 1990, 181 SCRA 874, 877; Government Service Insurance System v. Court of Appeals, 357 Phil. 511, 529 [1998]).

APMC was deprived of its constitutional right to due process of law.

- 2.1 It is well-settled that the essence of due process in administrative proceedings is the opportunity to explain one's side or a chance to seek reconsideration of the action or ruling complained of (Enrique A. Arboleda vs. NLRC et, al., G.R. No. 119509, February 11, 1999.)
- 2.2 The Due Process Clause of the Constitution is a limitation on governmental powers. This is plain from Art. III, Section 1 of the 1987 Philippine Constitution, that: "No person shall be deprived of life, liberty, or property without due process of law." The reason is simple: Only the State has authority to take the life, liberty, or property of the individual. The purpose of the Due Process Clause is to ensure that the exercise of this power is consistent with what are considered civilized methods (Ruben Serrano vs. NLRC, et al., En Banc, G.R. No. 117040, January 27, 2000).
- 2.3 As applied to the instant case of APMC, it is respectfully submitted that the privilege granted to it by the State under MPSA No. 304-2009-IVB and the various permits, CNCs, and authorizations that it secured in valid exercise of its rights under the same MPSA had already ripened into a property right. This right should thus be protected under the due process clause of the Constitution.
- 2.4 With due respect to this Honorable Office, APMC's property right was violated: (1) when the CDO was issued against it; (2) when its OTP was temporarily suspended by virtue of the CDO; (3) when it was ordered to stop transporting ore from the contract site to the causeway; (4) when its application for

MLA was denied for alleged violation of the Public Land Act, as amended and its related issuances; (5) when PENRO Romblon was ordered to file appropriate legal actions if warranted on the reported cutting of trees without permit; and (6) when PENRO Romblon was ordered to conduct investigation on the potentially damaged sea grass and other marine resources ----- without notice and hearing prior to the issuance of such Joint Order.

- 2.5 In administrative proceedings, the filing of charges and giving reasonable opportunity for the person so charged to answer the accusations against him constitute the minimum requirements of due process.³⁷
- 2.6 While this Honorable Office may conduct investigations on its own instance, however, it does not mean that it can entirely ignore or disregard the fundamental and essential requirements of due process in trials and investigations of an administrative character. There are primary rights, which must be respected even in proceedings of this character.³⁸
- 2.7 Under DAO 2003-30, an EIA is a process that involves predicting and evaluating the likely impacts of a project (including cumulative impacts) on the environment during construction, commissioning, operation and abandonment. It also includes designing appropriate preventive, mitigating and enhancement measures addressing these consequences to protect the environment and the community's welfare.
- 2.8 Thus, the EIA process must have been able to predict the likely impact of the project to the environment reclamation and to prevent any harm that may otherwise be caused. As averred, the application of APMC for the ECC of its mine site is under Scoping stage and this being the case, it is premature for this Office to presume the potential damage and irreparable damage that the construction of APMC's causeway has caused or may cause to the environment particularly to sea grass and marine resources.
- 2.9 A Certificate of Non-Coverage is given to projects that do not fall under the EIA System. The CNC is a certification issued by the EMB certifying that a project is not covered by the Environmental Impact Statement System (EIS System) and that

³⁷ Cayago vs. Lina, G.R. No. 149539, January 19, 2005; 449 SCRA 29.

³⁸ Ang Tibay, represented by Toribio Teodoro, Manager and Proprietor, and National Workers Brotherhood vs. The Court of Industrial Relations and National Labor Union, Inc.; GR. No. L-46496; February 27, 1940.

the project proponent is not required to secure an ECC (Special People Inc. Foundation vs. Nestor M. Canda, et al., G.R. No. 160932, January 14, 2013). As averred above, APMC was issued Certificate of Non-Coverage (CNC) by the EMB Central Office for its Proposed Bato Causeway and thus, exempted from the requirement of the Environmental Compliance Certificate (ECC) under Section 4 of Presidential Decree No. 1586.

- 2.10 In reference to the causeway, the Office should have granted an opportunity to APMC to explain why it constructed the causeway without ECC before issuing the Joint Order. There are reasons therefor as averred above but APMC was unable to ventilate its side to this Office. Instead of giving the benefit of notice and hearing or a Technical Conference to determine the plausibility of APMC's technical and legal justifications, this Office proceeded with haste in issuing the Joint Order.
- 2.11 It is noteworthy that the ExWP of APMC with bulk sampling was approved only last December 21, 2022. Any previous activities on the ground, including the alleged clearing and tree-cutting, should reference all previous baseline studies and reports so that any observed activities can be attributed to the actual performer, whether APMC, previous mining applicants, locals, or other entities. Any finding which is basis for any Notice of Violation should also be specific. If trees were illegally cut, who, what, when, and where, are the basic questions APMC is entitled to under the basic concept of due process.
- 2.12 The directives contained in the Joint Order are unjustified because as stated above, APMC secured all relevant permits in good faith and with the understanding in good faith that they will suffice for the shipment of bulk metallurgical sample for testing. APMC relied on the efficacy of the CNC for its Proposed Causeway (Annex "9" hereof) that was issued by EMB Central Office. Although APMC constructed its causeway with attendant reclamation sans ECC, it must be emphasized that such activity was not permanent as it was only for the specific purpose of completing the one-time shipment of bulk metallurgical sample for testing. Owing to its temporary nature, it is not a permanent causeway with equally permanent reclamation in such magnitude that would require an ECC as is constantly demanded from APMC by the opposing parties.

As a show of good faith and intention to comply with regulatory requirements since it has no intention to violate PD 1586, APMC committed during the Technical Conference at the EMB Regional Office-MIMAROPA on February 7, 2023 to clarify the issue concerning the issuance of a separate ECC for its causeway from the EMB Central Office.

- 2.13 The issuance of the CDO against APMC without notice and hearing was tantamount to a deprivation of property right that has ripened as discussed above without due process of law because it effectively prevented APMC from shipping out its bulk metallurgical sample for testing. To reiterate, APMC needs to proceed with the shipment of its bulk metallurgical sample for testing, the result of which shall thereafter be included in APMC's Final Exploration Report in accordance with its duly approved ExWP. The Final exploration Report shall be included in the Declaration of Mining Project Feasibility ("DMPF") Study for approval by the DENR. The approval of DENR shall be the basis for the issuance of a Notice to Proceed ("NTP") for APMC to commence mine development, production, and utilization in accordance with MPSA 304-2009-IVB.
- 2.14 The fundamental and essential right of due process cannot be dispensed with. Notice to enable the other party to be heard and to present evidence is not a mere technicality or a trivial matter in any administrative proceedings but an indispensable ingredient of due process.³⁹
- 2.15 In this case, the Joint Order was issued even before AMPC had the opportunity to file its REPLIES to the Notices of Violation, be confronted with the evidence against it and be truly heard before the Technical Conference.
- 2.16 Due process is comprised of two components substantive due process which requires the intrinsic validity of the law in interfering with the rights of the person to his life, liberty, or property, and procedural due process which consists of the two basic rights of notice and hearing, as well as the guarantee of being heard by an impartial and competent tribunal (Cruz, Constitutional Law, 1993 Ed., pp. 102-106).

³⁹ Pablo Borbon Memorial Institute of Technology vs. Albistor Vda. De Bool, GR. No. 156057, August 25, 2005, 468 SCRA 128.

2.17 True to the mandate of the due process clause, the basic rights of notice and hearing pervade not only in criminal and civil proceedings, but in administrative proceedings as well. **Non-observance of these rights will invalidate the proceedings.** Individuals are entitled to be notified of any pending case affecting their interests, and upon notice, they may claim the right to appear therein and present their side and to refute the position of the opposing parties (*Cruz, Phil. Administrative Law, 1996 ed., p. 64*).

It is worth to inquire whether or not there is tentativeness of administrative action taken by the Honorable Office when it issued the Joint Order. It may be asked: is APMC precluded from enjoying the right to notice and hearing at a later time without prejudice to it? The answer is in the affirmative, in that, the CDO outrightly prevented APMC from transporting its bulk metallurgical sample for testing as the CDO covers operation of its causeway without having been given any opportunity to be heard. That operation readily pertains to then ongoing transport with duly issued OTP whereby the use of the causeway is essential to this one-time activity. APMC was already prejudiced to that extent.

- 2.19 Moreover, the Joint Order was issued at the time when APMC was heavily attacked on mainstream and social media. It is public knowledge that opponents of APMC's exploration and related activities also questioned the Honorable Office. APMC could not veer away from the thought that the timing of issuance of the Joint Order was highly suspect considering the heightened pressure from the public, politicians, and environmental activists that could have prompted the same.
- 2.20 In administrative law, a quasi-judicial proceeding involves: (a) taking and evaluation of evidence; (b) determining facts based upon the evidence presented; and (c) rendering an order or decision supported by the facts proved (Secretary of Justice vs. Hon. Ralph C. Lantion, et, al., En Banc, G.R. No. 139465, January 18, 2000 citing De Leon, Administrative Law: Text and Cases, 1993 ed., p. 198, citing Morgan vs. United States, 304 U.S. 1). APMC maintains that none of these were observed by this Office before it issued the Joint Order. The content thereof, which is bereft of any evidence, reveals that

it is utterly remiss in according due process to APMC. The prejudice that the Joint Order caused to APMC is blatant and manifest.

Plainly, the notice and hearing requirements of administrative due process such as the one obtaining in the case of APMC cannot be dispensed with and shelved aside.

- 2.21 In this instance, APMC indeed face a clear and present danger of loss of property right that has ripened as discussed above. The convergence of the unfavorable action of the Honorable Office that acted through the Regional Executive Director of the DENR, the EMB Regional Director, and the MGB Regional Director on the reported violation of APMC of PD 1586, PD 1508, and the Public Land Act as amended, and the deprivation of APMC's right to due process is easily comprehensible.
- 2.22 Indeed, the propriety of the action or inaction of DENR- PENRO Romblon, DENR Regional Office, EMB Central and Regional Offices need to be seriously considered insofar as APMC's denied MLA application, the pending application for TCP, and the confusion as to the processing of separate ECC for APMC's causeway, are concerned.
- 3. The first, second, and third Orders contained in the Joint Order have been mooted by APMC's voluntary stoppage of exploration and related activities as of 06 February 2023 prior to its receipt of the Joint Order.
- 3.1 As averred above, APMC voluntarily stopped its exploration and related activities as of **February 6**, **2023** in order to address all regulatory and compliance issues that have been raised against it and to ensure the safety of its employees at the site and its properties. APMC has formally notified the MGB Central Office of its voluntary stoppage in a letter dated February 14, 2023 (Annex "44", hereof).
- 3.2 The subject of the CDO is the construction and operation of APMC's causeway, the suspension of the OTP and stoppage of transporting ore from the contract site to the causeway. Since APMC voluntarily stopped its exploration and

related activities as of February 6, 2023 that coincided with the date of the Joint Order, **there is nothing more to restrain or to cease.** The CDO, therefore, has been mooted by APMC's voluntary stoppage of exploration and related activities.

- 4. APMC considers itself as a partner of the State in the development and utilization of mineral resources pursuant to the MPSA that it faithfully executed. What APMC has been going through at the exploration stage of the MPSA is a disincentive to business considering the huge amount of investment that it has already poured in the exploration activities. It certainly goes against the present administration's avowed objective to attract local and foreign investments that will bring socio-economic development in the countryside. Be that as it may, APMC remains resolute in pursuing exploration activities. APMC is desirous to bring them to a logical conclusion that will be mutually beneficial and will serve as precursor to inclusive socio-economic growth in the host and nearby communities where it intends to showcase its capabilities as responsible miner.
- 5. Notwithstanding the current challenges that APMC is facing in its exploration and related activities, it reiterates its commitment to comply with environmental laws, rules and regulations. It shall continue to cooperate with the Honorable Office and seek guidance, if necessary, to ensure continuing compliance.

WHEREFORE, premises considered, it is respectfully prayed that the Joint Order dated February 6, 2023 be reconsidered and set aside and a new one be issued:

- LIFTING the Cease and Desist Order;
- (2) Directing that a Joint Technical Conference by the EMB, MGB, and DENR Regional Offices be scheduled allowing APMC to be heard and to present evidence on its behalf;
- (3) Directing that all ground validations and inspections by DENR-PENRO Romblon be deferred to give way to a joint investigation by the EMB, MGB and DENR Regional Offices with the participation of APMC and independent environmental experts; and

(4) Reconsidering and recalling ALL OTHER ORDERS issued by the Joint Order dated February 6, 2023.

RESPECTFULLY SUBMITTED.

Pasig City for Manila; February 22, 2023.

MARY JANE F. BALAGTAS

Counsel for APMC
1901 Tycoon Center
Pearl Drive, San Antonio
Ortigas Center, 1605 Pasig City
mjf.balagtas@gmail.com/0917-8552181/7958-3533
IBP O.R. No. 200795/01.28.23/RSM
PTR O.R. No. 222275/01.17.23/PASIG CITY
ROLL NO. 42280
MCLE Compliance Report No. VI-0011956/8.22.2018

Copy furnished (By Courier Service):

Ms. LORMELYN E. CLAUDIO, CESO IV

Regional Executive Director
DENR-MIMAROPA Region
DENR By the Bay Building
1515 Roxas Blvd., Ermita, Manila 1000

Mr. JOE AMIL M. SALINO

Regional Director
Environmental Management Bureau (EMB) – MIMAROPA
Region 4B
6th Floor DENR By the Bay Building
1515 Roxas Blvd., Ermita, Manila

Engr. GLENN MARCELO C. NOBLE

Regional Director
Mines and Geosciences Bureau (MGB) - MIMAROPA Region 4B
7th Floor DENR By the Bay Building
1515 Roxas Blvd., Ermita, Manila

Engr. GILBERT C. GONZALES

Director
Environment and Management Bureau (EMB)
DENR Compound, Visayas Avenue
Diliman, 1101 Quezon City

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OIC Director Mines and Geosciences Bureau (MGB) MGB Compound, North Avenue Diliman, 1101 Quezon City

Ms. MARIA ANTONIO YULO-LOYZAGA

Office of the Secretary
Department of Environment and Natural Resources (DENR)
DENR Compound, Visayas Avenue
Diliman, 1101 Quezon City

NOTIFICATION

The Clerk
DENR-MIMAROPA Region
DENR By the Bay Building
1515 Roxas Blvd., Ermita, Manila 1000

Greetings:

Immediately upon receipt hereof, please submit the foregoing Motion for the consideration and approval by the Honorable Office without further argument.

MARY JANE F. BALAGTAS

VERIFICATION

I, HANNIEL T. NGO, of legal age, with office address at 1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, 1605 Pasig City, under oath, depose and state: THAT -

I am the President and duly authorized representative of Altai Philippines Mining Corporation ("APMC"), the respondent in the foregoing Motion For Reconsideration, as evidenced by Secretary's Certificate attached hereto.

I have caused the preparation of the foregoing Motion For Reconsideration; I have read its contents and the same are true and correct based on my personal knowledge and authentic documents in the possession of APMC.

IN WITNESS WHEREOF, I have signed this Verification on at Pasig City.

HANNIEL T. NGO Affiant

SUBSCRIBED AND SWORN TO before me this _______ at Pasig City, Affiant exhibiting to me one (1) competent evidence of his identity, to wit: PRC ID No. 0023640, issued by the Philippine Regulation Commission and valid until 28 November 2025.

Doc. No. __/7f_; Page No. __3\(\rho\) Book No. __9I__; Series of 2023.

FERDINAND W. AYAHAO

Notary Public

For Pasig City, Paleros and San Ivan C

For Pasig City, Pateros and San Juan City
Appointment No. 108 (2022-2023) valid until 12/31/2023
MCLB Exemption No. VII-BEP003719 valid until 04/14/25
Roll No. 46377; IBP LRN 02459: OR 535886, 06/21/2001
TEN 123-011-785; PTR 0161665; 01/06/23; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel.+632-86314090

REPUBLIC OF THE PHILIPPINES) CITY OF PASIG) S.S.

SECRETARY'S CERTIFICATE

I, LAURAINE F. SAN ROQUE, of legal age, Filipino, with office address at 1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City, after having been duly sworn to in accordance with law, depose and say as follows:

- 1. I am the duly elected Corporate Secretary of **ALTAI PHILIPPINES MINING CORPORATION** n (the "Corporation"), a corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at 1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City.
- 2. That at a Special Meeting of the Board of Directors of the Corporation on February 16, 2023, at which meeting a quorum was present and acted throughout, the following resolutions were unanimously passed and approved:

"RESOLVED, as it is hereby RESOLVED, that the Board of Directors designates, appoints and authorizes its President, ARCH. HANNIEL T. NGO, as the Corporation's authorized representative and signatory in all pleadings and documents necessary for the filing of a Motion for Reconsideration before the Department of Environment and Natural Resources (DENR) MIMAROPA Region in relation to the DENR MIMAROPA Region Joint Order dated February 6, 2023, Re: Illegal Construction of Causeway and Other Relative Activities of Altai Philippine Mining Corporation (APMC) and/or in any proceedings related thereto, with full and special power and authority to do and perform on behalf of the Corporation whatever act he may deem necessary, including but not limited to causing the preparation and filing of pleadings, motions and other papers, verifying the allegations therein, executing the affidavits or making and giving testimonies, statements, certifications against forum shopping;"

RESOLVED, FURTHER, that ATTY. MARY JANE F. BALAGTAS, with office address at 1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City, be as it is hereby engaged as counsel of the Corporation, and named, and constituted and appointed as Attorney-in-Fact of this Corporation at all stages of the proceedings, with full power to compromise and/or settle or dismiss the case either totally or partially and also for the purpose of considering any and all of the following matters:

- a. the possibility of an amicable settlement or of a submission to alternative modes of dispute resolution;
- b. the simplification of the issues, the necessity or desirability of amendments to the pleadings, the possibility of obtaining stipulations or admissions of facts and of documents to avoid unnecessary proof and the limitation of the number of witnesses;
- c. the advisability of a preliminary conference of issues to a commissioner, the propriety of rendering judgment on the pleadings, or summary judgment, or of dismissing the action should a valid ground therefore be found to exist and the advisability or necessity of suspending the proceedings;
- d. to sign and execute any and all documents and/or papers necessary to give effect to the foregoing; and
- e. such other matters as may aid in the prompt disposition of the action.

"HEREBY GIVING AND GRANTING unto its said attorneys-in-fact full power and authority whatsoever requisite of proper to be done in or about the premises, as fully to all intents and purposes the Corporation might or could lawfully do if personally present, and hereby ratifying and confirming all that its attorneys-in-fact shall do or cause to be done under and by virtue of this appointment."

3. The foregoing resolutions are in full force and effect and have neither been amended or modified nor rescinded by subsequent resolutions.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 20th day of February 2023, at Pasig City.

LAURAINE F. SAN ROQUE Corporate Secretary

Agandr

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES} ASIG CITY } S.S.		n viin e
SUBSCRIBED AND SWORN Af	to before me this <u>FFB 2</u> ffiant exhibiting to me her Government	0 2023 in Issued SSS
ID No. 03-8859566-4.	FERDINANDO AYAHAO	
Page No: 258; Book No: 46; Series of 2023.	Nellary Public For Pasig City, Pateros and San Juan City Appointment No. 108 (2022-1923) valid shall 1,7247-227 MCLE Exemption No. VII-48-200, 119 valor man 162-25 Roll No. 46377; IBH LEN 024-25, 125 San Barrier of TIN 123-011-785; PTE (104-25), 125 San Barrier of Unit 5, West Tower PSE, Exchange Road Ortigus Center, Pasig City Tel.+632-86314090	758

ANNEX "1"

MINERAL PRODUCTION SHARING AGREEMENT MAN Be

No. 304-2009-IVB

SEARCHMONE ON REGIONAL OF UE NO. IV MIMAROPA RECEIVED

Thomas -

between:

REPUBLIC OF THE PHILIPPINES, herein referred to as the THE GOVERNMENT, represented in this act by the Secretary of the Department of Environment and Natural Resources, with offices at the Department of Environment and Natural Resources Building, Visayas Avenue, Diliman, Quezon City

and

ALTAI PHILIPPINES WINING CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, herein referred to as the CONTRACTOR, with office at 78 Visayas Avenue, Quezon City and represented in this act by its President, Pio C. Fortuno, as authorized by its Board of Directors (please refer to ANNEX "A")

WITNESSETH:

WHEREAS, the 1987 Constitution of the Republic of the Philippines provides in Article XII, Section 2 thereof that all lands of the public domain, waters, minerals, coal, petroleum and other natural resources are owned by the State and that their exploration, development and utilization shall be under the full control and supervision of the State;

WHEREAS, the Constitution further provides that the State may directly undertake such activities, or it may enter into a Co-Production, Joint Venture, or Mineral Production Sharing Agreement with Filipino citizens, or cooperatives, partnerships, corporations or associations at least sixty per centum of whose capitalization is owned by such citizens;

WHEREAS, pursuant to Republic Act No. 7942, otherwise known as "The Philippine Mining Act of 1995," which took effect on 09 April 1995, the Secretary of the Department of Environment and Natural Resources is authorized to enter into Mineral Production Sharing Agreements in furtherance of the objectives of the Government and the Constitution to bolster the national economy through sustainable and systematic development and utilization of mineral lands;

WHEREAS, the Government desires to avail itself of the financial resources, technical competence and skill, which the Contractor is capable of applying to the mining operations of the project contemplated herein;

WHEREAS, the Contractor desires to join and assist the Government in the initial \$ rational exploration and possible development and utilization for commercial purposes of nickel, iron, cobalt, chromite and other associated mineral deposits existing in the Contract Area (as herein defined);

1 1

WHEREAS, the Contractor has access to all the financing, technical competence, technology and environmental management skills required to promptly and effectively carry out the objectives of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants, terms and conditions hereinafter set forth, it is hereby stipulated and agreed as follows:

SECTION I

SCOPE

- 1.1. This Agreement is a Mineral Production Sharing Agreement entered into pursuant to the provisions of the Act and its implementing rules and regulations. The primary purpose of this Agreement is to provide for the rational exploration, development and commercial utilization of nickel, iron, cobalt, chromite and other associated mineral deposits existing within the Contract Area, with all necessary services, technology and financing to be furnished or arranged by the Contractor in accordance with the provisions of this Agreement. The Contractor shall not, by virtue of this Agreement, acquire any title over the Contract/Mining Area without prejudice to the acquisition by the Contractor of the land/surface rights through any mode of acquisition provided for by law.
- 1.2. The Contractor shall undertake and execute, for and on behalf of the Government, responsible mining operations in accordance with the provisions of this Agreement, and is hereby constituted and appointed, for the purpose of this Agreement, as the exclusive entity to conduct mining operations in the Contract Area.
- 1.3. The Contractor shall assume all the exploration risk such that if no minerals in commercial quantity are developed and produced, it will not be entitled to reimbursement.
- 1.4. During the term of this Agreement, the total value of production and sale of minerals derived from the mining operations contemplated herein shall be accounted for and divided between the Government and the Contractor in accordance with Section VIII hereof.

SECTION II

DEFINITIONS

As used in this Agreement, the following words and terms, whether singular or plural, shall have the following respective meaning:

- Act refers to Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995."
- 2.2. Agreement means this Mineral Production Sharing Agreement.
- 2.3. <u>Associated Minerals</u> mean other ores/minerals, which occur together with the principal ore/mineral.

- 2.4. Bangko Sentral means Bangko Sentral ng Pilipinas.
- 2.5. <u>Budget</u> means an estimate of expenditures to be made by Contractor in mining operations contemplated hereunder to accomplish the Work Program for each particular period.
- 2.6. Bureau means Mines and Geosciences Bureau.
- 2.7. <u>Calendar Year or Year</u> means a period of twelve 12) consecutive months starting with the first day of January and ending on December 31, while "Calendar Quarter" means a period of three consecutive months with the first calendar quarter starting with the first day of January.
- 2.8. <u>Commercial Production</u> means the production of sufficient quantity of minerals to sustain economic viability of mining operations reckoned from the date of commercial operation as declared by the Contractor or as stated in the feasibility study, whichever comes first.
- 2.9. Constitution or Philippine Constitution means the 1987 Constitution of the Republic of the Philippines adopted by the Constitutional Convention of 1986 on October 15, 1986 and ratified by the People of the Republic of the Philippines on February 2, 1987.
- 2.10. Contract Area means the area onshore or offshore delineated under the Mineral Production Sharing Agreement subject to the relinquishment obligations of the Contractor and properly defined by latitude and longitude or bearing and distance.
- 2.11. Contract Year means a period of twelve (12) consecutive months counted from the Effective Date of this Agreement or from the anniversary of such Effective Date.
- 2.12. Contractor means Altai Philippines Mining Corporation or its assignee(s) of interest under this Agreement: Provided, That the assignment of any of such interest is accomplished pursuant to the pertinent provisions of the implementing rules and regulations of the Act.
- 2.13. Declaration of Mining Project Feasibility means a document proclaiming the presence of minerals in a specific site, which are recoverable by socially acceptable, environmentally safe and economically sound methods specified in the Project Feasibility Study.
- 2.14. <u>Department or DENR</u> means the Department of Environment and Natural Resources.
- 2.15. <u>Director</u> means the Director of Mines and Geosciences Bureau.
- 2.16. Effective Date means the date of execution of this Agreement by the Contractor and by the Secretary on behalf of the Government.
- Environment means all facets of man's surroundings: physical, ecological, aesthetic, cultural, economic, historic, institutional and social.
- 2.18. Exploration means searching or prospecting for mineral resources by geological, geophysical and geochemical surveys, remote sensing, test



pitting, trenching, drilling, shaft sinking, tunneling or any other means for the purpose of determining the existence, extent, quality and quantity of mineral resources and the feasibility of mining them for profit.

- 2.19. Exploration Period shall mean the period from the Effective Date of this Agreement, which shall be for two (2) years, renewable for like periods but not to exceed a total term of six (6) years for nonmetallic minerals and eight (8) years for metallic minerals, subject to the pertinent provisions of the imp!ementing rules and regulations of the Act.
- 2.20. Force Majeure means acts or circumstances beyond the reasonable control of the Contractor including, but not limited to war, rebellion, insurrection, riots, civil disturbances, blockade, sabotage, embargo, strike, lockout, any dispute with surface owners and other labor disputes, epidemics, earthquake, storm, flood or other adverse weather conditions, explosion, fire, adverse action by the Government or by any of its instrumentality or subdivision thereof, act of God or any public enemy and any cause as herein described over which the affected party has no reasonable control.
- 2.21. Foreign Exchange means any currency other than the currency of the Republic of the Philippines acceptable to the Government and the Contractor.
- 2.22. Government means the Government of the Republic of the Philippines or any of its agencies and instrumentalities.
- 2.23. Gross Output means the actual market value of the minerals or mineral products from each mine or mineral land operated as a separate entity, without any deduction for mining, processing, refining, transporting, handling, marketing or any other expenses: Provided, That if the minerals or mineral products are sold or consigned abroad by the Contractor under C.I.F. terms, the actual cost of ocean freight and insurance shall be deducted: Provided further, That in the case of mineral concentrates which are not traded in commodity exchanges in the Philippines or abroad such as copper concentrate, the actual market value shall be the world price quotation of the refined mineral products contained thereof prevailing in the said commodity exchanges, after deducting the smelting, refining, treatment, insurance, transportation and other charges incurred in the process of converting mineral concentrates into refined metal traded in those commodity exchanges.
- 2.24. Mine Development refers to work undertaken to prepare an ore body or a mineral deposit for mining, including the construction of necessary infrastructure and related facilities.
- 2.25. Minerals mean all naturally occurring inorganic substances in solid, liquid, gas or any intermediate state excluding energy materials such as coal, petroleum, natural gas, radioactive materials and geothermal energy.
- 2.26. Mineral Products mean materials derived from mineral ores/rocks and prepared into marketable state by metallurgical processes which include beneficiation, cyanidation, leaching, smelting, calcination and other similar processes.

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- 2.27. Mining Area means that portion of the Contract Area identified by the Contractor as defined and delineated in a Survey Plan duly approved by the Director/Regional Director concerned for purposes of development and/or utilization and sites for support facilities.
- 2.28. Mining Operations means mining activities involving exploration, feasibility study, environmental impact assessment, development, utilization, mineral processing and mine rehabilitation.
- 2.29. Notice means notice in writing, telex or telecopy (authenticated by answer back or confirmation received) addressed or sent as provided in Section 16.2 of this Agreement.
- 2.30. Ore means naturally occurring substance or material from which a mineral or element can be mined and/or processed for profit.
- 2.31. Pollution means any alteration of the physical, chemical and/or biological properties of any water, air and/or land resources of the Philippines, or any discharge thereto of any liquid, gaseous or solid wastes or any production of unnecessary noise or any emission of objectionable odor, as will or is likely to create or render such water, air, and land resources harmful, detrimental or injurious to public health, safety or welfare or which will adversely affect their utilization for domestic, commercial, industrial, agricultural, recreational or other legitimate purposes.
- 2.32. Secretary means the Secretary of the Department of Environment and Natural Resources.
- 2.33. State means the Republic of the Philippines.
- 2.34. Work Program means a document which presents the plan of major mining operations and the corresponding expenditures of the Contractor in its Contract Area during a given period of time, including the plan and expenditures for development of host and neighboring communities and of local geoscience and mining technology, as submitted and approved in accordance with the implementing rules and regulations of the Act.

SECTION III

TERM OF AGREEMENT

3.1. This Agreement shall have a term of twenty five (25) years from Effective Date, and may be renewed thereafter for another term not exceeding twenty five (25) years. The renewal of this Agreement, as well as the changes in the terms and conditions thereof, shall be upon mutual consent by the parties. In the event the Government decides to allow mining operations thereafter by other Contractor, this must be through competitive public bidding. After due publication of notice, the Contractor shall have the right to equal the highest bid upon reimbursement of all reasonable expenses of the highest bidder.

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SECTION IV

CONTRACT AREA

4.1. Size, Shape, and Location of Contract Area - This Agreement covers a Contract Area of approximately One Thousand Five Hundred Eighty and 8,010/10,000 (1,580.8010) hectares, situated in San Fernando, Romblon, Sibuyan Island, and bounded by the following geographical coordinates (please refer to ANNEX "B" - 1:50,000 scale Location Map/Sketch Plan):

Parcel 1 Area = 1,140.7790 hectares

Corner		L	atitude	Longi	tude
1		120	25' 07.999"	122° 31'	33.631"
		120	24' 45.000"	122° .31'	33.631"
2 .	•	120	24' 45.000"	122° 32'	.00.167"
4		12°	23' 23.856"	122° 32'	00.167"
5		12°	23' 23.856"	122° 33'	19.611"
6		12°	23' 12.792"	122° 33'	07.500"
7		12°	22' 57.821"	122° 33'	07.500"
	*1	12°	22' 57.821"	122° 32'	55.000"
8 9		12°	22' 31.786"	122° 32'	55.000"
10		12°	22' 31.786"	122° 30'	53.952"
11		12°	23' '23.856"	122° 30'	53.952"
12		12°	23' 23.856"	122° 30'	40.710"
13		120	23' 49.885"	122° 30'	40.710"
14		120	23' 49.885"	122° 31'	07.196"
15		12°	25' 07.999"	122° 31'	07.196"

Parcel 2 Area = 440.0220 hectares

Corner	Latitude	Longitude .
1	12° 22' 05.774	122° 33' 19.611"
2	12° 22' 05.774	122° 34' 10.000"
3	12° 21' 10.000	122° 34' 39.713"
4	12° 20' 47.643	122° 33' 46.096"
5	12° 20' 47.643	122° 33' 46.096"
6	12° 21' 13.678	122° 33' 19.611"

SECTION V

EXPLORATION PERIOD

5.1. Timetable for Exploration - The Contractor shall commence Exploration activities not later than three (3) months after the Effective Date for a period of two (2) years, renewable for like periods but not to exceed a total term of six (6) years for nonmetallic minerals and eight (8) years for metallic.

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minerals, subject to annual review and approval by the Director in accordance with the implementing rules and regulations of the Act.

5.2. Renewal of Exploration Period - In case the Contractor opts for a renewal of its Exploration Period, it shall file prior to the expiration thereof, a renewal application in the Mines and Geosciences Bureau Central Office, accompanied by the mandatory requirements stipulated in the implementing rules and regulations of the Act. The Director may grant the renewal of the Exploration Period on condition that the Contractor has substantially complied with the terms and conditions of the Agreement.

In cases where further exploration is warranted beyond the six (6)- or eight (8)-year period and on condition that the Contractor has substantially implemented the Exploration and Environmental Work Programs as verified by the Bureau, the Director may further grant renewal of the Exploration Period: Provided, That the Contractor shall be required to set up a performance surety equivalent to the expenditure requirement of the Exploration and Environmental Work Programs.

5.3. Work Programs and Budgets - The Contractor shall strictly comply with the approved Exploration and Environmental Work Programs together with their corresponding Budgets (please refer to ANNEXES "C" and "D").

The amount to be spent by the Contractor in conducting Exploration activities under the terms of this Agreement during the Exploration Period shall be in the aggregate of not less than that specified for each of the Contract Years, as follows:

For the Exploration Work Program:

 1st Contract Year
 PhP 2,933,500.00

 2nd Contract Year
 PhP 4,922,500.00

 Total
 PhP 7,856,000.00

For the Environmental Work Program : PhP 800,000.00

In the event of renewal of the Exploration Period, the amount to be spent every year shall first be agreed upon by the parties.

In the event of termination of this Agreement, the Contractor shall only be obliged to expend the pro-rata amount for the period of such Contract Year prior to termination. If during any Contract Year, the Contractor should expend more than the amount to be expended as provided above, the excess may be subtracted from the amount required to be expended by the Contractor during the succeeding Contract Years, and should the Contractor, due to unforeseen circumstances or with the consent of the Government, expend less during a year, then the deficiency shall be applied to the amount to be expended during the succeeding Contract Years.

5.4. Relinquishment of Total/Portion of the Contract Area - During the Exploration Period, the Contractor may relinquish totally or partially the original Contract Area. After the Exploration Period and prior to or upon approval of a Declaration of Mining Project Feasibility by the Director, the Contractor shall finally relinquish any portion of the Contract Area not

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necessary for mining operations and not covered by any Declaration of Mining Project Feasibility.

- 5.5. Final Mining Area The Director may allow the Contractor to hold more than one (1) final Mining Area subject to the maximum limits set under the implementing rules and regulations of the Act: Provided, That each final Mining Area shall be covered by a Declaration of Mining Project Feasibility.
- Declaration of Mining Project Feasibility Within the term of the Exploration 5.6. Period, the Contractor shall file in the Regional Office concerned, the Declaration of Mining Project Feasibility of the Contract Area/final Mining Area supported by Mining Project Feasibility Study, Three (3)-Year Development and Construction or Commercial Operation Work Program, complete geologic report, an application for survey and the pertinent applicable among other Certificate, Compliance Environmental requirements. Failure of the Contractor to submit the Declaration of Mining Project Feasibility during the Exploration Period shall be considered a substantial breach of this Agreement.
- 5.7. Survey of the Contract Are The Contractor shall cause the survey of the perimeter of the Contract Area/final Mining Area through an application for survey, complete with requirements, filed in the Regional Office concerned simultaneous with the submission of the Declaration of Mining Feasibility. Survey returns shall be submitted to the Regional Director concerned for approval within one (1) year from receipt of the Order of Survey complete with the mandatory requirements stated in the implementing rules and regulations of the Act.

5.8. Reporting

- During the Exploration Period, the Contractor shall submit to the Director, through the Regional Director concerned, quarterly and annual accomplishment reports under oath on all activities conducted in the Contract Area from the Effective Date of this Agreement. The quarterly report shall be submitted not later than fifteen (15) days at the end of each Calendar Quarter while the annual accomplishment report shall be submitted not later than thirty (30) days from the end of each Calendar Year. Such information shall include detailed financial expenditures, raw and processed geological, geochemical, geophysical and radiometric data plotted on a map at a minimum 1:50,000 scale, copies of originals of assay results, duplicated samples, field data, copies of originals from drilling reports, maps, environmental work program implementation and detailed expenditures showing discrepancies/ deviations with approved exploration and environmental plans and budgets as well as all other information of any kind collected during the exploration activities. All information submitted to the Bureau shall be subject to the confidentiality clause of this Agreement.
- b. Final Report The Contractor shall submit to the Director, through the Regional Director concerned, a final report under oath upon the expiration of the Exploration Period which shall be in the form and substance comparable to published professional reports of respectable international institutions and shall incorporate all the findings in the Contract Area including location of samples, assays,

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chemical analysis, and assessment of mineral potentials together with a geologic map of 1:50,000 scale at the minimum showing the results of the exploration. Such report shall also include detailed expenditures incurred during the Exploration Period. In case of diamond drilling, the Contractor shall, upon request of the Director/Regional Director concerned, submit to the Regional Office concerned a quarter of the core samples, which shall be deposited in the Regional Office Core Library for safekeeping and reference.

c. Relinquishment Report - The Contractor shall submit a separate relinquishment report with a detailed geologic report of the relinquished area accompanied by maps at a scale of 1:50,000 and results of analyses and detailed expenditures, among others.

SECTION VI

DEVELOPMENT AND CONSTRUCTION PERIOD

6.1. Timetable - The Contractor shall complete the development of the mine including the construction of production facilities within thirty six (36) months from the submission and approval of the Declaration of Mining Project Feasibility, subject to such extension based on justifiable reasons as the Director may approve, upon recommendation of the Regional Director concerned.

6.2. Reporting

- a. Annual The Contractor shall submit, within sixty (60) days after December 31 of each year, to the Director, through the Regional Director concerned, an annual report, which states the major activities, achievements and detailed expenditures during the year covered, including maps, assays, rock and mineral analyses and geological and environmental progress reports during the Development and Construction Period.
- b. Final Report Within six (6) months from the completion of the development and construction activities, the Contractor shall submit a final report to the Director, through the Regional Director concerned. Such report shall integrate all information in maps of appropriate scale and quality, as well as in monographs or reports in accordance with international standards.

SECTION VII

OPERATING PERIOD

7.1. Timetable - The Contractor shall submit, within thirty (30) days before completion of mine development and construction of production facilities, to the Director, through the Regional Director concerned, a Three-Year Commercial Operation Work Program. The Contractor shall commence commercial utilization immediately upon approval of the aforesaid Work Program. Failure of the Contractor to commence Commercial Production.

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within the period shall be considered a substantial breach of the Agreement.

7.2. Commercial Operation Work Program and Budget - During the Operating Period, the Contractor shall submit to the Director, through the Regional Director concerned, Work Programs and Budgets covering a period of three (3) years each, which shall be submitted not later than thirty (30) days before the expiration of the period covered by the previous Work Program.

The Contractor shall conduct Mining Operations and other activities for the duration of the Operating Period in accordance with the duly approved Work Programs and corresponding Budgets.

7.3. Expansion and Modification of Facilities - The Contractor may make expansions, modifications, improvements, and replacements of the mining facilities and may add new facilities as the Contractor may consider necessary for the operations: Provided, That such plans shall be embodied in an appropriate Work Program approved by the Director.

7.4. Reporting

- a. Quarterly Reports Beginning with the first Calendar Quarter following the commencement of the Operating Period, the Contractor shall submit, within thirty (30) days after the end of each Calendar Quarter, to the Director, through the Regional Director concerned, a Quarterly Report stating the tonnage of production in terms of ores, concentrates, and their corresponding grades and other types of products; value, destination of sales or exports and to whom sold; terms of sales and expenditures.
- b. Annual Reports During the Operating Period, the Contractor shall submit within sixty (60) days from the end of each Calendar Year, to the Director, through the Regional Director concerned, an Annual Report indicating in sufficient detail:
 - b.1. The total tonnage of ore reserves, whether proven, probable, or inferred, the total tonnage of ores, kind by kind, broken down between tonnage mined, tonnages transported from the minesite and their corresponding destination, tonnages stockpiled in the mine and elsewhere in the Philippines, tonnages sold or committed for export (whether actually shipped from the Philippines or not), tonnages actually shipped from the Philippines (with full details as to purchaser, destination and terms of sale), and if known to the Contractor, tonnages refined, processed or manufactured in the Philippines with full specifications as to the intermediate products, by-products or final products and of the terms at which they were disposed;
 - b.2. Work accomplished and work in progress at the end of the year in question with respect to all the installations and facilities related to the utilization program, including the investment actually made or committed; and



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b.3. Profile of work force, including management and staff, stating particularly their nationalities, and for Filipinos, their place of origin (i.e., barangay, town, province, region).

The Contractor shall also comply with other reporting requirements provided for in the implementing rules and regulations of the Act.

SECTION VIII

FISCAL REGIME

- 8.1. General Principle The fiscal regime of this Agreement shall be governed by the principle according to which the Government expects a reasonable return in economic value for the utilization of non-renewable mineral resources under its national sovereignty while the Contractor expects a reasonable return on its investment with special account to be taken for the high risk of exploration, the terms and conditions prevailing elsewhere in the industry and any special efficiency to be gained by a particularly good performance of the Contractor.
- 8.2. Registration Fees Within fifteen (15) days upon receipt of the notice of approval of the Agreement from the Regional Office concerned, the Contractor shall cause the registration of this Agreement with the said Regional Office and pay the registration fee at the rate provided in the existing rules and regulations. Failure of the Contractor to cause the registration of this Agreement within the prescribed period shall be sufficient ground for cancellation of the same.
- 8.3. Occupation Fees Prior to registration of this Agreement and at the same date every year thereafter, the Contractor shall pay to the Municipal/City Treasurer concerned an occupation fee over the Contract Area at the annual rate provided in the existing rules and regulations. If the fee is not paid on the date specified, the Contractor shall pay a surcharge of twenty five percent (25%) of the amount due in addition to the occupation fees.
- 8.4. Share of the Government The Government Share shall be the excise tax on mineral products at the time of removal and at the rate provided for in Republic Act No. 7729 amending Section 151 (a) of the National Internal Revenue Code, as amended, as well as other taxes, duties and fees levied by existing laws. The Excise Tax shall be timely and completely paid to the nearest Bureau of Internal Revenue Office in the province concerned.

For purposes of determining the amount of the herein Government Share, the Contractor shall strictly comply with the auditing and accounting requirements prescribed under existing laws and regulations.

The Government Share shall be allocated in accordance with Sections 290 and 292 of Republic Act No. 7160, otherwise known as "The Local Government Code of 1991."

8.5. Pricing of Sales - The Contractor shall dispose of the minerals and by-products produced at the highest market price prevailing in the locality: The Contractor shall also pay the lowest achievable marketing commissions and related fees and shall negotiate for more advantageous terms and

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conditions subject to the right to enter into long-term sales or marketing contracts or foreign exchange and commodity hedging contracts, which the Government acknowledges to be acceptable notwithstanding that the sale price of the minerals and by-products may from time to time be lower, or the terms and conditions of sales are less favorable, than that available elsewhere. The Contractor shall seek to strike a balance between long-term sales or marketing contracts or foreign exchange and commodity hedging contracts comparable to policies followed by independent producers in the international mining industry.

The Contractor shall likewise seek a balanced distribution among consumers. Insofar as sales to Contractor's affiliate(s) are concerned, prices shall be at arm's length standard, and competing offers for large scale and long-term contracts shall be procured. Before any sale and/or shipment of mineral product is made, existing and future marketing contract(s)/sales agreement(s) shall be submitted to the Director, copy furnished the Regional Director concerned, for registration. At the same time, the Contractor shall regularly inform the Director in writing of any revisions, changes or additions in said contract(s)/agreement(s).

The Contractor shall reflect in its Monthly/Quarterly Report on Production, Sales and Inventory of Minerals, as well as in the Integrated Annual Report, of the marketing number(s) corresponding registration contract(s)/agreement(s) governing the export or sale of minerals.

Associated Minerals - If minerals other than nickel, iron, cobalt, chromite 8.6. are discovered in commercial quantities in the Contract Area, the value thereof shall be added to the value of the principal mineral in computing the Government share.

SECTION IX

WORK PROGRAMS

- Submission to Government Within the periods stated herein, the 9.1. Contractor shall prepare and submit to the Director, through the Regional Director concerned, a Work Program and corresponding Budget for the Contract Area stating the Mining Operations and expenditures which the Contractor proposes to carry out during the period covered with the details and particulars set forth elsewhere in this Agreement or in the supporting documents.
- Government's Examination and Revision of Work Program Should the 9.2. Government decide to propose a revision to a certain specific feature in the Work Program or Budget, it shall, within thirty (30) days after receipt thereof, provide a Notice to the Contractor specifying in reasonable detail its reasons therefore. Promptly thereafter, the Government and Contractor will meet and endeavor to agree on the revision proposed by the Government. In any event, the revision of any portion of said Work Program or Budget in which the Government shall fail to notify the Contractor of the proposed revision shall, insofar as possible, be carried out as prescribed herein. If the Government should fail within sixty (60) days from receipt thereof to notify Contractor of the proposed revisions, the

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Work Program and Budget proposed by the Contractor shall be deemed to be approved.

Contractor's Changes to Work Program - It is recognized by the 9.3. Government and the Contractor that the details of any Work Program may require changes in the light of changing circumstances. The Contractor may make such changes: Provided, That it shall not change the general objective of the Work Program: Provided further, That changes which entail a negative variance of at least twenty percent (20%) shall be subject to the approval of the Director.

In case of any positive variance in the future, the Contractor shall submit to the Bureau and Regional Office concerned a copy each of the revised Work Programs, for information.

The Government's approval of a proposed Work Program and Budget will 9.4. not be unreasonably withheld.

SECTION X

ENVIRONMENTAL PROTECTION AND MINE SAFETY AND HEALTH

- 10:1. The Contractor shall manage its Mining Operations in a technically, financially, socially, culturally and environmentally responsible manner to achieve the sustainable development objectives and responsibilities as provided for under the implementing rules and regulations of the Act.
- 10.2. The Contractor shall ensure that the standards of environmental protection are met in the course of the Mining Operations. To the extent possible, contro! of pollution and the transformation of the mined-out areas or materials into economically and socially productive forms must be done simultaneously with mining.
- 10.3. The Contractor shall submit an Environmental Work Program during the Exp!oration Period as prescribed in the implementing rules and regulations of the Act.
- 10.4. An Environmental Compliance Certificate (ECC) shall be secured first by the Contractor prior to the conduct of any development works, construction of production facilities and/or mine production activities in the Contract Area.
- 10.5. The Contractor shall submit within thirty (30) calendar days after the issuance and receipt of the ECC, an Environmental Protection and Enhancement Program (EPEP) using MGB Form No. 16-2 covering all areas to be affected by development, utilization and processing activities The Contractor shall allocate for its initial under this Agreement. environment-related capital expenditures approximately ten percent (10%) of the total project cost or in such amount depending on the environmental/geological condition, nature and scale of operations and technology to be employed in the Contract Area.
- 10.6. The Contractor shall submit, within thirty (30) days prior to the beginning of every calendar year, an Annual Environmental Protection and

Enhancement Program (AEPEP), using MGB Form 16-3, which shall be based on the approved EPEP. The AEPEP shall be implemented during the year for which it was submitted. To implement its AEPEP, the Contractor shall allocate annually three to five percent (3%-5%) of its direct mining and milling costs depending on the environmental/geologic condition, nature and scale of operations and technology employed in the Contract Area.

10.7. The Contractor shall establish a Contingent Liability and Rehabilitation Fund (CLRF) which shall be in the form of the Mine Rehabilitation Fund (MRF) and the Mine Waste and Tailings Fee (MWTF).

The MRF shall be based on the financial requirements of the approved EPEP as a reasonable environmental deposit to ensure satisfactory compliance with the commitments/strategies of the EPEP/AEPEP and availability of funds for the performance of the EPEP/AEPEP during the specific project phase. The MRF shall be deposited as Trust Fund in a government depository bank and shall be used for physical and social rehabilitation of areas affected by mining activities and for research on the social, technical and preventive aspects of rehabilitation.

The MWTF shall be collected based on the amounts of mine waste and mill tailings generated during the conduct of Mining Operations. The MWTF collected shall accrue to a Mine Waste and Tailings Reserve Fund and shall be deposited in a government depository bank for payment of compensation for damages caused by the Mining Operations.

- 10.8. The Contractor shall set up mitigating measures such as mine waste and mill tailings disposal system, mine rehabilitation or plan, water quality monitoring, etc. to minimize land degradation, air and water pollution, acid rock drainage and changes in hydrogeology.
- 10.9. The Contractor shall set up an Environmental and Safety Office at its minesite manned by qualified personnel to plan, implement and monitor its approved EPEP.
- 10.10. The Contractor shall be responsible in the monitoring of environmental, safety and health conditions in the Contract Area and shall strictly comply with all the rules and regulations embodied under DAO No. 2000-98, otherwise known as the "Mine Safety and Health Standards."
- 10.11. The Contractor shall be responsible for the submission of a final mine rehabilitation and/or decommissioning plans, including its financial requirements and incorporating the details and particulars set forth in the implementing rules and regulations of the Act.

SECTION XI

RIGHTS-AND OBLIGATIONS OF THE PARTIES

11.1. Obligations of the Contractor:



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- To exclusively conduct sustainable Mining Operations within the Contract Area in accordance with the provisions of the Act and its implementing rules and regulations;
- To construct and operate any facilities specified under the Mineral Agreement or approved Work Program;
- c. To determine the exploration, mining and treatment process to be utilized in the Mining Operations;
- d. To extract, remove, use and dispose of any tailings as authorized by an approved Work Program;
- To secure all permits necessary or desirable for the purpose of Mining Operations;
- f. To keep accurate technical records about the Mining Operations, as well as financial and marketing accounts, and make them available to Government representatives authorized by the Director for the purpose of assessing the performance and compliance of the Contractor with the terms of this Agreement. Authorized representatives of other Government Agencies may also have access to such accounts in accordance with existing laws, rules and regulations;
- g. To furnish the Bureau all the data and information gathered from the Contract Area and that all the books of accounts and records shall be open for inspection;
- To allow access to Government during reasonable hours in inspecting the Contract Area and examining pertinent records for purposes of monitoring compliance with the terms of this Agreement;
- To hold the Government free and harmless from all claims and accounts of all kinds, as well as demands and actions arising out of the accidents or injuries to persons or properties caused by Mining Operations of the Contractor and indemnify the Government for any expenses or costs incurred by the Government by reason of any such claims, accounts, demands or actions;
- i. In the development of the community:
 - j.1. To recognize and respect the rights, customs and traditions of indigenous cultural communities over their ancestral lands and to allocate royalty payment of not less than one percent (1%) of the value of the gross output of minerals sold;
 - j.2. To coordinate with proper authorities in the development of the mining community and for those living in the host and neighboring communities through social infrastructure, livelihood programs, education, water, electricity and medical services. Where traditional self-sustaining income and the community activities are identified to be present, the Contractor shall assist in the preservation and/or enhancement of such activities;

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- j.3. To allot annually a minimum of one percent (1%) of the direct mining and milling costs necessary to implement the activities undertaken in the development of the host and neighboring communities. Expenses for community development may be charged against the royalty payment of at least one percent (1%) of the gross output intended for the concerned indigenous cultural community;
- j.4. To give preference to Filipino citizens who have established domicile in the neighboring communities, in the hiring of personnel for its mining operations. If necessary skills and expertise are currently not available, the Contractor must immediately prepare and undertake a training and recruitment program at its expense; and
- j.5. To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement (j.1) to (j.3) of this Section;
- k. In the development of Mining Technology and Geosciences:
 - k.1. In the course of its operations, to produce geological, geophysical, geochemical and other types of maps and reports that are appropriate in scale and in format and substance which are consistent with the internationally accepted standards and practices. Such maps shall be made available to the scientific community in the most convenient and cost effective forms, subject to the condition that the Contractor may delay release of said information for a reasonable period of time which shall not exceed three (3) years;
 - k.2. To systematically keep the data generated from the Contract/ Mining Area such as cores, assays and other related information, including economic and financial data and make them accessible to students, researchers and other persons responsible for developing mining, geoscience and processing technology subject to the condition that the Contractor may delay release of data to the science and technology community within a reasonable period of time which shall not exceed three (3) years;
 - k.3. To transfer to the Government or local mining company the appropriate technology it may adapt in the exploration, development and commercial utilization of the minerals in the Contract Area;
 - k.4. To allocate research and development budget for the advancement of mining technology and geosciences in coordination with the Bureau, research institutions, academe, etc.; and
 - k.5. To replicate data, maps and reports cited in (k.1) and (k.2) and furnish the Bureau for archiving and systematic



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safekeeping which shall be made available to the science and technology community for conducting research and undertaking other activities which contribute to the development of mining, geoscience and processing technology and the corresponding national pool of manpower talents: Provided, however, that the release of data, maps and the like shall be similarly constrained in accordance with (k.1) and (k.2) above;

- To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement all the plans and programs set forth in this Agreement; and
- m. To pay all other taxes and fees mandated by existing laws, rules and regulations.

11.2. Rights of the Contractor:

- a. To conduct Mining Operations within the confines of its Contract/Mining Area in accordance with the terms and conditions hereof and without interfering with the rights of other Contractors/Lessees/Operators/.Permittees/Permit Holders;
- Possession of the Contract Area, with full right of ingress and egress and the right to occupy the same, subject to surface and easement rights;
- To use and have access to all declassified geological, geophysical, drilling, production and other data relevant to the mining operations;
- To sell, assign, transfer, convey or otherwise dispose of all its rights, interests and obligations under the Agreement subject to the approval of the Government;
- e. To employ or bring into the Philippines foreign technical and specialized personnel, including the immediate members of their families as may be required in the operations of the Contractor, subject to applicable laws and regulations: Provided, That if the employment connection of such foreign persons with the Contractor ceases, the applicable laws and regulations on immigration shall apply to them. Every time foreign technologies are utilized and where alien executives are employed, an effective program of training understudies shall be undertaken. The alien employment shall be limited to technologies requiring highly specialized training and experience subject to the required approval under existing laws, rules and regulations;
- f. To enjoy easement rights and use of timber, water and other natural resources in the Contract Area subject to pertinent laws, rules and regulations and the rights of third parties;
- Repatriation of capital and remittance of profits, dividends and interest on loans, subject to existing laws and Bangko Sentral ng Pilipinas rules and regulations; and

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- h. To import when necessary all equipment, spare parts and raw materials required in the operations in accordance with existing laws and regulations.
- 11.3. Obligations of the Government:
 - a. To ensure that the Contractor has the Government's full cooperation in the exercise of the rights granted to it under this Agreement;
 - To use its best efforts to ensure the timely issuance of necessary permits and similar authorizing documents for use of the surface of the Contract Area; and
 - c. To cooperate with the Contractor in its efforts to obtain financing contemplated herein from banks or other financial institutions: Provided, That such financing arrangements will in no event reduce the Contractor's obligation on Government rights hereunder.

SECTION XII

ASSETS AND EQUIPMENT

- 12.1. The Contractor shall acquire for the Mining Operations only such assets that are reasonably estimated to be required in carrying out such Mining Operations.
- 12.2. All materials, equipment, plant and other installations of a movable nature erected or placed on the Contract Area by the Contractor shall remain the property of the Contractor. The Contractor shall have the right to remove and re-export such materials and equipment, plant and other installations from the Philippines, subject to existing rules and regulations. In case of cessation of Mining Operations on public lands occasioned by its voluntary abandonment or withdrawal, the Contractor shall have a period of one (1) year from the time of cessation within which to remove its improvements; otherwise, all social infrastructures and facilities shall be turned over or donated tax free to the proper government authorities, national or local, to ensure that said infrastructures and facilities are continuously maintained and utilized by the host and neighboring communities.

SECTION XIII

EMPLOYMENT AND TRAINING OF PHILIPPINE PERSONNEL

13.1. The Contractor agrees to employ, to the extent possible, qualified Filipino personnel in all types of mining operations for which they are qualified; and after Commercial Production commences shall, in consultation and with consent of the Government, prepare and undertake an extensive training programme suitable to Filipino nationals in all levels of employment. The objective of said programme is to reach within the timetable set forth below the following targets of "Filipinization:"

Unskilled Skilled Clerical Professional (%) (%) (%) (%)

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(%)

Management

Year 1	100	100	100	75	75
Year 3	100	100	100	80	80
Year 5	100	100	100	90	90
Year 7	100	100	100	95	95
Year 10	100	100	100	95	95
Year 15	100	100	100	95	95

- 13.2. Cost and expenses of training such Filipino personnel and the Contractor's own employees shall be included in the Operating Expenses.
- 13.3. The Contractor shall not discriminate on the basis of gender and shall respect the right of women workers to participate in policy and decision-making processes affecting their rights and benefits.

SECTION XIV

ARBITRATION

- 14.1. The Government and the Contractor shall consult with each other in good faith and shall exhaust all available remedies to settle any and all disputes or disagreements arising out of or relating to the validity, interpretations, enforceability, or performance of this Agreement before resorting to arbitration as provided for in Section 14.2. below.
- 14.2. Any disagreement or dispute which can not be settled amicably within a period of one (1) year from the time the issue is raised by a Party shall be settled by a tribunal of three (3) arbitrators. This tribunal shall be constituted as follows: one to be appointed by the Contractor and the other to be appointed by the Secretary. The first two appointed arbitrators shall consider names of qualified persons until agreement on a mutually acceptable Chairman of the tribunal is selected. Such arbitration shall be initiated and conducted pursuant to Republic Act No. 876, otherwise known as the "Arbitration Act."

In any event, the arbitration shall be conducted applying the substantive laws of the Republic of the Philippines.

14.3. Each party shall pay fifty percent (50%) of the fees and expenses of the Arbitrators and the costs of arbitration. Each party shall pay its own costs and attorney's fee.

SECTION XV

SUSPENSION OR TERMINATION OF CONTRACT, TAX INCENTIVES AND CREDITS

15.1. This Agreement may be suspended for failure of the Contractor: (a) to comply with any provision or requirement of the Act and/or its implementing rules and regulations; (b) to pay on time the complete taxes, fees and/or other charges demandable and due the Government.

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- 15.2. This Agreement terminates or may be terminated for the following causes:

 (a) expiration of its term, whether original or renewal; (b) withdrawal from the Agreement by the Contractor; (c) violation by the Contractor of the Agreement's terms and conditions; (d) failure to pay taxes, fees/or charges or financial obligations for two (2) consecutive years; (e) false statement or omission of facts by the Contractor; and (f) any other cause or reason provided under the Act and its implementing rules and regulations, or any other relevant laws and regulations.
- 15.3. All statements made in this Agreement shall be considered as conditions and essential parts hereof, and any falsehood in said statements or omission of facts which may alter, change or affect substantially the fact set forth in said statements shall be a ground for its revocation and termination.
- 15.4. The Contractor may, by giving due notice at any time during the term of this Agreement, apply for its cancellation due to causes which, in the opinion of the Contractor, render continued mining operation no longer feasible or viable. In this case, the Secretary shall decide on the application within thirty (30) days from notice: Provided, That the Contractor has met all the financial, fiscal and legal obligations.
- 15.5. No delay or omissions or course of dealing by the Government shall impair any of its rights under this Agreement, except in the case of a written waiver. The Government's right to seek recourse and relief by all other means shall not be construed as a waiver of any succeeding or other default unless the contrary intention is reduced in writing and signed by the party authorized to exercise the waiver.
- 15.6. In case of termination, the Contractor shall pay all the fees and other liabilities due up to the end of the year in which the termination becomes effective. The Contractor shall immediately carry out the restoration of the Contract Area in accordance with good mining industry practice.
- 15.7. The withdrawal by the Contractor from the Mineral Agreement shall not release it from any and all financial, environmental, legal and fiscal obligations under this Agreement.
- 15.8. The following acts or omission, inter alia shall constitute breach of contract, upon which the Government may exercise its right to terminate the Agreement:
 - Failure of the Contractor without valid reason to commence Commercial Production within the period prescribed; and/or
 - b. Failure of the Contractor to conduct mining operations and other a activities in accordance with the approved Work Programs and/or any modification thereof as approved by the Director.
- 15.9. The Government may suspend and cancel tax incentives and credits if the Contractor fails to abide by the terms and conditions of said incentives and credits.

SECTION XVI

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OTHER PROVISIONS

16.1. Any terms and conditions resulting from repeal or amendment of any existing laws or regulation or from the enactment of a law, regulation or administrative order shall be considered a part of this Agreement.

16.2. Notice

All notices, demands and other communications required or permitted hereunder shall be made in writing, telex or telecopy and shall be deemed to have been duly given notice, in the case of telex or telecopy, if answered back or confirmation received, or if delivered by hand, upon receipt or ten days after being deposited in the mail, airmail postage prepaid and addressed as follows:

If to the Government:

THE SECRETARY
Department of Environment and Natural Resources
DENR Building, Visayas Avenue
Diliman, Quezon City

If to the Contractor:

THE PRESIDENT
Altai Philippines Mining Corporation
78 Visayas Avenue, Quezon City

Either party may substitute or change such address on notice thereof to the other party: Provided, That the Contractor shall, in case of any change of address during the term of this Agreement, notify the Director in writing. Failure to do such notification shall be deemed as waiver by the Contractor to be informed about any communications as provided in Section 16.2 above.

16.3. Governing Law

This Agreement and the relation between the parties hereto shall be governed by and construed in accordance with the laws of the Republic of the Philippines. The Contractor hereby agrees and obliges itself to comply with the provisions of the Act, its implementing rules and regulations and other relevant laws and regulations.

16.4. Suspension of Obligation

a. Any failure or delay on the part of any party in the performance of its obligation or duties hereunder shall be excused to the extent attributable to Force Majeure as defined in the Act: Provided, That the suspension of Mining Operations due to Force Majeure causes shall be subject to approval by the Director.

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- b. If Mining Operations are delayed, curtailed or prevented by such Force Majeure causes, then the time for enjoying the rights and carrying out the obligations thereby affected, the term of this Agreement and all rights and obligations hereunder shall be extended for a period equal to the period involved.
- c. The Party, whose ability to perform its obligations is affected by such Force Majeure causes, shall promptly give Notice to the other in writing of any such delay or failure of performance, the expected duration thereof and its anticipated effect and shall use its efforts to remedy such delay, except that neither Party shall be under any obligation to settle a labor dispute: Provided, That the suspension of obligation by the Contractor shall be subject to prior approval by the Director.

16.5. Amendments

This Agreement shall not be annulled, amended or modified in any respect except by mutual consent in writing of the herein parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the day and year first above written

THE REPUBLIC OF THE PHILIPPINES

BY:

JOSE L. ATIENZA, JR.

Secretary

to of Provironment and Natural Resou

Department of Environment and Natural Resources

SENR-025039

ALTAI PHILIPPINES MINING CORPORAT.

TIN: 004-775-807

BY:

11:

PIO C. FORTUNO President

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SIGNED IN THE PRESENCE OF: HORACIO C. EMMOS (Signature over Printed Name) (Signature over Printed Name) - ACKNOWLEDGMENT Republic of the Philippines) Quezon City Before me, a Notary Public for and in the City of Quezon, personally appeared JOSE L. ATIENZA, JR., with Community Tax Certificate No. 11263944 issued on January 22, 2009 at QUEZON GITY, in his capacity as Secretary of the Department of Environment and Natural Resources, and PIO C. FORTUNO, with Community Tax Certificate No. 18206016 issued on December 23, 2009 at autzon ony , in his capacity as President, Altai Philippines Mining Corporation, both known to me and to me known to be the same persons who executed the foregoing instrument consisting of twenty three (23) pages, including this acknowledgment page, and acknowledged to me that the same is their voluntary acts and deeds. IN WITNESS WHEREOF, I have hereunto set my hand and affix my notarial seal, this _____ day of ______. KNEELMD C. ABUNGKN Notáry Public. Unlil Decumber 31, 2010 1-05-09 a.c. PT/2 No. 1119444 1-05-09 Mla:14 1BP No. 740 965 Doc. No. MCLE compliance No. 1 - 0006247 Page No. koll of Alborney's No. 35343 Book No. Series of

MINES AND GEOSCIENCES BUREAU Regional Office No. IV-B MIMAROPA

CERTIFICATE OF REGISTRATION

The filing fee therefore having been paid, the foregoing instruments was filed for record in this Office at 04 o'clock and 00 minutes, R.M. on the 22nd day of June A.D. 2010 and has been recorded in Book No. I of the Records of MINERAL PRODUCTION SHAING AGREEMENT NO. 304-2009-IVB in this Region on page 01 as Document No. 10

Filing Fee paid under Official Receipt No. 4462749 dated January 19, 2010 in the amount of The 20.000.00.

ROLÁND A. DE JESÚS Regional Director

Republic of the Pillippines
ment of Environment and Natural Resources
INES AND GEO-SCIENCES BURISAU
Regional Office No. IV -B. MIMAROPA

I hereby certify that the foregoing is a true

and certified convert MPSA-304-2009-IVB of ALTAT

PHILIPPINES MING CORPORATION
on file with the Mining Claims handmation Section

of the Mines Regional Cfrice No. IV. This certified
copy which count of (23) twenty three is issued this
17th of October 2011-the request of SIBUYAN NICKEL

PROPERTIES CORP. ... p.id the charges hereof in the
amount of the 248.00 ... evidenced by Official Receipt
No. 8666644 ... doi:10.00t. 17. 130x 2011

(certified xerox copies)

For the Regional Director:

ELINITA G. PASCUAL Economist II

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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:

- 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.
- 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.
- 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;
- A copy of the approved ExWP and EWP should be furnished by APMC to the Sangguniang Panlalawigan of Romblon; and





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'

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.

[&]quot;MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."

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.

- 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;
 - 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,

very trainy yours,

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

Sign 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

Mines and Geosciences Bureau North Avenue, Diliman, Quezon City MINING TENEMENTS AUDIT SECTION MINING TENEMENTS MANAGEMENT DIVISION

MPSA Contractor

Altai Philippines Mining Corporation

MPSA No.

304-2009-IVB

Location

San Fernando, Romblon, Sibuyan Island

Commodity

Nickel, iron, cobalt, chromite and other associated

mineral deposits

Area

1580.8010-hectares

COMMENTS ON THE EXPLORATION WORK PROGRAM (ExWP) July 12, 2022

- The estimated cost under sub-item 5.1.2 Data Compilation/Collation should be for the proposed activity under the said sub-item and not the cost of the previous exploration activity/ies conducted;
- Specify the type of drilling that will be undertaken in the proposed activity under sub-item 5.5.3 Subsurface Investigation; and
- Provide the necessary map under Item 8.0 Map Attachments Geological or Topographic maps of 1:50,000 scale, i.e., proposed drill hole maps, etc.

Evaluated by:

EVER PRAISING MARIAH B. DUMANGENG

Science Research Specialist I Mining Tenements Audit Section

Reviewed by:

RESHINE JAY B. GONZAGA

Officer-In-Charge

Mining Tenements Audit Section

Noted by:-

DANILO D. DELEÑA

Chief

Mining Tenements Management Division

Mines and Geosciences Bureau North Avenue, Diliman, Quezon City MINE ENVIRONMENTAL AUDIT SECTION MINE SAFETY, ENVIRONMENT AND SOCIAL DEVELOPMENT DIVISION

Contractor/Permittee

ALTAI PHILIPPINES MINING CORP. (APMC)

MPSA/Permit No.

MPSA-304-2009-IVB

Location

San Fernando, Romblon

Period :

1st Renewal of the Exploration Period

COMMENTS ON THE ENVIRONMENTAL WORK PROGRAM (EWP) May 04, 2022

- 1. The proponent should expound discussion on the following:
 - a. Item 4.2.1 (Water Quality): The baseline data gathering activity committed should considered the parameters prescribed under DENR Administrative Order (DAO) No. 2016-08 in re: Water Quality Guidelines and General Effluent Standards of 2016 and DAO No. 2021-19 in re: Updated Water Quality Guidelines and General Effluent Standards for Selected Parameters;
 - Item 4.2.2 (Hydrology): Include in the discussion the drainage pattern and systems in the area, water source to be utilized during the conduct of exploration, and nearest/receiving major water body/ies;
 - c. Item 4.3 (Climatology/Meteorology): Indicate the climate type based on the Modified Corona's Classification. For air quality, discuss the level of particulates, odor, gases (e.g., sulfur dioxide and nitrogen oxides, etc.) and the approximate distance of the site to the nearest community;
 - d. Item 4.4 (Geological/Geomorphological Environment): Discuss if the Permit
 Area is within geologic hazard prone area (e.g., seismicity, mass movement
 including landslide, erosion, and sedimentation, etc.);
 - e. Item 4.5 (Biological Environment): Include existing terrestrial and aquatic/marine flora and fauna species in the area. Apart from the general species present, please include endemic/indigenous species, if any; and
 - f. Item 4.6 (Socio-Economic Environment): Ensure that demographic characteristics/features and economic activities of the nearby community that might be affected by the exploration activities present in the document are based on the latest PSA data/census.

If there are no available data/information on the matter, studies/baseline data gathering on the same can be conducted simultaneously with the exploration activities. It is recommended that the results of the studies be submitted before the beginning of the 2nd year of 1st Renewal of the Exploration Period to be granted.

The proponent should take note that baseline data gathering on this stage of mining is required to determine the condition of the area prior to exploration activities, while the Environmental Impact Assessment shall determine the environmental characteristics prior to development/utilization.

- Item 7.7.3.5 (Estimated Annual Reforestation Cost): Please harmonize the EWP cost presented in the document, PhP800,000.00 per the presented table and PhP800,700.00 per 7.0 (Environmental Management Measures and Cost).
- On the total EWP implementation cost: Funds were allocated solely for activities related for reforestation. Provide sufficient budget for other activities mentioned in Item 7.0 (Environmental Management Measures and Cost) such as restoration of access roads, waste management, abandonment, etc.
- 4. On the environmental management measures to be implemented: The proponent is required to provide the following: Environmental Monitoring Matrix, Summary of Identified Impacts and Mitigating Measures, and Matrix of Environmental Management Measures. Sample matrices are provided in the EWP Outline enclosed in the MGB Memorandum Circular No. 2021-006 in re: Safety and Health, Environment, and Social Development and Management Manual.

Include in the summary activities the baseline data gathering to be conducted. Indicate the corresponding schedule and budget.

Evaluated By:

IVY KIMBERLY A. BATECAN SEMS

Reviewed by:

DANNY P. BERCHES

Chief, Mine Environmental Audit Section

Approved by:

Chief, MSESDD

APPROVED

Republic of the Philippines

Department of Environment and Natural Resources

Mines and Geosciences Bureau

North Avenue, Diliman, Quezon City

JUL 12 2072

JUL 12 2072

Mines and Geosciences Bureau

Mines and Geosciences Bureau

EXPLORATION WORK PROGRAM

1.0 PROPONENT INFORMATION

Proponent Name:

Altai Philippines Mining Corporation

Address:

1901 Tycoon Center

Pearl Drive, Brgy. San Antonio

Pasig City

Contact Person:

Mr. Hanniel T. Ngo

President

Telephone No.:

7958-3533

2.0 PROJECT LOCATION

The mineral property of Altai Philippines Mining Corporation is located within the Barangays of España and Taclobo, Municipality of San Fernando (Sibuyan Island), Province of Romblon. The property is described by the geographical coordinates as follows:

Technical Description:

2.1 Parcel 1: Area 1,140.7790 hectares

Corner	Latitude	Longitude
1	12° 25' 07.999"	122° 31' 33.631"
2	12° 24' 45.000"	122° 31' 33.631"
3	12° 24' 45.000"	122° 32' 00.167
4	12° 23' 23.856"	122° 32' 00.167"
5	12° 23' 23.856"	122° 33' 19.611"
6	12° 23' 12.792"	122° 33' 07.500"
7	12° 22' 57.821"	122° 33' 07.500"
8	12° 22' 57.821"	122° 32' 55.000"
9	12° 22' 31.786"	122° 32' 55.000"
10	12° 22' 31.786"	122° 30' 53.952"
11	12° 23' 23.856"	122° 30' 53.952'
12	12° 23' 23.856"	122° 30' 40.710'
13	12° 23' 49.885"	122° 30' 40.710'



EXPLORATION WORK PROGRAM
Altai Philippines Mining Corporation – Sibuyan Nickel Project

ippines Mining Corpora	uon – Sibuyan Nickei Project	JUL 12 2022 4
14	12° 23' 49.885"	122° 31' 07.196"
15	12° 25' 07.999"	122° 31' 07. Pepariment of Environment and Natural Resources Mines and Geosciences Bureau

2.2 Parcel 2: Area 440.0220 hectares

Corner	Latitude	Longitude
1	12° 22' 05.774"	122° 33' 19.611"
2	12° 22' 05.774"	122° 34' 10.000"
3	12° 21' 10.000"	122° 34' 39.713"
4	12° 20' 47.643"	122° 34' 39.713"
5	12° 20' 47.643"	122° 33' 46.096"
6	12° 21' 13.678"	122° 33' 46.096"
7	12° 21' 13.678"	122° 33' 19.611"

2.3 Total Area:

1,580.8010 hectares

3.0 AREA OR SIZE OF COVERAGE

The project area covers a total of 1,580.8010 (+/-) hectares.

4.0 PROJECT DESCRIPTION

4.1 TERRAIN/PHYSIOGRAPHY

The topography of San Fernando (Sibuyan Island) Romblon ranges from gently undulating areas to a highly mountainous region. The rise in elevation and increase in slope follow an eastward direction. The south western and northeastern fringes of the island are gently undulating to gently sloping areas while the central core is characterized by mountainous areas and rugged terrain. Three (3) promontory peaks, aligned in a northwest direction with elevations of 2044, 1962, and 1520 ASL are noticeable.

4.2 ACCESSIBILITY

Sibuyan Island can be conveniently accessed from Manila by land trip to the Port of Batangas thence by regular ferry that leaves every afternoon arriving the next morning on the port of Magdiwang or Cajidiocan. From the local ports, the mining area at Sitio Talaba, Brgy. Taclobo in San Fernando can be reached thru the Sibuyan circumferential road.

4.3 DRAINAGE SYSTEM

There are four (4) main river systems within the mining claims namely: Punong, Olango, Binayaan and Cabitangahan (Talaba) rivers. These rivers generally flow in a southwest direction towards Sibuyan Sea. The head water systems of these four (4) major rivers iconsist of numerous tributary

EXPLORATION WORK PROGRAM
Altai Philippines Mining Corporation – Sibuyan Nickel Project



that display a semi dendritic to dendritic drainage pattern influenced by structure and lithology. During heavy downpour causes flash flands and hateral Resources the flat lying deltaic areas, but lasts only for a few hours. Surface and flow waters within the catchment basin flows downstream due to low water retention in the upstream. This is due to the character of the headwaters with rocky ravines, sharp wall rocks and high water gradient.

4.4 VEGETATION

Vegetation of the area is classified into four (4) major uses such as forested, cultivated / private land, grassland and brush land. The forested area occupying the mining property is composed of the dominant Dipterocarp and Non-dipterocarp species mostly second growth generation. The adjacent cultivated lands are situated in the flat deltaic area while patches of cogon grass are found occupying the gaps and riparian zones. Grassland can be observed in Parcel 2 of the property. It is an elevated logged over plateau vegetated mainly by cogon grass or as grassland.

4.5 LAND USE

The land of Barangays España and Taclobo over the flat coastal areas are utilized for agriculture and township while the upper forested areas are utilized as source for timber and charcoal products.

5.0 DESCRIPTION OF EXPLORATION PROGRAM

5.1 RESEARCH WORK

5.1.1 PREVIOUS WORKS

5.1.1.1 NATURE OF STUDY

A detailed geological mapping in the project which covers part of the mining claims was conducted in the early part of 1970 by the Japanese investors for nickel deposit. Pacific Metal Corporation followed by Mitsui group of companies extensively explored the property in search for high grade nickel ore to supply the Japanese smelting plant. The Japanese group completed geological mapping, test pitting and soil sampling for nickel ore and its associated metal. Said company later withdrew from the project after it established the nickel ore to be of medium grade.

5.1.1.2 DURATION

The geological survey conducted by previous exploration lasted for a period of three (3) years

APPROVED

EXPLORATION WORK PROGRAM
Altai Philippines Mining Corporation – Sibuyan Nickel Project

/ JUL 12 2027 4

Department of Environment and Natural Resources Mines and Geosciences Bureau

5.1.1.3 COVERAGE

The area covered in the exploration was estimated at 400 hectares.

5.1.1.4 PROPONENT

Sta. Barbara Development Corporation was the original proponent of the Mining Lease Contracts (MLC's). The subject instrument was then converted into a mineral production sharing agreement by application by Altai Philippines Mining Corporation in compliance to the new mining law.

5.1.1.5 RESULTS CONCLUSION

The previous exploratory work defined the presence of direct shipping ore of nickel within the mining claims. The initial inferred resource needs to be validated by additional exploratory program.

5.1.2 DATA COMPILATION

5.1.2.1 PREVIOUS WORKS

Several geological works were carried out in the mineral property. This works includes test pitting and geologic mapping. Data were compiled as reference to any follow up works to be undertaken in the future.

5.1.2.2 LITHOLOGICAL DATA

Sibuyan Island is underlain by the following rock units as described in the Geology and Mineral Resources of the Philippines published by the Mines and Geosciences Bureau in 1981.

- Romblon Metamorphics
- Sibuyan Ultramafics
- Intermediate Intrusive Rocks
- Quaternary Alluvium

Romblon Metamorphics

The Paleozoic metamorphic rocks represent the basement complex consisting of amphibolite schist, quartz chlorite mica schist, slates and associated marble. The unit occupies the eastern half of the island with limited exposure on the western part.

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EXPLORATION WORK PROGRAM
Altai Philippines Mining Corporation — Sibuyan Nickel Project

U JUL 12 2022y

Satellite outcrop at the Base of Binayaan area configuration and Natural Resources weathered slate with intact planar structure. Color varies from dark gray when fresh and brown-gray if oxidized. Interbedded with this schist are layers of marble at least a meter thick with exposures south of Cajidiocan town.

Sibuyan Ultramafics

The cretaceous to early Eocene ultramafics occupies the central part of the island forming the core of Mt. Guiting-Guiting mountain range and consists mostly of serpentinized dunite and peridotite. Aphanitic dunite in the area is composed predominantly of olivine. This unit underlies the tenement area of Altai Mining Corporation.

Intermediate Intrusive Rocks

Late Eocene quartz diorite and its hypabyssal variety intruded the ultramafic unit on the western portion of the island. The margins of the intrusive contacts localize the occurrence of various skarn deposits, which were prospected for iron. Associated copper mineralization occurs in the form of quartz-chalcopyrite-bornite veins in silicified serpentinite and quartz diorite.

Quaternary Alluvium

Loosely consolidated recent deposits of transported sand, gravel and boulders are mainly concentrated along major river channels, alluvial fans and deltaic flats in the island.

5.1.2.3 MINERALIZATION

The commodity of interest in this project is limonite and nickel silicate ore. Nickeliferous laterite is a product of residual enrichment over peridotite and dunites of the ophiolite complex, commonly found in tropical to sub-tropical regions. Sibuyan island ultramafics is situated in the right environment being climatically characterized by warm and wet season alternating with drier periods; good drainages system, thick vegetation and generally elevated topography suitable to the situ weathering of the parent rock to form a lateritic nickel profile. The process of nickel enrichment is complex but the resulting laterite profile have a distinct chemical pattern that marks the difference of each layer.

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5.1.2.4 MAPS

Geologic map was established in various locations of the mining claims.

5.1.2.5 ESTIMATED COST.

Not Applicable

5.2 RECONNAISANCE STUDY

5.2.1 REMOTE SENSING STUDY

5.2.1.1 TYPE OF SURVEY

Not Applicable

5.2.1.2 DURATION

Not Applicable

5.2.1.3 PROPONENT

Not Applicable.

5.2.1.4 COVERAGE

Not Applicable

5.2.1.5 ESTIMATED COST

Not Applicable

5.2.1.6 OUTPUT

Not Applicable

5.2.2 REGIONAL GEOLOGICAL STUDY

5.2.2.1 COVERAGE

The study will cover the entire mining claims and its vicinities to delineate and identify areas with economic nickel mineralization.

5.2.2.2 DURATION

The duration for regional geologic mapping is two (2) months.

EXPLORATION WORK PROGRAM

Altai Philippines Mining Corporation - Sibuyan Nickel Project

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5.2.2.3 MANPOWER REQUIREMENTS

1 Geologist

1 Geologic Mapper

2 Laborers

5.2.2.4 ESTIMATED COST

Salaries and Wages	P 120,000.00
Materials and Supplies	45,000.00
Food and Accommodation	30,000.00
Transportation Cost	20,000.00
Total	P215,000.00

5.2.2.5 OUTPUT

Geologic structure map of the region at scale 1:2,000, 1:5000, and 1: 25,000.

5.2.3 REGIONAL GEOCHEMICAL SURVEY

5.2.3.1 COVERAGE

The geochemical survey will cover the entire mining claim.

5.2.3.2 SAMPLING MEDIA

Semi-detailed survey would involve soil sampling along the ridges, spurs and selected areas for channel sampling.

5.2.3.3 ESTIMATED NUMBER OF SAMPLES

An estimated one hundred fifty (150) soil samples will be collected from the tenement area.

5.2.3.4 MODE OF ANALYSIS

The samples are subject for analytical method of analysis. The elements to determine are the following: Ni, Co, and Fe

5.2.3.5 MANPOWER REQUIREMENTS

- 1 Geologist
- 2 Geologic Aide
- 6 Laborers
- 1 Draftsman

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Altai Philippines Mining Corporation – Sibuyan Nickel Project

5.2.3.6 ESTIMATED COST

Wages / Salaries Materials and supplies Travelling Expenses Analytical Costs Total JUL 12 2022 9

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P 260,000.00

P 260,000.00 25,000.00 10,000.00 150,000.00 P 365,000.00

5.2.3.7 OUTPUT

- Samples collected for laboratory analysis.
- Map preparation of the area at scale 1:25,000, 1:5000,
 1:2000
- Preparation of technical report of the surveyed area.

5.2.4 GEOPHYSICAL SURVEY

- 5.2.4.1 TYPE OF SURVEY Not applicable
- 5.2.4.2 COVERAGE Not Applicable
- 5.2.4.3 DURATION Not Applicable
- 5.2.4.4 MANPOWER REQUIREMENTS Not Applicable
- 5.2.4.5 ESTIMATED COST Not Applicable
- 5.2.4.6 OUTPUT Not Applicable

5.3 SEMI DETAILED SURVEY (FOLLOW-UP STUDIES)

5.3.1 GEOLOGICAL MAPPING / ALTERATION STUDIES

5.3.1.1 COVERAGE

The works will include additional geological mapping and sampling of the larea. Estimated additional works will cover at 500 hectares.

5.3.1.2 DURATION

Duration time for follow up works is two (2) months.

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project

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Mines and Geosciences Bureau

5.3.1.3 MANPOWER REQUIREMENT

Geologist	1
Geological Mapper	2
Laborers	4
Draftsman	1

5.3.1.4 ESTIMATED COST

Wages/ Salaries	P 260,000.00
Travel Expenses	25,000.00
Supplies and Materials	25,000.00
Laboratory Fees	150,000.00
Total	P 460,000.00

5.3.1.5 OUTPUT

- Additional geological maps and information
- Additional samples for laboratory analysis.

5.3.2 GEOCHEMICAL SURVEY

5.3.2.1 COVERAGE

The coverage of the works will focus mainly on the possible identified mineralized zone estimated to be 60 hectares. Soil traverse lines will be laid out over lateritic areas.

5.3.2.2 SAMPLING DENSITY

This works will concentrate on areas mapped with geological and geochemical surveys identified to be anomalous in Ni, Fe and Co. Soil samples will be collected at 50 m interval over nickeliferous laterite zones. Selected old test pit areas will be resampled to additional data and for analysis.

5.3.2.3 MODE OF ANALYSIS

Samples are analyzed in the laboratory by Analytical Method to determine . the values of metal content. Elements to be determined are as follows: Ni, Co and Fe.

5.3.2.4 MANPOWER REQUIREMENTS

Geologist	1
Geologic Mapper	2
Draftsman	1
Laborers	4

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P 245,000.00 25,000.00 25,000.00 150,000.00 P 445,000.00

5.3.2.5 ESTIMATED COST

Salaries/ Wages Travel Expense Supplies and Materials Analytical Cost Total

5.3.2.6 OUTPUT

- Maps and Technical reports preparation.
- Delineation of additional mineral anomalies.

5.3.3 GEOPHYSICAL SURVEY

- NATURE/TYPE 5.3.3.1 Not Applicable
- 5.3.3.2 COVERAGE Not Applicable
- MANPOWER REQUIREMENT 5.3.3.3 Not Applicable
- ESTIMATED COST. 5.3.3.4 Not Applicable

5.3.4 SUB-SURFACE INVESTIGATION

Subsurface investigation will not yet be implemented at this stage.

5.4 TOPOGRAPHIC SURVEY

5.4.1 COVERAGE

Total area subject for topographic survey is 60 hectares. Survey works will be awarded to private contractor.

5.4.2 SCALE AND CONTOUR INTERVAL

Topographic survey map at scale 1: 10,000, 1: 5,000 and 1:500, 10 meters and 1-meter contour interval respectively.

5.4.3 MANPOWER COMPLEMENT

By Contractor

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Altai Philippines Mining Corporation — Sibuyan Nickel Project

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Mines and Geosciences Bureau

5.4.4 ESTIMATED COST

Estimated cost for the topographic survey for 60 hectares is P 360,000.

5.4.5 OUTPUT

Topographic map of the mineralized area and its vicinities.

5.5 DETAILED STUDY

5.5.1 DETAILED GEOLOGIC MAPPING

5.5.1.1 TYPE OF SURVEY

Survey work will be done by means of compass and tape along the minor and major creeks and rivers. This work will focus on the degree, type, and extent of alteration, lithological variation and structural control. Rock sampling will be done at 100m. interval along outcrops, creeks and rivers. All samples shall be described in terms of alteration, intensity, assemblages present, brecciation, homogeneity and other factors in determining the mineral value.

5.5.1.2 COVERAGE

The proposed detailed geological study will cover an additional area of 60 hectares.

5.5.1.3 DURATION

The duration of the study is estimated to for one (1) year.

5.5.1.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.1.5 ESTIMATED COST

Wages/Salaries	P 820,000.00
Materials and supplies	50,000.00
Laboratory Fees	150,000.00
Transportation Expenses	25,000.00
Total	P1,045,000.00

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5.5.1.6 OUTPUT

- Technical Reports Compilation
- Detailed Geologic maps of the area.
- · Evaluation of Laboratory results of samples.

5.5.2 DETAILED GEOCHEMICAL SURVEY

5.5.2.1 COVERAGE OF GRID SURVEY

The grid survey will cover an area of 60 hectares. Soil samples will be collected at 50m interval and detailed test pit re-sampling on old test pit location.

5.5.2.2 ESTIMATED NUMBER OF SAMPLES

Estimated number of samples to be taken from the field is 250 samples.

5.5.2.3 MODE OF ANALYSIS

Mode of sample analysis by analytical method and the elements to be determined are as follows: Fe, Co and Ni.

5.5.2.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.2.5 ESTIMATED COST

Wages/Salaries	P492,000.00
Materials and Supplies	50,000.00
Transportation Expenses	25,000.00
Analytical Cost	150,000.00
Total	P717,000.00

5.5.2.6 OUTPUT

- Detailed Geochemical survey map
- Compilation and evaluation of laboratory results.

5.5.3 SUB - SURFACE INVESTIGATION

5.5.3.1 NATURE/TYPE

Core Drilling will be utilized for Sub-Surface investigation for field implementation.

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Man-portable drill rigs will be used for core drilling electron and Natural Resources easy mobilization, hole transfer, as well as minimized of size of working area and minimal impact to the environment.

5.5.3.2 NUMBER AND OVER-ALL LENGTH

The estimated numbers of proposed drill holes are as follows:

Location	Total Number	Depth	Total Meterage
Area 1	50 holes	20 m	1000 m
Area 2	50 holes	20 m	1000 m

5.5.3.3 ESTIMATED NUMBER OF SAMPLES

Estimated samples to be taken from the field are 2000 samples.

5.5.3.4 MODE OF ANALYSIS

Samples will be analyzed by Analytical Method. Target elements to be determined are as follows: Fe, Co, and Ni.

5.5.3.5 MANPOWER REQUIREMENT

By contract.

5.5.3.6 ESTIMATED COST

Drilling- 2000m @ P1600/meter	P3,200,000.00
Analytical Cost- 2000 samples	1,200,000.00
Total	P4,400,000.00

5.5.3.7 OUTPUT

- Completed number of drill holes
- Sub surface maps and logs.

5.5.4 TUNNELING/ADITTING

5.5.4.1 NUMBER OF ADIT/ TUNNEL

Not Applicable

5.5.4.2 TOTAL LENGTH

Not Applicable

5.5.4.3 ESTIMATED NUMBER OF SAMPLES

Department of Environment and Natural Resources
Mines and Geosciences Bureau

Not Applicable

5.5.4.4 ESTIMATED COST

Not Applicable

6.0 TOTAL ESTIMATED EXPLORATION COST.

YEAR 1	P2,890,000.00
YEAR 2	5,117,000.00
Total	P8,007,000.00

7.0 PROPOSED TIMING OF ACTIVITIES (See attached page)

8.0 CONCLUSION

The Exploration Work Program was designed to test and establish a potential economically viable nickel resource of the mineral property. In the course of the program, the timing and cost maybe amended as needed.

MAP ATTACHMENTS (See attached page)

Prepared by:

MICHAEL PETER M. SANCHEZ

Geologist

PRC No. 0001931

PTR No. 4895725

PTR Issued on January 28, 2022

PTR Issued at Mandaluyong City

Conformed:

HANNIEL T. NGO

President

ALTAI PHILIPPINES MINING

CORPORATION

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project

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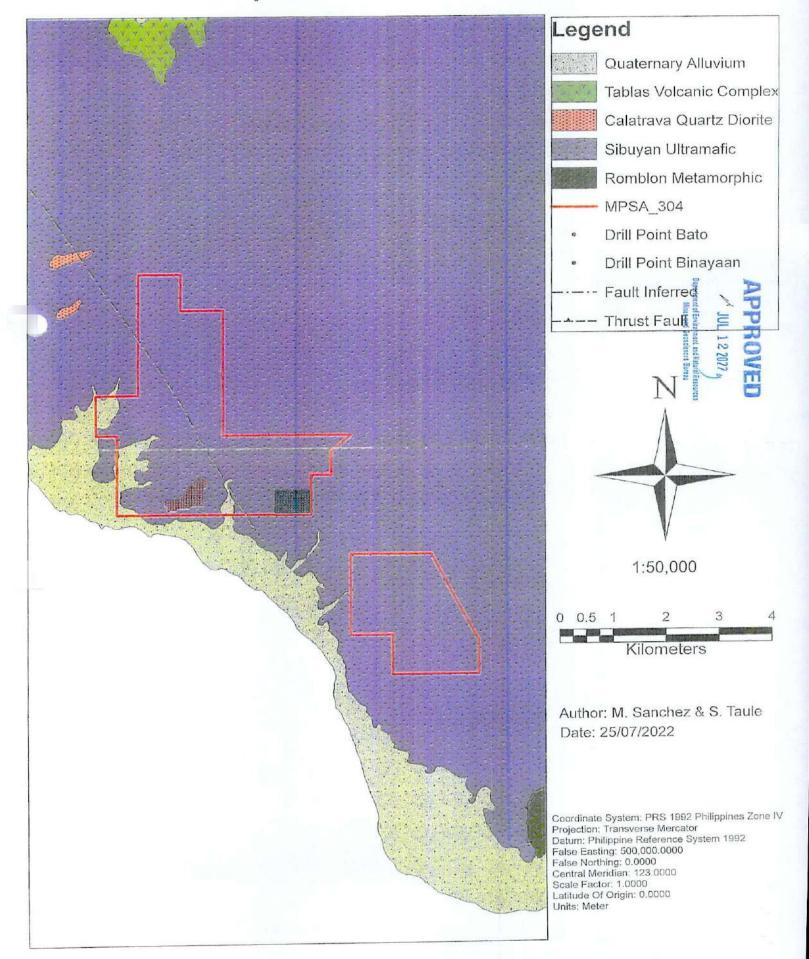
JUL 12 2022 4

Department of Environment and Natural Resources
Mines and Geosciences Bureau

GANTT CHART FOR PROPOSED EXPLORATION ACTIVITY

		Timetable							Budgetary																	
No	Nature of Work	Year 1 Year 2 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 2													Outlay (PhP)											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Odday (i iii)
1	Regional Geological Studies																									215,000.00
2	Regional Geochemical Survey			1	45																					365,000.00
3	Semi Defailed Survey								1												el Sara e			SCHOOL STATE		460,000.00
4	Geochemical Survey																1 6									445,000.00
5	Topographic Survey																									360,000.00
6	Detailed Geological Studies																1									1,045,000.00
7	Detailed Geochemical Surveys							e Volete									2.00									717,000.00
8	Sub-surface Investigation - Drilling / Sample Analysis																					100 M				4,400,000.00
TC	TAL EXPLORATION COST			-	-	Alektini.	1711000										100	37537								8,007,000.00

APMC Exploration Drill Hole Location



Republic of the Philippines
Department of Environment and Natural Resources
Mines and Geosciences Bureau
North Avenue, Diliman, Quezon City

EXPLORATION WORK PROGRAM

1.0 PROPONENT INFORMATION

Proponent Name:

Altai Philippines Mining COPPUTATION AND GEOSCIENCES BUREAU

By: Vera Bagcal

Records Management Section

DEC 0 9 2022

Time: USim

Address:

1901 Tycoon Center

Pearl Drive, Brgy. San Antonio

Pasig City

Contact Person:

Mr. Hanniel T. Ngo

President

Telephone No.:

7958-3533

2.0 PROJECT LOCATION

The mineral property of Altai Philippines Mining Corporation is located within the Barangays of España and Taclobo, Municipality of San Fernando (Sibuyan Island), Province of Romblon. The property is described by the geographical coordinates as follows:

Technical Description:

2.1 Parcel 1: Area 1,140.7790 hectares

	Corner	Latitude	Longitude
	1	12° 25' 07.999"	122° 31' 33.631"
	2	12° 24' 45.000"	122" 31' 33.631"
	3	12° 24' 45.000"	122° 32' 00.167
	4.	12° 23' 23.856"	122° 32' 00.167"
	5	12° 23' 23.856"	122° 33' 19.611"
	6	12° 23' 12.792"	122° 33' 07.500"
	7	12° 22' 57.821"	122° 33' 07.500"
	8	12° 22' 57.821"	122° 32' 55.000"
	9	12° 22' 31.786"	122° 32' 55.000"
	10	12° 22' 31.786"	122° 30' 53.952"
	11	12° 23' 23.856"	122° 30′ 53.952"
	12	12° 23' 23.856"	122° 30' 40.710"
	13	12° 23' 49.885"	122" 30' 40.710"
	14	12° 23' 49.885"	122° 31' 07.196"
APPRO	A CONTRACTOR OF THE CONTRACTOR	12° 25' 07.999"	122° 31' 07.196"

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Mines and Geosciences Bureau

2.2 Parcel 2: Area 440.0220 hectares

Corner	Latitude	Longitude
1	12° 22' 05.774"	122° 33' 19.611"
2	12° 22' 05.774"	122° 34' 10.000"
3	12° 21' 10.000"	122° 34' 39.713"
4	12° 20' 47.643"	122° 34' 39.713"
5	12° 20' 47.643"	122° 33' 46.096"
6	12° 21' 13.678"	122° 33' 46.096"
7	12° 21' 13.678"	122° 33' 19.611"

2.3 Total Area:

1,580.8010 hectares

3.0 AREA OR SIZE OF COVERAGE

The project area covers a total of 1,580.8010 (+/-) hectares.

4.0 PROJECT DESCRIPTION

4.1 TERRAIN/ PHYSIOGRAPHY

The topography of San Fernando (Sibuyan Island) Romblon ranges from gently undulating areas to a highly mountainous region. The rise in elevation and increase in slope follow an eastward direction. The south western and northeastern fringes of the island are gently undulating to gently sloping areas while the central core is characterized by mountainous areas and rugged terrain. Three (3) promontory peaks, aligned in a northwest direction with elevations of 2044, 1962, and 1520 ASL are noticeable.

4.2 ACCESSIBILITY

Sibuyan Island can be conveniently accessed from Manila by land trip to the Port of Batangas thence by regular ferry that leaves every afternoon arriving the next morning on the port of Magdiwang or Cajidiocan. From the local ports, the mining area at Sitio Talaba, Brgy. Taclobo in San Fernando can be reached thru the Sibuyan circumferential road.

4.3 DRAINAGE SYSTEM

There are four (4) main river systems within the mining claims namely: Punong, Olango, Binayaan and Cabitangahan (Talaba) rivers. These rivers generally flow in a southwest direction towards Sibuyan Sea. The head water systems of these four (4) major rivers consist of numerous tributary display a semi dendritic to dendritic drainage pattern influenced by structure and lithology. During heavy downpour causes flash floods along

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the flat lying deltaic areas but lasts only for a few hours. Surface run-off waters within the catchment basin flows downstream due to low water retention in the upstream. This is due to the character of the headwaters with rocky ravines, sharp wall rocks and high-water gradient.

4.4 VEGETATION

Vegetation of the area is classified into four (4) major uses such as forested, cultivated / private land, grassland and brush land. The forested area occupying the mining property is composed of the dominant Dipterocarp and Non-dipterocarp species mostly second growth generation. The adjacent cultivated lands are situated in the flat deltaic area while patches of cogon grass are found occupying the gaps and riparian zones. Grassland can be observed in Parcel 2 of the property. It is an elevated logged over plateau vegetated mainly by cogon grass or as grassland.

4.5 LAND USE

The land of Barangays España and Taclobo over the flat coastal areas are utilized for agriculture and township while the upper forested areas are utilized as source for timber and charcoal products.

5.0 DESCRIPTION OF EXPLORATION PROGRAM

5.1 RESEARCH WORK

5.1.1 PREVIOUS WORKS

5.1.1.1 NATURE OF STUDY

A detailed geological mapping in the project which covers part of the mining claims was conducted in the early part of 1970 by the Japanese investors for nickel deposit. Pacific Metal Corporation followed by Mitsui group of companies extensively explored the property in search for high grade nickel ore to supply the Japanese smelting plant. The Japanese group completed geological mapping, test pitting and soil sampling for nickel ore and its associated metal. Said company later withdrew from the project after it established the nickel ore to be of medium grade.

5.1.1.2 DURATION

The geological survey conducted by previous exploration lasted for a period of three (3) years



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5.1.1.3 COVERAGE

The area covered in the exploration was estimated at 400 hectares.

5.1.1.4 PROPONENT

Sta. Barbara Development Corporation was the original proponent of the Mining Lease Contracts (MLC's). The subject instrument was then converted into a mineral production sharing agreement by application by Altai Philippines Mining Corporation in compliance to the new mining law.

5.1.1.5 RESULTS CONCLUSION

The previous exploratory work defined the presence of direct shipping ore of nickel within the mining claims. The initial inferred resource needs to be validated by additional exploratory program.

5.1.2 DATA COMPILATION

5.1.2.1 PREVIOUS WORKS

Several geological works were carried out in the mineral property. This works includes test pitting and geologic mapping. Data were compiled as reference to any follow up works to be undertaken in the future.

5.1.2.2 LITHOLOGICAL DATA

Sibuyan Island is underlain by the following rock units as described in the Geology and Mineral Resources of the Philippines published by the Mines and Geosciences Bureau in 1981.

- Romblon Metamorphics
- Sibuyan Ultramafics
- Intermediate Intrusive Rocks
- Quaternary Alluvium

Romblon Metamorphics

The Paleozoic metamorphic rocks represent the basement complex consisting of amphibolite schist, quartz chlorite mica schist, slates and associated marble. The unit occupies the eastern half of the island with limited exposure on the western part.

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Mines and Geosciences Bureau

Satellite outcrop at the Base of Binayaan area consisted of weathered slate with intact planar structure. Color varies from dark gray when fresh and brown-gray if oxidized. Interbedded with this schist are layers of marble at least a meter thick with exposures south of Cajidiocan town.

Sibuyan Ultramafics

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Intermediate Intrusive Rocks

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Quaternary Alluvium

Loosely consolidated recent deposits of transported sand, gravel and boulders are mainly concentrated along major river channels, alluvial fans and deltaic flats in the island.

5.1.2.3 MINERALIZATION

The commodity of interest in this project is limonite and nickel silicate ore. Nickeliferous laterite is a product of residual enrichment over peridotite and dunites of the ophiolite complex, commonly found in tropical to sub-tropical regions. Sibuyan island ultramafics is situated in the right environment being climatically characterized by warm and wet season alternating with drier periods; good drainages system, thick vegetation and generally elevated topography suitable to the situ weathering of the parent rock to form a lateritic nickel profile. The process of nickel enrichment is complex but the resulting laterite profile have a distinct chemical pattern that marks the difference of each layer.

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5.1.2.4 MAPS

Geologic map was established in various locations of the mining claims.

5.1.2.5 ESTIMATED COST.

Not Applicable

5.2 RECONNAISANCE STUDY 5.2.1 REMOTE SENSING STUDY 5.2.1.1 TYPE OF SURVEY

Not Applicable

5.2.1.2 DURATION

Not Applicable

5.2.1.3 PROPONENT

Not Applicable.

5.2.1.4 COVERAGE

Not Applicable

5.2.1.5 ESTIMATED COST

Not Applicable

5.2.1.6 OUTPUT

Not Applicable

5.2.2 REGIONAL GEOLOGICAL STUDY

5.2.2.1 COVERAGE

The study will cover the entire mining claims and its vicinities to delineate and identify areas with economic nickel mineralization.

5.2.2.2 DURATION

The duration for regional geologic mapping is two (2) months.

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Mines and Geosciences Bureau

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5.2.2.3 MANPOWER REQUIREMENTS

1 Geologist

1 Geologic Mapper

2 Laborers

5.2.2.4 ESTIMATED COST

Salaries and Wages	P 120,000.00
Materials and Supplies	45,000.00
Food and Accommodation	30,000.00
Transportation Cost	20,000.00
Total	P215,000.00

5.2.2.5 OUTPUT

Geologic structure map of the region at scale 1:2,000, 1:5000, and 1: 25,000.

5.2.3 REGIONAL GEOCHEMICAL SURVEY

5.2.3.1 COVERAGE

The geochemical survey will cover the entire mining claim.

5.2.3.2 SAMPLING MEDIA

Semi-detailed survey would involve soil sampling along the ridges, spurs and selected areas for channel sampling.

5.2.3.3 ESTIMATED NUMBER OF SAMPLES

An estimated one hundred fifty (150) soil samples will be collected from the tenement area.

5.2.3.4 MODE OF ANALYSIS

The samples are subject for analytical method of analysis. The elements to determine are the following: Ni, Co, and Fe

5.2.3.5 MANPOWER REQUIREMENTS

- 1 Geologist
- 2 Geologic Aide
- 6 Laborers
- 1 Draftsman



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Mines and Geosciences Bureau

5.2.3.6 ESTIMATED COST

Wages / Salaries	P 260,000.00
Materials and supplies	25,000.00
Travelling Expenses	10,000.00
Analytical Costs	150,000.00
Total	P 365,000.00

5.2.3.7 OUTPUT

- Samples collected for laboratory analysis.
- Map preparation of the area at scale 1:25,000, 1:5000,
 1:2000
- Preparation of technical report of the surveyed area.

5.2.4 GEOPHYSICAL SURVEY

- 5.2.4.1 TYPE OF SURVEY Not applicable
- 5.2.4.2 COVERAGE Not Applicable
- 5.2.4.3 DURATION Not Applicable
- 5.2.4.4 MANPOWER REQUIREMENTS Not Applicable
- 5.2.4.5 ESTIMATED COST Not Applicable
- 5.2.4.6 OUTPUT Not Applicable

5.3 SEMI DETAILED SURVEY (FOLLOW-UP STUDIES)

5.3.1 GEOLOGICAL MAPPING / ALTERATION STUDIES

5.3.1.1 COVERAGE

The works will include additional geological mapping and sampling of the area. Estimated additional works will cover at 500 hectares.

5.3.1.2 DURATION

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Duration time for follow up works is two (2) months.

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5.3.1.3 MANPOWER REQUIREMENT

Geologist	1
Geological Mapper	2
Laborers	4
Draftsman	1

5.3.1.4 ESTIMATED COST

Wages/ Salaries	P 260,000.00
Travel Expenses	25,000.00
Supplies and Materials	25,000.00
Laboratory Fees	150,000.00
Total	P 460,000.00

5.3.1.5 OUTPUT

- Additional geological maps and information
- Additional samples for laboratory analysis.

5.3.2 GEOCHEMICAL SURVEY

5.3.2.1 COVERAGE

The coverage of the works will focus mainly on the possible identified mineralized zone estimated to be 60 hectares. Soil traverse lines will be laid out over lateritic areas.

5.3.2.2 SAMPLING DENSITY

This works will concentrate on areas mapped with geological and geochemical surveys identified to be anomalous in Ni, Fe and Co. Soil samples will be collected at 50 m interval over nickeliferous laterite zones. Selected old test pit areas will be resampled to additional data and for analysis.

5.3.2.3 MODE OF ANALYSIS

Samples are analyzed in the laboratory by Analytical Method to determine the values of metal content. Elements to be determined are as follows: Ni, Co and Fe.

5.3.2.4 MANPOWER REQUIREMENTS

Geologist	1
Geologic Mapper	2
Draftsman	1
Laborers	4





5.3.2.5 ESTIMATED COST

Salaries/ Wages	P 245,000.00
Travel Expense	25,000.00
Supplies and Materials	25,000.00
Analytical Cost	150,000.00
Total	P 445,000.00

5.3.2.6 OUTPUT

- Maps and Technical reports preparation.
- Delineation of additional mineral anomalies.

5.3.3 GEOPHYSICAL SURVEY

- 5.3.3.1 NATURE/TYPE Not Applicable
- 5.3.3.2 COVERAGE Not Applicable
- 5.3.3.3 MANPOWER REQUIREMENT Not Applicable
- 5.3.3.4 ESTIMATED COST-Not Applicable

5.3.4 SUB-SURFACE INVESTIGATION

Subsurface investigation will not yet be implemented at this stage.

5.4 TOPOGRAPHIC SURVEY

5.4.1 COVERAGE

Total area subject for topographic survey is 60 hectares. Survey works will be awarded to private contractor.

5.4.2 SCALE AND CONTOUR INTERVAL

Topographic survey map at scale 1: 10,000, 1: 5,000 and 1:500, 10 meters and 1-meter contour interval respectively.

5.4.3 MANPOWER COMPLEMENT

By Contractor

APPROVED

Department of Environment and Natural Resources
Mines and Geosciences Bureau

5.4.4 ESTIMATED COST

Estimated cost for the topographic survey for 60 hectares is P 360,000.

5.4.5 OUTPUT

Topographic map of the mineralized area and its vicinities.

5.5 DETAILED STUDY

5.5.1 DETAILED GEOLOGIC MAPPING

5.5.1.1 TYPE OF SURVEY

Survey work will be done by means of compass and tape along the minor and major creeks and rivers. This work will focus on the degree, type, and extent of alteration, lithological variation and structural control. Rock sampling will be done at 100m. interval along outcrops, creeks and rivers. All samples shall be described in terms of alteration, intensity, assemblages present, brecciation, homogeneity and other factors in determining the mineral value.

5.5.1.2 COVERAGE

The proposed detailed geological study will cover an additional area of 60 hectares.

5.5.1.3 DURATION

The duration of the study is estimated to for one (1) year.

5.5.1.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.1.5 ESTIMATED COST

Wages/Salaries	P 820,000.00
Materials and supplies	50,000.00
Laboratory Fees	150,000.00
Transportation Expenses	25,000.00
Total	P1,045,000.00





5.5.1.6 OUTPUT

- Technical Reports Compilation
- Detailed Geologic maps of the area.
- Evaluation of Laboratory results of samples.

5.5.2 DETAILED GEOCHEMICAL SURVEY

5.5.2.1 COVERAGE OF GRID SURVEY

The grid survey will cover an area of 60 hectares. Soil samples will be collected at 50m interval and detailed test pit re-sampling on old test pit location.

5.5.2.2 ESTIMATED NUMBER OF SAMPLES

Estimated number of samples to be taken from the field is 250 samples.

5.5.2.3 MODE OF ANALYSIS

Mode of sample analysis by analytical method and the elements to be determined are as follows: Fe, Co and Ni.

5.5.2.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.2.5 ESTIMATED COST

Wages/Salaries	P492,000.00
Materials and Supplies	50,000.00
Transportation Expenses	25,000.00
Analytical Cost	150,000.00
Total	P717,000.00

5.5.2.6 OUTPUT

- Detailed Geochemical survey map
- Compilation and evaluation of laboratory results.

5.5.3 SUB - SURFACE INVESTIGATION

5.5.3.1 NATURE/TYPE

APPROVED

Core Drilling will be utilized for Sub- Surface investigation for field implementation.

DEC 2 1 2022 W
Department of Environment and Natural Resources
Mines and Geosciences Bureau

Page 12 of 16

Man-portable drill rigs will be used for core drilling due to easy mobilization, hole transfer, as well as minimized size of working area and minimal impact to the environment.

5.5.3.2 NUMBER AND OVER-ALL LENGTH

The estimated numbers of proposed drill holes are as follows:

Location	Total Number	Depth	Total Meterage
Area 1	50 holes	20 m	1000 m
Area 2	50 holes	20 m	1000 m

5.5.3.3 ESTIMATED NUMBER OF SAMPLES

Estimated samples to be taken from the field are 2000 samples.

5.5.3.4 MODE OF ANALYSIS

Samples will be analyzed by Analytical Method. Target elements to be determined are as follows: Fe, Co, and Ni.

5.5.3.5 MANPOWER REQUIREMENT

By contract.

5.5.3.6 ESTIMATED COST

P3,200,000.00
1,200,000.00
P4,400,000.00

5.5.3.7 OUTPUT

- Completed number of drill holes
- Sub surface maps and logs.

5.5.4 TUNNELING/ ADITTING

5.5.4.1 NUMBER OF ADIT/ TUNNEL

Not Applicable

5.5.4.2 TOTAL LENGTH

APPROVED

Not Applicable

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Mines and Geosciences Bureau

5.5.4.3 ESTIMATED NUMBER OF SAMPLES

Not Applicable.

5.5.4.4 ESTIMATED COST

Not Applicable

5.5.5 METALLURGICAL BULK SAMPLING AND ANALYSIS

5.5.5.1 NATURE/ TYPE

The Sibuyan nickel mining project is covered by two (2) tenement parcels containing three (3) general types of ores (e.g. saprolite, transition saprock, limonite) which are occurring in three (3) different parent rock domains (e.g. harzburgite, interlayered harzburgite-dunite and limonite) which all contains two (2) main commercial elements such as nickel (Ni) and iron (Fe).

5.5.5.2 NUMBER AND OVER-ALL LENGTH

To complete the metallurgical study as required in the permitting process, three (3) metallurgical bulk sampling of three different types of ores one from the main saprolite zone, one from the transition saprock zone and one from the limonite zone shall be collected which shall be loaded and transported by interisland vessel to a reliable foreign metallurgical laboratory in order to test the concentration of multi-elements in all three samples.

5.5.5.3 ESTIMATED NUMBER OF SAMPLES

The estimated number of samples to be collected shall be three (3) from the identified main zones of mineralization previously identified during the later phases of exploration period.

5.5.5.4 MODE OF ANALYSIS

All metallurgical samples will be analyzed by pyrometallurgical or HPAL processes in order to determine the actual metal recovery. Initially, representative samples from the bulk of metallurgical samples shall be sent to the laboratory for the element contents such as Ni, co, Fe, MgO, MnO, SiO₂, TiO₂, Al₂O₃, Cr₂O₃, CaO and PO₂.

5.5.5.5 MANPOWER REQUIREMENT

Manpower shall be by Contract with a local accredited contractor.

APPROVED

Department of Environment and Natural Resources
Mines and Geosciences Bureau

5.5.5.6 ESTIMATED COST

Excavation, loading and shipping @ P1,500,000/m ³	P 4,500,000.00
Metallurgical and elemental analysis @ P 350,000/m ³	1,050,000.00
Total	P 5,550,000.00

5.5.5.7 OUTPUT

- Completed the required number of metallurgical tests
- · Future plan of expanding to establish processing plant

6.0 TOTAL ESTIMATED EXPLORATION COST.

YEAR 1	P2,890,000.00	P 8,440,000.00
YEAR 2	5,117,000.00	5,117,000.00
Total	P8,007,000.00	P 13,557,000.00

7.0 PROPOSED TIMING OF ACTIVITIES (See attached page)

DEC 21 2022 of Constitution and Ratural Resources
Mines and Geosciences Bureau

8.0 CONCLUSION

The Exploration Work Program was designed to test and establish a potential economically viable nickel resource of the mineral property. In the course of the program, the timing and cost maybe amended as needed.

MAP ATTACHMENTS (See attached page)

Prepared by:

Arnulfo-Pascual B. Santiago, MSc. GtE Mining Engineer, PTR No. MCF4148328

Geologist, PTR No. MCF4148329

Conformed:

HANNIEL T. NGO

President APMC

APPROVED

DEC 2 1 2022 4

Department of Environment and Natural Resources
Mines and Geosciences Bureau

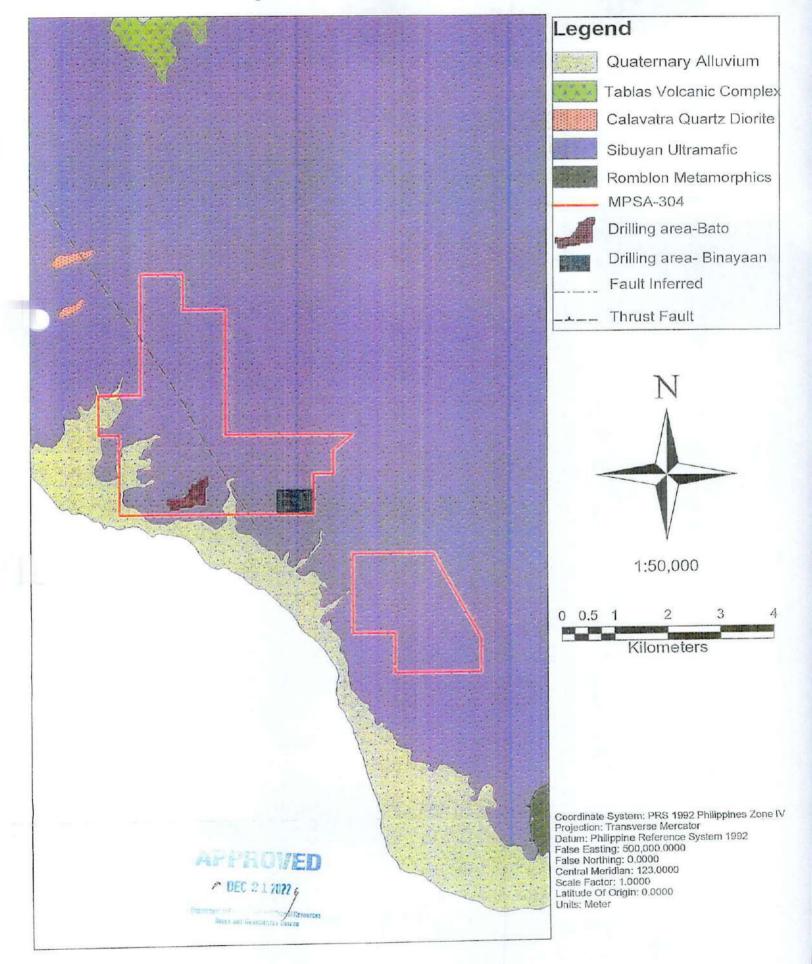
TOTAL EXPLORATION COST 6 Detailed geological study 5 Topographic survey 4 Geochemical survey 3 Semi-detailed survey 9 Bulk metallurgical testing 8 Sub-surface investigation (Drilling) Regional geologic study Detailed geochemical study Regional geochemical survey Nature of Work w 4 UI Year 1 0 7 00 0 10 11 Timetable 12 13 14 15 16 17 18 19 Year 2 20 22 23 24 Budget Outlay 13,557,000.00 5,117,000.00 5,550,600-60 4,400,000.00 1,045,000.00 (PhP) 460,000.00 365,000.00 360,000.00 445,000.00 215,000.00 717,000.00

APPROVED

DEC 2 1 2022 4

Department of Environment and Natural Resources Mines and Geosciences Bureau

APMC Exploration Drill Hole Location





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

DEMR Compound, Vissyas Avanus, Ollauvin, Quezon Gity 1113 Telephone Nos. (632)927-15-17-928-37-25: Fox No. (632) 920-92-58 Websile http://www.enib.gov.ph/Email: mail@emb.gov.ph

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-07-01175)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

July 04, 2022

For its

CONSTRUCTION OF EXPLORATION ACCESS ROAD 3

Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon San Fernando, Romblon Province, R4B

Classified as

ITEM 3.4.2 INFRASTRUCTURE PROJECTS/ROADS AND BRIDGES/ROADS, WIDENING, REHABILITATION AND/OR IMPROVEMENT WITH NO CRITICA SLOPE - WITH > 50% INCREASE IN CAPACITY (OR IN TERMS OF LENGTH/WIDTH)

(Declared Project Size: 0.207 Kilo meter Increase in length)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

ENGR. WILLIAM P. CUÑADO

Director



Receipt No.2418384/ Php 1240.00/ July 01, 2022 ARN. d4187ab7-5278-483f-9394-3763d66687f4

1. Name of the proposed project:

Construction of Exploration Access Road 3

2. Location of the proposed project:

Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon

3. Specific address (street/sitio/barangay)

Sitio Bato, Brgy. España,

4. City or municipality, province, region:

Municipality of San Fernando, Island of Sibuyan, Romblon

5. Brief project activity description:

The proposed activity includes construction and development of exploration access road with a 12 m x 207 m meters- size, situated in Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon, under private land ownership with Lot No.1209-P, more specifically described by the following coordinates:

Parcel 3:

Corner 1: 12°22'13.77" N, 122°31'49.51" E

Corner 2: 12°22'13.58" N, 122°31'49.85" E

Corner 3: 12°22'8.43" N, 122°31'45.37" E

Corner 4: 12°22'8.67" N, 122°31'45.05" E

The proposed access road will serve as a connecting road from the highway towards the Foreshore Lease Area. It will be a support component of Altai Philippines Mining Corporation's Sibuyan Nickel Mining Project exploration activity under its approved Mineral Production Sharing Agreement denominated as MPSA No. 304-2009-IVB situated in the Barangays of Taclobo and España, Municipality of San Fernando, Province of Romblon.

Project Cost: The project has an estimated cost of One Million Four Hundred Ninety-Seven Thousand Six Hundred Pesos (PhP 1,497,400.00)

6. Proponent name:

ALTAI PHILIPPINES MINING CORPORATION

7. Mailing address:

1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City

8. Contact person designation:

HANNIEL T. NGO, President

9. Landline/fax:

8529-6868

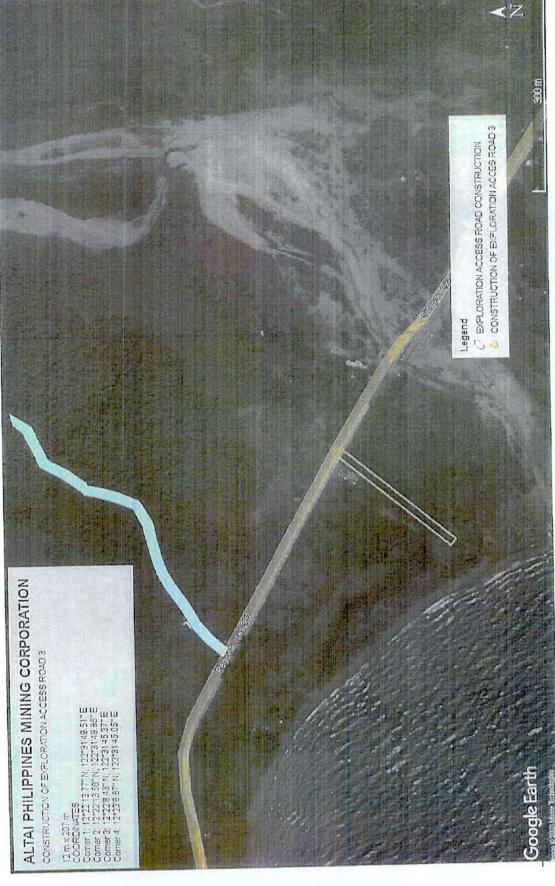
10. Active cellphone number:

(+63)956 0834 752

11. Active email address:

altaicorpo@gmail.com

PROJECT VICINITY MAP



Inga of the No.: 8529-6868; EMAIL ADDRESS: altaicorpo@gmail.com



Professional Regulation Commission P. Paredes St., Sampaloc, Manila 1008, Philippines www.prc.gov.ph (632) 7362248 / 3102009

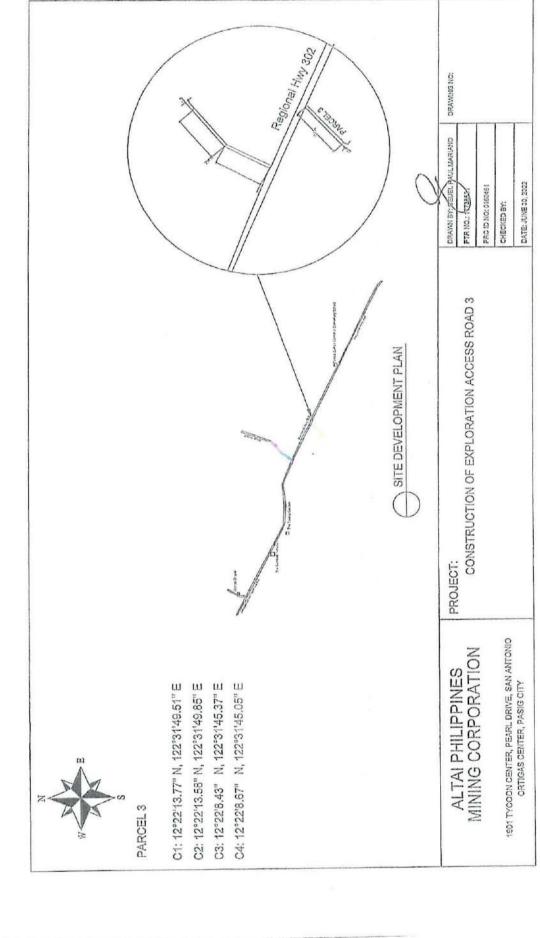
CENTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional fleense has not been suspended, revoked, or withdrawn.

Signature of Professional

TEOFILOS, PICANDO, JR.







MIDDLENAME LABINGHISA педізтилной но. > 0160461 REGISTRATION DATE > 05/24/2018 ► 12/30/2024



Professional Regulation Commission www.prc.gov.ph

CERTIFICATION

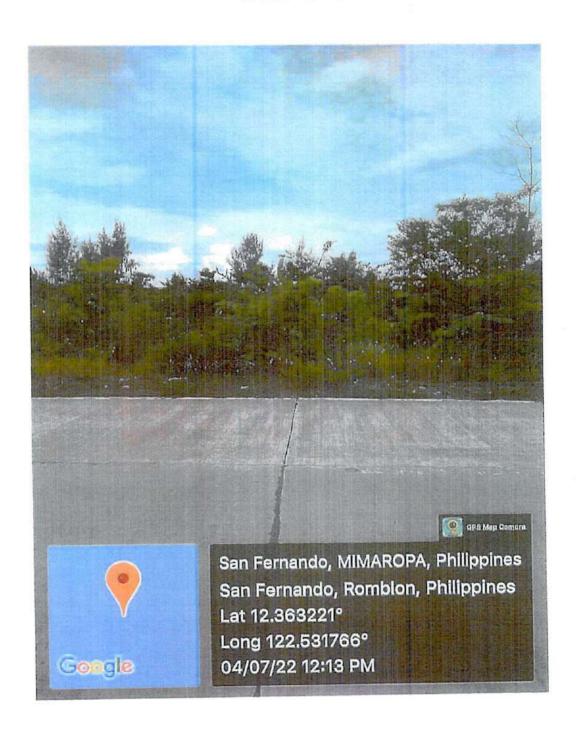
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This is to certify further that he/sho is a professional in good standing and that his/hor certificate of registration/professional iteanse has not been suspended, revoked or willudrawn.

Signature of Professional

TEOFILO S, PILANDO, JR.
Chaltman

SITE PHOTO



SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT

I, HANNIEL T. NGO as PRESIDENT representing ALTAI PHILIPPINES MINING CORPORATION in the CNC Application for the proposed CONSTRUCTION OF EXPLORATION ACCESS ROAD 3 located at SITIO BATO, BRGY ESPAÑA, MUNICIPALITY OF SAN FERNANDO, SIBUYAN ISLAND, ROMBLON SAN FERNANDO, ROMBLON PROVINCE, R4B, under oath state the following:

a. That I caused the preparation of the above CNC Application with Reference No. D4187AB7-5278-483F-9394-3763D66687F4, the contents of which I have read and understood; all the information and commitments stated in the said CNC Application are true and correct they being based on my personal knowledge as well as based on authentic documents and records in my possession;

b.That should I learn of any information which would make this CNC application inaccurate and/ or false, I shall immediately bring the said information to the attention of DENR- EMB within five (5) days from knowledge hereof;

c. That I further certify that no DENR- EMB personnel was directly involved in the preparation of this CNC Application other than to provide procedural and technical advice consistent with the guidelines in P.D. 1586 and its existing rules and regulations;

d. That I hereby bind myself to be liable to answer to any corresponding penalty, whether administrative, criminal, and/ or civil, that may be imposed arising from any misrepresentation and/ or failure to state material information in this CNC Application.

IN WITNESS WHEREOF, I hereby affixed my signature on this HANNEL T. NGO President JUL 0 1 2022 in SUBSCRIBED AND SWORN TO before me this affiant exhibiting his PRCD ID No. 23640 issued on MANDALUYONG CITY March 05, 2019. ATTY. JAMYS K. ABUGAN Notary Public Doc. No. Appl. No. 0442-21 Dati Dec. 31, 2022 IBP No. 175123 01/06/2022 Rizal Chapter Page No. Book No. MCLE No. 34 0012875 Until 4/14/2022
The No. 116-239-956
PTR No. 4871351 / 01-06-2022 Series of

Tel, No. 02-85452321 Mandaluyong City

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

DEMR Compound, Manyas Avenus, Dilama, Guezzá City 1115 Telephono Mos. (032)927-16-17,928-37-25; Fix No. (632) 920-22-58 Waliotte http://www.mrb.gov.gb/f-Erralt_mol@emb.gov.gb.

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-08-01525)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

August 16, 2022

For its

EXPLORATION ACCESS ROAD CONSTRUCTION

Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon San Fernando, Romblon Province, R4B

Classified as

ITEM 3.4.2 INFRASTRUCTURE PROJECTS/ROADS AND BRIDGES/ROADS, WIDENING, REHABILITATION AND/OR IMPROVEMENT WITH NO CRITICA SLOPE - WITH > 50% INCREASE IN CAPACITY (OR IN TERMS OF LENGTH/WIDTH)

(Declared Project Size: 0.474 Kilo meter Increase in length)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

ENGR. WILLIAM P. CUÑADO

Receipt No.2121004/ Php 1240.00/ August 16, 2022 ARN, 730ba67b-6e0c-41f9-9600-dc90fc5069d1

1. Name of the proposed project:

Exploration Access Road Construction

2. Location of the proposed project:

Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon

3. Specific address (street/sitio/barangay)

Sitio Bato, Brgy. España,

4. City or municipality, province, region:

Municipality of San Fernando, Island of Sibuyan, Romblon

Brief project activity description:

The project includes the construction and development of exploration access road with a 0.015 x 0.474 kilometers- size (15 x 474 meters), situated in Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon, under private land ownership with Lot No. 1206 and Lot No.1204-W, specifically described by the following coordinates:

- Corner 1: 12°22'18.99" N 122°31'40.19" E
- Corner 2: 12°22'21.34" N 122°31'43.44" E
- Corner 3: 12°22'22.26" N 122°31'46.44" E
- Corner 4: 12°22'22.89" N 122°31'47.54" E
- Corner 5: 12°22'25.15" N 122°31'48.32" E
- Corner 6: 12°22'26.92" N 122°31'49.58" E
- Corner 7: 12°22'27.63" N 122°31'51.22" E
- Corner 8: 12°22'28.59" N 122°31'51.86" E
- Corner 9: 12°22'28.45" N 122°31'51.28" E
- Corner 10: 12°22'28.02" N 122°31'50.90" E
- Corner 11: 12°22'27.30" N 122°31'49.25" E
- Corner 12: 12°22'25.34" N 122°31'47.86" E
- Corner 13: 12°22'23.17" N 122°31'47.14" E
- Corner 14: 12°22'20.62" N 122°31'41.21" E
- Corner 15: 12°22'19.20" N 122°31'39.73" E

The proposed access road will serve as a support component of Altai Philippines Mining Corporation's Sibuyan Nickel Mining Project's exploration activity under its approved Mineral Production Sharing Agreement denominated as MPSA No. 304-2009-IVB situated in the Barangays of Taclobo and España, Municipality of San Fernando, Romblon. The access road will be an important asset in transporting samples from the drilling area to the mine camp.

Project Cost: The project has an estimated cost of Four Million Two Hundred Sixty-six Thousand Pesos (PhP 4,266,000.00)

6. Proponent name:

ALTAI PHILIPPINES MINING CORPORATION

7. Mailing address:

1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City

8. Contact person designation: HANNIEL T. NGO, President

9. Landline/fax:

8529-6868

10. Active cellphone number:

(+63)956 0834 752

11. Active email address:

altaicorpo@gmail.com

PROJECT VICINITY MAP



1901 TYCOON CENTER. PEARL DRIVE, SAN ANTONIO. ORTIGAS CENTER. PASIG CITY TEL NO.: 8529-6868; EMAIL ADDRESS: altaicorpo@gmail.com

VALID ID OF THE PROPONENT'S REPRESENTATIVE



Professional Regulation Commission P. Paredes St., Sampaloc, Manila 1008, Philippines www.prc.gov.ph (632) 7362248 / 3102009

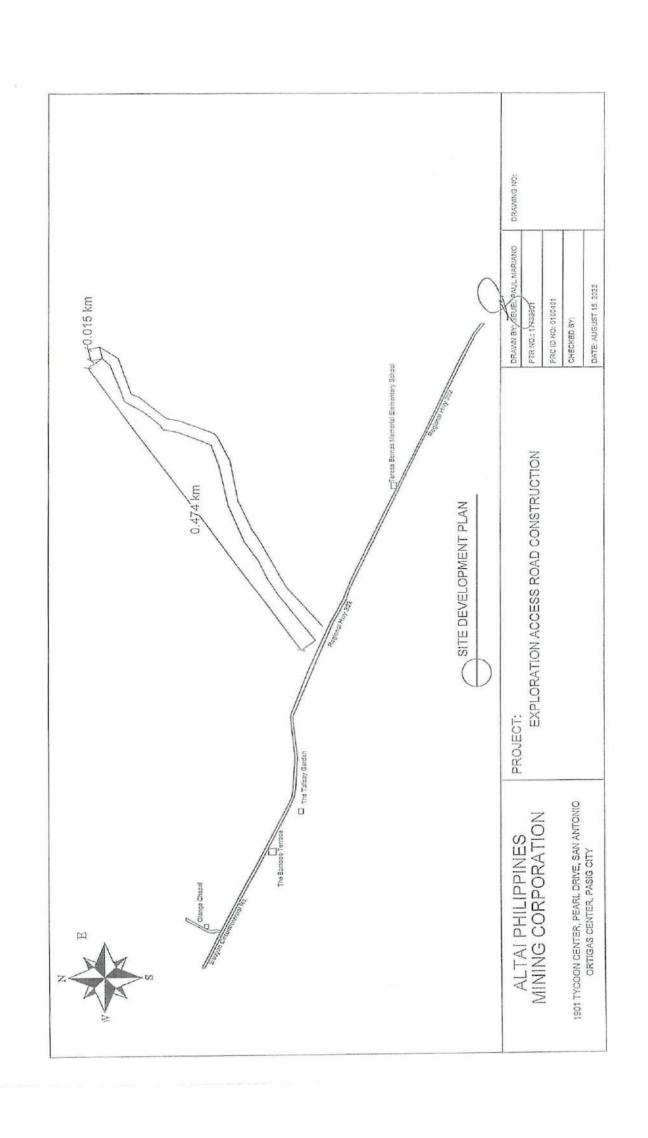
CENTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/site is a professional in good standing and that his/her certificate of registration/professional fleense has not been suspended, revoked, or withdrawn.

Signature of Professional

gene TEOFILO S. FILAHDO, JR. CHAIRDIAN







VALID UNTIL

► 12/30/2024

Professional Regulation Commission

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appartenant thereto.

This is to certify further that he/she is a professional to good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

TEOFILO S, PILANDO, JR.

Signature of Professional

SITE PHOTOS





SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT

I, HANNIEL T. NGO as PRESIDENT representing ALTAI PHILIPPINES MINING CORPORATION in the CNC Application for the proposed EXPLORATION ACCESS ROAD CONSTRUCTION located at SITIO BATO, BRGY ESPAÑA, MUNICIPALITY OF SAN FERNANDO, SIBUYAN ISLAND, ROMBLON SAN FERNANDO, ROMBLON PROVINCE, R4B, under oath state the following:

a. That I caused the preparation of the above CNC Application with Reference No. 730BA67B-6E0C-41F9-9600-DC90FC5069D1, the contents of which I have read and understood; all the information and commitments stated in the said CNC Application are true and correct they being based on my personal knowledge as well as based on authentic documents and records in my possession:

b.That should I learn of any information which would make this CNC application inaccurate and/ or false, I shall immediately bring the said information to the attention of DENR- EMB within five (5) days from knowledge hereof;

c. That I further certify that no DENR- EMB personnel was directly involved in the preparation of this CNC Application other than to provide procedural and technical advice consistent with the guidelines in P.D. 1586 and its existing rules and regulations;

d. That I hereby bind myself to be liable to answer to any corresponding penalty, whether administrative, criminal, and/ or civil, that may be imposed arising from any misrepresentation and/ or failure to state material information in this CNC Application.

HANNIEL T. NGO
President

SUBSCRIBED AND SWORN TO before me this AUG 1 6 2022 herein MANDALUYONG CITY affiant exhibiting his Tax Identification Number. 265-116-614.

Page No.
Book No.
Series of

AFTY, JAMES K. ABUCAN Notary Public Appt. No. 0442-21 Uniti Occ. 31, 7622 IBP No. 175123 01/06/2022 Rizzl Chapter Roll No. 26890 Lifetime MCLE No. VII-0020184 Uniti 4/14/2025 TIN No. 116-239-956 PTR No. 4871351 / 01-06-2022 Mandaloyong City Tel. No. 02-85452321 This is your receipt when machine validated.

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

DENR Compound, Visayna Averrun, Different Cuezen City 1115 Telephone Proc (532):127 15 17 529, 37 25; Fair Mo. (632) 930-22-58 Wattsto Mijerzews until que pli / Fricail multiplembi.gov.ph

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-08-01564)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

August 24, 2022

For its

CONSTRUCTION OF LABORATORY FACILITY

Sitio Talaba, Brgy. Taclobo, Municipality of San Fernando, Sibuyan Island, Province of Romblon San Fernando, Romblon Province, R4B

Classified as

ITEM 3.6.2 INFRASTRUCTURE PROJECTS/BUILDINGS INCLUDING HOUSING, STORAGE FACILITIES AND OTHER STRUCTURES/ALL OFFICE AND RESIDENTIAL BUILDING SUCH AS MOTELS, CONDOMINIUMS, SCHOOLS, ETC. INCLUDING STORAGE FACILITIES WITH NO HAZARDOUS OR TOXIC MATERIALS

(Declared Project Size: 0.0349401 Hectare Total/gross floor area including parking, open space and other areas)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.



Receipt No.2120587/ Php 1240.00/ August 23, 2022 ARN. 608dd974-660a-4218-8a9b-f1e7d5305f45 ENGR. WILLIAM P. CUÑADO Director



Receipt No.2120587/ Php 1240.00/ August 23, 2022 ARN, 608dd974-660a-4218-8a9b-14e7d5305f45

1. Name of the proposed project:

Construction of Laboratory Facility

2. Location of the proposed project:

Sitio Talaba, Brgy. Taclobo, Municipality of San Fernando, Sibuyan Island, Province of Romblon

3. Specific address (street/sitio/barangay)

Sitio Talaba, Brgy. Taclobo

4. City or municipality, province, region:

Municipality of San Fernando, Island of Sibuyan, Romblon

5. Brief project activity description:

The proposed project includes construction and development of a laboratory facility situated in Sitio Talaba, Brgy. Taclobo, Municipality of San Fernando, Romblon which is within the long-term leased property of Altai Philippines Mining Corporation with Lot No.-1318 and Tax Declaration Number-01402, specifically described by the following coordinates:

Corner 1: 12°21'57.53" N 122°32'40.78" E

Corner 2: 12°21'57.38" N 122°32'41.00" E

Corner 3: 12°21'58.35" N 122°32'41.96" E

Corner 4: 12°21'58.54" N 122°32'41.73" E

The proposed laboratory facility will serve as a support component of Altai Philippines Mining Corporation's exploration activity under its approved Mineral Production Sharing Agreement No. 304-2009-IVB in its sample preparation (crushing, grinding, sieving, sorting and drying) and to provide a single and multi-element analyses using energy dispersive X-ray Fluorescence (EDXRF). Binder wax will be used for the density analyses which is considered non-hazardous based from the material safety data sheet.

The facility has a total estimated area of 349.401 m² Gross Floor Area (GFA) including parking and open spaces.

Project Cost: The project has an estimated cost of Nine Hundred Thousand Pesos (PhP 900,000.00)

Proponent name:

ALTAI PHILIPPINES MINING CORPORATION

6. Mailing address:

1901 Tycoon Center, Pearl Drive, San

Antonio, Ortigas Center, Pasig City

7. Contact person designation:

HANNIEL T. NGO, President

8. Landline/fax:

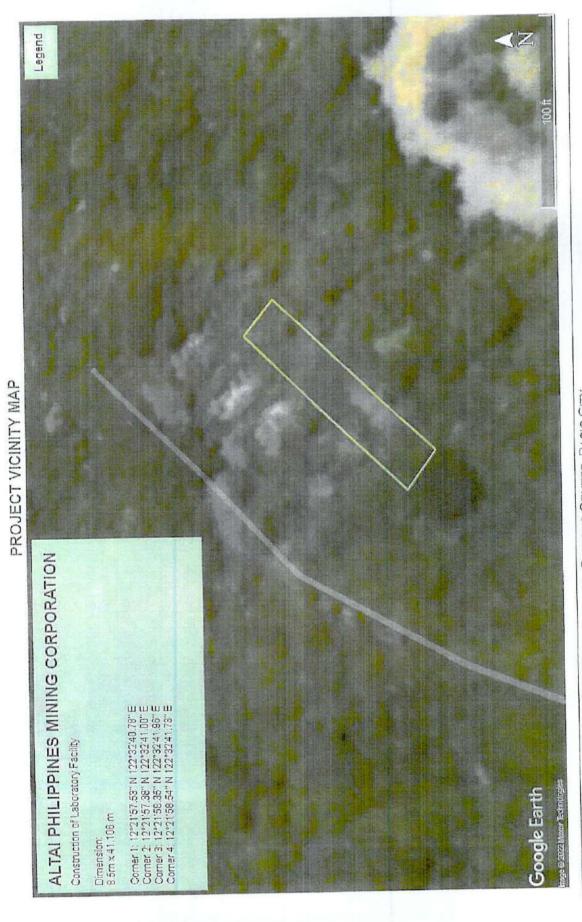
8529-6868

9. Active cellphone number:

(+63)956 0834 752

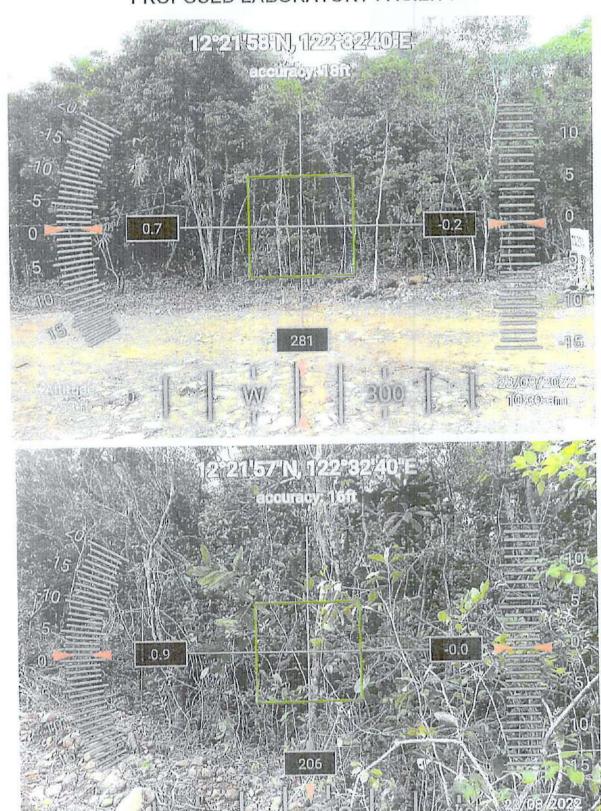
10. Active email address:

altaicorpo@gmail.com



1901 TYCOON CENTER. PEARL DRIVE. SAN ANTONIO. ORTIGAS CENTER, PASIG CITY TEL NO.: 8529-6868; EMAIL ADDRESS: altaicorpo@gmail.com

SITE PHOTOS OF THE PROPOSED STORAGE FACILITY NEAR THE PROPOSED LABORATORY FACILITY



VALID ID OF THE PROPONENT'S REPRESENTATIVE



Professional Regulation Commission
P. Paredes St., Sampaloc, Manila 1008, Philippines
www.pro.gov.ph (632) 7362248 / 3102009

CERTIFICATION

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/site is a professional in good standing and that his/her certificate of registration/professional license has not them appended, revoked, or withdrawn.

Signature of Professional

00

TEOPILO S. PILAHDO, JR.

SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT

I, HANNIEL T. NGO as PRESIDENT representing ALTAI PHILIPPINES MINING CORPORATION in the CNC Application for the proposed CONSTRUCTION OF LABORATORY FACILITY located at SITIO TALABA, BRGY. TACLOBO, MUNICIPALITY OF SAN FERNANDO, SIBUYAN ISLAND, PROVINCE OF ROMBLON SAN FERNANDO, ROMBLON PROVINCE, R4B, under oath state the following:

a. That I caused the preparation of the above CNC Application with Reference No. 608DD974-660A-4218-8A9B-F4E7D5305F45, the contents of which I have read and understood; all the information and commitments stated in the said CNC Application are true and correct they being based on my personal knowledge as well as based on authentic documents and records in my possession;

b.That should I learn of any information which would make this CNC application inaccurate and/ or false, I shall immediately bring the said information to the attention of DENR- EMB within five (5) days from knowledge hereof;

c. That I further certify that no DENR- EMB personnel was directly involved in the preparation of this CNC Application other than to provide procedural and technical advice consistent with the guidelines in P.D. 1586 and its existing rules and regulations;

d. That I hereby bind myself to be liable to answer to any corresponding penalty, whether administrative, criminal, and/ or civil, that may be imposed arising from any misrepresentation and/ or failure to state material information in this CNC Application.

IN WITNESS WHEREOF, I hereby affixed my signature on this 2 3 2022

herein MANDALUYONG CITY

HANNIEL T. NGO
President

SUBSCRIBED AND SWORN TO before herein 11 AND ALUX ONCO CITY, affiant exhibiting 265-116-614.	me his	this Tax	AUG 2 3 2022 Identification No
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This is your receipt when machine validated.



Professional Regulation Commission www.prc.gov.ph

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear harein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/she is a professional in good standing and that his/her conflicate of registration/professional license has not been suspended, revoked or withdrawn.

TEOFILO S. PILANDO, JR.
Chairman

Signature of Professional

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

DEMP Compound, Visayas respons, Oliman, Oursun City 1115 Telenbern Moss (532)527-15-17-238-37-25; Fox No. (632) 926-22-50 Website http://www.edu.co.go.du/Tempi/Messb.cov.ob

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-09-01666)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

September 12, 2022

For its

APMC EXPLORATION BASE CAMP

Sitio Talaba, Brgy. Taclobo, Municipality of San Fernando, Sibuyan Island, Romblon San Fernando, Romblon Province, R4B

Classified as

ITEM 3.6.2 INFRASTRUCTURE PROJECTS/BUILDINGS INCLUDING HOUSING, STORAGE FACILITIES AND OTHER STRUCTURES/ALL OFFICE AND RESIDENTIAL BUILDING SUCH AS MOTELS, CONDOMINIUMS, SCHOOLS, ETC. INCLUDING STORAGE FACILITIES WITH NO HAZARDOUS OR TOXIC MATERIALS

(Declared Project Size: 0.9617 Hectare Total/gross floor area including parking, open space and other areas)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.



ENGR. WILLIAM P. CUÑADO Director



Receipt No.2413027/ Php 1240.00/ September 08, 2022 ARN, 6bc49b59-e7c2-470e-8d66-b868ba86an08

- Name of the proposed project:
 APMC EXPLORATION BASE CAMP
- 2. Location of the proposed project:

Sitio Talaba, Brgy. Taclobo, Municipality of San Fernando, Sibuyan Island, Romblon

- 3. Specific address (street/sitio/barangay)
 Sitio Talaba, Brgy Taclobo,
- 4. City or municipality, province, region:

Municipality of San Fernando, Island of Sibuyan, Romblon

5. Brief project activity description:

In relation to the implementation of Exploration Work Program in compliance with the terms stipulated in Altai Philippines Mining Corporation (APMC) approved Mineral Production Sharing Agreement No. 304-2009-IVB, APMC will construct a Base Camp and Field Facilities situated in Sitio Talaba, Brgy. Taclobo, Municipality of San Fernando, Romblon. The proposed facility is within the long-term leased property of the company with Lot No. 1318 and Tax Declaration No. 01402; and Lot No. 1319 and Tax Declaration No. 01403 specifically described by the following coordinates:

Corner 1: 12.365652 N 122.544405 E

Corner 2: 12.365567 N 122.544668 E

Corner 3: 12.365837 N 122.54496 E

Corner 4: 12.366153 N 122.545333 E

Corner 5: 12.366613 N 122.545607 E

Corner 6: 12.366962 N 122.545005 E

Corner 7: 12.366215 N 122.54458 E

The Field Facility will be composed of Accommodation Buildings; Storage Facility; Kitchen; Mess hall and Laboratory facility that will be utilized during the exploration activity of Altai Philippines Mining Corporation.

Proposed building facilities has a total estimated area of 9,617.00 m² including parking and open spaces.

Project Cost: The project has an estimated total cost of Seven Million Five Hundred Thousand Pesos (PhP 7,500,000.00)

6. Proponent name:

ALTAI PHILIPPINES MINING CORPORATION

7. Mailing address:

1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City

8. Contact person designation:

HANNIEL T. NGO, President

9. Landline/fax:

8529-6868

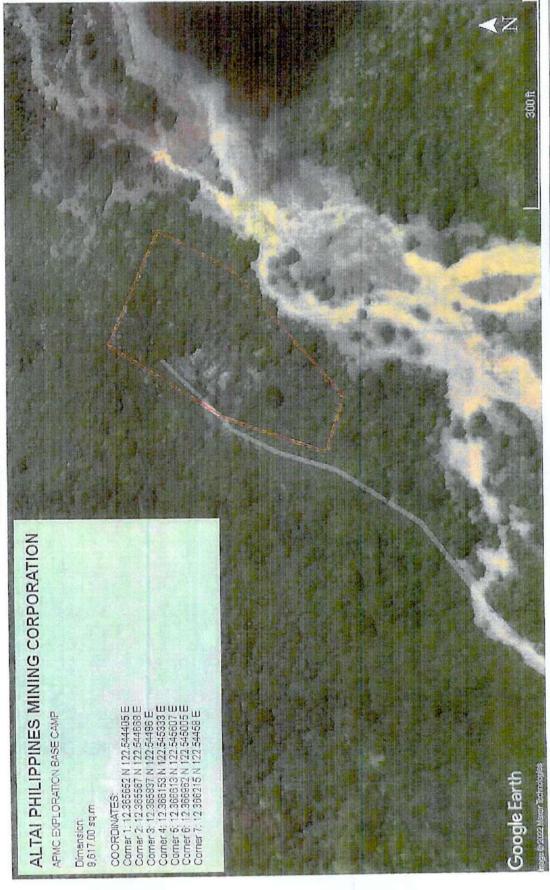
10. Active cellphone number:

(+63)956 0834 752

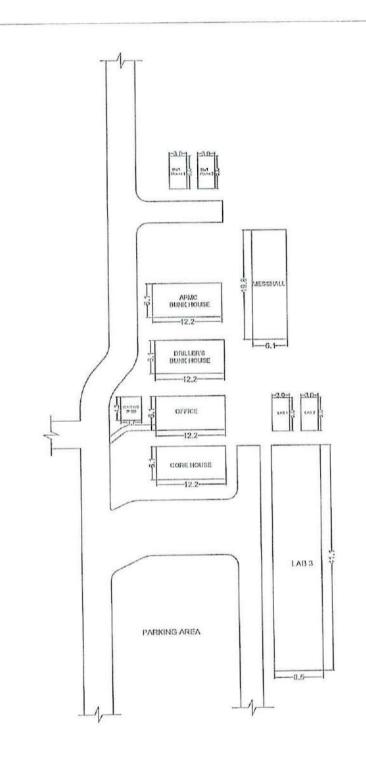
11. Active email address:

altaicorpo@gmail.com

PROJECT VICINITY MAP



1901 TYCOON CENTER, PEARL DRIVE, SAN ANTONIO, ORTIGAS CENTER, PASIG CITY TEL NO.: 8529-6868; EMAIL ADDRESS: altaicorpo@gmail.com



NAME	TOTAL AREA
Staff House 1	18
Staff House 2	18
APMC Bunkhouse	74.42
Driller's Bunkhouse	74.42
Messhall	120.78
Office	74.42
Waiting Shod	15,91
Core House	74.42
Lab 1	10
Lab 2	18
Lab 3	349.35

REMARKS:

- 1. All Dimensions are in maters.
- 2. Total Building area is 555,72 square M2.
- 3. Paiking area and open spaces are 6,761.28 M2.

ALTAI PHILIPPINES MINING CORPORATION APMC EXPLORATION BASE CAMP

PREPARED BY:

ENGR. ABEGAIL L. BONGCAY

MINING ENGINEER PRC ID No.: 4613 1

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VALID ID OF THE PROPONENT'S REPRESENTATIVE



Professional Regulation Commission P. Paredes St., Sampaloc, Manila 1008, Philippines www.prc.gov.ph (632) 7362248 / 3102009

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally nuthorized to practice his/her profession with all the rights and privileges appurtenant thereto. 18-1727954

This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked, or withdrawn.

Signature of Professional

TEOFILOS, PILANDO, JR.

SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT

I, HANNIEL T. NGO as PRESIDENT representing ALTAI PHILIPPINES MINING CORPORATION in the CNC Application for the proposed APMC EXPLORATION BASE CAMP located at SITIO TALABA, BRGY. TACLOBO, MUNICIPALITY OF SAN FERNANDO, SIBUYAN ISLAND, ROMBLON SAN FERNANDO, ROMBLON PROVINCE, R4B, under oath state the following:

a. That I caused the preparation of the above CNC Application with Reference No. 6BC49B59-E7E2-470E-8D66-B868BA86AA08, the contents of which I have read and understood; all the information and commitments stated in the said CNC Application are true and correct they being based on my personal knowledge as well as based on authentic documents and records in my possession;

b. That should I learn of any information which would make this CNC application inaccurate and/ or false, I shall immediately bring the said information to the attention of DENR- EMB within five (5) days from knowledge hereof;

c. That I further certify that no DENR- EMB personnel was directly involved in the preparation of this CNC Application other than to provide procedural and technical advice consistent with the guidelines in P.D. 1586 and its existing rules and regulations;

d. That I hereby bind myself to be liable to answer to any corresponding penalty, whether administrative, criminal, and/ or civil, that may be imposed arising from any misrepresentation and/ or failure to state material information in this CNC Application.

EP 0 9 2022 IN WITNESS WHEREOF, I hereby affixed my signature on this herein MANDALIIVONG CITY .

SEP 0 9 2022 TO before me this SWORN AND

ONG, (affiant exhibiting his Tax Identification No. 265-116-614.

Page No. Book No. Series of

SUBSCRIBED

Notary Public Appt. No. 0442-21 Until Dec. 31, 2022 HIP No. 175123-01/06/2022 Rizal Chapter Roll No. 25890 Litetime MCLB No. VII-0020184 Umil 4/14/2025 TIN No. 116-259-956 PTR No. 4871351 / 01-96-2622 Mandahryong City Tel, No. 02-85452321

SK. ABUGAN

HANNIEL T. NGO President

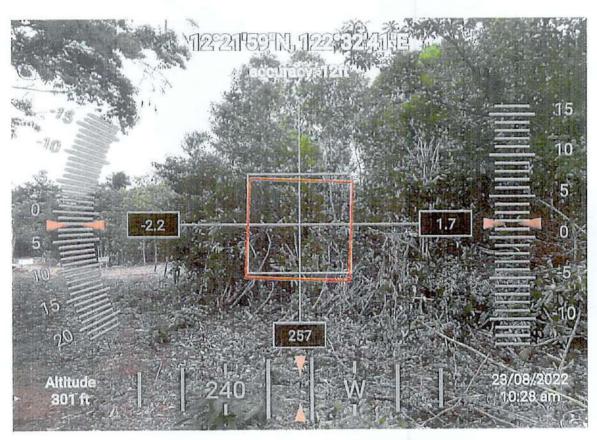
SITE PHOTOS



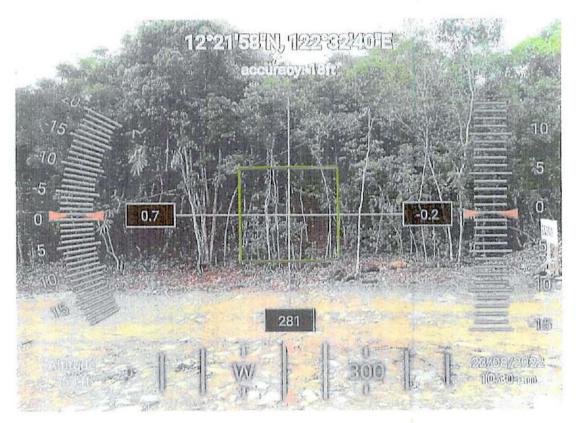
















Republic of the Philippines Department of Environment and Natural Resources ENVIRONMENTAL MANAGEMENT BUREAU

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-10-01928)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

October 25, 2022

For its

PROPOSED APMC BATO CAUSEWAY

Sitio Bato, Brgy España, Municipality of San Fernando, Romblon Romblon, Romblon Province, R4B

Classified as

ITEM 3.5.3 INFRASTRUCTURE PROJECTS/OTHER TRANSPORT FACILITIES/SEA PORT, CAUSEWAYS, AND HARBORS(INCLUDING RO-RO FACILITIES) - WITHOUT RECLAMATION (Declared Project Size: 0,4563 Hectare Based on project area (e.g., title, lease contract))

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS. RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

ENGR. WILLIAM P. CUNADO

Director



1. EXECUTIVE SUMMARY

Altai Philippines Mining Corporation (APMC) is the holder of the Mineral Production Sharing Agreement (MPSA) No. 304-2009-IVB for the exploration, development, and utilization of nickel, iron, cobalt, chromite, and associated minerals. The mineral property is situated at San Fernando, Sibuyan Island, Romblon. The Mines and Geosciences Bureau (MGB) granted the first renewal of the Exploration Period on July 12, 2022.

2. COMPANY BACKGROUND

Names and Contact Details of the Company:

Name:

Altai Philippines Mining Corporation

Main Office:

Unit 1901 Tycoon Center, Pearl Drive, Ortigas

Center, San Antonio, Pasig City

Project Site Office:

San Fernando, Sibuyan Island, Romblon

Telephone:

8529-6868

Email Address:

altaicorpo@gmail.com

Name(s) and Contact Details of person authorized to act/represent the company:

Name:

Hanniel T. Ngo

Designation:

President

Company:

Altai Philippines Mining Corporation

Main Office:

Unit 1901 Tycoon Center, Pearl Drive, Ortigas

Center, San Antonio, Pasig City

Telephone:

8529-6868

Email Address:

altaicorpo@gmail.com

3. PROJECT DESCRIPTION

Causeway is one of the most essential facility in a mine used as a track way for hauling and transportation of mined ore from the stockyard area towards the port for shipment.

Relative to this and in connection with the terms stipulated by the issued MPSA, Altai Philippines Mining Corporation is planning to develop and construct a Causeway as a support facility for its Sibuyan Nickel Mining project which is to be located at Sitio Bato, Brgy. España, Municipality of

San Fernando, Romblon under its private land ownership with Lot No. 1209-P1.

3.1 PROJECT LOCATION

The proposed causeway project has a total area of 4,563.00 square meters and will be located at Sitio Bato, Brgy España, Municipality of San Fernando, Romblon. The table below shows the boundaries of the proposed development.

12°22'5.57"N	122°31'45.64"E
4000016 72"N	
12°22'6.73"N	122°31'46.73"E
12°22'5.55"N	122°31'44.02"E
12°22'3.01"N	122°31'41.38"E
12°22'3.66"N	122°31'40.78"E
12°22'5.84"N	122°31'43.32"E
12°22'7.18"N	122°31'44.31"E
	12°22'3.01"N 12°22'3.66"N

Figure 1: Coordinates of proposed Bato Causeway (WGS84)

Т	ECHNICAL DES	
INES	BEARINGS	DISTANCES
	BOUNDA	RY
1-2	S 51° 57' W	17.35 m
2-3	N 73° 06' W	36.77 m
3-4	S 47° 17' W	23.80 m
4-5 S 42° 44' E		1.00 m
5-6	S 47°17' W	30.00 m
6-7	S 42° 43' E	1.17 m
7-8	S 47° 17' W	22.24 m
8-9	S 42° 44' E	1.00 m
9-10	S 47° 17' W	35.36 m
10-11	N 42° 43' W	26.48 m
11-12	N 47° 17' E	35.36 m
12-13	S 42° 44' E	1.00 m
13-14	N 47° 17' E	22.24 m
14-15	S 42° 43' E	1.17 m
15-16	N 47° 17' E	30.00 m
16-17	S 42°44' E	0.94 m
17-18	N 47° 17' E	15.00 m
18-19	N 35° 34' E	50.52 m
19-1	S 38°25' E	63.77 m

THE LINE N 46° 11' W, 10,459.93 m; From BLLM-1, CAD 447-D to Corner Marked "1".

Figure 2: Coordinates of proposed Bato Causeway from the MLA plan prepared by Geodetic Engr. John Felix Fortu

3.2 TOTAL NUMBER OF EMPLOYEES

The proposed causeway project will employ a total of Seventy-Eight (78) employees.

3.3 TOTAL PROJECT COST

The project has an estimated total cost of Thirty-Six Million Two Hundred Thirty-Five Thousand Four Hundred Pesos (PhP 36,235,400.00).



GEOTAGGED PHOTO OF PROJECT SITE 1

ALTAI PHILIPPINES MINING CORPORATION



GEOTAGGED PHOTO OF PROJECT SITE 2

4. Project Components and Operation Information.

The proposed Causeway includes the construction and development of pier yard.

The project will start by the mobilization and demobilization of equipment and materials to be used for the project implementation, will be followed by Clearing and Grubbing operations and followed by the actual construction of pier yard (hauling, Quarrying, Spreading and compacting) of embankment materials.

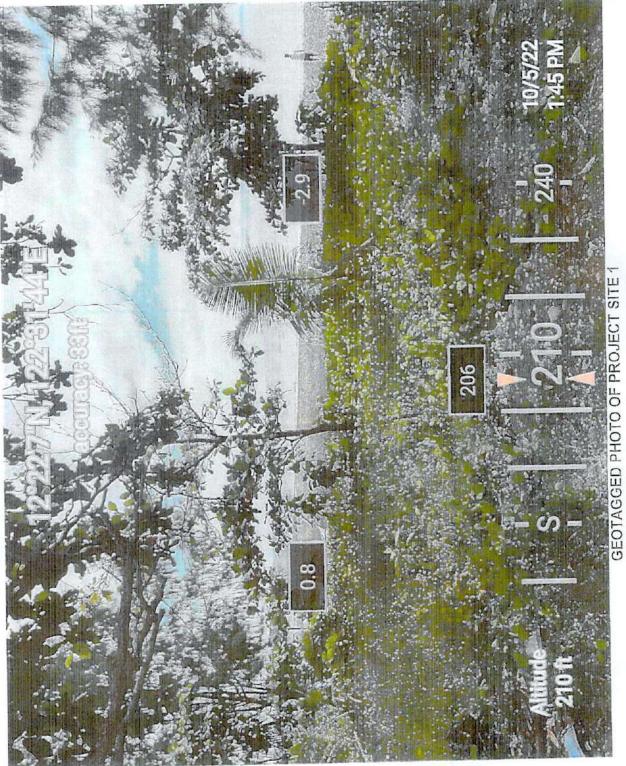
4.1 MATERIALS AND EQUIPMENT

4.1.1 Equipment

Four (4) Units BACKHOE
Five (5) Units Dump Truck
One (1) Unit Bulldozer
One (1) Unit Road Compactor
One (1) Unit Road Grader

4.1.2 Materials

Armour Rocks Sand Gravel Cement



112°22"113"N, 1122°31"50"E

accuracy: 12ft

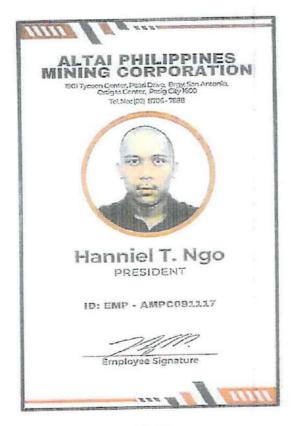
Altifude 219 ft

GEOTAGGED PHOTO OF PROJECT SITE 2

PROPONENT'S REPRESENTATIVE IDENTIFICATIONS



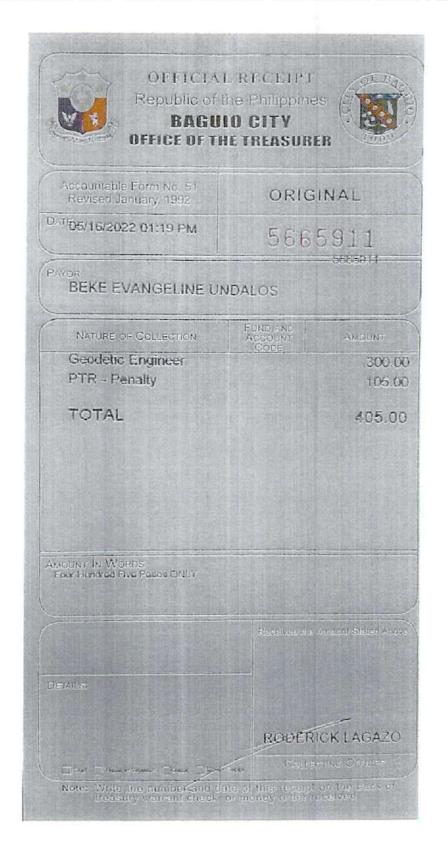
GOVERNIMENT ID



COMPANY ID

Please check the appropriate mode of payment.		DATE
CASH CHECK	DEBIT FROM ACCOUNT	21 OCTOBER 2022
MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER	MERCHANT / AGENCY NAM	B
Reference Number 1 PROPOSED APMC BATO. CAUS	Printed Name and Signatur PLAN-CISCO PUI	re of Payor / Depositor / Agric Sentativa
Reference Number 2 D 1 609		PEA TS(VINA GRACE B) 18 Trxn Seq. #: 72000 CASH Payment
Reference Number 3 (Numeric) 2321096	FROJEGT NAME AGENCY CODE	PROPOSED APMC BATO D1609 2321096
Amount 1, 840 - 00	Amount	1,240.00

PTR AND PRC ID OF THE PREPARER OF SITE DEVLOPMENT PLAN





PROFESSIONAL IDENTIFICATION CARD





LAST NAME FIRST NAME

REGISTRATION DATE > 09/22/2009

▶ BEKE

▶ EVANGELINE

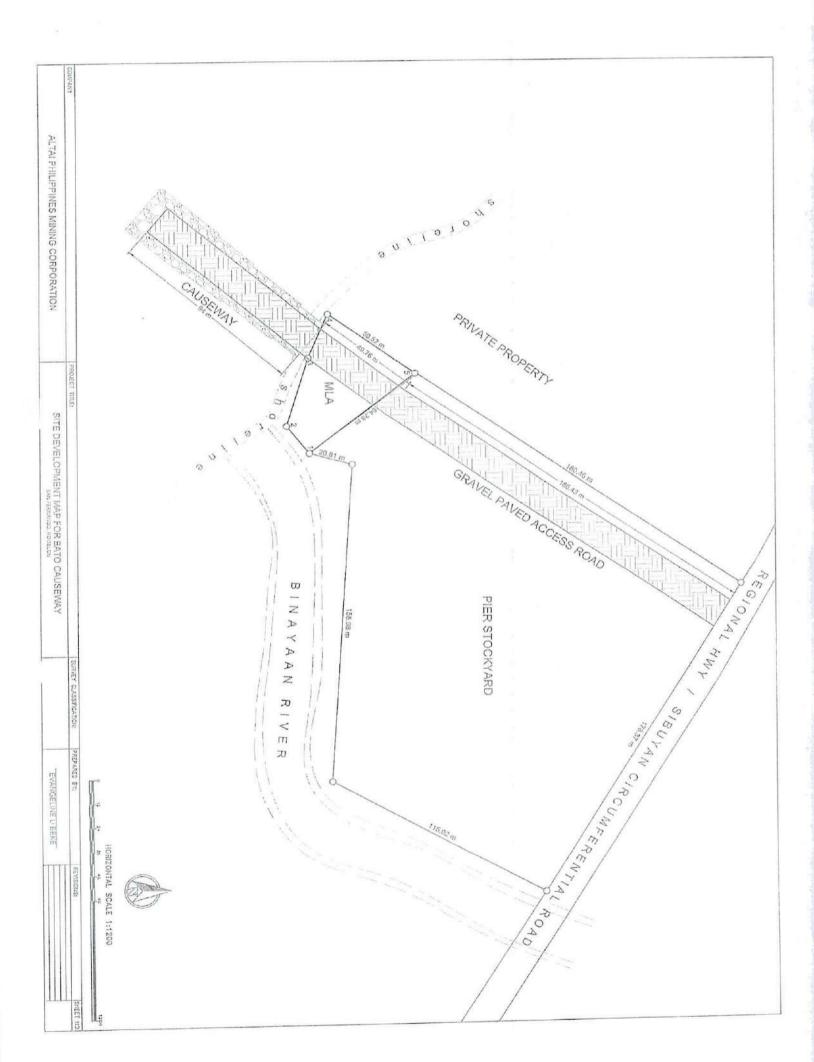
MIDDLE NAME DUNDALOS

REGISTRATION NO. > 0008489

VALID UNTIL ▶ 08/27/2025







SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT

I, HANNIEL T. NGO as PRESIDENT representing ALTAI PHILIPPINES MINING CORPORATION in the CNC Application for the proposed PROPOSED APMC BATO CAUSEWAY located at SITIO BATO, BRGY ESPAÑA, MUNICIPALITY OF SAN FERNANDO, ROMBLON ROMBLON, ROMBLON PROVINCE, R4B, under oath state the following:

a. That I caused the preparation of the above CNC Application with Reference No. 8EA9AB73-D18D-4A4B-ABA8-A6C09C3A768B, the contents of which I have read and understood; all the information and commitments stated in the said CNC Application are true and correct they being based on my personal knowledge as well as based on authentic documents and records in my possession;

b.That should I learn of any information which would make this CNC application inaccurate and/ or false, I shall immediately bring the said information to the attention of DENR- EMB within five (5) days from knowledge hereof;

c. That I further certify that no DENR- EMB personnel was directly involved in the preparation of this CNC Application other than to provide procedural and technical advice consistent with the guidelines in P.D. 1586 and its existing rules and regulations;

d. That I hereby bind myself to be liable to answer to any corresponding penalty, whether administrative, criminal, and/ or civil, that may be imposed arising from any misrepresentation and/ or failure to state material information in this CNC Application.

IN WITNESS WHEREOF, I hereby affixed my signature on this_

herein MANDALUYONG CITY

HANNIEL T. NGO
President

SUBSCRIBED AND SWORN TO before me this herein the substitution of the substitution of

Doc. No. 82-7
Page No. 6-7
Book No. 11 φ

Series of 2022

ATTY, JAMUS K. ABUGAN

Appr. No. 0.552-21 (and Dec. 31, 2022) IBP No. 375-13-10/06/2022 Riza/ Chapter Rol 15, 20500 Lifetime

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

DEME Crange and Assayed Assente, Demain, Junzon Chy 1115.

Intuition Nost (632/92/-16-17-92), 37-25, Use No. (632) 620-22-5.

Website http://www.sente.gov.ph/Encol/modificatio.gov.ph/

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-11-02077)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

November 08, 2022

For its

APMC PIER YARD SITIO BATO, BRGY ESPAÑA San Fernando, Romblon Province, R4B

Classified as

ITEM 3.5.3 INFRASTRUCTURE PROJECTS/OTHER TRANSPORT FACILITIES/SEA PORT, CAUSEWAYS, AND HARBORS(INCLUDING RO-RO FACILITIES) - WITHOUT RECLAMATION (Declared Project Size: 0.977486 Hectare Based on project area (c.g., title, lease contract))

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

engr. william p. cuñado

Director



1. EXECUTIVE SUMMARY

Altai Philippines Mining Corporation (APMC) is the holder of the Mineral Production Sharing Agreement (MPSA) No. 304-2009-IVB for the exploration, development, and utilization of nickel, iron, cobalt, chromite, and associated minerals. The mineral property is situated at San Fernando, Sibuyan Island, Romblon. The Mines and Geosciences Bureau (MGB) granted the first renewal of the Exploration Period on July 12, 2022.

2. COMPANY BACKGROUND

Names and Contact Details of the Company:

Name:

Altai Philippines Mining Corporation

Main Office:

Unit 1901 Tycoon Center, Pearl Drive, Ortigas

Center, San Antonio, Pasig City

Project Site Office:

San Fernando, Sibuyan Island, Romblon

Telephone:

8529-6868

Email Address:

altaicorpo@gmail.com

Name(s) and Contact Details of person authorized to act/represent the company:

Name:

Hanniel T. Ngo

Designation:

President

Company:

Altai Philippines Mining Corporation

Main Office:

Unit 1901 Tycoon Center, Pearl Drive, Ortigas

Center, San Antonio, Pasig City

Telephone:

8529-6868

Email Address:

altaicorpo@gmail.com

3. PROJECT DESCRIPTION

In connection with the on-going implementation of the terms stipulated by the Altai Philippines Mining Corporation (APMC) approved Mineral Production Sharing Agreement No. 304-2009-IVB, APMC is planning to develop and construct a Pier Yard that will serve as a support facility for its Sibuyan Nickel Mining project to be located at Sitio Bato, Brgy. España, Municipality of San Fernando, Romblon under its private land ownership with Lot No. 1209-P1.

The proposed APMC Pier Yard will serve as storage area of spoil materials/soil excavated during access road construction.

3.1 PROJECT LOCATION

The proposed APMC Pier Yard project has a total area of 9,774.86 square meters and will be located at Sitio Bato, Brgy España, Municipality of San Fernando, Romblon. The table below shows the boundaries of the proposed development.

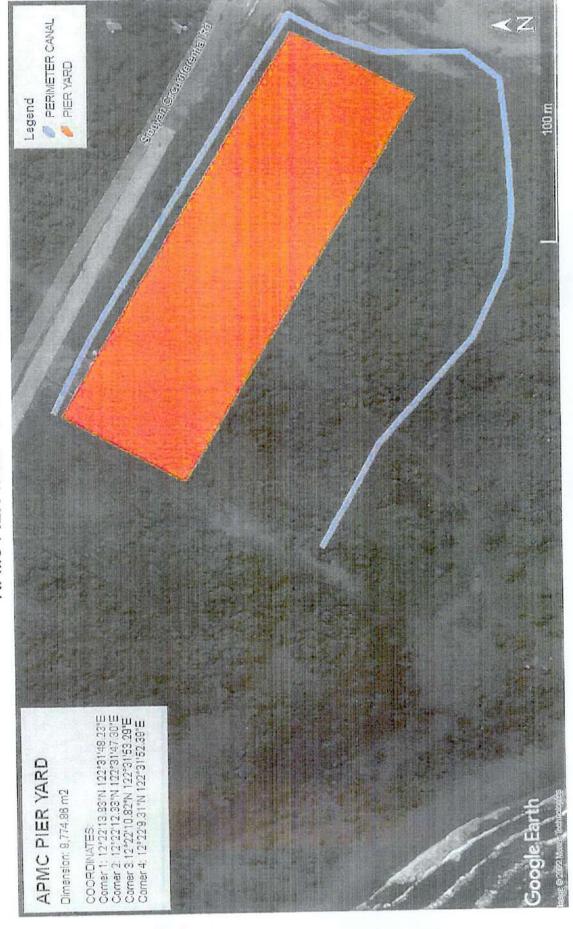
CORNER	LATITUDE	LONGITUDE
1	12°22'13.83"N	122°31'48.23"E
2	12°22'12.33"N	122°31'47.30"E
3	12°22'10.18"N	122°31'53.29"E
4	12°22'9.31"N	122°31'52.39"E

Figure 1: Coordinates of proposed APMC Pier Yard (WGS84)

3.2 TOTAL PROJECT COST

The project has an estimated total cost of Four Hundred Thirty Nine Thousand One Hundred Ten Pesos (PhP 439,110.00)

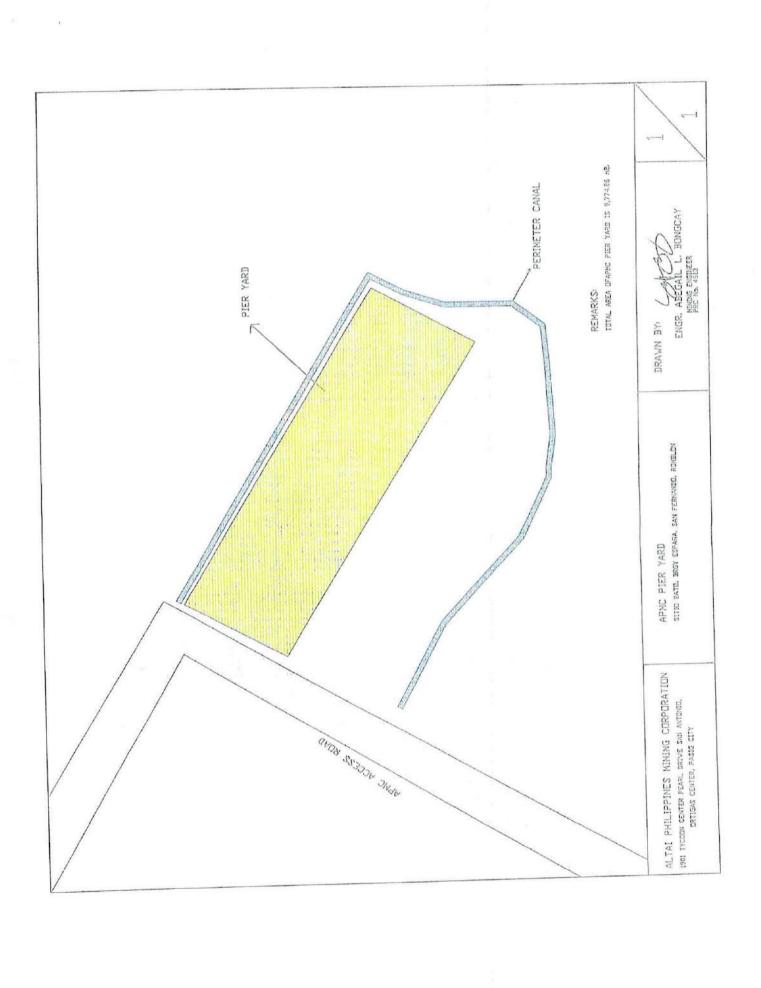
APMC PIER YARD VICINITY MAP



APMC PIER YARD SITE PHOTO



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PROFESSIONAL REGULATION COMMISSION PROFESSIONAL IDENTIFICATION CARD





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REGISTRATION 143. > 0004613

REGISTRATION CLATE > 09/28/2021

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Probe stantal Regulation Communicate West plus gov ph

CERTIFICATION

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appears between its a duty registered professional segally sufficient to precise his/her profession with all the rights and privileges appurented to precise the his representation of the professional and deat attending and that his her certificate of registration/professional accounts been supported in violations with the residual or violations.

Signature of Professional

TEOPEO S. PLANCO, JR.
Charman

SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT

I, HANNIEL T. NGO as PRESIDENT representing ALTAI PHILIPPINES MINING CORPORATION in the CNC Application for the proposed APMC PIER YARD located at SITIO BATO, BRGY ESPAÑA SAN FERNANDO, ROMBLON PROVINCE, R4B, under oath state the following:

a. That I caused the preparation of the above CNC Application with Reference No. 2390505D-91FE-484F-9FB3-49B03840BE65, the contents of which I have read and understood; all the information and commitments stated in the said CNC Application are true and correct they being based on my personal knowledge as well as based on authentic documents and records in my possession;

b. That should I learn of any information which would make this CNC application inaccurate and/ or false, I shall immediately bring the said information to the attention of DENR- EMB within five (5) days from knowledge hereof;

c. That I further certify that no DENR- EMB personnel was directly involved in the preparation of this CNC Application other than to provide procedural and technical advice consistent with the guidelines in P.D. 1586 and its existing rules and regulations;

d. That I hereby bind myself to be liable to answer to any corresponding penalty, whether administrative, criminal, and/ or civil, that may be imposed arising from any misrepresentation and/ or failure to state material information in this CNC Application.

this WITNESS WHEREOF, I hereby affixed my signature on herein MANDALUYONG CITY

> HANNIEL T. NGO President

NOV 0 8 2022 me this before TO SWORN AND SUBSCRIBED affiant exhibiting his Tax Identification No 265-116-614.

in

Doc. No.

Page No.

Book No.

Series of 2022

ATTY, JAMIN K, ABUGAN Motor Public Appt. No. 0542 21 Until Dec. 31, 2022

BP 146, 175127 03/06/2022 8 mail Chapter Roll 146, 26890 Liferanc MCLENG, VR-902018d Union W140, 625

TTE No. 116-239-956 PTR No. 4871351 / 01-06-Z022 Mandaloyong City Tel. No. 02-85452321



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

GEMR Compound, Wasyns Avenue, Decisio, Quezzo Cay 1115 Telephone Mos: (G32)027-15-17-02F-37-25, Fax No. (G32) 920-22-56 Website http://www.combugor.ph/?familt-poulfylende.gov.ph

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-12-02356)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

December 15, 2022

For its

APMC EXPLORATION PERIMETER ACCESS ROAD SITIO BATO, BRGY ESPAÑA San Fernando, Rombion Province, R4B

Classified as

ITEM 3.4.2 INFRASTRUCTURE PROJECTS/ROADS AND BRIDGES/ROADS, WIDENING, REHABILITATION AND/OR IMPROVEMENT WITH NO CRITICA SLOPE - WITH > 50% INCREASE IN CAPACITY (OR IN TERMS OF LENGTH/WIDTH)

(Declared Project Size: 0.6 Kilo meter Increase in length)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

engr william p. cuñado

Director



Receipt No.2216299/ Php 1240.00/ December 15, 2022 ARN, dedl484e-1170-4368-b411-74e6259988b9

1. EXECUTIVE SUMMARY

Altai Philippines Mining Corporation (APMC) is the holder of the Mineral Production Sharing Agreement (MPSA) No. 304-2009-IVB for the exploration, development, and utilization of nickel, iron, cobalt, chromite, and associated minerals. The mineral property is situated at San Fernando, Sibuyan Island, Romblon. The Mines and Geosciences Bureau (MGB) granted the first renewal of the Exploration Period on July 12, 2022.

2. COMPANY BACKGROUND

Names and Contact Details of the Company:

Name:

Altai Philippines Mining Corporation

Main Office:

Unit 1901 Tycoon Center, Pearl Drive, Ortigas

Center, San Antonio, Pasig City

Project Site Office:

San Fernando, Sibuyan Island, Romblon

Telephone:

8529-6868

Email Address:

altaicorpo@gmail.com

Name(s) and Contact Details of person authorized to act/represent the company:

Name:

Hanniel T. Ngo

Designation:

President

Company:

Altai Philippines Mining Corporation

Main Office:

Unit 1901 Tycoon Center, Pearl Drive, Ortigas

Center, San Antonio, Pasig City

Telephone:

8529-6868

Email Address:

altaicorpo@gmail.com

3. PROJECT DESCRIPTION

In connection with the on-going implementation of the terms stipulated by the Altai Philippines Mining Corporation (APMC) approved Mineral Production Sharing Agreement No. 304-2009-IVB, APMC is planning to develop and construct a Perimeter access road as a support component of its on-going exploration activities.

The proposed APMC Exploration Perimeter Access Road project with a 0.008×0.6 kilometers-size (8 m x 600 m) is situated within Parcel 1 of Altai Philippines Mining Corporation's approved MPSA and which is also within the company's privately owned land in Sitio Bato, Brgy España, Municipality of San Fernando, Romblon.

The table below shows the boundaries of the proposed development.

CORNER	LATITUDE	LONGITUDE
1	12°22'29.82"N	122°31'31.83"E
2	12°22'31.55"N	122°31'30.88"E
3	12°22'32.82"N	122°31'30.60"E
4	12°22'34.00"N	122°31'29.80"E
5	12°22'34.84"N	122°31'29.75"E
6	12°22'34.85"N	122°31'32.69"E
7	12°22'35.00"N	122°31'32.92"E
8	12°22'35.38"N	122°31'32.95"E
9	12°22'35.66"N	122°31'32.90"E
10	12°22'35.96"N	122°31'33.06"E
11	12°22'35.99"N	122°31'33.14"E
12	12°22'36.26"N	122°31'35.56"E
13	12°22'36.17"N	122°31'35.97"E
14	12°22'35.25"N	122°31'36.37"E
15	12°22'29.91"N	122°31'39.80"E
16	12°22'29.81"N	122°31'39.57"E
17	12°22'35.11"N	122°31'36.13"E
18	12°22'35.93"N	122°31'35.80"E
19	12°22'36.00"N	122°31'35.53"E
20	12°22'35.73"N	122°31'33.24"E
21	12°22'35.62"N	122°31'33.17"E
22	12°22'34.86"N	122°31'33.17"E
23	12°22'34.60"N	122°31'32.75"E
24	12°22'34.60"N	122°31'29.94"E
25	12°22'34.12"N	122°31'30.04"E
26	12°22'32.94"N	122°31'30.84"E
27	12°22'31.63"N	122°31'31.14"E
2012	12°22'30.12"N	122°31'32.01"E
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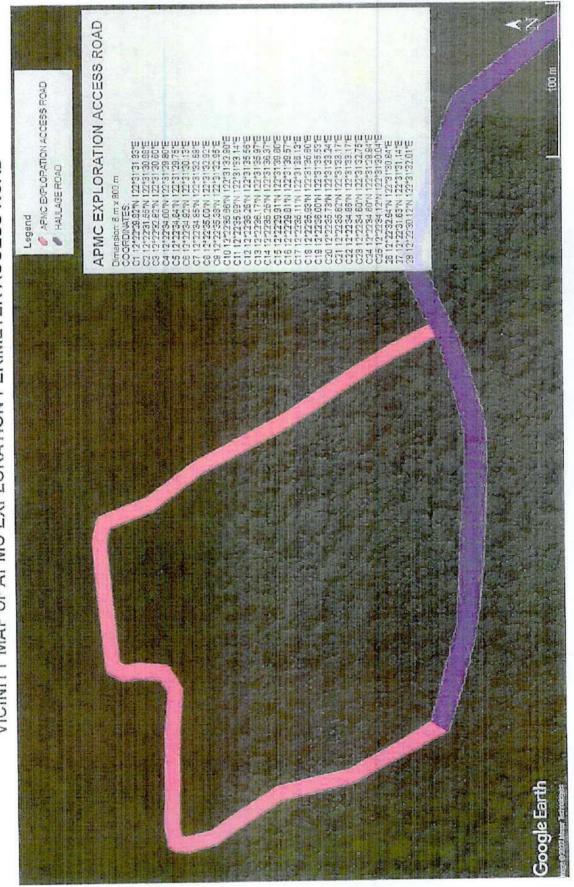
Figure 1: Coordinates of proposed APMC Exploration Perimeter Access Road (WGS84)

3.2 TOTAL PROJECT COST

The project has an estimated total cost of Two Million Eight Hundred Eighty Thousand Pesos (PhP 2,880,000.00)

12°22'31.57894" N 122°31'38.38842" E

VICINITY MAP OF APMC EXPLORATION PERIMETER ACCESS ROAD



APMC EXPLORATION PERIMETER ACCESS ROAD GEOTAGGED PHOTO



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SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT

1, HANNIEL T. NGO as PRESIDENT representing ALTAI PHILIPPINES MINING CORPORATION in the CNC Application for the proposed APMC EXPLORATION PERIMETER ACCESS ROAD located at SITIO BATO, BRGY ESPAÑA SAN FERNANDO, ROMBLON PROVINCE, R4B, under oath state the following:

a. That I caused the preparation of the above CNC Application with Reference No. DEDF484E-F170-4368-B4F1-74E6259988B9, the contents of which I have read and understood; all the information and commitments stated in the said CNC Application are true and correct they being based on my personal knowledge as well as based on authentic documents and records in my possession;

b. That should I learn of any information which would make this CNC application inaccurate and/ or false, I shall immediately bring the said information to the attention of DENR- EMB within five (5) days from knowledge hereof;

- c. That I further certify that no DENR- EMB personnel was directly involved in the preparation of this CNC Application other than to provide procedural and technical advice consistent with the guidelines in P.D. 1586 and its existing rules and regulations;
- d. That I hereby bind myself to be liable to answer to any corresponding penalty, whether administrative, criminal, and/ or civil, that may be imposed arising from any misrepresentation and/ or failure to state material information in this CNC Application.

IN WI'	TNESS WHEREOF, I hereby affixed my signature on this 10 20
-	
	3-27
	HANNIEL T. NGO
	President

BEC 15 2022 SUBSCRIBED AND SWORN TO before me this , affiant exhibiting his Tax Identification No. 265-116-614.

Doc. No. Page No.

Book No.

Series of 2022

IES K. ABUGAN Mutary Public Appt. No. 9442-21 Unit t2cc, 37, 2022

HIP No. 175123 01/06/2022 Rival Chapter Buil No. 26890 Lifetime MCLRNC VIEO020184 Until V14/2025

TG4 26, 116-739-956 PTR No. 4871351 / 01-06-2622 Mandalayong City Tel. No. 02-85452341

MAULAGE RDAD DRAWN BY:
ABEGAIL L. BONGCAY
MINING ENGINEER
PRC NO: 4613 LEGEND SITIO BATO, BRGY ESPAÑA, SAN FERNANDO, ROMBLON APMC EXPLORATION PERIMETER ACCESS RDAD ALTAI PHILIPPINES MINING CORPORATION 1981 TYCODN CENTER PEARL BRIVE SAN ANTONIO DATIGAS CENTER, PASIG CITY





LASTRAME

LAST HAME BONGCAY
FIRST HAME ABEGAIL
MIDDLE HAME LANA
REGISTRATION NO. 0004613 | REGISTRATION DATE | 09/28/2021 | VALID UNTIL | 10/22/2024



Professional Regulation Commission www.prc.gov.ph

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurement thereto.

This is to certify further that he/site is a professional ic good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

Signature of Professional

TEOFILO S. FILANDO, JR. Chairman



Department of Environment and Natural Recurces ENVIRONMENTAL MANAGEMENT BUREAU

EMB Building, DENR Compound, Visayas Ave., Diliman, Quezon City Tol Nos.: 927-1517/18, 426-4332, 928-1215, 825-5324, 920-2241/43



ACKNOWLEDGEMENT RECEIPT

June 14, 2022

Greetings!

This is to Acknowledge Receipt of your OTHERS with the Subject: EMAIL DTD JUNE 13, 2022 FROM APMC Sibuyan., RE: LETTER DTD JUNE 06, 2022 RE: IEC AND RELATED ACTIVITIES FOR THE ALTAI PHILIPPINES MINING CORPORATION (APMC) PROPOSED NICKEL MINING PROJECT. (w/ATTACHMENTS)., submitted on June 14, 2022, 8:04am.

Your transaction has been tagged as IIS No. CO-2022-023418 with Company ID EMBR4B-1416000-117209. For follow-ups, you may provide the given details.

For further inquiries, you may contact our designated EMB Office in your area from Monday to Friday 8:00 a.m. to 5:00 p.m. office hours, or email us at recordsco@emb.gov.ph.

Please be guided accordingly.

Thank you.



20 June 2022

ENGR. WILLIAM P. CUŇADO EMB Director DENR-EMB Central Office DENR Compound, Visayas Avenue, Diliman, Quezon City



Subject:

Submission of the Draft Environmental Impact Statement (EIS) Report for the Proposed Altai Philippines Mining Corporation (APMC) Nickel Mining Project

Dear Director Cuñado:

In relation to our on-going Environmental Compliance Certificate (ECC) application for the above-captioned project, we are pleased to submit herewith our Draft Environmental Impact Statement (EIS) Report for your review and evaluation.

We hope you find the above requirements in order and we are looking forward to your immediate and favorable action on the application.

Thank you.

Respectfully,

HANNIEL T. NGO Chairman and President RECORDS SECTION / CENTRAL OFFICE

JUN 2 1 2022

By

Time



Department of Environment and Natural Resources ENVIRONMENTAL MANAGEMENT BUREAU

DENR Compound, Visayas Avenue, Diliman, Quezon City 1116 Tel.Nos. (632)8539-4378

Website: www.emb.gov.ph Email: recordsco@emb.gov.ph



Management System ISO 9001;2015 ISO 14001;2015



NOTICE OF PUBLIC SCOPING

The Altai Philippines Mining Corporation (APMC) proposed a Nickel Project to be located at Barangays España and Taclobo, San Fernando, Sibuyan Island, Romblon.

Notice is hereby given to interested and concerned parties who wish to participate in the Public Scoping Activity that is scheduled on:

Date	Time	Venue
19 January 2023 (Thursday)	1:00 PM (Registration starts at 12:30 PM)	Covered Court, Sitio Talaba, Brgy. Taclobo, San Fernando, Sibuyan Island, Romblon

The public scoping is an early stage in the Environmental Impact Assessment Process where the proponent aims to provide an overview of the proposed project, present proposed action, and gather issues and concerns and other relevant information to provide the scope of work and terms of reference for the preparation of Environmental Impact Statement.

All interested parties, organizations, and agencies are encouraged to provide inputs during the Public Scoping and public review periods and provide comments to apmemining@gmail.com, fernandez@yahoo.com and revergara1628@gmail.com, copy furnished EMB Central Office through email at eia@emb.gov.ph and recordsco@emb.gov.ph.

A copy of the Project Description Report for Scoping is downloadable at our website: www.cia.emb.gov.ph (kindly access the Notice of Online Public Scoping link found at the lower right portion of our website).

porpel



CO-2022-049024

DATE

JULIE LAND RECORDS VERIFIED

Republic of the Philippines
SLIC LAND BEDLICATION
Repartment of Environment and Natural Resources

MIMAROPA Region

IRONMENT AND NATURAL RESOURCES OFFICE Odiongan, Rombion

NOTE: This application must be submitted in duplicate, otherwise, it will be rejected.

AGRICULTURAL FORESHORE RECLAIMED LAND/OR

MISCELLANEOUS LEASE APPLICATION	
BUREAU OF LANDS No. 045913 - 3 Entry No.	
I. The undersigned hereby makes application under the provisions of chapters VI & IX of Commonwealth Act No. 141, as amended, to lease for a period of 25 years the tract of land described as follows: ### Poreshore land adjacent to a titled property identified as Lot 1209 Chd. ###################################	医支
D hectares. 45 area and 60 centures, the shape and dimensions of which are indicated in the sketch drawn on the back of the application.	
birth is paralled, eth upower I am citizen of tall power and my post-office address is the place of my married/single, and the name of my wife/husband is married/single, and the name of my wife/husband is my wife my wife my wife my	
(The application should be accomplished with a project study indicating, among others, the plan of development of the land applied or and the financial capability of the application to underwrite the project. If the applicant is a corporation or association, its applications, in addition to required project study should be also be accompanied with its articles of incorporation, and a certificate of registration by the Securities and Exchange Commission)	
3. I have been upon and clamed the land applied for, and it contains no improvements or indication of occupation and belief, it is neither timber nor mineral land and contains no guano or any deposit of salt or coal. The following improvements are proposed to be made on the land applied for the same to be used solely for CANCENAY purposes. (State kind and approximate value of proposed	
improvements, such as houses, warehouse, factories, wharves, docks, piers, etc.) (If the land will be devoted for agricultural purposes state the erop to be raised.) For Docking Furposes	
4. This application is made in the good faith for the exclusive benefit of the applicant and not either directly or indirectly for the benefit of any other person. Corporation, association or partnership and for actual purposes of using the land for the object specified in this application and for no other purposes. I will not sell a standard self-of-faith manner encumber the land or the right or rights that I may acquire, without the approval of the Secretary of Environment and Natural Resources first had been obtained as provided in Secretary to Commonwealth Act No. 141, as amended.	
OTHER APPLICATION to mortgaged with the N/A to copy of the Deed of	

6. I agree to defray all the expenses that might be incurred in the survey of the land applied for, inthe advertisement of this application and other legal and necessary expenses and to deposit on account the advertisement of this application and other legal and records the definitation, classification, thereof, such amounts as the Director of Lands may require and to conform to definitation, classification, the land herein applied for. survey or re-survey of the land herein applied for.

agent, employee or bondholder of the following corporations or partnerships which are engages in agriculture and are holders of agricultural public lands in the Philippines.

9. I understand that this application conveys no right to me to enter upon, occupy, cultivate, or make clearings on the land until the same has been finally approved and lease contract executed, and that

any lease applicant who shall willfully and knowingly submit false statements or execute false affidavits in connection with the foregoing application shall be deemed guilty of perjury and published by a fine of not more than two thousand pesos and by imprisonment for not more than five years, and in addition thereto his application shall be cancelled and all amounts paid on account thereof forfeited to the Government, and he

shall not be entitled to apply for any public land in the Philippines.

(Signature of Applicant)

Mandaluyeng Chy Tel, No. 02-85452321

AFFIDAVIT

EPUBLIC OF THE PHILIPPINES	
ROVINCE OF S. S.	
MANDALITY OF	CITY
	, the person making this application, first being
LADDRIEL T- NOO	the person making this approach.
luly sworn upon my oath and say: Tha	I have read, or someone has read to me, and I thoroughly I signed said application and this affidavit in the presence of the hand every statement in said application is true and correct.
	MANNIEL T. NED
	(Applicant)
	AUG 0 1 2022
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January 21, 2023

PHILIPPINE PORTS AUTHORITY

Port Management Office – Batangas, Port Access Road, Brgy. Calicanto, Batangas City

MR. JOSELITO SINOCRUZ, PhD.

Port Manager

RE: 1. Application to Develop & Construct (PDC) a Non-Commercial Port,
Altai Philippines Mining Corp. (APMC-Bato Causeway) located at
Sitio, Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon.

Request for Consideration for Temporary Use of APMC-Bato
 Causeway located at Sitio Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon.

Dear Sir,

We are Altai Philippines Mining Corporation, and we have a mining tenement of laterite nickel located at Brgy. España and Brgy. Taclobo both in the municipality of San Fernando, Sibuyan Island, Romblon Province. After a decade of exploration and numerous permits obtained from the Mines and Geosciences Bureau, the Department of Environment and Natural Resources, as well as the Local Government Units, we are now in the final stages of the process to export our nickel ores.

Our Miscellaneous Lease Application was received on December 12, 2022 by the DENR, MIMAROPA Office, Odiongan, Romblon for MLA No. 045913-3 in relation to our mining causeway located in Sitio Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon. The Foreshore Land Adjacent under Lot 1209, CAD 447-D covering the three (3) parcels of land of 133,591 square meters is owned by our company.

This January 2023 we've started to deposit some backfill materials on our causeway in preparation for the transport of our heavy equipment coming from Manila by barge. Our causeway does not have any concrete for pavements and slope protections, except only for some mooring bitts foundations at the pier. The current design is only for Mediterranean-type of docking for non-propelled and self-propelled barges of 3,000-5,000 deadweight in sizes with loaded draft of 5.0 meters, which is not suitable for our purposes. The causeway will be primarily used for our nickel ore loading for export by shipside or offshore loading where the mother/foreign vessel will anchor to about 0.8 to 1.0 mile distance from the shore.

APMC's target volume of nickel ore to export every year is 3,000,000 metric tons or 250,000 metric tons per month, and five (5) panamax-size foreign vessels will arrive every month at the España Anchorage, San Fernando, Sibuyan Island. This will undoubtedly generate positive economic impacts in the area, such as employment opportunities, new businesses, and provide the Philippine Ports Authority with added collection on fees of cargo wharfage, cargo handling share fee, vessel dockage and pilotage.



For your reference, please check hereunder our submitted Documentary Requirements on our Application for Permit to Develop and Construct (PDC) for Non-Commercial Ports, stated as follows:

A. Application for PDC

- 1. Duly Filled Application Form
- 2. Notarized Omnibus Undertaking
- 3. SEC Registration
- 4. Secretary Certificate of APMC
- 5. Audited Financial Statement
- 6. Company Profile
- 7. Project Proposal/Feasibility

- , for APMC PDC to PPA
- , sworn by APMC President
- , of Altai Philippines Mining
- , to Mr. Ronilo Salundaguit
- , of APMC
- , of APMC
- , of APMC-Bato Causeway
- 7.1 summary of project scope
- 7.2 description
- 7.3 intended use of the project
- 7.4 economic impact
- 7.5 estimated cost of the project
- 7.6 broken down into major components
- 7.7 general port layout plan
- 7.8 development plan
- 7.9 vicinity map

, of APMC-Bato Causeway

8. Detailed Engineering

- 8.1 quantity and cost estimates
- 8.2 hydrographic survey
- 8.3 topographic survey
- 8.4 soil investigations
- 9. Miscellaneous Lease Agreement
- , from DENR

We sincerely apologize for our urgent request to allow APMC to temporarily use the under-developed APMC-Bato Causeway for nickel ore shipside loading on or before January 24, 2023. The barges that came from Cebu and Manila will start to arrive on January 23, 2024, and they need to dock at our causeway to unload our supplies, heavy equipment, and provisions. Two (2) self-propelled barges are likewise schedule to arrive on the same date.

We already hired North Coast Shipping .NCS Corporation as our Barge Supplier (to serve loading at causeway and deliver to foreign vessel) and Cargo Handler (Onboard Stevedoring @ foreign vessel as crane operator & rigger) for our nickel ore shipside loading. Please check hereunder also the license and accreditation of the abovementioned company for your perusal:

B. Request for Consideration for Temporary of APMC-Bato Causeway

1. Permit to Operate for Barging & Lighterage , pier/causeway to anchorage

at APMC-Bato Causeway, San Fernando, Sibuyan Island, Romblon



1.1 Marina License of North Coast for Domestic Shipping

, Accre. No. 2006-LU-134-13 valid until <u>Sept. 14, 2023</u>

1.2 Marina License of North Coast for Maritime Enterprises

, Cert. No. 186-LU-0290-20 valid until Sept. 14, 2023

1.3 PPA Accre. of North Coast for Lighterage/Barging

, Accre. No. 000771 valid until April 29, 2024

 Permit to Operate for Cargo Handling (Onboard Stevedoring at Vessel/Anchorage) ,

España Anchorage, Brgy. Esapaña, San Fernando, Sibuyan Island, Rombon

2.1 PPA Accre. Of North Coast for Cargo Handling

, Accre. No. 002256 Valid until <u>Nov. 12, 2024</u>

In addition to our request for temporary port for loading, we include herewith also the documents related to our 1st nickel ore loading on January 24, 2023 with the foreign vessel MV Beauty Peony: (1) the Mineral Ore Export Permit from DENR, Central Office, Manila; and (2) Ore Transport Permit from DENR, MIMAROPA, Regional Office, Romblon. Hoping for your soonest reply on our PDC Application and the granting of our Request for Temporary Use of APMC-Bato Causeway as our Port of Loading.

Thank you very much.

Sincerely,

ARCH. HANNIEL T. NGO Chairman & President Open with -



01252309

JAN 2 5 2023

Arch HANNEL T NGO Chairman and President Altai Philippines Mining Corporation 1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City < altarcorpo@gmari.com >

Dear Arch Ngo:

This refers to your letter dated 21 January 2022 requesting to allow you to temporarily use your causeway at Sitio Bato, Espana, San Fernando, Sibuyan Island, Romblon for loading of export cargo/laterite nickel ore on the vessel.

Relative thereto, your request may be GRANTED subject to compliance of the following:

- Submission of all pertinent cargo documents;
- Payment of 100% vessel and cargo charges;
- Vessel Entrance Formalities and Departure Clearance;
- Accreditation Certificate/Permit to Operate of all service providers;
- Government share remittance on income from cargo handling services; and
- 6. Your company shall, at all times, stands solely liable and responsive for the enforcement of, and compliance with all existing laws, rules and regulations binds itself to save and hold the PPA free and harmless from any and all liability in respect thereof and/or arising therefrom.

Truly yours.

SELITO O SINOCRUZ PhD Port Manager

Cc:

TMO Rombion BDMO

08-01252023

PORT MANAGEMENT OFFICE - BATANGAS Administration Building, Post Access Boad. Calicanto, Batangas City 4200 Philippines Tel. No.: (043) 722-7429 / (053) 723-0164 Fax No.: (043) 723-0164



BAT-ATT-2023-013

Pursuant to the provisions of Presidential Decree No. 857, as amended, and Philippine Ports Authority (PPA) Administrative Order No. 09-2020, entitled "Revised Guidelines on The Issuance of Permit to Operate (PTO) for the Provision of Ancillary Services in the Ports", this

AUTHORITY TO TRANSACT

is hereby granted to

NORTH COAST SHIPPING - NCS CORPORATION

Grantee

Cargo Handling Services

For "MV Beauty Penny"

Service/Activity

008-049-330-0000

Tax Identification Number

valid only from 26 January – 24 February 2023 at Rombion (Anchorage)

The grantee shall comply with pertinent laws and existing PPA rules and regulations, including those that will be promulgated during the validity of this ATT.



PORT MANAGEMENT OFFICE - BATANGAS
Administration Building, Port Access Road,
Calicanto, Batangas City 4200 Philippines
Tet, No.: (043) 722-2429 / (043) 723-0164 Fax No.: (043) 723-0164
Email: ppa_batangas@paino.com / pmobatangas@ppa.com.ph



BAT-ATT-2023-014

Pursuant to the provisions of Presidential Decree No. 857, as amended, and Philippine Ports Authority (PPA) Administrative Order No. 09-2020, entitled "Revised Guidelines on The Issuance of Permit to Operate (PTO) for the Provision of Ancillary Services in the Ports", this

AUTHORITY TO TRANSACT

is hereby granted to

NORTH COAST SHIPPING - NCS CORPORATION

Granlee

Lighterage / Barging Services

For "MV Beauty Peony"

Service/Activity

008-049-330-0000

Tax Identification Number

valid only from 26 January - 24 February 2023 at Romblon (Anchorage)

The grantee shall comply with pertinent laws and existing PPA rules and regulations, including those that will be promulgated during the validity of this ATT.



DTI Form

EXPORT DECLARATION

Republic of the Philippines Department of Trade and Industry



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EXCISE TAX RETURN

for Mineral Products



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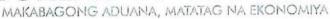
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BUREAU OF CUSTOMS





C OPM FORM NO. 16 - SHIPSIDE PERMIT

PROFESSIONALISM INTEGRITY ACCOUNTABILITY

SHIPSIDE PERMIT NO. 042-23

January 30, 2023

MEMORANDUM TO:

The Chief

: Port Operation Division

Attention

: Customs Inspector on Board/ Bay Service Section

"MV BEAUTY PEONY" Customs Reg. No. PBS0001-23

Permission is hereby given per letter request dated January 30, 2023 of Mr. Ranilo C. Salundaguit, to load unto authorized barge/lighter from named vessel, the described shipment:

EXPORTER	ALTAI PHILIPPINES MINING CORPORATION
VESSEL/ REGISTRY NO.	MV BEAUTY PEONY / PBS0001-23
LITHERAGE/BARGE	LCT 208
COMMODITY	NICKEL LATERITIC ORE
TOTAL QUANTITY	25,000 MT
PORT OF LOADING	PORT OF SAN FERNANDO SIBUYAN ISLAND ROMBLON
BROKER	CARMEN B. SANTOS

Subject to the following conditions:

1. That only manifested cargoes / shipments destined to load shall be load from said authorized barge/ lighter.

That the loaded lighter / barge alongside vessel shall be towed under continuous guarding to the designated barge pool area / Bay Service Section (or equivalent office).

That the cargoes to be loaded shall tally with those applied for in his permit and Outward Foreign Manifest as to marks and numbers, description, weight and quantity, etc.

4. Loading of Export cargoes shall be effected only upon presentation to the Customs Inspector on board a duly approved loading permit. The Customs Inspector on board must see to it that the name of the carrying vessel stated in the loading permit is correct

All cargoes at shipside shall have appropriate permits for such loading. The Customs Inspector shall take note of the names of lighters where the export cargoes are loaded specifying the marks and numbers and must see to it that what was loaded conform to the number of packages appearing on the export entry.

Loading of Bulk cargoes at Shipside shall be subject to weighing. The importer concerned shall make a request for the assignment of Customs Guard to check the actual weighing

of such bulk cargoes in their respective warehouse prior to loading on barges.

FOR STRICT COMPLIANCE.

ATTY, FILEMON LIMENDOZA, JR. Deputy Collector for Operations

Cc: Entry Processing Division Arrastre Operator



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



OC ORM FORM NO. 16 - SHIPSIDE PERMIT

PROFESSIONALISM INTEGRITY ACCOUNTABILITY

SHIPSIDE PERMIT NO. 043-23

January 30, 2023

MEMORANDUM TO:

The Chief

: Port Operation Division

Attention

: Customs Inspector on Board/ Bay Service Section

"MV BEAUTY PEONY" Customs Reg. No. PBS0001-23

Permission is hereby given per letter request dated January 30, 2023 of Mr. Ranilo C. Salundaguit, to load unto authorized barge/lighter from named vessel, the described shipment :

EXPORTER	ALTAI PHILIPPINES MINING CORPORATION
VESSEL/ REGISTRY NO.	MV BEAUTY PEONY / PBS0001-23
LITHERAGE/BARGE	LCT 98
COMMODITY	NICKEL LATERITIC ORE
TOTAL QUANTITY	25,000 MT
PORT OF LOADING	PORT OF SAN FERNANDO SIBUYAN ISLAND ROMBLON
BROKER	CARMEN B. SANTOS

Subject to the following conditions:

1. That only manifested cargoes / shipments destined to load shall be load from said authorized barge/ lighter.

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of such bulk cargoes in their respective warehouse prior to loading on barges.

FOR STRICT COMPLIANCE.

ATTY. FILEMON LAMENDOZA, JR.W Deputy Collector for Operations

Cc: Entry Processing Division Arrastre Operator



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



ORE TRANSPORT PERMIT

OTP-APMC-162-001-2022-MIMAROPA

Date December 28, 2022

1	Name of Permit Holder	Altai Philippines Mining Corporation		formally into the same of the same				
2	Contract/Permit No.	MPSA No. 304-2009-IVB Date Is	ssued	December 23, 2009				
3	Operator	Altai Philippines Mining Corporation						
	(Address of the company)	1901 Tycoon Center, Pearl Dr., Brgy. San Antonio, Or	tigas	Center, Pasig City				
4	Transporter	Altai Philippines Mining Corporation						
	(Address of the company)							
	Truck Registry No.	Various trucks or Ship No. N/A						
5	Buyer/s	N/A						
	(Address of the company)	N/A						
6	Commodity	Nickel Lateritic Ore						
7	Tonnage or Volume	50,000 WMT ±10% (Estimate)						
8	Value	(Metric ton/Cubic Meter) USD1,850,000.00 @ USD37.00/WMT						
U	value	PhP102,477,050.00 @ PhP55.393/US\$ (BSP Rate as of	14:00	0)				
9	Source	San Fernando, Rombion						
10	Destination	Company port, San Fernando, Romblon						

GLENN MARCELO C. NOBLE

Note:

- 1. This OTP is valid within 30 days from the date of Issuance.
- 2. Subject to Reconciliation Report within 30 days
- 3. Subject to the submission of Analysis Report within 30 days from arrival at Discharge Point

OTP Fees Paid

OR No.

3023030 C

Amount

PhP2,000.00

Date

December 28, 2022

The Regional Executive Director DENR MIMAROPA Region Ermita, Manila

The Sangguniang Panlalawigan Province.of.Romblon Romblon, Romblon The Office of the Governor Rombion Provincial Government Rombion, Rombion





"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."



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) 8536-02157 (+632) 5310-1369 Email: region4b@mgb.gov.ph





BELMONTE KEITH A Mining Claims Examiner III

ORE TRANSPORT PERMIT

OTP-APMC-162-001-2022-MIMAROPA (Amended)

Date January 25, 2023

Altai Philippines Mining Corporation Name of Permit Holder December 23, 2009 MPSA No. 304-2009-IVB Date Issued 2 Contract/Permit No. Altai Philippines Mining Corporation Operator 3 1901 Tycoon Center, Pearl Dr., Brgy. San Antonio, Ortigas Center, Pasig City (Address of the company) Altai Philippines Mining Corporation Transporter 1901 Tycoon Center, Pearl Dr., Brgy. San Antonio, Ortigas Center, Pasig City (Address of the company) Various trucks or Ship No. N/A Truck Registry No. NIA Buyer/s N/A (Address of the company) Nickel Lateritic Ore 6 Commodity 50,000 WMT ± 10% (Estimate) Tonnage or Volume 7 (Metric ton/Cubic Mater) US\$1,850,000.00 @ US\$37.00/WMT 8 Value PhP100,863,850.00 @ PhP54.521/US\$ (BSP Rate as of 09:00 AM) San Fernando, Romblon 9 Source Company port, San Fernando, Rombion

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Note:

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- This OTP is valid within 30 days from the date of issuance.
- 2. Subject to Reconciliation Report within 30 days
- Subject to the submission of Analysis Report within 30 days from arrival at Discharge Point

OTP Fees Paid

Destination

OR No.

3023030

Amount

PhP2,000.00

Date

December 28, 2022

The Regional Executive Director DENR MIMAROPA Region Ermita, Manila

The Office of the Governor Romblon Provincial Government Rombion, Rombion

The Sangguniang Panlalawigan Province of Romblen







Republic of the Philippines Department of Environment and Natural Resources

MINES AND GEOSCIENCES BUREAU

North Avenue, Diliman, Quezon City, Philippines Tel No. (463-2) 920-9120/920-9130 Trunkline No. 667-6700 loc 13d Fax No. (163.2) 920-1635 Email: central@mgb.gov.ph

MINERAL ORE EXPORT PERMIT

Permit Number

Date of Issuance

Valid Until Issued to

OTP Number Mining Tenement

> Contractor Date Granted **Expiry Date** Location/Source

Commodity Specification Volume/Tonnage DENR-MGB-22-008

December 29, 2022

January 28, 2023 ALTAI PHILIPPINES MINING CORPORATION

(Contractor/Permit Holder/Mining Right Holden/Operator/Accredited Trader)

OTP-APMC-162-001-2022-MIMAROPA

MPSA-304-2009-IVB

ALTAI PHILIPPINES MINING CORPORATION

December 23, 2009 December 23, 2034

Sibuyan Island, San Fernando, Rombion

Nickel Laterite Ore 1.3% Ni, 15.00%-30.00% Fe, 34%-35% moisture

50,000 WMT (±10%)

TRANSAMINE FAR EAST LIMITED Unit 1, 7/F Bank of America Tower 12 Harcourt Road, Admiralty, Hong Kong

Buyer

Destination

Transporter Transport Registy No.

Port Location

Estimated Excise Tax

Estimated Gross Value

of the Commodity

To be determined To be submitted prior to shipment

China

Bato Port, Sibuyan Island, San Fernando, Romblon

103,415,000.00 @US\$ 37.00 / WMT and PhP 55.900 / US\$ PhP 1,850,000.00

4,136,600.00 PhP

Note: Subject to validation of the actual gross value of the commodity by the Mines and Geosciences Bureau MIMAROPA Region and final computation of excise taxes upon submission of final commercial invoice,

For the Republic of the Philippines

(Grantor)

WILFREDO G. MONCAND -Director





MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."



Republic of the Philippines Department of Environment and Natural Resources

NES 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.

January 19, 2023

Mr. Hanniel T. Ngo President Altai Philippines Mining Corporation 1901 Tycoon Center, Pearl Drive Ortigas Center, San Antonio 1600 Pasig City

Dear Mr. H. T. Ngo:

This refers to the Letter dated January 17, 2023 of Mr. Fernan Chavez, Liaison Officer/Authorized representative of Altai Philippines Mining Corporation (Altai), requesting for "a 30-day extension of [Mineral Ore Export Permit (MOEP) No.] DENR-MGB-22-008."

Please be informed that this Office issued the said MOEP to Altai as a first-time MOEP applicant upon its compliance with the mandatory requirements pursuant to Department of Environment and Natural Resources Memorandum Order (DMO) No. 2010-071.

However, there is no legal basis for the extension of issued MOEPs. Instead, the said request for extension may be treated as a new MOEP application, which may be given due course subject to the existing laws, rules and regulations. Thus, you may submit the said request to our Regional Office concerned pursuant to Section 5 of DMO No. 2010-07, which provides that:

> All first-time MOEP applications shall be filed directly to the MGB Director for the issuance of MOEPs: Provided, That when issued, succeeding MOEP applications of the same MOEP applicant shall be processed, and if warranted, approved by the MGB Regional Director concerned in accordance with the provisions of this Order. (emphasis supplied)

Thank you.

Very truly yours,

G. MONCANO ATT Directe.

C.C.:

The Regional Director Mines and Geosciences Bureau MIMAROPA Region 7th Floor, 1515 DENR Building Roxas Boulevard, Emita 1000 Manila

"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."

00-20-414

Delegating the Authority to Issue Mineral Ore Export Permits to the Director, Regional Director of the Mines and Geosciences Bureau Concerned and the Provincial Governors/City Mayors Concerned, Among Others



ALTAI PHILIPPINES MINING CORPORATION

January 26, 2023

Glenn Marcelo C. Noble Regional Director Mines and Geosciences Bureau Regional Office 4B DENR Bldg. Malate, Manila



Dear DIR. Noble,

This is in reference to the January 19, 2023 letter sent by MGB Central (in response to our letter request for extension of MOEP). Stated that, there is no legal basis for the extension of issuing MOEPs. Instead, it will be treated as a new MOEP application. Furthermore, the central office will issue only a first-time MOEP applicant under Department of Environment and Natural Resources Memorandum Order (DMO) No. 2010-07 section 5 provides:

All first-time MOEP applications shall be filed directly to the MGB director for the issuance of MOEPs: Provided, That when issued, succeeding MOEP applicant shall be processed, and if warranted, approved by the MGB Regional Director concerned in accordance with the provision of this order.

By this means, may we request to your good office the above mention MOEP application, in relation to our MOEP that the validity will be expire on January 29, 2023.

For you references please see the attachment of our MOEP and Letter of MGB Central. Moreover, I attached also the Secretary Certificate authorizing Japheth Princillo, Fernando Chavez and Darrel Ablaza as additional authorized representative of ALTAI PHILIPPINES MINING CORPORATION.

Thank you.

Sincerely yours,

Felmando Chavez Liaison and Compliance - Altai



Republic of the Philippines

Department of Environment and Natural Resources

MINES AND GEOSCIENCES BUREAU





27 January 2023

MR. HANNIELT. NGO
Chairman
Altai Philippines Mining Corporation
1901 Tycoon Center, Pearl Drive
San Antonio, Ortigas Center
Pasig City

Dear Mr. H. T. Ngo:

This pertains to the letter dated 26 January 2023 relative to the request of Altai Philippines Mining Corporation (Altai) for extension of Mineral Ore Export Permit (MOEP) No. DENR-MGB-22-008 for bulk testing purposes which was issued by the Mines and Geosciences Bureau Central Office.

Please be informed that pursuant to Section 5 (2) of the DENR Memorandum Order (DMO) No. 2010-07, MOEP applicant with application for mineral(s) or ore(s) to be exported/transported for the purpose of metallurgical bulk testing and other similar purpose(s) shall be referred to as first-time MOEP applicant. Corollary, Section 5 (1) of the same DMO provides that first-time MOEP applications shall be filed directly to the MGB Director for the issuance of the MOEPs.

Further, MOEP No. DENR-MGB-22-008 issued on 29 December 2022 is not yet consummated, hence, the request for extension can be considered as an amendment thereof, not another MOEP application.

In view thereof, this Office is constrained to process Altai's request as the issuance of MOEP intended for bulk testing is outside this Office's jurisdiction.

Thank you.

Very truly yours,

By Authority of the Regional Director:

EDWIN M. MOJARES, Ph D
Chief, Geosciences Division
OIC, Office of the Regional Director

CC

The Director Mines and Geosciences Bureau Diliman, Quezon City



"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."

ALTAI PHILIPPINES MINING CORPORATION

April 11, 2022

MS. LORMELYN E. CLAUDIO, CESO-IV
OIC Regional Executive Director
Department of Environment and Natural Resources
MIMAROPA Region
DENR by the Bay Building
1515 Roxas Boulevard
Ermita, Manila City



Subject: Request for Tree Inventory of the Twenty (20) Hectare Exploration Area and Proposed Access Road

Dear Madam,

In reference to the Mineral Production Sharing Agreement (MPSA) No. 304-2009-IVB of Altai Philippines Mining Corporation ("APMC") (Annex A), located in San Fernando (Sibuyan Island), Province of Romblon, please be informed that this company is currently preparing to implement its exploration program in compliance with the terms stipulated in the MPSA. To provide some background information, the field operations were stopped on Sept 19, 2011 by virtue of the Cease and Desist Order issued by the Mines and Geo-Sciences Bureau. Then on September 2021, the subject order was lifted by the Secretary of the Department of Environment and Natural Resources, paving the way for APMC to resume its long-delayed field exploration program.

Anent to this, the planned initial detailed exploratory activity will be focused over a twenty (20) hectare area within the mineral property of APMC (Annex B), although the surface right is held privately by Sibuyan Nickel Properties Development Corporation ("SNPDC"). SNPDC consented to APMC's program, and attached herewith is a letter of no objection for your ready reference (Annex C).

In view of the above, we respectfully request through your office for the accomplishment of an official Tree Inventory covering twenty hectares of active exploration area. The said inventory shall serve as basis for APMC to file the Application for Tree Cutting Permit as well as to identify the number of trees that may be affected by the exploration program. Should you require additional documentation or information, please do not hesitate to contact me through the company's official address or by phone, landline number (02) 85296868, for my immediate reply.

Thank you and your approval on the above request will be highly appreciated.

Very truly yours

HANNIELT, NGO

President

ANNEX A

ORIGINAL

WINERAL PRODUCTION SHARING AGREEMEN

No. 304-2009-IVB

REGIONAL OFF UE NO. TV MAMAROPA RECEIVED Date JUN 22 2010

THE REPUBLIC OF THE PHILIPPINES, herein referred to as the GOVERNMENT, represented in this act by the Secretary of the Department of Environment and Natural Resources, with offices at the Department of Environment and Natural Resources Building, Visayas Avenue, Diliman, Quezon City

and

ALTAI PHILIPPINES MINING CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, herein referred to as the CONTRACTOR, with office at 78 Visayas Avenue, Quezon City and represented in this act by its President, Pio C. Fortuno, as authorized by its Board of Directors (please refer to ANNEX "A")

WITNESSETH:

WHEREAS, the 1987 Constitution of the Republic of the Philippines provides in Article XII, Section 2 thereof that all lands of the public domain, waters, minerals, coal, petroleum and other natural resources are owned by the State and that their exploration, development and utilization shall be under the full control and supervision of the State;

WHEREAS, the Constitution further provides that the State may directly undertake such activities, or it may enter into a Co-Production, Joint Venture, or Mineral Production Sharing Agreement with Filipino citizens, or cooperatives, partnerships, corporations or associations at least sixty per centum of whose capitalization is owned by such citizens;

WHEREAS, pursuant to Republic Act No. 7942, otherwise known as "The Philippine Mining Act of 1995," which took effect on 09 April 1995, the Secretary of the Department of Environment and Natural Resources is authorized to enter into Mineral Production Sharing Agreements in furtherance of the objectives of the Government and the Constitution to bolster the national economy through sustainable and systematic development and utilization of mineral lands;

WHEREAS, the Government desires to avail Itself of the financial resources, technical competence and skill, which the Contractor is capable of applying to the mining operations of the project contemplated herein;

WHEREAS, the Contractor desires to join and assist the Government in the initial rational exploration and possible development and utilization for commercial purposes of nickel, Iron, cobalt, chromite and other associated mineral deposits existing in the Contract Area (as herein defined);

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WHEREAS, the Contractor has access to all the financing, technical competence, technology and environmental management skills required to promptly and effectively carry out the objectives of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants, terms and conditions hereinafter set forth, it is hereby stipulated and agreed as follows:

· SECTION I

SCOPE

- 1.1. This Agreement is a Mineral Production Sharing Agreement entered into pursuant to the provisions of the Act and its implementing rules and regulations. The primary purpose of this Agreement is to provide for the rational exploration, development and commercial utilization of nickel, iron, cobalt, chromite and other associated mineral deposits existing within the Contract Area, with all necessary services, technology and financing to be furnished or arranged by the Contractor in accordance with the provisions of this Agreement. The Contractor shall not, by virtue of this Agreement, acquire any title over the Contract/Mining Area without prejudice to the acquisition by the Contractor of the land/surface rights through any mode of acquisition provided for by law.
- 1.2. The Contractor shall undertake and execute, for and on behalf of the Government, responsible mining operations in accordance with the provisions of this Agreement, and is hereby constituted and appointed, for the purpose of this Agreement, as the exclusive entity to conduct mining operations in the Contract Area.
- 1.3. The Contractor shall assume all the exploration risk such that if no minerals in commercial quantity are developed and produced, it will not be entitled to reimbursement.
- 1.4. During the term of this Agreement, the total value of production and sale of minerals derived from the mining operations contemplated herein shall be accounted for and divided between the Government and the Contractor in accordance with Section VIII hereof.

SECTION II

DEFINITIONS

As used in this Agreement, the following words and terms, whether singular or plural, shall have the following respective meaning:

- Act refers to Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995."
- 2.2. Agreement means this Mineral Production Sharing Agreement.
- 2.3. Associated Minerals mean other cres/minerals, which occur together with the principal ore/mineral.

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- 2.4. Bangko Sentral means Bangko Sentral ng Pilipinas.
- Budget means an estimate of expenditures to be made by Contractor in mining operations contemplated hereunder to accomplish the Work Program for each particular period.
- 2.6. Bureau means Mines and Geosciences Bureau.
- 2.7. Calendar Year or Year means a period of twelve 12) consecutive months starting with the first day of January and ending on December 31, while "Calendar Quarter" means a period of three consecutive months with the first calendar quarter starting with the first day of January.
- 2.8. <u>Commercial Production</u> means the production of sufficient quantity of minerals to sustain economic viability of mining operations reckoned from the date of commercial operation as declared by the Contractor or as stated in the feasibility study, whichever comes first.
- Constitution or Philippine Constitution means the 1987 Constitution of the Republic of the Philippines adopted by the Constitutional Convention of 1986 on October 15, 1986 and ratified by the People of the Republic of the Philippines on February 2, 1987.
- 2.10. Contract Area means the area onshore or offshore delineated under the Mineral Production Sharing Agreement subject to the relinquishment obligations of the Contractor and properly defined by latitude and longitude or bearing and distance.
- 2.11. Contract Year means a period of twelve (12) consecutive months counted from the Effective Date of this Agreement or from the anniversary of such Effective Date.
- 2.12. Contractor means Altai Philippines Mining Corporation or its assignee(s) of interest under this Agreement: Provided, That the assignment of any of such interest is accomplished pursuant to the pertinent provisions of the Implementing rules and regulations of the Act.
- 2.13. Declaration of Mining Project Feasibility means a document proclaiming the presence of minerals in a specific site, which are recoverable by socially acceptable, environmentally safe and economically sound methods specified in the Project Feasibility Study.
- 2.14. Department or DENR means the Department of Environment and Natural Resources.
- 2.15. <u>Director</u> means the Director of Mines and Geosciences Bureau.
- 2.16. Effective Date means the date of execution of this Agreement by the Contractor and by the Secretary on behalf of the Government.
- 2.17. Environment means all facets of man's surroundings: physical, ecological, aesthetic, cultural, economic, historic, institutional and social.
- Exploration means searching or prospecting for mineral resources by geological, geophysical and geochemical surveys, remote sensing, test

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pitting, trenching, drilling, shaft sinking, tunneling or any other means for the purpose of determining the existence, extent, quality and quantity of mineral resources and the feasibility of mining them for profit.

- 2.19. Exploration Period shall mean the period from the Effective Date of this Agreement, which shall be for two (2) years, renewable for like periods but not to exceed a total term of six (6) years for nonmetallic minerals and eight (8) years for metallic minerals, subject to the pertinent provisions of the implementing rules and regulations of the Act.
- 2.20. Force Majeure means acts or circumstances beyond the reasonable control of the Contractor including, but not limited to war, rebellion, insurrection, riots, civil disturbances, blockade, sabotage, embargo, strike, lockout, any dispute with surface owners and other labor disputes, epidemics, earthquake, storm, flood or other adverse weather conditions, explosion, fire, adverse action by the Government or by any of its instrumentality or subdivision thereof, act of God or any public enemy and any cause as herein described over which the affected party has no reasonable control.
- 2.21. Foreign Exchange means any currency other than the currency of the Republic of the Philippines acceptable to the Government and the Contractor.
- 2.22. Government means the Government of the Republic of the Philippines or any of its agencies and instrumentalities.
- 2.23. Gross Output means the actual market value of the minerals or mineral products from each mine or mineral land operated as a separate entity, without any deduction for mining, processing, refining, transporting, handling, marketing or any other expenses: Provided, That if the minerals or mineral products are sold or consigned abroad by the Contractor under C.I.E. terms, the actual cost of ocean freight and insurance shall be deducted: Provided further, That in the case of mineral concentrates which are not traded in commodity exchanges in the Philippines or abroad such as copper concentrate, the actual market value shall be the world price quotation of the refined mineral products contained thereof prevailing in the said commodity exchanges, after deducting the smelting, refining, treatment, insurance, transportation and other charges incurred in the process of converting mineral concentrates into refined metal traded in those commodity exchanges.
- 2.24. Mine Development refers to work undertaken to prepare an ore body or a mineral deposit for mining, including the construction of necessary infrastructure and related facilities.
- 2.25. Minerals mean all naturally occurring inorganic substances in solid, liquid, gas or any intermediate state excluding energy materials such as coal, petroleum, natural gas, radioactive materials and geothermal energy.
- 2.26. Mineral Products mean materials derived from mineral ores/rocks and prepared into marketable state by metallurgical processes which include beneficiation, cyanidation, leaching, smelting, calcination and other similar processes.

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- 2.27. Mining Area means that portion of the Contract Area identified by the Contractor as defined and delineated in a Survey Plan duly approved by the Director/Regional Director concerned for purposes of development and/or utilization and sites for support facilities.
- 2.28. Mining Operations means mining activities involving exploration, feasibility study, environmental impact assessment, development, utilization, mineral processing and mine rehabilitation.
- 2.29. Notice means notice in writing, telex or telecopy (authenticated by answer back or confirmation received) addressed or sent as provided in Section 16.2 of this Agreement.
 - 2.30. Ore means naturally occurring, substance or material from which a mineral or element can be mined and/or processed for profit.
 - 2.31. Pollution means any alteration of the physical, chemical and/or biological properties of any water, air and/or land resources of the Philippines, or any discharge thereto of any liquid, gaseous or solid wastes or any production of unnecessary noise or any emission of objectionable odor, as will or is likely to create or render such water, air, and land resources harmful, detrimental or injurious to public health, safety or welfare or which will adversely affect their utilization for domestic, commercial, industrial, agricultural, recreational or other legitimate purposes.
 - 2.32. <u>Secretary</u> means the Secretary of the Department of Environment and Natural Resources.
 - 2.33. State means the Republic of the Philippines.
 - 2.34. Work Program means a document which presents the plan of major mining operations and the corresponding expenditures of the Contractor in its Contract Area during a given period of time, including the plan and expenditures for development of host and neighboring communities and of local geoscience and mining technology, as submitted and approved in accordance with the implementing rules and regulations of the Act.

SECTION III

TERM OF AGREEMENT

3.1. This Agreement shall have a term of twenty five (25) years from Effective Date, and may be renewed thereafter for another term not exceeding twenty five (25) years. The renewal of this Agreement, as well as the changes in the terms and conditions thereof, shall be upon mutual consent by the parties. In the event the Government decides to allow mining operations thereafter by other Contractor, this must be through competitive public bidding. After due publication of notice, the Contractor shall have the right to equal the highest bid upon reimbursement of all reasonable expenses of the highest bidder.

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· SECTION IV

CONTRACT AREA

Size, Shape, and Location of Contract Area — This Agreement covers a Contract Area of approximately One Thousand Five Hundred Eighty and 8,010/10,000 (1,580,8010) hectares, situated in San Fernando, Romblon, Sibuyan Island, and bounded by the following geographical coordinates (please refer to ANNEX "B" - 1:50,000 scale Location Map/Sketch Plan):

Parcel 1 Area = 1,140.7790 hectares

Corner			Latitude	Longitude		
1		*	12° 25' 07.999"	122" 31' 33.631"		
2			12° 24' 45.000"	122".31' 33.631"		
3 .			12° 24' 45,000"	122° 32' 00.167"		
1 2 3 ·			12° 23' 23.856"	122° 32' 00.167"		
5			120 23' 23.856"	122° 33' 19.611"		
5			12° 23' 12.792"	122° 33' 07.500"		
6			12° 22' 57.821"	122° 33' 07,500"		
0			12° 22' 57,821"	122° 32' 55.000"		
8			12° 22' 31.786"	122° 32' 55,000"		
			12° 22' 31.786"	122° 30' 53.952"		
10			12° 23' '23,856"	122° 30' 53.952"		
			12° 23' 23.856"	122° 30' 40.710"		
12			12° 23' 49.885"	122° 30' 40.710"		
13			12° 23' 49.885"	122° 31' 07.196"		
14 15			12° 25' 07.999"	122° 31' 07.196"		
13			The later of the factor			

Parcel 2 Area = 440,0220 hectares

Corner	Lațitude	Longitudo .		
1 2 3 4 5 6 7	12° 22' 05.774 12° 22' 05.774 12° 21' 10.000 12° 20' 47.643 12° 20' 47.643 12° 21' 13.678 12° 21' 13.678	122° 33' 19.611" 122° 34' 10.000" 122° 34' 39.713" 122° 34' 39.713" 122° 33' 46.096" 122° 33' 19.611"		

SECTION V

EXPLORATION PERIOD .

Timetable for Exploration - The Contractor shall commence Exploration activities not later than three (3) months after the Effective Date for a period of two (2) years, renewable for like periods but not to exceed a total term of six (6) years for nonmetallic minerals and eight (8) years for metallic.

minerals, subject to annual review and approval by the Director in accordance with the implementing rules and regulations of the Act.

5.2. Renewal of Exploration Period - In case the Contractor opts for a renewal of its Exploration Period, it shall file prior to the expiration thereof, a renewal application in the Mines and Geosciences Bureau Central Office, accompanied by the mandatory requirements stipulated in the implementing rules and regulations of the Act. The Director may grant the renewal of the Exploration Period on condition that the Contractor has substantially complied with the terms and conditions of the Agreement.

In cases where further exploration is warranted beyond the six (6)- or eight (8)-year period and on condition that the Contractor has substantially implemented the Exploration and Environmental Work Programs as verified by the Bureau, the Director may further grant renewal of the Exploration Period: Provided, That the Contractor shall be required to set up a performance surety equivalent to the expenditure requirement of the Exploration and Environmental Work Programs.

5.3. Work Programs and Budgets - The Contractor shall strictly comply with the approved Exploration and Environmental Work Programs together with their corresponding Budgets (please refer to ANNEXES "C" and "D").

The amount to be spent by the Contractor in conducting Exploration activities under the terms of this Agreement during the Exploration Period shall be in the aggregate of not less than that specified for each of the Contract Years, as follows:

For the Exploration Work Program:

1st Contract Year PhP 2,933,500.00
2nd Contract Year PhP 4,922,500.00
Total PhP 7,856,000.00

For the Environmental Work Program

PhP 800,000.00

In the event of renewal of the Exploration Period, the amount to be spent every year shall first be agreed upon by the parties.

In the event of termination of this Agreement, the Contractor shall only be obliged to expend the pro-rata amount for the period of such Contract Year prior to termination. If during any Contract Year, the Contractor should expend more than the amount to be expended as provided above, the excess may be subtracted from the amount required to be expended by the Contractor during the succeeding Contract Years, and should the Contractor, due to unforeseen circumstances or with the consent of the Government, expend less during a year, then the deficiency shall be applied to the amount to be expended during the succeeding Contract Years.

5.4. Relinquishment of Total/Portion of the Contract Area - During the Exploration Period, the Contractor may relinquish totally or partially the original Contract Area. After the Exploration Period and prior to or upon approval of a Declaration of Mining Project Feasibility by the Director, the Contractor shall finally relinquish any portion of the Contract Area not

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necessary for mining operations and not covered by any Declaration of . Mining Project Feasibility.

- 5.5. Final Mining Area The Director may allow the Contractor to hold more than one (1) final Mining Area subject to the maximum limits set under the implementing rules and regulations of the Act: Provided, That each final Mining Area shall be covered by a Declaration of Mining Project Feasibility.
- 5.6. Declaration of Mining Project Feasibility Within the term of the Exploration Period, the Contractor shall file in the Regional Office concerned, the Declaration of Mining Project Feasibility of the Contract Area/final Mining Area supported by Mining Project Feasibility Study, Three (3)-Year Development and Construction or Commercial Operation Work Program, complete geologic report, an application for survey and the pertinent Environmental Compliance Certificate, among other applicable requirements. Failure of the Contractor to submit the Declaration of Mining Project Feasibility during the Exploration Period shall be considered a substantial breach of this Agreement.
- 5.7. Survey of the Contract Are The Contractor shall cause the survey of the perimeter of the Contract Area/final Mining Area through an application for survey, complete with requirements, filed in the Regional Office concerned simultaneous with the submission of the Declaration of Mining Feasibility. Survey returns shall be submitted to the Regional Director concerned for approval within one (1) year from receipt of the Order of Survey complete with the mandatory requirements stated in the implementing rules and regulations of the Act.

5.8. Reporting

- During the Exploration Period, the Contractor shall submit to the Director, through the Regional Director concerned, quarterly and annual accomplishment reports under oath on all activities conducted in the Contract Area from the Effective Date of this Agreement. The quarterly report shall be submitted not later than fifteen (15) days at the end of each Calendar Quarter while the annual accomplishment report shall be submitted not later than thirty (30) days from the end of each Calendar Year. Such Information shall include detailed financial expenditures, raw and processed geological, geochemical, geophysical and radiometric data plotted on a map at a minimum 1:50,000 scale, copies of originals of assay results, duplicated samples, field data; copies of originals from drilling reports, maps, environmental work program implementation and detailed expenditures showing discrepancies/ deviations with approved exploration and environmental plans and budgets as well as all other information of any kind collected during the exploration activities. All information submitted to the Bureau shall be subject to the confidentiality clause of this Agreement.
- b. Final Report The Contractor shall submit to the Director, through the Regional Director concerned, a final report under oath upon the expiration of the Exploration Period which shall be in the form and substance comparable to published professional reports of respectable international institutions and shall incorporate all the findings in the Contract Area including location of samples, assays,

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chemical analysis, and assessment of mineral potentials together with a geologic map of 1:50,000 scale at the minimum showing the results of the exploration. Such report shall also include detailed expenditures incurred during the Exploration Period. In case of diamond drilling, the Contractor shall, upon request of the Director/Regional Director concerned, submit to the Regional Office concerned a quarter of the core samples, which shall be deposited in the Regional Office Core Library for safekeeping and reference.

c. Relinquishment Report - The Contractor shall submit a separate relinquishment report with a detailed geologic report of the relinquished area accompanied by maps at a scale of 1:50,000 and results of analyses and detailed expenditures, among others.

SECTION VI

DEVELOPMENT AND CONSTRUCTION PERIOD

6.1. Timetable - The Contractor shall complete the development of the mine including the construction of production facilities within thirty six (36) months from the submission and approval of the Declaration of Mining-Project Feasibility, subject to such extension based on justifiable reasons as the Director may approve, upon recommendation of the Regional Director concerned.

6.2. Reporting

- a. Annual The Contractor shall submit, within sixty (60) days after December 31 of each year, to the Director, through the Regional Director concerned, an annual report, which states the major activities, achievements and detailed expenditures during the year covered, including maps, assays, rock and mineral analyses and geological and environmental progress reports during the Development and Construction Period.
- b. Final Report Within six (6) months from the completion of the development and construction activities, the Contractor shall submit a final report to the Director, through the Regional Director concerned. Such report shall integrate all Information in maps of appropriate scale and quality, as well as in monographs or reports in accordance with international standards.

SECTION VII

OPERATING PERIOD

7.1. Timetable - The Contractor shall submit, within thirty (30) days before completion of mine development and construction of production facilities, to the Director, through the Regional Director concerned, a Three-Year Commercial Operation Work Program. The Contractor shall commence commercial utilization immediately upon approval of the aforesaid Work Program. Failure of the Contractor to commence Commercial Production

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within the period shall be considered a substantial breach of the Agreement.

7.2. Commercial Operation Work Program and Budget - During the Operating Period, the Contractor shall submit to the Director, through the Regional Director concerned, Work Programs and Budgets covering a period of three (3) years each, which shall be submitted not later than thirty (30) days before the expiration of the period covered by the previous Work Program.

The Contractor shall conduct Mining Operations and other activities for the duration of the Operating Period in accordance with the duly approved Work Programs and corresponding Budgets.

7.3. Expansion and Modification of Facilities - The Contractor may make expansions, modifications, improvements, and replacements of the mining facilities and may add new facilities as the Contractor may consider necessary for the operations: Provided, That such plans shall be embodied in an appropriate Work Program approved by the Director.

7.4. Reporting

- a. Quarterly Reports Beginning with the first Calendar Quarter following the commencement of the Operating Period, the Contractor shall submit, within thirty (30) days after the end of each Calendar Quarter, to the Director, through the Regional Director concerned, a Quarterly Report stating the tonnage of production in terms of ores, concentrates, and their corresponding grades and other types of products; value, destination of sales or exports and to whom sold; terms of sales and expenditures.
- b. Annual Reports During the Operating Period, the Contractor shall submit within sixty (60) days from the end of each Calendar Year, to the Director, through the Regional Director concerned, an Annual Report indicating in sufficient detail:
 - b.1. The total tonnage of ore reserves, whether proven, probable, or inferred, the total tonnage of ores, kind by kind, broken down between tonnage mined, tonnages transported from the minesite and their 'corresponding destination, tonnages stockpiled in the mine and elsewhere in the Philippines, tonnages sold or committed for export (whether actually shipped from the Philippines or not), tonnages actually shipped from the Philippines (with full details as to purchaser, destination and terms of sale), and if known to the Contractor, tonnages refined, processed or manufactured in the Philippines with full specifications as to the intermediate products, by-products or final products and of the terms at which they were disposed;
 - b.2. Work accomplished and work in progress at the end of the year in question with respect to all the installations and facilities related to the utilization program, including the investment actually made or committed; and



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b.3. Profile of work force, including management and staff, stating particularly their nationalities, and for Filipinos, their place of origin (i.e., barangay, town, province, region).

The Contractor shall also comply with other reporting requirements provided for in the implementing rules and regulations of the Act.

SECTION VIII

FISCAL REGIME

- 8.1. General Principle The fiscal regime of this Agreement shall be governed by the principle according to which the Government expects a reasonable return in economic value for the utilization of non-renewable mineral resources under its national sovereignty while the Contractor expects a reasonable return on its investment with special account to be taken for the high risk of exploration, the terms and conditions prevailing elsewhere in the industry and any special efficiency to be gained by a particularly good performance of the Contractor.
- 8.2. Registration Fees Within fifteen (15) days upon receipt of the notice of approval of the Agreement from the Regional Office concerned, the Contractor shall cause the registration of this Agreement with the said Regional Office and pay the registration fee at the rate provided in the existing rules and regulations. Failure of the Contractor to cause the registration of this Agreement within the prescribed period shall be sufficient ground for cancellation of the same.
- 8.3. Occupation Fees Prior to registration of this Agreement and at the same date every year thereafter, the Contractor shall pay to the Municipal/City Treasurer concerned an occupation fee over the Contract Area at the annual rate provided in the existing rules and regulations. If the fee is not paid on the date specified, the Contractor shall pay a surcharge of twenty five percent (25%) of the amount due in addition to the occupation fees.
- 8.4. Share of the Government The Government Share shall be the excise tax on mineral products at the time of removal and at the rate provided for in Republic Act No. 7729 amending Section 151 (a) of the National Internal Revenue Code, as amended, as well as other taxes, duties and fees levied by existing laws. The Excise Tax shall be timely and completely paid to the nearest Bureau of Internal Revenue Office in the province concerned.

For purposes of determining the amount of the herein Government Share, the Contractor shall strictly comply with the auditing and accounting requirements prescribed under existing laws and regulations.

The Government Share shall be allocated in accordance with Sections 290 and 292 of Republic Act No. 7160, otherwise known as "The Local Government Code of 1991."

8.5. Pricing of Sales - The Contractor shall dispose of the minerals and by-products produced at the highest market price prevailing in the locality: The Contractor shall also pay the lowest achievable marketing commissions and related fees and shall negotiate for more advantageous terms and

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conditions subject to the right to enter into long-term sales or marketing contracts or foreign exchange and commodity hedging contracts, which the Government acknowledges to be acceptable notwithstanding that the sale price of the minerals and by-products may from time to time be lower, or the terms and conditions of sales are less favorable, than that available elsewhere. The Contractor shall seek to strike a balance between long-term sales or marketing contracts or foreign exchange and commodity hedging contracts comparable to policies followed by independent producers in the international mining industry.

The Contractor shall likewise seek a balanced distribution among consumers. Insofar as sales to Contractor's affiliate(s) are concerned, prices shall be at arm's length standard, and competing offers for large scale and long-term contracts shall be procured. Before any sale and/or shipment of mineral product is made, existing and future marketing contract(s)/sales agreement(s) shall be submitted to the Director, copy furnished the Regional Director concerned, for registration. At the same time, the Contractor shall regularly inform the Director in writing of any revisions, changes or additions in said contract(s)/agreement(s).

The Contractor shall reflect in its Monthly/Quarterly Report on Production, Sales and Inventory of Minerals, as well as in the Integrated Annual Report, of the registration number(s) corresponding contract(s)/agreement(s) governing the export or sale of minerals.

Associated Minerals - If minerals other than nickel, iron, cobalt, chromite . 8.6. are discovered in commercial quantities in the Contract Area, the value thereof shall be added to the value of the principal mineral in computing the Government share.

SECTION IX

WORK PROGRAMS

- Submission to Government Within the periods stated herein, the 9.1. Contractor shall prepare and submit to the Director, through the Regional Director concerned, a Work Program and corresponding Budget for the Contract Area stating the Mining Operations and expenditures which the Contractor proposes to carry out during the period covered with the details and particulars set forth elsewhere in this Agreement or in the supporting documents.
- Government's Examination and Revision of Work Program Should the Government decide to propose a revision to a certain specific feature in the 9.2. Work Program or Budget, it shall, within thirty (30) days after receipt thereof, provide a Notice to the Contractor specifying in reasonable detail its reasons therefore. Promptly thereafter, the Government and Contractor will meet and endeavor to agree on the revision proposed by the Government. In any event, the revision of any portion of said Work Program or Budget in which the Government shall fail to notify the Contractor of the proposed revision shall, insofar as possible, be carried out as prescribed herein. If the Government should fail within sixty (60) days from receipt thereof to notify Contractor of the proposed revisions, the



Work Program and Budget proposed by the Contractor shall be deemed to be approved.

9.3. Contractor's Changes to Work Program - It is recognized by the Government and the Contractor that the details of any Work Program may require changes in the light of changing circumstances. The Contractor may make such changes: Provided, That it shall not change the general objective of the Work Program: Provided further, That changes which entail a negative variance of at least twenty percent (20%) shall be subject to the approval of the Director.

In case of any positive variance in the future, the Contractor shall submit to the Bureau and Regional Office concerned a copy each of the revised Work Programs, for Information.

9.4. The Government's approval of a proposed Work Program and Budget will not be unreasonably withheld.

SECTION X

ENVIRONMENTAL PROTECTION AND MINE SAFETY AND HEALTH

- 10:1. The Contractor shall manage its Mining Operations in a technically, financially, socially, culturally and environmentally responsible manner to achieve the sustainable development objectives and responsibilities as provided for under the implementing rules and regulations of the Act.
- 10.2. The Contractor shall ensure that the standards of environmental protection are met in the course of the Mining Operations. To the extent possible, control of pollution and the transformation of the mined-out areas or materials into economically and socially productive forms must be done simultaneously with mining.
- 10.3. The Contractor shall submit an Environmental Work Program during the Exploration Period as prescribed in the implementing rules and regulations of the Act.
- 10.4. An Environmental Compliance Certificate (ECC) shall be secured first by the Contractor prior to the conduct of any development works, construction of production facilities and/or mine production activities in the Contract Area.
- 10.5. The Contractor shall submit within thirty (30) calendar days after the issuance and receipt of the ECC, an Environmental Protection and Enhancement Program (EPEP) using MGB Form No. 16-2 covering all areas to be affected by development, utilization and processing activities under this Agreement. The Contractor shall allocate for its initial environment-related capital expenditures approximately ten percent (10%) of the total project cost or in such amount depending on the environmental/geological condition, nature and scale of operations and technology to be employed in the Contract Area.
- 10.6. The Contractor shall submit, within thirty (30) days prior to the beginning of every calendar year, an Annual Environmental Protection, and

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Enhancement Program (AEPEP), using MGB Form 16-3, which shall be based on the approved EPEP. The AEPEP shall be implemented during the year for which it was submitted. To implement its AEPEP, the Contractor shall allocate annually three to five percent (3%-5%) of its direct mining and milling costs depending on the environmental/geologic condition, nature and scale of operations and technology employed in the Contract Area.

10.7. The Contractor shall establish a Contingent Liability and Rehabilitation Fund (CLRF) which shall be in the form of the Mine Rehabilitation Fund (MRF) and the Mine Waste and Tailings Fee (MWTF).

The MRF shall be based on the financial requirements of the approved EPEP as a reasonable environmental deposit to ensure satisfactory compliance with the commitments/strategies of the EPEP/AEPEP and availability of funds for the performance of the EPEP/AEPEP during the specific project phase. The MRF shall be deposited as Trust Fund in a government depository bank and shall be used for physical and social rehabilitation of areas affected by mining activities and for research on the social, technical and preventive aspects of rehabilitation.

The MWTF shall be collected based on the amounts of mine waste and mill tailings generated during the conduct of Mining Operations. The MWTF collected shall accrue to a Mine Waste and Tailings Reserve Fund and shall be deposited in a government depository bank for payment of compensation for damages caused by the Mining Operations.

- 10.8. The Contractor shall set up mitigating measures such as mine waste and mill tallings disposal system, mine rehabilitation or plan, water quality monitoring, etc. to minimize land degradation, air and water pollution, acid rock drainage and changes in hydrogeology.
- 10.9. The Contractor shall set up an Environmental and Safety Office at its minesite manned by qualified personnel to plan, implement and monitor its approved EPEP.
- 10.10. The Contractor shall be responsible in the monitoring of environmental, safety and health conditions in the Contract Area and shall strictly comply with all the rules and regulations embodied under DAO No. 2000-98, otherwise known as the "Mine Safety and Health Standards."
- 10.11. The Contractor shall be responsible for the submission of a final mine rehabilitation and/or decommissioning plans, including its financial requirements and incorporating the details and particulars set forth in the implementing rules and regulations of the Act.

SECTION XI

RIGHTS AND OBLIGATIONS OF THE PARTIES

11.1. Obligations of the Contractor:

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- To exclusively conduct sustainable Mining Operations within the Contract Area in accordance with the provisions of the Act and its implementing rules and regulations;
- To construct and operate any facilities specified under the Mineral Agreement or approved Work Program;
- To determine the exploration, mining and treatment process to be utilized in the Mining Operations;
- To extract, remove, use and dispose of any tailings as authorized by an approved Work Program;
- To secure all permits necessary or desirable for the purpose of Mining Operations;
- f. To keep accurate technical records about the Mining Operations, as well as financial and marketing accounts, and make them available to Government representatives authorized by the Director for the purpose of assessing the performance and compliance of the Contractor with the terms of this Agreement. Authorized representatives of other Government Agencies may also, have access to such accounts in accordance with existing laws, rules and regulations;
- g. To furnish the Bureau all the data and Information gathered from the Contract Area and that all the books of accounts and records shall be open for inspection;
- To allow access to Government during reasonable hours in inspecting the Contract Area and examining pertinent records for purposes of monitoring compliance with the terms of this Agreement;
- To hold the Government free and harmless from all claims and accounts of all kinds, as well as demands and actions arising out of the accidents or injuries to persons or properties caused by Mining Operations of the Contractor and indemnify the Government for any expenses or costs incurred by the Government by reason of any such claims, accounts, demands or actions;
- i. In the development of the community:
 - j.1. To recognize and respect the rights, customs and traditions of indigenous cultural communities over their ancestral lands and to allocate royalty payment of not less than one percent (1%) of the value of the gross output of minerals sold;
 - J.2. To coordinate with proper authorities in the development of the mining community and for those living in the host and neighboring communities through social infrastructure, livelihood programs, education, water, electricity and medical services. Where traditional self-sustaining income and the community activities are identified to be present, the Contractor shall assist in the preservation and/or enhancement of such activities;

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- j.3. To allot annually a minimum of one percent (1%) of the direct mining and milling costs necessary to implement the activities undertaken in the development of the host and neighboring communities. Expenses for community development may be charged against the royalty payment of at least one percent (1%) of the gross output intended for the concerned indigenous cultural community;
- j.4. To give preference to Filipino citizens who have established domicile in the neighboring communities, in the hiring of personnel for its mining operations. If necessary skills and expertise are currently not available, the Contractor must immediately prepare and undertake a training and recruitment program at its expense; and
- j.5. To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement (j.1) to (j.3) of this Section;
- k. In the development of Mining Technology and Geosciences:
 - k.1. In the course of its operations, to produce geological, geophysical, geochemical and other types of maps and reports that are appropriate in scale and in format and substance which are consistent with the internationally accepted standards and practices. Such maps shall be made available to the scientific community in the most convenient and cost effective forms, subject to the condition that the Contractor may delay release of said information for a reasonable period of time which shall not exceed three (3) years;
 - k.2. To systematically keep the data generated from the Contract/
 Mining Area such as cores, assays and other related
 Information, including economic and financial data and make
 them accessible to students, researchers and other persons
 responsible for developing mining, geoscience and
 processing technology subject to the condition that the
 Contractor may delay release of data to the science and
 technology community within a reasonable period of time
 which shall not exceed three (3) years;
 - k.3. To transfer to the Government or local mining company the appropriate technology it may adapt in the exploration, development and commercial utilization of the minerals in the Contract Area;
 - k.4. To allocate research and development budget for the advancement of mining technology and geosciences in coordination with the Bureau, research institutions, academe, etc.; and
 - k.5. To replicate data, maps and reports cited in (k.1) and (k.2) and furnish the Bureau for archiving and systematic



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safekeeping which shall be made available to the science and technology community for conducting research and undertaking other activities which contribute to the development of mining, geoscience and processing technology and the corresponding national pool of manpower talents: Provided, however, that the release of data, maps and the like shall be similarly constrained in accordance with (k.1) and (k.2) above;

- To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement all the plans and programs set forth in this Agreement; and
- To pay all other taxes and fees mandated by existing laws, rules and regulations.

11.2. Rights of the Contractor:

- a. To conduct Mining Operations within the confines of its Contract/Mining Area in accordance with the terms and conditions hereof and without interfering with the rights of other Contractors/Lessees/Operators/.Permittees/Permit Holders;
- Possession of the Contract Area, with full right of ingress and egress and the right to occupy the same, subject to surface and easement rights;
- To use and have access to all declassified geological, geophysical, drilling, production and other data relevant to the mining operations;
- To sell, assign, transfer, convey or otherwise dispose of all its rights, interests and obligations under the Agreement subject to the approval of the Government;
- e. To employ or bring into the Philippines foreign technical and specialized personnel, including the immediate members of their familles as may be required in the operations of the Contractor, subject to applicable laws and regulations: Provided, That if the employment connection of such foreign persons with the Contractor ceases, the applicable laws and regulations on immigration shall apply to them. Every time foreign technologies are utilized and where allen executives are employed, an effective program of training understudies shall be undertaken. The alien employment shall be limited to technologies requiring highly specialized training and experience subject to the required approval under existing laws, rules and regulations;
- f. To enjoy easement rights and use of timber, water and other natural resources in the Contract Area subject to pertinent laws, rules and regulations and the rights of third parties;
- g. Repatriation of capital and remittance of profits, dividends and interest on loans, subject to existing laws and Bangko Sentral ng Pilipinas rules and regulations; and

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- To import when necessary all equipment, spare parts and raw materials required in the operations in accordance with existing laws and regulations.
- 11.3. Obligations of the Government:
 - To ensure that the Contractor has the Government's full cooperation in the exercise of the rights granted to it under this Agreement;
 - To use its best efforts to ensure the timely issuance of necessary permits and similar authorizing documents for use of the surface of the Contract Area; and
 - c. To cooperate with the Contractor in its efforts to obtain financing contemplated herein from banks or other financial institutions: Provided, That such financing arrangements will in no event reduce the Contractor's obligation on Government rights hereunder.

SECTION XII

ASSETS AND EQUIPMENT

- 12.1. The Contractor shall acquire for the Mining Operations only such assets that are reasonably estimated to be required in carrying out such Mining Operations.
- 12.2. All materials, equipment, plant and other installations of a movable nature erected or placed on the Contract Area by the Contractor shall remain the property of the Contractor. The Contractor shall have the right to remove and re-export such materials and equipment, plant and other installations from the Philippines, subject to existing rules and regulations. In case of cessation of Mining Operations on public lands occasioned by its voluntary abandonment or withdrawal, the Contractor shall have a period of one (1) year from the time of cessation within which to remove its improvements; otherwise, all social infrastructures and facilities shall be turned over or donated tax free to the proper government authorities, national or local, to ensure that said infrastructures and facilities are continuously maintained and utilized by the host and neighboring communities.

SECTION XIII

EMPLOYMENT AND TRAINING OF PHILIPPINE PERSONNEL

13.1. The Contractor agrees to employ, to the extent possible, qualified Filipino personnel in all types of mining operations for which they are qualified; and after Commercial Production commences shall, in consultation and with consent of the Government, prepare and undertake an extensive training programme suitable to Filipino nationals in all levels of employment. The objective of said programme is to reach within the timetable set forth below the following targets of "Filipinization:"

Unskilled Skilled Clerical Professional Management (%) (%) (%) (%)

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Year 1	100	100	100	75	75
Year 3	100	100	100	80	80
Year 5	100	100	100	90	90
Year 7	100	100	100	95	95
Year 10	100	100	100	95	95
Year 15	100	100	100	95	95

- Cost and expenses of training such Filipino personnel and the Contractor's own employees shall be included in the Operating Expenses.
- 13.3. The Contractor shall not discriminate on the basis of gender and shall respect the right of women workers to participate in policy and decisionmaking processes affecting their rights and benefits.

SECTION XIV

ARBITRATION

- 14.1. The Government and the Contractor shall consult with each other in good faith and shall exhaust all available remedies to settle any and all disputes or disagreements arising out of or relating to the validity, interpretations, enforceability, or performance of this Agreement before resorting to arbitration as provided for in Section 14.2, below.
- 14.2. Any disagreement or dispute which can not be settled amicably within a period of one (1) year from the time the issue is raised by a Party shall be settled by a tribunal of three (3) arbitrators. This tribunal shall be constituted as follows: one to be appointed by the Contractor and the other to be appointed by the Secretary. The first two appointed arbitrators shall consider names of qualified persons until agreement on a mutually acceptable Chairman of the tribunal is selected. Such arbitration shall be initiated and conducted pursuant to Republic Act No. 876, otherwise known as the "Arbitration Act."

in any event, the arbitration shall be conducted applying the substantive laws of the Republic of the Philippines.

14.3. Each party shall pay fifty percent (50%) of the fees and expenses of the Arbitrators and the costs of arbitration. Each party shall pay its own costs and attorney's fee.

SECTION XV

SUSPENSION OR TERMINATION OF CONTRACT, TAX INCENTIVES AND CREDITS

15.1. This Agreement may be suspended for failure of the Contractor; (a) to comply with any provision or requirement of the Act and/or its implementing rules and regulations; (b) to pay on time the complete taxes, fees and/or other charges demandable and due the Government.

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- 15.2. This Agreement terminates or may be terminated for the following causes: (a) expiration of its term, whether original or renewal; (b) withdrawal from the Agreement by the Contractor; (c) violation by the Contractor of the Agreement's terms and conditions; (d) fallure to pay taxes, fees/or charges or financial obligations for two (2) consecutive years; (e) false statement or omission of facts by the Contractor; and (f) any other cause or reason provided under the Act and its implementing rules and regulations, or any other relevant laws and regulations.
- 15.3. All statements made in this Agreement shall be considered as conditions and essential parts hereof, and any falsehood in said statements or omission of facts which may alter, change or affect substantially the fact set forth in said statements shall be a ground for its revocation and termination.
- 15.4. The Contractor may, by giving due notice at any time during the term of this Agreement, apply for its cancellation due to causes which, in the opinion of the Contractor, render continued mining operation no longer feasible or viable. In this case, the Secretary shall decide on the application within thirty (30) days from notice: Provided, That the Contractor has met all the financial, fiscal and legal obligations.
- 15.5. No delay or omissions or course of dealing by the Government shall impair any of its rights under this Agreement, except in the case of a written waiver. The Government's right to seek recourse and relief by all other means shall not be construed as a waiver of any succeeding or other default unless the contrary intention is reduced in writing and signed by the party authorized to exercise the waiver.
- 15.6. In case of termination, the Contractor shall pay all the fees and other liabilities due up to the end of the year in which the termination becomes effective. The Contractor shall immediately carry out the restoration of the Contract Area in accordance with good mining industry practice.
- 15.7. The withdrawal by the Contractor from the Mineral Agreement shall not release it from any and all financial, environmental, legal and fiscal obligations under this Agreement.
- 15.8. The following acts or omission, *Inter alia* shall constitute breach of contract, upon which the Government may exercise its right to terminate the Agreement:
 - Failure of the Contractor without valid reason to commence Commercial Production within the period prescribed; and/or
 - b. Failure of the Contractor to conduct mining operations and other activities in accordance with the approved Work Programs and/or any modification thereof as approved by the Director.
 - 15.9. The Government may suspend and cancel tax incentives and credits if the Contractor fails to abide by the terms and conditions of said incentives and credits.

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SECTION XVI

OTHER PROVISIONS

16.1. Any terms and conditions resulting from repeal or amendment of any existing laws or regulation or from the enactment of a law, regulation or administrative order shall be considered a part of this Agreement.

16.2. Notice

All notices, demands and other communications required or permitted hereunder shall be made in writing, telex or telecopy and shall be deemed to have been duly given notice, in the case of telex or telecopy, if answered back or confirmation received, or if delivered by hand, upon receipt or ten days after being deposited in the mail, airmail postage prepaid and addressed as follows:

If to the Government:

THE SECRETARY
Department of Environment and Natural Resources
DENR Bullding, Visayas Avenue
Dilimań, Quezon City

If to the Contractor:

THE PRESIDENT
Altal Philippines Mining Corporation
78 Visayas Avenue, Quezon City

Either party may substitute or change such address on notice thereof to the other party: Provided, That the Contractor shall, in case of any change of address during the term of this Agreement, notify the Director in writing. Failure to do such notification shall be deemed as waiver by the Contractor to be informed about any communications as provided in Section 16.2 above.

16.3. Governing Law

This Agreement and the relation between the parties hereto shall be governed by and construed in accordance with the laws of the Republic of the Philippines. The Contractor hereby agrees and obliges itself to comply with the provisions of the Act, its implementing rules and regulations and other relevant laws and regulations.

16.4. Suspension of Obligation

a. Any failure or delay on the part of any party in the performance of its obligation or dutles hereunder shall be excused to the extent attributable to Force Majeure as defined in the Act: Provided, That the suspension of Mining Operations due to Force Majeure causes shall be subject to approval by the Director.

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- b. If Mining Operations are delayed, curtailed or prevented by such Force Majeure causes, then the time for enjoying the rights and carrying out the obligations thereby affected, the term of this Agreement and all rights and obligations hereunder shall be extended for a period equal to the period involved.
- c. The Party, whose ability to perform its obligations is affected by such Force Majeure causes, shall promptly give Notice to the other in writing of any such delay or failure of performance, the expected duration thereof and its anticipated effect and shall use its efforts to remedy such delay, except that neither Party shall be under any obligation to settle a labor dispute: Provided, That the suspension of obligation by the Contractor shall be subject to prior approval by the Director.

16.5. Amendments

This Agreement shall not be annulled, amended or modified in any respect except by mutual consent in writing of the herein parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the day and year first above written

THE REPUBLIC OF THE PHILIPPINES

BY.

JOSÉ L. ATJENZA JR.
Secretary
Department of Environment and Natural Resources

ALTAI PHILIPPINES WINING CORPORAT.

TIN: 004-775-807

BY:

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PIO C, FORTUNO President

MINES AND GEOSCIENCES BUREAU Regional Office No. - IV-B MIMAROPA

<u>CERTIFICATE OF REGISTRATION</u>

The filing few therefore having been paid, the foregoing instruments was filed for record in this Office at 04 o'clock and 00 minutes, P.M. on the 22nd day of Inne A.D. 2010 and has been recorded in Book No. I of the Records of MINERAL PRODUCTION SHARING AGRESMENT NO. 304-2009-1945 in this Region on page 01 as Document No. 10

• Filing Fee paid under Official Receipt No. 4462749 dated January 19, 2010 in the amount of Php 20,000,00.

ROLÂND A. WE JESUS Regional Director

Republic of the Pilippines
ment of Environment and Natural Resources
INES AND CHO-SCIENCES BURGAU
Regional Office No. IV - H. HIMAROPA

I hereby certify that the foregoing is a true

and to High cory of MPSA-304-2009 TVE of ALTAI

philippings fine Corporation
on file with the Mining Claims framination Section
of the Mines Regional Crice No. IV. This certified
copy which consist of (23) twenty there is issued this
17th of Ogtober 2011-1 the request of STBUXAN NICKEL

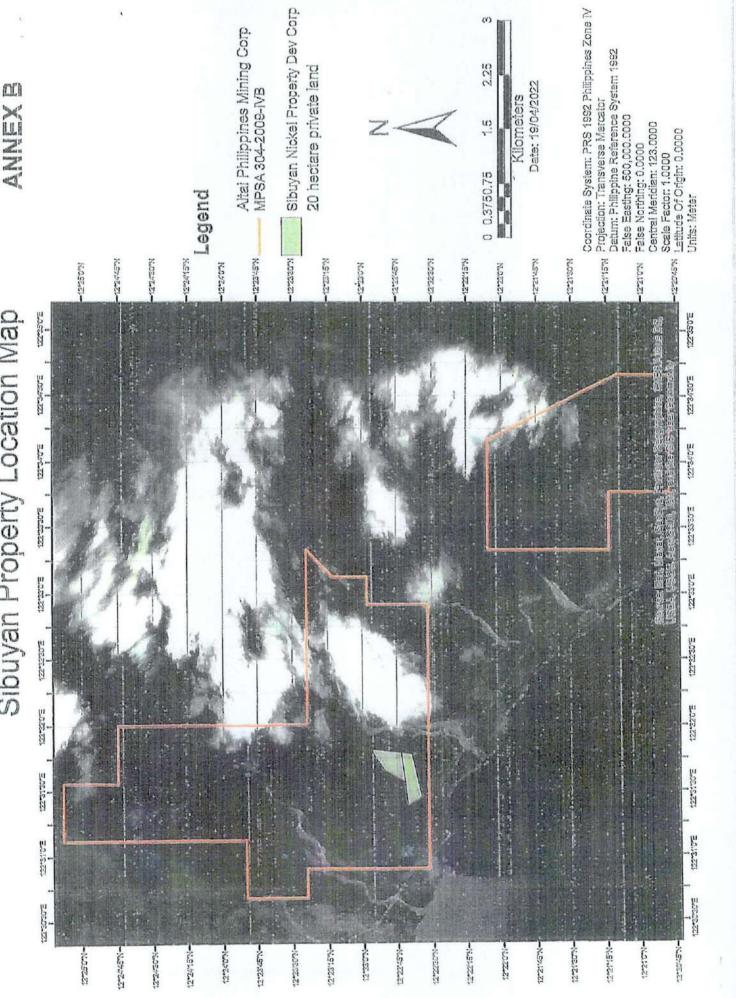
PROPERTIES CORPS in paid the charges hereof in the
amount of the 248.00 evidenced by Official Receipt
No. 8666644 diskd Octs 17, use 2011

(certified xorox copies)

For the Regional Director:

MANITA G. PASCUAL. Economist II

Sibuyan Property Location Map



ANNEX C

1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City

April 11, 2022

MS. LORNIELYN E. CLAUDIO, CESO-IV OIC Regional Executive Director Dept. of Environment and Natural Resources MIMAROPA Region DENR by the Bay Building 1515 Roxas Boulevard Ermita, Manila City



Altai Philippines Mining Corporation Mineral Production Sharing Re: Agreement No. 304-2009-IVB Exploration Program

Dear Madam,

In connection with the Exploration Activity of Altai Philippines Mining Corporation (Altai) relative to MPSA No. 304-2009-IVB, please be informed that the planned activity will be conducted within two (2) parcels of land particularly described as Lot No.2468 and Lot No. 2469, situated in Sitio Binayaan, Brgv. España. Municipality of San Fernando, Province of Romblon, and are under Tax Declaration Titles held by Sibuyan Nickel Properties Development Corporation ("SNPDC"). Please be informed further that SNPDC has given its full consent to Altai, and interposes no objection to the exploration work within the subject land, provided that it is conducted within the legal framework of the law.

Thank you and we hope this submission will assist Altai in securing the pertinent permits from your office in relation to its exploration activity.

Very respectfully yours,

Stuck. Vant STEVE L. TAULE

President

Dir. Edwin M. Mojares, PhD Regional Director
Mines and Geo-Sciences Bureau DENR MIMAROPA REGION

November 22, 2022

FORESTER ARNOLDO A. BLAZA PENR Officer

Department of Environment and Natural Resources Odiongan, Tablas Island, Romblon

RE: REQUEST FOR TREE CUTTING PERMIT WITHIN THE TWENTY (20)
HECTARE AREA SITUATED AT SITIO BATO, BRGY ESPAÑA,
SAN FERNANDO, ROMBLON BELONGING TO ALTAI PHILIPPINES
MINING CORPORATION

Dear Sir,

The Inspection and Tree Inventory of the Twenty-Hectare (20 ha) was completed by your good office on 26 October 2022, and subsequently, you likewise endorsed the same to the Department of Environment and Natural Resources, MIMAROPA Region. Thus, Altai Philippines Mining Corporation now respectfully requests the issuance of the related TREE CUTTING PERMIT.

Your favorable action on this request will be highly appreciated.

Very truly yours,

HANNIEL T. NGO

President

15 August 2022

FORESTER ARNOLDO A. BLAZA, JR.

Officer-in-Charge

Department of Environment and Natural Resources

Provincial Environment and Natural Resources Office - Romblon

SUBJECT: REQUEST FOR INSPECTION AND TREE INVENTORY OF THE (1)

TWENTY (20) HECTARE LAND; (2) BINAYAAN EXPLORATION AREA; and (3) PROPOSED ONE-HECTARE NURSERY AREA OF

ALTAI PHILIPPINES MINING CORPORATION (APMC)

Dear Sir:

This is in relation to the implementation of the Exploration Work Program (ExWP) of Altai Philippines Mining Corporation (APMC) in compliance to the terms stipulated in its approved Mineral Production Sharing Agreement No. 304-2009-IVB.

Anent to the said program, detailed exploratory activity will be focused on the twenty –hectare land privately owned at Bato area and Binayaan Exploration area, all of which are within the mineral property of APMC.

Further, an Environmental Work Program (EWP) will also be implemented alongside with the Exploration Work program. As part of the EWP, a nursery area will be constructed to be planted with seedlings which will be used for the company's rehabilitation program. The proposed nursery area is within the leased property of APMC which is located at Sitio Talaba, Brgy. Taclobo, San Fernando, Romblon.

In this regard, we are respectfully requesting your office to conduct an inspection and inventory of the trees within the aforementioned areas. Attached herewith is the location map for your ready reference. (*Annex A*)

Further, we are also submitting a copy of the Amended Certificate of Non-Coverage (CNC-OL-R4B-2022-08-01525) for the exploration access road construction located at Sitio Bato, España, San Fernando, Romblon.

We look forward to your favorable action on this matter. Thank you.

Very truly yours,

HANNIEL T. NGO

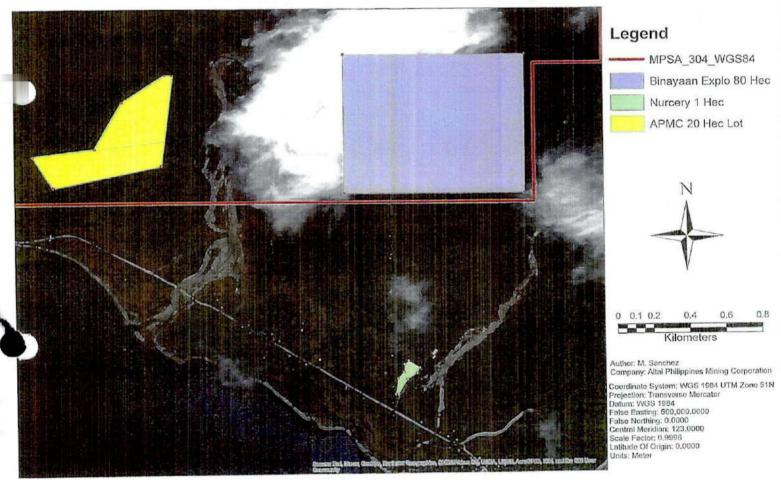
President

1901 TYCOON CENTER, PEARL DRIVE, SAN ANTONIO, ORTIGAS CENTER, PASIG CITY

TEL No.: 8529-6868; EMAIL ADDRESS: altaicorpo@gmail.com

AMPC Area for Tree Inventory

ANNEX A



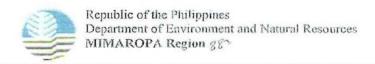
AMPC Bato Property 20 Hec

Comer No	X Lone	YLat
	122.521573	12,376574
0	122 525591	12.374962
	122 5311	12.376081
	122 53 1689	12,38078
	122 531301	12,330803
1	122 529103	12.378377
-	122 527691	12.37694

Nursery 1 Hec Area

Comon	X Long	YLai
-	122.542875	12,364136
	122 543027	12364091
400	122.513481	12.364896
-	122 543932	12.365241
	122 54122	12,365505
-	122 543553	12,365656
1	122 543347	12 36568
- 60	122 5433011	12.365258
	127 517597	12.354344

Compre	X Long	Y_Lat
	122.E40362	12,381842
	122 545548	12.381857
	122,549,61	12,374526
	122,540365	12,37461



September 7, 2022

HANNIEL T. NGO
President, ALTAI Philippines Mining Corporation
1901 Tycoon Center, Pear Drive
San Antonio, Ortigas Center, Pasig City

Sir:

This pertains to the clarificatory hearing conducted last August 19, 2022, wherein PENRO Romblon and Altai Philippines Mining Corporation, represented by Project Manager Michael Peter Sanchez, agreed to conduct a technical conference for the drilling contractors regarding the cutting of trees. It was also stipulated that the conference be held at DENR Sibuyan Substation at Sitio Logdeck, Brgy. Tampayan, Magdiwang; however, due to the conflicting schedules the conference did not transpire.

In line with this, we would like to invite you, or a representative of the company, along with the head of the drilling contractors for a technical conference at DENR PENRO Romblon in Brgy. Tabing-dagat, Odiongan on Friday, September 9, 2022 at 9:00 am.

Your cooperation is highly appreciated.

Very-truly yours,

ARNOLDO A. BLAZ.

DENR-Rombion Odiongan, Rombion Tel # 567-2199 Email Address: penrorombion@denr.gov.ph



Republic of the Philippines
Department of Environment and Natural Resources
MIMAROPA Region 1994



10 No. 2022

They may pars no.

November 11, 2022

MEMORANDUM

FOR

The Regional Executive Director

1515 DENR by the Bay Building, Roxas Boulevard,

Barangay 668, Ermila, Manila

THRU

The Assistant Regional Director

for Technical Services

.

Licenses, Patents, and Deeds Division

MIMAROPA Region

TROW

The OIC, PENR Officer

Odiongan, Romblon

SUBJECT

INSPECTION REPORT ON THE REQUEST OF APMC FOR

INSPECTION AND TREE INVENTORY OF THE 20.0 HECTARES AREA OF ALTAI PHILIPPINES MINING CORPORATION LOCATED IN SITIO BATO, BRGY, ESPAÑA,

SAN FERNANDO, ROMBLON

Respectfully submitting the report on the conducted inspection and inventory of standing trees in the 20.0 hectares area of ALTAI Philippines Mining Corporation located at Sitio Bato, Brgy. España, San Fernando, Romblon.

Attached are the following pertinent documents: (a) Tally sheet; (b) Stand and Stock Table; (c) GIS map showing the location of the trees applied for cutting permit; and (d) Geotagged photos.

For information and further instructions.

Cc:

ALTAI Philippines Mining Corporation

PESIRO Rombion Bourngay Tabing dagut, Odiougan, Rombion 5505 Direct Line: (042) 567-5030 Email Address: (240-240-25) 567-5630 (250-25)

NOV 1 0 2022



Kennethe of the Chillip, 28 Department of Unvironment and Natural Resources MIMAROPA Region

MEMORANDUM

FOR

THE OIC PENR OFFICER

DENR, Odiongan, Romblon

THRU

THE OIC SIBUYAN SUB-STATION

& PASu OF MGGNP

FROM

FORESTER-I ROLLY F. MORALES ET. AL.

SUBJECT

INSPECTION REPORT ON THE REQUEST OF APMC FOR INSPECTION AND TREE INVENTORY THE 20.0 HECTARES AREA OF ALTAI PHILIPPINES MINING CORPORATION LOCATED IN

SITIO BATO, BRGY. ESPANA, SAN FERNANDO, ROMBLON.

DATE

October 26, 2022

A. REFERENCE

:

Pursuant to the Memorandum from The Chief, Technical Services Division Malvin R. Rocero dated September 6, 2022 on the request of APMC for Inspection and Tree Inventory of 20.0 Hectare Land, Sitio Bato Exploration of ALTAI Philippines Mining Corporation.

B. FACTS

- 1. The team received an instruction from The Chief, Technical Services Division Malvin R. Rocero dated September 6, 2022 on the request of APMC for Inspection and Tree Inventory of 20.0 Hectare Land, Sitio Bato Exploration Area of ALTAI Philippines Mining Corporation with supporting documents as follows;
 - Memorandum from The Chief, Technical Services Division Malvin R. Rocero dated September 6, 2022 on the request of APMC for Inspection and Tree Inventory of 20.0 Hectare Land, Sitio Bato Exploration Area of ALTAI Philippines Mining Corporation.
 - b. A request letter from the ALTAI Philippines Mining Corporation for the OIC PENR Officer Arnoldo A. Blaza Jr. for the request for Inspection and Tree Inventory of 20.0 Hectare Land, Sitio Bato Exploration Area of ALTAI Philippines Mining Corporation.
 - GIS Map Showing the area to be inspected as a request from the ALTAI Philippines Mining Corporation.

C. ACTIONS

- 1. In compliance to the instruction from the office, On September 14- October 26, 2022, the team traveled to Sitio Bato, Brgy. Espana, San Fernando, Romblon requested by ALTAI Philippines Mining Corporation and the undersigned conducted the following activities:
 - Proceed to the area/site and coordinated to the Office of the Barangay Chairman regarding on the activity we were going to do in their area of jurisdiction and signed in their visitor's logbook.
 - Conducted ocular inspection/verification on the requested trees to be inventoried
 - Measured the diameter breast height and merchantable height
 - d. Took geo-tagged photos



Republic of the Philipp ...s.

Department of Environment and Natural Resources MIMAROPA Region

D. FINDINGS

The findings of the inspection/verification are as follows:

- 1. That the 20.0 Has of ALTAI Philippines Mining Corporation is within the Private Land under Lot Number 2468 and 2469 located in Sitio Bato, Brgy. Espana, San Fernando,
- 2. That a total of 2,673 individual trees inventoried with a total volume of 576.62 cu.m from 15cm above diameter trees and 2,429 individual trees 5-14cm of diameter.
- That the trees inventoried by the team are all natural growing trees except for three (3) jackfruit trees.

E. LEGAL BASIS

- 1. DENR Administrative Order No 2021-11 "Guidelines in the Processing and Issuance of Permits for the cutting, removal and relocation of Natural Grown Trees.
- 2. FMB Technical Bulletin No. 3 " Measurement standards and procedures in the conduct of inventory for standing trees (timber)

F. COMMENTS

1. As stipulated FMB Technical Bulletin No. 3 " Measurement standards and procedures in the conduct of inventory for standing trees (timber) stated the following documents required relative to the applications, the following requirements were complied, to wit:

Attached are the supporting documents of the inspection conducted:

- a. Tally Sheet
- Stand and Stock Table
- c. GIS map showing the location of the trees applied for Cutting Permit
- d. Geo-tagged photos of the tree

G. RECOMMENDATIONS

Considering the above findings and observation, the undersigned found that the applicant complied with the requirements of the existing laws, rules and regulations of the DENR. It is therefore recommended for the issuance of Cutting Permit in favor of ALTAI Philippines Mining Corporation in Sitio Binayaan, Brgy. Espana, San Fernando, Romblon.

For your consideration and approval.

TER F. MANALON

EÉAÜE L. FORCADAS Jeung G

LUDWIN M. RUADO

SUBSCRIBED AND SWORN TO BEFORE, me this 74% 2022 at DENR, Odiongan, Romblon

> MANUEL B. ROMERO OIC Sibuyan Sub-Station & PASu of MGGNP



Republic of the Philippines Department of Environment and Natural Resources MIMAROPA Region

PROVINCIAL ENVIRONMENT AND NATURAL RESOURCE OFFICE

January 27, 2023

Mr. HANNIEL T. NGO President ALTAI PHILIPPINES MINING CORPORATION 1901 Tycoon Center Pear Drive San Antonio Ortigas Center Pasig City

NOTICE OF VIOLATION

Notice is hereby served upon you for having violated the provision of RA 9275 or the "Philippine Clean Water Act of 2004" based on the findings of the monitoring and verification conducted by the PENRO personnel on January 25, 2023.

ACTS CONSTITUTING VIOLATION

Findings	Governing Law, Rules, and Regulations
Construction of Sea Port with Reclamation Activities at Sitio Bato, Brgy. España,	(h) Undertaking activities or development and expansion of projects xxx in violation of Presidential Decree No. 1586 and its implementing rules and regulations
San Fernando, Romblon as defined in DENR EMB MC 2014-05 or the "Revised Guidelines for Screening and Standard Requirements under the Philippine EIS System or PD 1586	and Forty- Eight Contavos (PhP 23,579.48) shall be imposed for every violation from 2022 onwards

Forgoing considered, you are directed to submit with the Environmental Management Bureau - MIMAROPA Region (EMB-MIMAROPA) satellite office, at 6th Floor, DENR by the Bay Building, 1515 Roxas Boulevard, Ermita Manila, a notarized position paper within ten (10) days upon receipt hereof, why you should not be held liable for a total fine amounting to Twenty Three Thousand Five Hundred Seventy Nine and forty eight centavos (PhP 23,579,48) pursuant to Section 28 of RA 9275, as amended by Pollution Adjudication Board (PAB) Resolution No. 1 series of 2019 and PAB Resolution No. 5, Series of 2021.

Failure to submit the required position paper within the reglementary period shall be considered by this Office as a waiver of your right to be heard and present evidence on your behalf. Thus, the case will be resolved according to the available documents on record.

The Protected Areas Superintendent of the PENRO Sibuyan Sub-Station or his duly authorized representative is directed to serve this Notice within seventy-two (72) hours upon execution thereof stating the proceedings taken therein.

ARNOLDO ABLAZA, JR
Provincial Environment and Natural
Resources Officer
Province of Romblon

cc: The CHIEF

Environmental Management Services Romblon

The REGIONAL DIRECTOR EMB MIMAROPA Region

The POLLUTION ADJUDICATION BOARD



RE: 1st Notice of Violation of PD 1067 and DAO 2004-24 and its Implementing Rules and Guidelines

MR. HANNIEL T. NGO
President, Altai Philippines Mining Corporation
1901 Tycoon Center, Pearl Drive, San Antonio,
Ortigas Center, Pasig City

NOTICE OF VIOLATION

This is to inform you about the investigation conducted by our personnel dated January 25, 2023 in Sitio Bato, Brgy. España, San Fernando. Romblon where an on-going construction of docking port is in development. The investigation was sanctioned by this Office to look into the activities in the vicinity to verify an allegation of violation/s as regards to your Miscellaneous Lease Application (MLA) with MLA No. 045913-3.

Per report there is an on-going construction of docking port and flattening of the proposed roadway by dumping gravel into the water. At present the area is being utilized as the gateway for the incoming/outgoing dump trucks where it unloads to nearby barge. These are being done without an approved lease agreement and/or provisional permit. This constitutes a direct violation of Article 51 of PD 1067 known as the Water Coder of the Philippines and reflected in the miscellaneous lease application bullet number 9 as there should be no construction to be conducted while approval of the application is in process.

Legal Basis:

whichever is higher.

Implementing Rules and Regulations of PD 1067
Section 31. Determination of Easements. – For purposes of Article 51 of the Code, all easements of public use prescribed for the banks or rivers and the shores of seas and lakes shall be reckoned from the line reached by the highest flood which does not cause inundation or the highest equinoctial tide

Any construction or structure that encroaches into such easement shall be ordered removed or cause to be removed by the Board in coordination with DPWH, LGU or appropriate government agency or local government unit.

DAO 2004-24, Section 2 (c) and Section 2 (f)

2(c) "Foreshore Lease Agreement (FLA) is an agreement executed by and between the DENR and the applicant to occupy, develop, utilize and arrange the foreshore land."



2(f) Salvage Zone - lands measuring twenty (20) meters measured landward from the interior limit of the shoreline for easement purposes.

With these on-going activities you are hereby ordered to stop from further developing the area while reminding your contractor and personnel in-charge of the construction to do the same. Further, avoid unnecessary activities that would worsen the situation in the area. As a final point, you are reminded to be prudent and abide with the existing Environmental Laws and Rules and Regulations.

Be guided accordingly.

FEB 0 1 2023 Odiongan, Romblon, this

OIC, HENR Officer

C.c:

The RED, DENR MIMAROPA Region The Municipal Mayor, San Fernando, Romblon



Department of Environment and Natural Resources Environmental Management Bureau MIMAROPA Region

HANNIEL T. NGO
Chairman and President
ALTAI PHILIPPINES MINING CORPORATION
1901 Tycoon Center, Pearl Drive,
San Antonio, Ortigas Center,
Pasig City
altaicorp@gmail.com

02 February 2023

NOTICE OF VIOLATION

Notice is hereby served upon you for undertaking the Altai Philippines Mining Corporation Causeway Project located at Sitio Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon in violation of Section 4 of Presidential Decree No. 1586, otherwise known as the "Philippine Environmental Impact Statement System" based on report of inspection conducted by IRWIN A. ANZALDO, Chief, Environmental Management Services - Romblon on 01 February 2023.

ACT CONSTITUTING VIOLATION

Findings	Governing Law, Rules and Regulations
Constructing/operating a causeway project without an approved Environmental Compliance Certificate. Item 3.5.3 of EMB MC No. 2014-005 provides that causeway projects with project area less than 15 hectares with reclamation are required to secure an ECC prior to project implementation.	Section 4 of PD 1586 states that "no person partnership or corporation shall undertake or operate any environmentally critical project or operate in an environmentally critical area without first securing an Environmental Compliance Certificate".

In view of the foregoing, Respondent is hereby directed to submit to the Environmental Management Bureau – MIMAROPA Region (EMB-MIMAROPA) satellite office, at 6th Floor, DENR by the Bay Bldg., 1515 Roxas Blvd., Ermita, Manila, a notarized position paper within ten (10) days upon receipt hereof, why no penalties in an amount not to exceed FIFTY THOUSAND PESOS (P50,000.00) should be imposed against you pursuant to Section 9 of P.D. 1586 and Section 16b, Article IV of DENR Administrative Order No. 2003-30.

Furthermore, you are hereby directed to **SUSPEND** any further developments relative to the construction and operation of the causeway project **EFFECTIVE IMMEDIATELY** upon receipt of this Notice to prevent grave and irreparable damage to the environment, until and unless an Environmental Compliance Certificate (ECC) has been issued in favor of the project.

PENRO Compound, Brgy. Suqui, Calapan City, Oriental Mindoro
Satellite Office, 6th Floor DENR by the Bay Bldg., 1515 Ronas Blvd., Ermita, Manila
Regional Director's Office (02) 536-9786; Administrative and Finance Division Telefax No. (02) 400-5960
Environmental Monitoring and Enforcement Division (02) 521-8904; Clearance and Permitting Division Telefas. (02) 400-5960
Environmental Monitoring and Enforcement Division (02) 521-8904; Clearance and Permitting Division Telefas. (02) 400-5960
Environmental Monitoring and Enforcement Division (02) 521-8904; Clearance and Permitting Division Telefas.

In addition, you are hereby INVITED TO ATTEND AN IN-PERSON TECHNICAL CONFERENCE on 07 February 2022 (Tuesday), 2:00 PM at the Office of the Regional Director, EMB MIMAROPA Region, 6th Floor DENR By the Bay Building, 1515 Roxas Boulevard, Ermita, Manila.

Failure to attend the Technical Conference and submit the required position paper within the reglementary period shall be considered by this Office as a waiver of your right to be heard and present evidence on your behalf. Thus, the case will be resolved according to the available documents on record.

The Chief, Environmental Management Services - Romblon or his duly authorized representative is directed to serve this Notice within seventy-two (72) hours from receipt hereof. A report shall likewise be submitted to the undersigned within forty-eight (48) hours upon execution thereof stating the proceedings taken therein.

JOE AMIL M. SALINO Regional Director

Copy furnished:

Environmental Management Services Rombion PENRO Compound, Brgy. Tabing – dagat, Odiongan, Rombion





R4B-2023-001742



HANNIEL T. NGO
President, Altai Philippines Mining Corporation
1901 Tycoon Center, Pearl Drive, San Antonio
Ortigas Center, Pasig City

February 3, 2023

DIC. PENRO

NOTICE OF VIOLATION

Notice is hereby served upon your office for having violated Presidential Decree 705 Revised Forestry Code of the Philippines as amended by E.O. 277 and further amended by R.A. 7161

Section 77. Cutting, Gathering and/or collecting Timber, or Other Forest Products without License.—Any person who shall cut, gather, collect, removed timber or other forest products from any forest land, or timber from alienable or disposable public land, or from private land, without any authority, or possess timber or other forest products without the legal documents as required under existing forest laws and regulations, shall be punished with the penalties imposed under Articles 309 and 310 of the Revised Penal Code: Provided, That in the case of partnerships, associations, or corporations, the officers who ordered the cutting, gathering, collection or possession shall be liable, and if such officers are aliens, they shall, in addition to the penalty, be deported without further proceedings on the part of the Commission on Immigration and Deportation.

The results of monitoring conducted by this office on January 18, 2023 revealed that a number of trees are damaged and cleared, at the exploration site of the Altai Philippines Mining Corporation at Sitio Bato, Brgy. España, San Fernando, Romblon. No cutting permit for said trees was presented during the site inspection.

Foregoing considered, you are directed to stop cutting/clearing activities and submit to the Office of the DENR PENRO, Romblon, Bgry. Tabing-Dagat, Odiongan, Romblon, the copy of Special Tree Cutting Permit within fifteen (15) days to avoid violations pursuant to Presidential Decree 705 – SECTION 77.

The Chief, Technical Services Division or his duly authorized representative and the Records Unit of this Office are directed to serve this Notice of Violation. A report shall likewise be submitted within forty-eight (48) hours upon execution thereof stating the proceedings taken therein.

Copy Furnished:

LORMELYN E. CLAUDIO, CESO IV Regional Executive Director DENR, MIMAROPA



07 February 2023

JOE AMIL M. SALINO

Regional Executive Director Environmental Management Bureau (EMB) 6th Floor DENR By the Bay Building 1515 Roxas Blvd., Ermita, Manila RECORDS SECTION
EMB-MIMAROPA REGION

60/13/2003
RECEIVED BY

SUBJECT:

Position Paper

(Notice of Violation Dated January 27, 2023 Issued by the Provincial Environment and Natural Resources Office)

Dear Director Salino:

We acknowledge receipt of the subject Notice of Violation (NOV) on February 7, 2023 issued by the Provincial Environment and Natural Resources Office (PENRO) through PENR Officer Arnoldo A. Blaza, Jr. In the said NOV, ALTAI PHILIPPINES MINING CORPORATION (APMC) is directed to submit to your good Office a notarized Position Paper within ten (10) days upon receipt thereof, why we should not be held liable for a "total fine amounting to Forty-Seven Thousand One Hundred Fifty-Eight Pesos and Ninety-Six Centavos (Php47,158.96) pursuant to Section 28 of RA 9275, as amended by the Pollution Adjudication Board (PAB) Resolution No. 1, Series of 2019 and PAB Resolution No. 5, Series of 2021."

In compliance with the above directive from PENRO, we hereby submit our Position Paper for your consideration:

A. The Provincial Environment and Natural Resources Office acted without jurisdiction when it issued the instant Notice of Violation (NOV).

In the Notice of Violation issued by PENRO thru PENR Officer Blaza, Jr., Section 28 of R.A. 9275, as amended by PAB Resolution No. 1 series of 2019 and Resolution No. 5, Series of 2021 were cited as basis for the directive to APMC to submit herein position paper allegedly for violating the provision of RA 9275 of the "Philippine Clean Water Code Act of 2004" based on the findings and verification conducted by the PENRO personnel on January 25, 2023.

Under Section 28 of RA 9275, the PAB has the primary authority and jurisdiction to recommend to the Secretary of the DENR imposition of fine to erring parties based on the schedule of fines stated thereunder which was amended by PAB Resolution No. 5 Series of 2021 with schedule of penalties increasing the originally prescribed amount of penalty. The same Section 28 further provides that "the Secretary, upon recommendation of the PAB may order the closure, suspension of development or construction, or cessation of operations or, where appropriate disconnection of water supply, until such time that proper environmental safeguards are put in place and/or compliance with this Act or its rules and regulations are undertaken. This paragraph shall be without prejudice to the issuance of an ex parte order for such closure, suspension of development or construction, or cessation of operations during the pendency of the case."

PAB Resolution No. 1 Series of 2019 amending Section 28 of RA 9275 pertains to "Delegation of the Pollution Adjudication Board To The <u>EMB Regional Offices</u> The

1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City Tel No.: 7958-3533; Email address: altaicorpo@gmail.com Determination of Permitting Violations And Imposition of Fines Thereto". It provides, among others, that:

"xxxx All of the aforementioned cases delegated to the Regional Office shall be numbered and docketed consecutively and entered into an appropriate logbook in accordance with a system of numbering and docketing of case adopted by the PAB thru its Secretariat.

Thereafter, a Notice of Violation shall be issued with invitation to attend Technical Conference not later than fifteen (15) days from the issuance of said Notice. Only one (1) Technical Conference shall be allowed. The failure of such respondent to attend the technical conference or submit his position paper on the said date, shall mean a waiver of his right to contest the findings of the report or present evidence in his defense and the case may be decided based on evidence on record. xxxx" (Emphasis supplied)

With due respect, under the clear wordings of PAB Resolution No. 1, Series of 2019, it is the EMB and not the PENRO that should have exercised jurisdiction over APMC's alleged violation of RA 9275. The delegated authority of the PAB to EMB cannot be further delegated to PENRO in the absence of express or implied authority under the same PAB Resolution No. 1. There appears to be a circumvention of PAB Resolution No. 1 by PENRO when it directed APMC to submit its position paper to the EMB which is the primary agency that has jurisdiction.

A.1. APMC was denied procedural due process.

It is respectfully submitted that PENRO acted without jurisdiction when it issued the NOV against APMC. It also misapplied the same because a close perusal of the NOV reveals that, apart from not having been appropriately docketed as required under PAB Resolution No. 1, PENRO did not set a Technical Conference not later than fifteen (15) days from the issuance of said Notice. PENRO even gave APMC a shorter period of time than what was stated in the rules.

Apparently, PENRO committed a procedural short cut that seriously violated the right of APMC to due process of law as it deprived APMC of its right to be apprised about the nature and cause of the alleged violation during the Technical Conference required under PAB Resolution No. 1. As it is, APMC is being required to state its position and/or explain its side based on the findings of the monitoring and verification that was purportedly conducted on January 25, 2023. The details of such findings remain undisclosed to the responding party, APMC. Notably, such findings were not attached to the NOV that could have reasonably apprised APMC.

B. The findings stated in the NOV are not germane to the violations contemplated under RA 9275.

RA 9275 is intended to prevent and control water pollution. It essentially provides for wastewater charge system in all management areas including the Laguna Lake Region and Regional Industrial Centers through the collection of wastewater charges/fees. The system shall be established on the basis of payment to the government for discharging wastewater into the water bodies. Necessarily, water sampling is required with corresponding results of laboratory analysis showing the parameters that were violated or exceeded from effluent samples taken from the sampling points of the subject establishment. Since the NOV pertains to the alleged violation of RA 9275, such violation should logically point to commission of pollutive acts of APMC penalized under the same.

Section 23 (Requirement of Record-keeping, Authority for Entry to Premises and Access to Documents) of RA 9275 provides, among others, that "the DENR or its duly authorized representative shall, after proper consultation and notice, require any person who owns or operates any pollution source or who is subject to any requirement of this Act to submit reports and other written information as may be required by the department." Water permits are the basic documents required from subject establishments and discharge charges are collected accordingly by the DENR based on the findings of violations. APMC respectfully submits that these are inapplicable to it because its project is under exploration stage. As such, APMC could not have possibly discharged any pollutive substance or waste to the water bodies. It is also unclear if water or effluent sampling was undertaken to support the supposed findings.

Please be informed that APMC voluntarily stopped its exploration and related activities as of February 6, 2023 because of issues being raised about its operations from various sectors, including your Office. It nonetheless reiterates its commitment to compliance with prevailing environmental laws, rules, and regulations pertaining its exploration activities upon their resumption in due time. In this light, APMC shall continue to coordinate with your Office for guidance to ensure compliance to protect the interest of all stakeholders.

We trust that the foregoing Position Paper will merit due consideration by your office.

Truly yours,

ATTY, MARY JANE F. BALAGTAS

Legal Counsel

Copy Furnished:

MR. ARNOLDO A. BLAZA, JR.

OIC, Provincial Environment and Natural Resources Officer (PENRO) Department of Environment and Natural Resources - MIMAROPA Region PENRO Romblon, Formelleza St., Brgy. Tabing-Dagat Odiongan, Romblon 5505

Engr. Irwin Anzaldo Chief Environment Management Services - Romblon PENRO Compound, Formelleza St., Brgy. Tabing-dagat Odiongan, Romblon 5505

LORMELYN E. CLAUDIO, CESO IV The Regional Executive Director DENR-MIMAROPA Region DENR By the Bay Building 1515 Roxas Blvd., Ermita, Manila 1000

The Pollution Adjudication Board DENR Compound, EMB Building Diliman, Quezon City 1101



SUBSCRIBED AND SWORN TO before me this FEB 1 3 2023 at Pasig City, Affiant exhibiting to me one (1) competent evidence of her identity, to wit: Tax Identification No. 902-574-467.

Doc. No. 102; Page No. Oy Series of 2023.

FERDINAND D. AVAHAO

Noter Public

For Posis City, Pateros and San Juan City

Appointment No. 100 (2022-2023) public until 12/31/2023 Roll of the Machine No. VII-1810/0617 (1) vote antil 04/14/25
Roll of 16377; 039 LRN 02659; OR 53586; 06/21/2001
The 123-011-785; PTR Juniors; Julior23; Pang City
Use 5, New Proce of L. Eschange Saed
Cauges Center, Pang City Tel-632-86314050

LBC EXPRESS, INC.
UNIT G-1E HYMSUM CORP. PLAZA. F. ORTIGAS
JR. AVE., ORTIGAS CENTER, PASIG CITY
Tal. No. (62) - 86317583
VAT TIN: 090-702-140-09210



THIS SERVES AS AN OFFICIAL RECEIPTERN : 15000521224915597 Serial No SGHOJAPAKA Official Receipt No : 0750241402

SHIPPER:

ALTAI PHILIPPINES, MINING CORPORATION

Address: 1901 TYCOON CENTER, PEARL DRIVE, SAN BLAZA JR, ARNOLDO

ANTONIO, PASIG CITY, METRO MANILA

Contact No.(s): 9672480308 /9672480308

BLON FORMELLEZA ST.

TABING DAGAT, ODIONGAN, ROMBLON

Contact No.(s): 9672480308

9.

Courier N-Pouch Regular

Origin : HMA-OTS02-EMERALD
Tran. Date : 92/14/2023 99:41:40 AM
Delivery Date : 92/15/2023 - 92/16/2023
Tran. Type : Delivery : 06:00 PM
Actual Mt (Kg.) : 8.80

VATable(Freight) Supplies Few VAT-Except VAT-Except VAT Pickup Few Total Sales 12x VAT Amount Due : Discount : CASH Mode

Track your padala at:

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ALTAI PHILIPPINES MINING CORPORATION

DENR MIMAROPA

07 February 2023

MR. ARNOLDO A. BLAZA, JR.

OIC, Provincial Environment and Natural Resources Officer (PENRO) Department of Environment and Natural Resources – MIMAROPA REPENRO Romblon, Formelleza St., Brgy. Tabing-Dagat Odiongan, Romblon 5505

SUBJECT: Notice of Violation (NOV) dated February 1, 2023

Dear PENR Officer Blaza:

We acknowledge receipt of your subject letter which we received on February 7, 2023. In the aforesaid letter, ALTAI PHILIPPINES MINING CORPORATION (APMC) is ordered to stop from further developing the area while reminding our contractor and our personnel incharge of the construction to do the same and further, to avoid unnecessary activities that would worsen the situation in the area, with final reminder to be prudent and abide by the existing Environmental Laws and Rules and Regulations.

We note that the issuance of the NOV was prompted by the result of the investigation conducted by your Office on January 25, 2023 in Sitio Bato, Barangay Espana, San Fernando, Romblon, where an on-going construction of docking port was then in development. As such, this development could be a violation as regards APMC's Miscellaneous Lease Application (MLA) No. 045913-3.

In reply to your subject NOV, may we respectfully direct your attention to the following timeline pertaining to our Miscellaneous Lease Application (MLA):

- (1) On September 12, 2022, we filed our MLA which is denominated as MLA No. 045913-3, at DENR-PENRO MIMAROPA Region (Romblon) with all the documentary requirements duly submitted to your good Office. A copy of our MLA is hereto attached as Annex "1" for your easy reference. We filed this precisely in compliance with Article 51 of the Water Code or P.D. 1607.
- (2) Sometime in October, 2022 and thereabout following the initial evaluation of our MLA, we were required to amend all submitted supporting documents and to submit lacking requirements such as evidence of competent identity, Articles of Incorporation, copy of title of adjacent lot and feasibility study. Accordingly, we resubmitted the amended supporting documents and submitted the said lacking documents in the same month. The records of your Office will bear these out.
- (3) We came to know that staff work anent our MLA which included an ocular inspection in the vicinity of the area applied for has been completed with at least two (2) significant findings, to wit:
 - 3.1 Letters addressed to different offices and agencies such as DPWH, PPA, Office of the Municipal Engineer, and Office of Municipal Planning Officer have already been sent out and

there were no opposition signified by any of the agencies and offices as of the month of October 2022.

- 3.2 APMC has satisfied all the requirements needed for the approval of its MLA.
- (4) It has come to our knowledge as well that our MLA has been endorsed to the Regional Executive Director as of December 2022. Given the above findings and there appears to be no other compliance issue, we anticipate the immediate release of our MLA. But this has not happened for reasons beyond our control.

As part of our exploration activity, we have to ship bulk metallurgical ore sample for testing abroad and for this purpose, we will need to use our port. Having in mind that under Paragraph 9 of the MLA we have to comply with prevailing laws anent the use of our port pending the approval and issuance of our MLA, we applied on January 24, 2023 at the Philippine Ports Authority (PPA) for an Application to Develop and Construct (PDC) a Non-Commercial Port (the "APMC-Bato Causeway").

Likewise, were requested for consideration Temporary Use of APMC-Bato Port at Sitio Bato, Barangay Espana, San Fernando, Sibuyan Island, Romblon, pursuant to Section 19 in relation to Sections 17 (a) and 18, of PPA Administrative Order No. 5-2022 dated June 29, 2022 or the Revised Policy on the Development, Construction, Operations and Maintenance of Private Ports (the "2022 Revised Policy of Private Ports"). We believed in good faith that these can serve as alternative permitting cover for our intended shipment as the MLA remains unissued despite our compliance of requirements.

In response to our above-mentioned application, the PPA issued to us a letter dated January 25, 2023 allowing us to temporarily use our causeway for the loading of export cargo/laterite nickel ore on the vessel.

We have attached herewith for your easy reference the copies of our abovementioned application for PDC and a copy of the letter dated January 25, 2022 as Annexes "2" and "3".

The foregoing will show the efforts that we have been exerting to comply with all applicable laws pertaining to the construction and use of our causeway. We were constrained to secure the necessary permit from the PPA pending the release of our MLA, which is being delayed for reasons that only the regulating body, your good Office, can answer.

Considering that your directive pertains to stoppage of further developing the area applied for, please be informed that as of February 6, 2023, APMC has voluntarily stopped all exploration and related activities in consideration of issues being raised about our operations from various sectors, including your Office that gained undue media attention. We shall continue to cooperate with regulators in order to settle these issues and to ensure compliance with environmental laws, rules and regulations in order to protect the interest of all stakeholders.

We trust that the above explanation will merit the consideration of your office.

Truly yours,

ATTY. MARY JANE F. BALAGTAS

Legal Counsel

Copy Furnished:

The Regional Executive Director DENR-MIMAROPA Region

Hon. Nanette Tansingco Municipal Mayor San Fernando, Romblon LBC EXPRESS, INC.
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JR. AVE., ORTIGAS CENTER, PASIG CITY
Tel. No : (63) - 06317553
VAT TIN : 009-782-148-80310

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Republic of the Philippines Department of Environment and Natural Resources

MIMAROPA Region

PROVINCIAL ENVIRONMENT AND NATURAL RESOURCES OFFICE Odiongan, Romblon

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BUREAU OF LANDS No. 0459[3-5] Entry No.	
1. The undersigned hereby makes application under the provisions of chapters VI & IX of Commonwealth Act No. 141. as amended, to lease for a period of	dana
(The application should	
be accomplished with a project study indicating, among others, the plan of development of the land applied or and the financial capability of the application to underwrite the project. If the applicant is a corporation or association, its applications, in addition to required project study should be also be accompanied with its articles of incorporation, and a certificate of registration by the Securities and Exchange Commission) 3. I have been upon and clamed the land applied for, and it contains no improvements or indication of occupation and belief, it is neither timber nor mineral land and contains no guano or any deposit of salt	
or coal. The following improvements are proposed to be made on the land applied for the same to be used purposes. (State kind and approximate value of proposed	

improvements, such as houses, warehouse, factories, wharves, docks, piers, etc.) (If the land will be solely for Chukewing state crop purposes agricultural for devoted For Docking Purposes raised.)

4. This application is made in the good faith for the exclusive benefit of the applicant and not either directly or indirectly for the benefit of any other person. Corporation, association or partnership and for actual purposes of using the land for the object specified in this application and for no other purposes. I will not sell, assign, transfer, sublet or in any manner encumber the land or the right or rights that I may acquire, without the approval of the Secretary of Environment and Natural Resources first had been obtained as provided in Section 40 of Commonwealth Act No. 141, as amended.

; a copy of the Deed of 5. The land applied for is not mortgaged with the N/A Mortgaged of which is hereto attached.

6. I agree to defray all the expenses that might be incurred in the survey of the land applied for, inthe advertisement of this application and other legal and necessary expenses and to deposit on account thereof, such amounts as the Director of Lands may require and to conform to delimitation, classification, survey or re-survey of the land-herein applied for.

7. That I agree that a strip forty meters wide starting from the bank on each side of any river or stream that may be found on the land I applied for, shall be demarcated and preserved as permanent timberland to be planted exclusively to trees of known economic value, and that I shall not make any

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clearing thereon or utilize the ... ie for ordinary farming purposes even util a satract of lease shall have been executed in my lavor. (NOTE: Not applicable if land applied for is for residential, industrial or commercial purposest 8. I am MANNEL T. ACD a member, stockholder, officer, representative, attorney, agent, employee or bondholder of the following corporations or partnerships which are engaged in agriculture and are holders of agricultural public lands in the Philippines. 0, I understand that this application conveys no right to me to enter upon, occupy, cultivate, or make clearings on the land until the same has been finally approved and lease contract executed, and that any lease applicant who shall willfully and knowingly submit false statements or execute false affidavits in connection with the foregoing application shall be deemed guilty of perjury and published by a fine of not more than two thousand pesos and by imprisonment for not more than five years, and in addition thereto his

application shall be cancelled and all amounts paid on account thereof forfeited to the Government, and he

shall not be entitled to apply for any public land in the Philippines. ALTAL PHILIPPINES MINING CORPORATION
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January 21, 2023

PHILIPPINE PORTS AUTHORITY
Port Management Office – Batangas,
Port Access Road, Brgy. Calicanto,
Batangas City

MR. JOSELITO SINOCRUZ, PhD. Port Manager

RE: 1. Application to Develop & Construct (PDC) a Non-Commercial Port,
Altai Philippines Mining Corp. (APMC-Bato Causeway) located at
Sitio, Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon.

 Request for Consideration for Temporary Use of APMC-Bato Causeway located at Sitio Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon.

Dear Sir,

We are Altai Philippines Mining Corporation, and we have a mining tenement of laterite nickel located at Brgy. España and Brgy. Taclobo both in the municipality of San Fernando, Sibuyan Island, Romblon Province. After a decade of exploration and numerous permits obtained from the Mines and Geosciences Bureau, the Department of Environment and Natural Resources, as well as the Local Government Units, we are now in the final stages of the process to export our nickel ores.

Our Miscellaneous Lease Application was received on December 12, 2022 by the DENR, MIMAROPA Office, Odiongan, Romblon for MLA No. 045913-3 in relation to our mining causeway located in Sitio Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon. The Foreshore Land Adjacent under Lot 1209, CAD 447-D covering the three (3) parcels of land of 133,591 square meters is owned by our company.

This January 2023 we've started to deposit some backfill materials on our causeway in preparation for the transport of our heavy equipment coming from Manila by barge. Our causeway does not have any concrete for pavements and slope protections, except only for some mooring bitts foundations at the pier. The current design is only for Mediterranean-type of docking for non-propelled and self-propelled barges of 3,000-5,000 deadweight in sizes with loaded draft of 5.0 meters, which is not suitable for our purposes. The causeway will be primarily used for our nickel ore loading for export by shipside or offshore loading where the mother/foreign vessel will anchor to about 0.8 to 1.0 mile distance from the shore.

APMC's target volume of nickel ore to export every year is 3,000,000 metric tons or 250,000 metric tons per month, and five (5) panamax-size foreign vessels will arrive every month at the España Anchorage, San Fernando, Sibuyan Island. This will undoubtedly generate positive economic impacts in the area, such as employment opportunities, new businesses, and provide the Philippine Ports Authority with added collection on fees of cargo wharfage, cargo handling share fee, vessel dockage and pilotage.

For your reference, please check hereunder our submitted Documentary Requirements on our Application for Permit to Develop and Construct (PDC) for Non-Commercial Ports, stated as follows:

A. Application for PDC

1. Duly Filled Application Form

2. Notarized Omnibus Undertaking

3. SEC Registration

4. Secretary Certificate of APMC

5. Audited Financial Statement

6. Company Profile

7. Project Proposal/Feasibility

, for APMC PDC to PPA

, sworn by APMC President

, of Altai Philippines Mining

, to Mr. Ronilo Salundaguit

, of APMC

, of APMC

, of APMC-Bato Causeway

7.1 summary of project scope

7.2 description

7.3 intended use of the project

7.4 economic impact

7.5 estimated cost of the project

7.6 broken down into major components

7.7 general port layout plan

7.8 development plan

7.9 vicinity map

, of APMC-Bato Causeway

8. Detailed Engineering

8.1 quantity and cost estimates

8.2 hydrographic survey

8.3 topographic survey

8.4 soil investigations

9. Miscellaneous Lease Agreement

, from DENR

We sincerely apologize for our urgent request to allow APMC to temporarily use the under-developed APMC-Bato Causeway for nickel ore shipside loading on or before January 24, 2023. The barges that came from Cebu and Manila will start to arrive on January 23, 2024, and they need to dock at our causeway to unload our supplies, heavy equipment, and provisions. Two (2) self-propelled barges are likewise schedule to arrive on the same date.

We already hired North Coast Shipping .NCS Corporation as our Barge Supplier (to serve loading at causeway and deliver to foreign vessel) and Cargo Handler (Onboard Stevedoring @ foreign vessel as crane operator & rigger) for our nickel ore shipside loading. Please check hereunder also the license and accreditation of the above-mentioned company for your perusal:

B. Request for Consideration for Temporary of APMC-Bato Causeway

 Permit to Operate for Barging & Lighterage , pier/causeway to anchorage at APMC-Bato Causeway, San Fernando, Sibuyan Island, Romblon



1.1 Marina License of North Coast for Domestic Shipping

, Accre. No. 2006-LU-134-13 valid until <u>Sept. 14, 2023</u>

1.2 Marina License of North Coast for Maritime Enterprises

, Cert. No. 186-LU-0290-20 valid until <u>Sept. 14, 2023</u>

1.3 PPA Accre. of North Coast for Lighterage/Barging

, Accre. No. 000771 valid until <u>April 29, 2024</u>

 Permit to Operate for Cargo Handling (Onboard Stevedoring at Vessel/Anchorage) ,

España Anchorage, Brgy. Esapaña, San Fernando, Sibuyan Island, Rombon

2.1 PPA Accre. Of North Coast for Cargo Handling

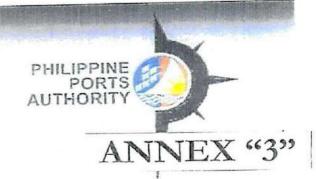
, Accre. No. 002256 Valid until <u>Nov. 12, 2024</u>

In addition to our request for temporary port for loading, we include herewith also the documents related to our 1st nickel ore loading on January 24, 2023 with the foreign vessel MV Beauty Peony: (1) the Mineral Ore Export Permit from DENR, Central Office, Manila; and (2) Ore Transport Permit from DENR, MIMAROPA, Regional Office, Romblon. Hoping for your soonest reply on our PDC Application and the granting of our Request for Temporary Use of APMC-Bato Causeway as our Port of Loading.

Thank you very much.

Sincerely,

ARCH. HANNIEL T. NGO Chairman & President



01252309

JAN 2 5 2023

Arch HANNEL T NGO Chairman and President Altai Philippines Mining Corporation 1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City < aitarcorpo@antail.com >

Dear Arch Ngo:

This refers to your letter dated 21 January 2022 requesting to allow you to temporarily use your causeway at Sitio Bato, Espana, San Fernando, Sibuyan Island, Romblon for loading of export cargo/laterite nickel ore on the vessel.

Relative thereto, your request may be GRANTED subject to compliance of the following:

Submission of all pertinent cargo documents;

Payment of 100% vessel and cargo charges:

Vessel Entrance Formalities and Departure Clearance;

Accreditation Certificate/Permit to Operate of all service providers;

Government share remittance on income from cargo handling services; and

6. Your company shall, at all times, stands solely liable and responsive for the enforcement of, and compliance with all existing laws, rules and regulations binds itself to save and hold the PPA free and harmless from any and all liability in respect thereof and/or arising therefrom.

Truly yours.

SELITO O SINOCRUZ PhD Port Manager

Cc:

TMO Remblen **BDMO**

08-01252023

PORT MANAGEMENT OFFICE - BAYANGAS Administration Building, Port Access Boad Calicanto, Batangas City 4200 Philippings Tet the : (04M 727-7478-7 (053) 723-0164 see to .: (043) 723-0164

RECORDS SECTION

EMB-MIMAROPA REGION



ALTAI PHILIPPINES MINING CORPORATION

08 February 2023

JOE AMIL M. SALINO
Regional Executive Director
Environmental Management Bureau (EMB)
6th Floor DENR By the Bay Building

1515 Roxas Blvd., Ermita, Manila

SUBJECT: Position Paper

(Notice of Violation dated February 2, 2023)

Dear Director Salino:

We acknowledge receipt of your Notice of Violation ("NOV") on February 4, 2023. In the aforesaid NOV, ALTAI PHILIPPINES MINING CORPORATION ("APMC") is directed to submit a notarized position paper within ten (10) days upon receipt thereof why no penalties amounting to Php50,000.00 should be imposed against APMC for violation of Section 4 of Presidential Decree (PD) No. 1586 or the "Philippine Environmental Impact Statement System" based on report on inspection conducted by Irwin A. Anzaldo, Chief of Environmental Management Services – Romblon on February 1, 2023. In the same NOV, APMC is likewise invited to attend an in-person Technical Conference on February 7, 2023 at 2:00 PM at the EMB Regional Office-MIMAROPA.

The records of your Office will show that APMC through its representatives attended the scheduled Technical Conference on February 7, 2023 wherein it committed to file a position paper from said date per Commitments (number 8) of the corresponding Minutes of Technical Conference.

In compliance with the directive of your Office as contained in the subject NOV and as committed during the Technical Conference, APMC hereby respectfully submits its Position Paper, as follows:

A. APMC applied for Environmental Compliance Certificate ("ECC") for its causeway project.

APMC is a holder of a Mineral Production Sharing Agreement ("MPSA") denominated as MPSA No. 304-2009-IVB dated December 23, 2009. It is still under exploration stage with a <u>renewed Exploration Permit</u> issued by the DENR-MGB on July 12, 2022, an <u>approved Exploration Work Program ("ExWP") without bulk sampling</u> on July 12, 2022 and an <u>approved ExWP with bulk sampling</u> on December 21, 2022. For ease of reference, copies of these are hereto attached as Annexes "1," "2" "3" and Annex "4" respectively. APMC has secured Certificates of Non-Coverage from the DENR-EMB for its Exploration Perimeter Access Road, Exploration Access Road Construction, and Construction of Exploration Access Road 3, copies of which are attached as Annexes "5", "6", and "7", respectively.



APMC's proposed causeway project was designed as an integral component of the Sibuyan Nickel Project for its approved MPSA. It is located at Sitio Bato, Brgy. Espana, Sibuyan Island, San Fernando, Romblon. The project area is within APMC's privately owned land with target commencement of port construction in December 2022. The causeway facility

with an estimated loading capacity of 3,000,000 wet metric tons (WMT) for direct shipment per year is intended to exclusively serve the shipment activities of APMC's nickel mining operation. It shall be operated as a private non-commercial port specifically designed to accommodate up to six (6) barges loading two (2) vessels at a time to achieve its target annual production.

The records of your office will show that APMC filed an online application for ECC at EMB Central Office for its mine site and causeway project at Sitio Bato, Barangay Espana, San Fernando, Romblon. In fact, a public scoping was conducted by APMC with the assistance of EMB-MIMAROPA on January 19, 2023 at San Fernando, Sibuyan Island, Romblon. However, the processing of APMC's ECC application was deferred as APMC was confronted with an issue as to whether or not a separate ECC for the causeway — as differentiated from the ECC for mine site, (which although required, is not yet necessary until the mining stage) — must be secured. This was taken into consideration since APMC had to undergo bulk metallurgical sampling of nickel ores first. This activity is part of APMC's approved ExWP that will require the use of the causeway.

The bulk sampling had to be shipped abroad for testing, the result of which shall thereafter be included in its Final Exploration Report which in turn will be included in the Declaration of Mining Project Feasibility ("DMPF") Study for approval by the DENR and which shall finally be the basis for the issuance of a Notice to Proceed ("NTP") for mine development, production, and utilization in accordance with the MPSA.

To be clear, exploration is **not** mining or commercial operation as it is understood in the mining industry. Thus, acting on an honest belief that since the bulk sampling is a one-time activity that is part and parcel of its approved ExWP and considering that it shall nonetheless pursue its filed ECC application, APMC was constrained to secure a tenurial instrument for the purpose by way of a **Miscellaneous Lease Agreement/Contract ("MLA")**. In this regard, we respectfully direct the attention of your Office to the following timeline of APMC's MLA application:

- (1) As early as September 12, 2022, APMC filed its MLA which is denominated as MLA No. 045913-3, at DENR-PENRO MIMAROPA Region (Romblon). All documentary requirements were duly submitted to your good Office. A copy of which is attached as Annex "8" for your easy reference. We filed this precisely in compliance with Article 51 of the Water Code or P.D. 1607.
- (2) Sometime in October, 2022 following the initial evaluation of it's MLA, APMC was required to amend all submitted supporting documents and to submit lacking requirements such as evidence of competent identity, Articles of Incorporation, copy of title of adjacent lot and feasibility study. Accordingly, APMC resubmitted the amended supporting documents and submitted the said lacking documents in the same month.



- (3) Thereafter, APMC came to know that staff work anent its MLA which included an ocular inspection in the vicinity of the area applied for has been completed with at least two (2) significant findings, to wit:
 - 3.1 Letters addressed to different offices and agencies such as DPWH, PPA, Office of the Municipal Engineer, and Office of
 - Municipal Planning Officer have already been sent out and there were **no opposition** signified by any of the agencies and offices as of the month of October, 2022.
 - 3.2 APMC has satisfied all the requirements needed for the approval of its MLA.
- (4) It has come to APMC's knowledge as well that its MLA has been endorsed to the Regional Executive Director as of December 2022. Given the above findings and there appears to be no other compliance issue, AMPC reasonably anticipated the immediate release of its MLA. But this has not happened for reasons both unknown and beyond its control.

Unfortunately, APMC learned for the first time that its MLA was denied per Joint Order dated February 6, 2023 that was served by Atty. Joseph Delos Santos of DENR-MIMAROPA during the Technical Conference on February 7, 2023.

Having in mind that under Paragraph 9 of its now denied MLA we have to comply with prevailing laws anent the use of our port pending the approval and issuance thereof, APMC applied in good faith on January 24, 2023 at the Philippine Ports Authority ("PPA") for an Application to Develop and Construct (PDC) a Non-Commercial Port ("APMC-Bato Causeway") and to request for consideration a Temporary Use of APMC-Bato Port at Sitio Bato, Barangay Espana, San Fernando, Sibuyan Island, Romblon, pursuant to Section 19 in relation to Sections 17 (a) and 18, of PPA Administrative Order No. 5-2022 dated June 29, 2022 or the Revised Policy on the Development, Construction, Operations and Maintenance of Private Ports ("2022 Revised Policy of Private Ports"). A copy of the application for PDC is attached hereto as Annex "'9". APMC in good faith thought that these can serve as alternative permitting cover for our intended shipment as its MLA was not yet issued then.

In response to the above-mentioned application, the PPA issued to us a letter dated January 25, 2023 allowing APMC to temporarily use its causeway for the loading of export cargo/laterite nickel ore on the vessel, a copy is attached as Annex "10".

It is APMC'S understanding that the ECC contains specific measures and conditions that the project Proponent has to undertake before and during the operation of a project, and in some cases, during abandonment phase, to mitigate identified environmental impacts. Thus, the lack of ECC for APMC's causeway is far from being intentional as APMC did not consider it as a permit but a planning tool which can be secured before, during or after construction of the causeway. Nonetheless, APMC secured a Certificate of Non-Coverage for its Proposed Bato Causeway which we trust can be considered by your Office, a copy is attached as Annex "11".



The foregoing will show that APMC exerted its best efforts to secure the ECC and in lieu thereof, further secured permits and authorizations from the DENR PENRO and the PPA. APMC respectfully submits that these compliances, as explained above are in substantial compliance with prevailing laws, rules and regulations.

B. APMC is not aware of the inspection conducted on February 1, 2023 and thus it was effectively denied of due process.

With due respect, APMC is in a quandary why such an inspection took place on February 1, 2023 at a time when there was an on-going barricade of anti-mining residents at APMC's port over our duly permitted transport of our metallurgical bulk sample. This Office is certainly aware of such occurrence since APMC has been unfairly attacked both on mainstream and social media by sectors, who, with suspicious agenda that are cleverly covered by their avowed environmental advocacy, have successfully brainwashed, agitated, and instigated protests intended to foment hate and prejudice against APMC and the mining industry as a whole.

We believe that APMC was deprived of its right to be apprised of the inspection and the result thereof which was not appended to the NOV that was furnished to us. APMC could not have reasonably addressed the violations against it without factual bases.

C. APMC intends to pursue its ECC application for its causeway project with the guidance of the EMB Central and Regional Offices.

During the Technical Conference on February 7, 2023, the confusion as to whether APMC should apply for just one ECC covering both mine site and causeway project or a separate ECC for the causeway project was finally addressed. APMC appreciates the advice given by the office to first formally seek clarification from EMB Central Office if the ECC application shall be processed at the Regional or Central Office and in the event that it shall be processed by the Regional Office, APMC shall submit its project description on which the documentary requirements shall be based, and that the same to be duly communicated to APMC.

In view of the foregoing, APMC respectfully submits that the penalty in the amount of Php50,000.00 and the finding of violation of Section 4 of PD 1586 be reconsidered and set aside and a new one be issued directing APMC to submit all documentary requirements for the ECC application to be processed, as appropriate, by the Regional or Central Office.

As brought up during the Technical Conference, APMC voluntarily halted all exploration and related activities as of **February 6**, 2023 in order to address all regulatory and compliance issues that have been raised. Rest assured that APMC shall continue to cooperate with your office in order to ensure compliance with environmental laws, rules and regulations for the benefit of all stakeholders.

Respectfully submitted.

Truly yours,

ATTY. MARY JANE F. BALAGTAS

Legal Counsel



Copy Furnished:

ENVIRONMENTAL MANAGEMENT SERVICES

Romblon PENRO Compound, Brgy. Tabing-dagat Odiongan, Romblon

SUBSCRIBED AND SWORN TO before me this _____ at Pasig City, Affiant exhibiting to me one (1) competent evidence of her identity, to wit: Tax Identification No. 902-574-467.

Doc. No. 10 ; Page No. 22 ; Book No. 64; Series of 2023.

LBC EXPRESS, INC.
UNIT G-15 HYNSUM CORP. PLAZA, F. ORTIGAS
JR. AVE. ORTIGAS CENTER, PASIG CITY
Tel. No. (62) - 86317581
VAT TIN: 000-702-140-00310



THIS SERVES AS AN OFFICIAL RECEIPT HIN : 15889521224915597
Serial No : 5644449887
Official Receipt No : 0758241481

COMSIGNEE:

ALTAI PHILIPPINES, MINING CORPORATION OF CORPORATION OF CONTROL OF CORPORATION OF CO

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VISIT WAS DESCRIPED COMPANY AND INFO ON CASH INSIDE. CLAIMS OF CARGO ARE

LIMITED UP TO ACTUAL DECLARCO VALUE PALY.

I hereby agree to be bound with the term and conditions written the

Sherelyn Godala

ALTAI PHILITINGS. HINING CORPORATION

Signature of Gasociate

Signature of Shipper

OR Series No : OT50210000000001 to OT5020000009599 81R Final PTUM:FP002015-122-0047000-00318
BIR Accreditation No: 1220007021402015060310 Date Insued: 05/26/2015

Said to Contain : DOCUMENT ONLY

ANNEX

MINERAL PRODUCTION SHARING AGREEMENT

No. 304-2009-IVB

REGIONAL OF CE NO. IV MIMAROPA RECEIVED Date JUN 22 2011

This MINERAL PRODUCTION SHARING AGREEMENT is made and entered into in Quezon City, Philippines, this _____ day of __IDEC 2.3 2005 __ by endead on the content of the conten between:

THE REPUBLIC OF THE PHILIPP!NES, herein referred to as the GOVERNMENT, represented in this act by the Secretary of the Department of Environment and Natural Resources, with offices at the Department of Environment and Natural Resources Building, Visayas Avenue, Diliman, Quezon

and

ALTAI PHILIPPINES MINING CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, herein referred to as the CONTRACTOR, with office at 78 Visayas Avenue, Quezon City and represented in this act by its President, Pio C. Fortuno, as authorized by its Board of Directors (please refer to ANNEX "A")

WITNESSETH:

WHEREAS, the 1987 Constitution of the Republic of the Philippines provides in Article XII, Section 2 thereof that all lands of the public domain, waters, minerals, coal, petroleum and other natural resources are owned by the State and that their exploration, development and utilization shall be under the full control and supervision of the State;

WHEREAS, the Constitution further provides that the State may directly undertake such activities, or it may enter into a Co-Production, Joint Venture, or Mineral Production Sharing Agreement with Filipino citizens, or cooperatives, partnerships, corporations or associations at least sixty per centum of whose capitalization is owned by such citizens;

WHEREAS, pursuant to Republic Act No. 7942, otherwise known as "The Philippine Mining Act of 1995," which took effect on 09 April 1995, the Secretary of the Department of Environment and Natural Resources is authorized to enter into Mineral Production Sharing Agreements in furtherance of the objectives of the Government and the Constitution to bolster the national economy through sustainable and systematic development and utilization of mineral lands;

WHEREAS, the Government desires to avail itself of the financial resources, technical competence and skill, which the Contractor is capable of applying to the mining operations of the project contemplated herein;

WHEREAS, the Contractor desires to join and assist the Government in the initial \ rational exploration and possible development and utilization for commercial purposes of nickel, iron, cobalt, chromite and other associated mineral deposits existing in the Contract Area (as herein defined);

WHEREAS, the Contractor has access to all the financing, technical competence, technology and environmental management skills required to promptly and effectively carry out the objectives of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants, terms and conditions hereinafter set forth, it is hereby stipulated and agreed as follows:

SECTION I

SCOPE

- 1.1. This Agreement is a Mineral Production Sharing Agreement entered into pursuant to the provisions of the Act and its implementing rules and regulations. The primary purpose of this Agreement is to provide for the rational exploration, development and commercial utilization of nickel, iron, cobalt, chromite and other associated mineral deposits existing within the Contract Area, with all necessary services, technology and financing to be furnished or arranged by the Contractor in accordance with the provisions of this Agreement. The Contractor shall not, by virtue of this Agreement, acquire any title over the Contract/Mining Area without prejudice to the acquisition by the Contractor of the land/surface rights through any mode of acquisition provided for by law.
- 1.2. The Contractor shall undertake and execute, for and on behalf of the Government, responsible mining operations in accordance with the provisions of this Agreement, and is hereby constituted and appointed, for the purpose of this Agreement, as the exclusive entity to conduct mining operations in the Contract Area.
- 1.3. The Contractor shall assume all the exploration risk such that if no minerals in commercial quantity are developed and produced, it will not be entitled to reimbursement.
- 1.4. During the term of this Agreement, the total value of production and sale of minerals derived from the mining operations contemplated herein shall be accounted for and divided between the Government and the Contractor in accordance with Section VIII hereof.

SECTION II

DEFINITIONS

As used in this Agreement, the following words and terms, whether singular or plural, shall have the following respective meaning:

- 2.1. Act refers to Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995."
- 2.2. Agreement means this Mineral Production Sharing Agreement.
- 2.3. Associated Minerals mean other ores/minerals, which occur together with the principal ore/mineral.

- 2.4. Bangko Sentral means Bangko Sentral ng Pilipinas.
- 2.5. <u>Budget</u> means an estimate of expenditures to be made by Contractor in mining operations contemplated hereunder to accomplish the Work Program for each particular period.
- 2.6. Bureau means Mines and Geosciences Bureau.
- 2.7. Calendar Year or Year means a period of twelve 12) consecutive months starting with the first day of January and ending on December 31, while "Calendar Quarter" means a period of three consecutive months with the first calendar quarter starting with the first day of January.
- 2.8. Commercial Production means the production of sufficient quantity of minerals to sustain economic viability of mining operations reckoned from the date of commercial operation as declared by the Contractor or as stated in the feasibility study, whichever comes first.
- 2.9. Constitution or Philippine Constitution means the 1987 Constitution of the Republic of the Philippines adopted by the Constitutional Convention of 1986 on October 15, 1986 and ratified by the People of the Republic of the Philippines on February 2, 1987.
- 2.10. Contract Area means the area onshore or offshore delineated under the Mineral Production Sharing Agreement subject to the relinquishment obligations of the Contractor and properly defined by latitude and longitude or bearing and distance.
- 2.11. Contract Year means a period of twelve (12) consecutive months counted from the Effective Date of this Agreement or from the anniversary of such Effective Date.
- 2.12. Contractor means Altai Philippines Mining Corporation or its assignee(s) of interest under this Agreement: Provided, That the assignment of any of such interest is accomplished pursuant to the pertinent provisions of the implementing rules and regulations of the Act.
- 2.13. Declaration of Mining Project Feasibility means a document proclaiming the presence of minerals in a specific site, which are recoverable by socially acceptable, environmentally safe and economically sound methods specified in the Project Feasibility Study.
- 2.14. <u>Department or DENR</u> means the Department of Environment and Natural Resources.
- 2.15. <u>Director</u> means the Director of Mines and Geosciences Bureau.
- 2.16. Effective Date means the date of execution of this Agreement by the Contractor and by the Secretary on behalf of the Government.
- 2.17. Environment means all facets of man's surroundings: physical, ecological, aesthetic, cultural, economic, historic, institutional and social.
- 2.18. Exploration means searching or prospecting for mineral resources by geological, geophysical and geochemical surveys, remote sensing, test

pitting, trenching, drilling, shaft sinking, tunneling or any other means for the purpose of determining the existence, extent, quality and quantity of mineral resources and the feasibility of mining them for profit.

- 2.19. Exploration Period shall mean the period from the Effective Date of this Agreement, which shall be for two (2) years, renewable for like periods but not to exceed a total term of six (6) years for nonmetallic minerals and eight (8) years for metallic minerals, subject to the pertinent provisions of the imp!ementing rules and regulations of the Act.
- 2.20. Force Majeure means acts or circumstances beyond the reasonable control of the Contractor including, but not limited to war, rebellion, insurrection, riots, civil disturbances, blockade, sabotage, embargo, strike, lockout, any dispute with surface owners and other labor disputes, epidemics, earthquake, storm, flood or other adverse weather conditions, explosion, fire, adverse action by the Government or by any of its instrumentality or subdivision thereof, act of God or any public enemy and any cause as herein described over which the affected party has no reasonable control.
- 2.21. Foreign Exchange means any currency other than the currency of the Republic of the Philippines acceptable to the Government and the Contractor.
- 2.22. Government means the Government of the Republic of the Philippines or any of its agencies and instrumentalities.
- 2.23. Gross Output means the actual market value of the minerals or mineral products from each mine or mineral land operated as a separate entity, without any deduction for mining, processing, refining, transporting, handling, marketing or any other expenses: Provided, That if the minerals or mineral products are sold or consigned abroad by the Contractor under C.I.F. terms, the actual cost of ocean freight and insurance shall be deducted: Provided further, That in the case of mineral concentrates which are not traded in commodity exchanges in the Philippines or abroad such as copper concentrate, the actual market value shall be the world price quotation of the refined mineral products contained thereof prevailing in the said commodity exchanges, after deducting the smelting, refining, treatment, insurance, transportation and other charges incurred in the process of converting mineral concentrates into refined metal traded in those commodity exchanges.
- 2.24. Mine Development refers to work undertaken to prepare an ore body or a mineral deposit for mining, including the construction of necessary infrastructure and related facilities.
- 2.25. Minerals mean all naturally occurring inorganic substances in solid, liquid, gas or any intermediate state excluding energy materials such as coal, petroleum, natural gas, radioactive materials and geothermal energy.
- 2.26. Mineral Products mean materials derived from mineral ores/rocks and prepared into marketable state by metallurgical processes which include beneficiation, cyanidation, leaching, smelting, calcination and other similar processes.

Sie

- 2.27. Mining Area means that portion of the Contract Area identified by the Contractor as defined and delineated in a Survey Plan duly approved by the Director/Regional Director concerned for purposes of development and/or utilization and sites for support facilities.
- 2.28. Mining Operations means mining activities involving exploration, feasibility study, environmental impact assessment, development, utilization, mineral processing and mine rehabilitation.
- 2.29. Notice means notice in writing, telex or telecopy (authenticated by answer back or confirmation received) addressed or sent as provided in Section 16.2 of this Agreement.
- 2.30. Ore means naturally occurring substance or material from which a mineral or element can be mined and/or processed for profit.
- 2.31. Pollution means any alteration of the physical, chemical and/or biological properties of any water, air and/or land resources of the Philippines, or any discharge thereto of any liquid, gaseous or solid wastes or any production of unnecessary noise or any emission of objectionable odor, as will or is likely to create or render such water, air, and land resources harmful, detrimental or injurious to public health, safety or welfare or which will adversely affect their utilization for domestic, commercial, industrial, agricultural, recreational or other legitimate purposes.
- 2.32. Secretary means the Secretary of the Department of Environment and Natural Resources.
- 2.33. State means the Republic of the Philippines.
- 2.34. Work Program means a document which presents the plan of major mining operations and the corresponding expenditures of the Contractor in its Contract Area during a given period of time, including the plan and expenditures for development of host and neighboring communities and of local geoscience and mining technology, as submitted and approved in accordance with the implementing rules and regulations of the Act.

SECTION III

TERM OF AGREEMENT

3.1. This Agreement shall have a term of twenty five (25) years from Effective Date, and may be renewed thereafter for another term not exceeding twenty five (25) years. The renewal of this Agreement, as well as the changes in the terms and conditions thereof, shall be upon mutual consent by the parties. In the event the Government decides to allow mining operations thereafter by other Contractor, this must be through competitive public bidding. After due publication of notice, the Contractor shall have the right to equal the highest bid upon reimbursement of all reasonable expenses of the highest bidder.

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SECTION IV

CONTRACT AREA

4.1. Size, Shape, and Location of Contract Area - This Agreement covers a Contract Area of approximately One Thousand Five Hundred Eighty and 8,010/10,000 (1,580.8010) hectares, situated in San Fernando, Romblon, Sibuyan Island, and bounded by the following geographical coordinates (please refer to ANNEX "B" - 1:50,000 scale Location Map/Sketch Plan):

Parcel 1 Area = 1,140.7790 hectares

Corner		Latit	ude	Lo	ngit	ude
1		12° 25'	07.999"	122°	31'	33.631"
		120 24'	45.000"	122°	31'	33.631"
2 3 -	-	12° 24'	45.000"	122°	32'	00.167"
4		12° 23'	23.856"	122°	32'	00.167"
5		12° 23'	23.856"	122°	33'	19.611"
6		12° 23'	12.792"	122°	33'	07.500"
7		12° 22'	57.821"	122°	33'	07.500"
8		12° 22'	57.821"	122°	32'	55.000"
9		12° 22'	31.786"	122°	32'	55.000"
10		12° 22'	31.786"	122°	30'	53.952"
. 11		12° 23'	23.856"	122°	30'	53.952"
12		12° 23'	23.856"	122°	30'	40.710"
13		12° 23'	49.885"	122°	30'	40.710"
14		12° 23'	49.885"	122°	31'	07.196"
15		12° 25'	07.999"	122°	31'	07.196"

Parcel 2 Area = 440.0220 hectares

Corner		L	Latitude			Longitude .			
	1 2 3 4 5 6 7		*	12° 12° 12° 12° 12°	22' 21' 20' 20' -21'	05.774 05.774 10.000 47.643 47.643 13.678	122° 122° 122° 122° 122°	34' 34' 34' 33' 33'	19.611" 10.000" 39.713" 39.713" 46.096" 46.096" 19.611"

SECTION V

EXPLORATION PERIOD

5.1. Timetable for Exploration - The Contractor shall commence Exploration activities not later than three (3) months after the Effective Date for a period of two (2) years, renewable for like periods but not to exceed a total term of six (6) years for nonmetallic minerals and eight (8) years for metallic.

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minerals, subject to annual review and approval by the Director in accordance with the implementing rules and regulations of the Act.

5.2. Renewal of Exploration Period - In case the Contractor opts for a renewal of its Exploration Period, it shall file prior to the expiration thereof, a renewal application in the Mines and Geosciences Bureau Central Office, accompanied by the mandatory requirements stipulated in the implementing rules and regulations of the Act. The Director may grant the renewal of the Exploration Period on condition that the Contractor has substantially complied with the terms and conditions of the Agreement.

In cases where further exploration is warranted beyond the six (6)- or eight (8)-year period and on condition that the Contractor has substantially implemented the Exploration and Environmental Work Programs as verified by the Bureau, the Director may further grant renewal of the Exploration Period: Provided, That the Contractor shall be required to set up a performance surety equivalent to the expenditure requirement of the Exploration and Environmental Work Programs.

5.3. Work Programs and Budgets - The Contractor shall strictly comply with the approved Exploration and Environmental Work Programs together with their corresponding Budgets (please refer to ANNEXES "C" and "D").

The amount to be spent by the Contractor in conducting Exploration activities under the terms of this Agreement during the Exploration Period shall be in the aggregate of not less than that specified for each of the Contract Years, as follows:

For the Exploration Work Program:

1st Contract Year : PhP 2,933,500.00
2nd Contract Year : PhP 4,922,500.00
Total : PhP 7,856,000.00

For the Environmental Work Program : PhP 800,000.00

In the event of renewal of the Exploration Period, the amount to be spent every year shall first be agreed upon by the parties.

In the event of termination of this Agreement, the Contractor shall only be obliged to expend the pro-rata amount for the period of such Contract Year prior to termination. If during any Contract Year, the Contractor should expend more than the amount to be expended as provided above, the excess may be subtracted from the amount required to be expended by the Contractor during the succeeding Contract Years, and should the Contractor, due to unforeseen circumstances or with the consent of the Government, expend less during a year, then the deficiency shall be applied to the amount to be expended during the succeeding Contract Years.

5.4. Relinquishment of Total/Portion of the Contract Area - During the Exploration Period, the Contractor may relinquish totally or partially the original Contract Area. After the Exploration Period and prior to or upon approval of a Declaration of Mining Project Feasibility by the Director, the Contractor shall finally relinquish any portion of the Contract Area not

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- necessary for mining operations and not covered by any Declaration of Mining Project Feasibility.
- 5.5. Final Mining Area The Director may allow the Contractor to hold more than one (1) final Mining Area subject to the maximum limits set under the implementing rules and regulations of the Act: Provided, That each final Mining Area shall be covered by a Declaration of Mining Project Feasibility.
- 5.6. Declaration of Mining Project Feasibility Within the term of the Exploration Period, the Contractor shall file in the Regional Office concerned, the Declaration of Mining Project Feasibility of the Contract Area/final Mining Area supported by Mining Project Feasibility Study, Three (3)-Year Development and Construction or Commercial Operation Work Program, complete geologic report, an application for survey and the pertinent Environmental Compliance Certificate, among other applicable requirements. Failure of the Contractor to submit the Declaration of Mining Project Feasibility during the Exploration Period shall be considered a substantial breach of this Agreement.
- 5.7. Survey of the Contract Are The Contractor shall cause the survey of the perimeter of the Contract Area/final Mining Area through an application for survey, complete with requirements, filed in the Regional Office concerned simultaneous with the submission of the Declaration of Mining Feasibility. Survey returns shall be submitted to the Regional Director concerned for approval within one (1) year from receipt of the Order of Survey complete with the mandatory requirements stated in the implementing rules and regulations of the Act.

5.8. Reporting

- During the Exploration Period, the Contractor shall submit to the a. Director, through the Regional Director concerned, quarterly and annual accomplishment reports under oath on all activities conducted in the Contract Area from the Effective Date of this Agreement. The quarterly report shall be submitted not later than fifteen (15) days at the end of each Calendar Quarter while the annual accomplishment report shall be submitted not later than thirty (30) days from the end of each Calendar Year. Such information shall include detailed financial expenditures, raw and processed geological, geochemical, geophysical and radiometric data plotted on a map at a minimum 1:50,000 scale, copies of originals of assay results, duplicated samples, field data, copies of originals from drilling reports, maps, environmental work program implementation and detailed expenditures showing discrepancies/ deviations with approved exploration and environmental plans and budgets as well as all other information of any kind collected during the exploration activities. All information submitted to the Bureau shall be subject to the confidentiality clause of this Agreement.
- b. Final Report The Contractor shall submit to the Director, through the Regional Director concerned, a final report under oath upon the expiration of the Exploration Period which shall be in the form and substance comparable to published professional reports of respectable international institutions and shall incorporate all the findings in the Contract Area including location of samples, assays,



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chemical analysis, and assessment of mineral potentials together with a geologic map of 1:50,000 scale at the minimum showing the results of the exploration. Such report shall also include detailed expenditures incurred during the Exploration Period. In case of diamond drilling, the Contractor shall, upon request of the Director/Regional Director concerned, submit to the Regional Office concerned a quarter of the core samples, which shall be deposited in the Regional Office Core Library for safekeeping and reference.

c. Relinquishment Report - The Contractor shall submit a separate relinquishment report with a detailed geologic report of the relinquished area accompanied by maps at a scale of 1:50,000 and results of analyses and detailed expenditures, among others.

SECTION VI

DEVELOPMENT AND CONSTRUCTION PERIOD

6.1. Timetable - The Contractor shall complete the development of the mine including the construction of production facilities within thirty six (36) months from the submission and approval of the Declaration of Mining Project Feasibility, subject to such extension based on justifiable reasons as the Director may approve, upon recommendation of the Regional Director concerned.

6.2. Reporting

- a. Annual The Contractor shall submit, within sixty (60) days after December 31 of each year, to the Director, through the Regional Director concerned, an annual report, which states the major activities, achievements and detailed expenditures during the year covered, including maps, assays, rock and mineral analyses and geological and environmental progress reports during the Development and Construction Period.
- b. Final Report Within six (6) months from the completion of the development and construction activities, the Contractor shall submit a final report to the Director, through the Regional Director concerned. Such report shall integrate all information in maps of appropriate scale and quality, as well as in monographs or reports in accordance with international standards.

SECTION VII

OPERATING PERIOD

7.1. Timetable - The Contractor shall submit, within thirty (30) days before a completion of mine development and construction of production facilities, to the Director, through the Regional Director concerned, a Three-Year Commercial Operation Work Program. The Contractor shall commence commercial utilization immediately upon approval of the aforesaid Work Program. Failure of the Contractor to commence Commercial Production.

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within the period shall be considered a substantial breach of the Agreement.

7.2. Commercial Operation Work Program and Budget - During the Operating Period, the Contractor shall submit to the Director, through the Regional Director concerned, Work Programs and Budgets covering a period of three (3) years each, which shall be submitted not later than thirty (30) days before the expiration of the period covered by the previous Work Program.

The Contractor shall conduct Mining Operations and other activities for the duration of the Operating Period in accordance with the duly approved Work Programs and corresponding Budgets.

7.3. Expansion and Modification of Facilities - The Contractor may make expansions, modifications, improvements, and replacements of the mining facilities and may add new facilities as the Contractor may consider necessary for the operations: Provided, That such plans shall be embodied in an appropriate Work Program approved by the Director.

7.4. Reporting

- a. Quarterly Reports Beginning with the first Calendar Quarter following the commencement of the Operating Period, the Contractor shall submit, within thirty (30) days after the end of each Calendar Quarter, to the Director, through the Regional Director concerned, a Quarterly Report stating the tonnage of production in terms of ores, concentrates, and their corresponding grades and other types of products; value, destination of sales or exports and to whom sold; terms of sales and expenditures.
- b. Annual Reports During the Operating Period, the Contractor shall submit within sixty (60) days from the end of each Calendar Year, to the Director, through the Regional Director concerned, an Annual Report indicating in sufficient detail:
 - b.1. The total tonnage of ore reserves, whether proven, probable, or inferred, the total tonnage of ores, kind by kind, broken down between tonnage mined, tonnages transported from the minesite and their corresponding destination, tonnages stockpiled in the mine and elsewhere in the Philippines, tonnages sold or committed for export (whether actually shipped from the Philippines or not), tonnages actually shipped from the Philippines (with full details as to purchaser, destination and terms of sale), and if known to the Contractor, tonnages refined, processed or manufactured in the Philippines with full specifications as to the intermediate products, by-products or final products and of the terms at which they were disposed;
 - b.2. Work accomplished and work in progress at the end of the year in question with respect to all the installations and facilities related to the utilization program, including the investment actually made or committed; and



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b.3. Profile of work force, including management and staff, stating particularly their nationalities, and for Filipinos, their place of origin (i.e., barangay, town, province, region).

The Contractor shall also comply with other reporting requirements provided for in the implementing rules and regulations of the Act.

SECTION VIII

FISCAL REGIME

- 8.1. General Principle The fiscal regime of this Agreement shall be governed by the principle according to which the Government expects a reasonable return in economic value for the utilization of non-renewable mineral resources under its national sovereignty while the Contractor expects a reasonable return on its investment with special account to be taken for the high risk of exploration, the terms and conditions prevailing elsewhere in the industry and any special efficiency to be gained by a particularly good performance of the Contractor.
- 8.2. Registration Fees Within fifteen (15) days upon receipt of the notice of approval of the Agreement from the Regional Office concerned, the Contractor shall cause the registration of this Agreement with the said Regional Office and pay the registration fee at the rate provided in the existing rules and regulations. Failure of the Contractor to cause the registration of this Agreement within the prescribed period shall be sufficient ground for cancellation of the same.
- 8.3. Occupation Fees Prior to registration of this Agreement and at the same date every year thereafter, the Contractor shall pay to the Municipal/City Treasurer concerned an occupation fee over the Contract Area at the annual rate provided in the existing rules and regulations. If the fee is not paid on the date specified, the Contractor shall pay a surcharge of twenty five percent (25%) of the amount due in addition to the occupation fees.
- 8.4. Share of the Government The Government Share shall be the excise tax on mineral products at the time of removal and at the rate provided for in Republic Act No. 7729 amending Section 151 (a) of the National Internal Revenue Code, as amended, as well as other taxes, duties and fees levied by existing laws. The Excise Tax shall be timely and completely paid to the nearest Bureau of Internal Revenue Office in the province concerned.

For purposes of determining the amount of the herein Government Share, the Contractor shall strictly comply with the auditing and accounting requirements prescribed under existing laws and regulations.

The Government Share shall be allocated in accordance with Sections 290 and 292 of Republic Act No. 7160, otherwise known as "The Local Government Code of 1991."

8.5. Pricing of Sales - The Contractor shall dispose of the minerals and by-products produced at the highest market price prevailing in the locality: The Contractor shall also pay the lowest achievable marketing commissions and related fees and shall negotiate for more advantageous terms and

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conditions subject to the right to enter into long-term sales or marketing contracts or foreign exchange and commodity hedging contracts, which the Government acknowledges to be acceptable notwithstanding that the sale price of the minerals and by-products may from time to time be lower, or the terms and conditions of sales are less favorable, than that available elsewhere. The Contractor shall seek to strike a balance between long-term sales or marketing contracts or foreign exchange and commodity hedging contracts comparable to policies followed by independent producers in the international mining industry.

The Contractor shall likewise seek a balanced distribution among consumers. Insofar as sales to Contractor's affiliate(s) are concerned, prices shall be at arm's length standard, and competing offers for large scale and long-term contracts shall be procured. Before any sale and/or shipment of mineral product is made, existing and future marketing contract(s)/sales agreement(s) shall be submitted to the Director, copy furnished the Regional Director concerned, for registration. At the same time, the Contractor shall regularly inform the Director in writing of any revisions, changes or additions in said contract(s)/agreement(s).

The Contractor shall reflect in its Monthly/Quarterly Report on Production, Sales and Inventory of Minerals, as well as in the Integrated Annual Report, the corresponding registration number(s) of the marketing contract(s)/agreement(s) governing the export or sale of minerals.

8.6. Associated Minerals - If minerals other than nickel, iron, cobalt, chromite are discovered in commercial quantities in the Contract Area, the value thereof shall be added to the value of the principal mineral in computing the Government share.

SECTION IX

WORK PROGRAMS

- 9.1. Submission to Government Within the periods stated herein, the Contractor shall prepare and submit to the Director, through the Regional Director concerned, a Work Program and corresponding Budget for the Contract Area stating the Mining Operations and expenditures which the Contractor proposes to carry out during the period covered with the details and particulars set forth elsewhere in this Agreement or in the supporting documents.
- 9.2. Government's Examination and Revision of Work Program Should the Government decide to propose a revision to a certain specific feature in the Work Program or Budget, it shall, within thirty (30) days after receipt thereof, provide a Notice to the Contractor specifying in reasonable detail its reasons therefore. Promptly thereafter, the Government and Contractor will meet and endeavor to agree on the revision proposed by the Government. In any event, the revision of any portion of said Work Program or Budget in which the Government shall fail to notify the Contractor of the proposed revision shall, insofar as possible, be carried out as prescribed herein. If the Government should fail within sixty (60) days from receipt thereof to notify Contractor of the proposed revisions, the



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Work Program and Budget proposed by the Contractor shall be deemed to be approved.

9.3. Contractor's Changes to Work Program - It is recognized by the Government and the Contractor that the details of any Work Program may require changes in the light of changing circumstances. The Contractor may make such changes: Provided, That it shall not change the general objective of the Work Program: Provided further, That changes which entail a negative variance of at least twenty percent (20%) shall be subject to the approval of the Director.

in case of any positive variance in the future, the Contractor shall submit to the Bureau and Regional Office concerned a copy each of the revised Work Programs, for information.

9.4. The Government's approval of a proposed Work Program and Budget will not be unreasonably withheld.

SECTION X

ENVIRONMENTAL PROTECTION AND MINE SAFETY AND HEALTH

- 10:1. The Contractor shall manage its Mining Operations in a technically, financially, socially, culturally and environmentally responsible manner to achieve the sustainable development objectives and responsibilities as provided for under the implementing rules and regulations of the Act.
- 10.2. The Contractor shall ensure that the standards of environmental protection are met in the course of the Mining Operations. To the extent possible, control of pollution and the transformation of the mined-out areas or materials into economically and socially productive forms must be done simultaneously with mining.
- 10.3. The Contractor shall submit an Environmental Work Program during the Exploration Period as prescribed in the implementing rules and regulations of the Act.
- 10.4. An Environmental Compliance Certificate (ECC) shall be secured first by the Contractor prior to the conduct of any development works, construction of production facilities and/or mine production activities in the Contract Area.
- 10.5. The Contractor shall submit within thirty (30) calendar days after the issuance and receipt of the ECC, an Environmental Protection and Enhancement Program (EPEP) using MGB Form No. 16-2 covering all areas to be affected by development, utilization and processing activities under this Agreement. The Contractor shall allocate for its initial environment-related capital expenditures approximately ten percent (10%) of the total project cost or in such amount depending on the environmental/geological condition, nature and scale of operations and technology to be employed in the Contract Area.
- 10.6. The Contractor shall submit, within thirty (30) days prior to the beginning of every calendar year, an Annual Environmental Protection and

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Enhancement Program (AEPEP), using MGB Form 16-3, which shall be based on the approved EPEP. The AEPEP shall be implemented during the year for which it was submitted. To implement its AEPEP, the Contractor shall allocate annually three to five percent (3%-5%) of its direct mining and milling costs depending on the environmental/geologic condition, nature and scale of operations and technology employed in the Contract Area.

10.7. The Contractor shall establish a Contingent Liability and Rehabilitation Fund (CLRF) which shall be in the form of the Mine Rehabilitation Fund (MRF) and the Mine Waste and Tailings Fee (MWTF).

The MRF shall be based on the financial requirements of the approved EPEP as a reasonable environmental deposit to ensure satisfactory compliance with the commitments/strategies of the EPEP/AEPEP and availability of funds for the performance of the EPEP/AEPEP during the specific project phase. The MRF shall be deposited as Trust Fund in a government depository bank and shall be used for physical and social rehabilitation of areas affected by mining activities and for research on the social, technical and preventive aspects of rehabilitation.

The MWTF shall be collected based on the amounts of mine waste and mill tailings generated during the conduct of Mining Operations. The MWTF collected shall accrue to a Mine Waste and Tailings Reserve Fund and shall be deposited in a government depository bank for payment of compensation for damages caused by the Mining Operations.

- 10.8. The Contractor shall set up mitigating measures such as mine waste and mill tailings disposal system, mine rehabilitation or plan, water quality monitoring, etc. to minimize land degradation, air and water pollution, acid rock drainage and changes in hydrogeology.
- 10.9. The Contractor shall set up an Environmental and Safety Office at its minesite manned by qualified personnel to plan, implement and monitor its approved EPEP.
- 10.10. The Contractor shall be responsible in the monitoring of environmental, safety and health conditions in the Contract Area and shall strictly comply with all the rules and regulations embodied under DAO No. 2000-98, otherwise known as the "Mine Safety and Health Standards."
- 10.11. The Contractor shall be responsible for the submission of a final mine rehabilitation and/or decommissioning plans, including its financial requirements and incorporating the details and particulars set forth in the implementing rules and regulations of the Act.

SECTION XI

RIGHTS-AND OBLIGATIONS OF THE PARTIES

11.1. Obligations of the Contractor:

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- a. To exclusively conduct sustainable Mining Operations within the Contract Area in accordance with the provisions of the Act and its implementing rules and regulations;
- b. To construct and operate any facilities specified under the Mineral Agreement or approved Work Program;
- c. To determine the exploration, mining and treatment process to be utilized in the Mining Operations;
- d. To extract, remove, use and dispose of any tailings as authorized by an approved Work Program;
- To secure all permits necessary or desirable for the purpose of Mining Operations;
- f. To keep accurate technical records about the Mining Operations, as well as financial and marketing accounts, and make them available to Government representatives authorized by the Director for the purpose of assessing the performance and compliance of the Contractor with the terms of this Agreement. Authorized representatives of other Government Agencies may also have access to such accounts in accordance with existing laws, rules and regulations;
- g. To furnish the Bureau all the data and information gathered from the Contract Area and that all the books of accounts and records shall be open for inspection;
- To allow access to Government during reasonable hours in inspecting the Contract Area and examining pertinent records for purposes of monitoring compliance with the terms of this Agreement;
- To hold the Government free and harmless from all claims and accounts of all kinds, as well as demands and actions arising out of the accidents or injuries to persons or properties caused by Mining Operations of the Contractor and indemnify the Government for any expenses or costs incurred by the Government by reason of any such claims, accounts, demands or actions;
- i. In the development of the community:
 - j.1. To recognize and respect the rights, customs and traditions of indigenous cultural communities over their ancestral lands and to allocate royalty payment of not less than one percent (1%) of the value of the gross output of minerals sold;
 - j.2. To coordinate with proper authorities in the development of the mining community and for those living in the host and neighboring communities through social infrastructure, livelihood programs, education, water, electricity and medical services. Where traditional self-sustaining income and the community activities are identified to be present, the Contractor shall assist in the preservation and/or enhancement of such activities;

- j.3. To allot annually a minimum of one percent (1%) of the direct mining and milling costs necessary to implement the activities undertaken in the development of the host and neighboring communities. Expenses for community development may be charged against the royalty payment of at least one percent (1%) of the gross output intended for the concerned indigenous cultural community;
- j.4. To give preference to Filipino citizens who have established domicile in the neighboring communities, in the hiring of personnel for its mining operations. If necessary skills and expertise are currently not available, the Contractor must immediately prepare and undertake a training and recruitment program at its expense; and
- j.5. To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement (j.1) to (j.3) of this Section;
- k. In the development of Mining Technology and Geosciences:
 - k.1. In the course of its operations, to produce geological, geophysical, geochemical and other types of maps and reports that are appropriate in scale and in format and substance which are consistent with the internationally accepted standards and practices. Such maps shall be made available to the scientific community in the most convenient and cost effective forms, subject to the condition that the Contractor may delay release of said information for a reasonable period of time which shall not exceed three (3) years;
 - k.2. To systematically keep the data generated from the Contract/ Mining Area such as cores, assays and other related information, including economic and financial data and make them accessible to students, researchers and other persons responsible for developing mining, geoscience and processing technology subject to the condition that the Contractor may delay release of data to the science and technology community within a reasonable period of time which shall not exceed three (3) years;
 - k.3. To transfer to the Government or local mining company the appropriate technology it may adapt in the exploration, development and commercial utilization of the minerals in the Contract Area;
 - k.4. To allocate research and development budget for the advancement of mining technology and geosciences in coordination with the Bureau, research institutions, academe, etc.; and
 - k.5. To replicate data, maps and reports cited in (k.1) and (k.2) and furnish the Bureau for archiving and systematic



safekeeping which shall be made available to the science and technology community for conducting research and undertaking other activities which contribute to the development of mining, geoscience and processing technology and the corresponding national pool of manpower talents: Provided, however, that the release of data, maps and the like shall be similarly constrained in accordance with (k.1) and (k.2) above;

- To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement all the plans and programs set forth in this Agreement; and
- To pay all other taxes and fees mandated by existing laws, rules and regulations.

11.2. Rights of the Contractor:

- To conduct Mining Operations within the confines of its Contract/Mining Area in accordance with the terms and conditions hereof and without interfering with the rights of other Contractors/Lessees/Operators/.Permittees/Permit Holders;
- Possession of the Contract Area, with full right of ingress and egress and the right to occupy the same, subject to surface and easement rights;
- c. To use and have access to all declassified geological, geophysical, drilling, production and other data relevant to the mining operations;
- To sell, assign, transfer, convey or otherwise dispose of all its rights, interests and obligations under the Agreement subject to the approval of the Government;
- e. To employ or bring into the Philippines foreign technical and specialized personnel, including the immediate members of their families as may be required in the operations of the Contractor, subject to applicable laws and regulations: Provided, That if the employment connection of such foreign persons with the Contractor ceases, the applicable laws and regulations on immigration shall apply to them. Every time foreign technologies are utilized and where alien executives are employed, an effective program of training understudies shall be undertaken. The alien employment shall be limited to technologies requiring highly specialized training and experience subject to the required approval under existing laws, rules and regulations;
- f. To enjoy easement rights and use of timber, water and other natural resources in the Contract Area subject to pertinent laws, rules and regulations and the rights of third parties;
- Repatriation of capital and remittance of profits, dividends and interest on loans, subject to existing laws and Bangko Sentral ng Pilipinas rules and regulations; and

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- h. To import when necessary all equipment, spare parts and raw materials required in the operations in accordance with existing laws and regulations.
- 11.3. Obligations of the Government:
 - To ensure that the Contractor has the Government's full cooperation in the exercise of the rights granted to it under this Agreement;
 - To use its best efforts to ensure the timely issuance of necessary permits and similar authorizing documents for use of the surface of the Contract Area; and
 - c. To cooperate with the Contractor in its efforts to obtain financing contemplated herein from banks or other financial institutions: Provided, That such financing arrangements will in no event reduce the Contractor's obligation on Government rights hereunder.

SECTION XII

ASSETS AND EQUIPMENT

- 12.1. The Contractor shall acquire for the Mining Operations only such assets that are reasonably estimated to be required in carrying out such Mining Operations.
- 12.2. All materials, equipment, plant and other installations of a movable nature erected or placed on the Contract Area by the Contractor shall remain the property of the Contractor. The Contractor shall have the right to remove and re-export such materials and equipment, plant and other installations from the Philippines, subject to existing rules and regulations. In case of cessation of Mining Operations on public lands occasioned by its voluntary abandonment or withdrawal, the Contractor shall have a period of one (1) year from the time of cessation within which to remove its improvements; otherwise, all social infrastructures and facilities shall be turned over or donated tax free to the proper government authorities, national or local, to ensure that said infrastructures and facilities are continuously maintained and utilized by the host and neighboring communities.

SECTION XIII

EMPLOYMENT AND TRAINING OF PHILIPPINE PERSONNEL

13.1. The Contractor agrees to employ, to the extent possible, qualified Filipino personnel in all types of mining operations for which they are qualified; and after Commercial Production commences shall, in consultation and with consent of the Government, prepare and undertake an extensive training programme suitable to Filipino nationals in all levels of employment. The objective of said programme is to reach within the timetable set forth below the following targets of "Filipinization:"

Unskilled Skilled Clerical Professional Management (%) (%) (%) (%)

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Year 1	100	100	100	75	75
Year 3	100	100	100	80	80
Year 5	100	100	100	90	90
Year 7	100	100	100	95	95
Year 10	100	100	100	95	95
Year 15	100	100	100	95	95

- 13.2. Cost and expenses of training such Filipino personnel and the Contractor's own employees shall be included in the Operating Expenses.
- 13.3. The Contractor shall not discriminate on the basis of gender and shall respect the right of women workers to participate in policy and decisionmaking processes affecting their rights and benefits.

SECTION XIV

ARBITRATION

- 14.1. The Government and the Contractor shall consult with each other in good faith and shall exhaust all available remedies to settle any and all disputes or disagreements arising out of or relating to the validity, interpretations, enforceability, or performance of this Agreement before resorting to arbitration as provided for in Section 14.2. below.
- 14.2. Any disagreement or dispute which can not be settled amicably within a period of one (1) year from the time the issue is raised by a Party shall be settled by a tribunal of three (3) arbitrators. This tribunal shall be constituted as follows: one to be appointed by the Contractor and the other to be appointed by the Secretary. The first two appointed arbitrators shall consider names of qualified persons until agreement on a mutually acceptable Chairman of the tribunal is selected. Such arbitration shall be initiated and conducted pursuant to Republic Act No. 876, otherwise known as the "Arbitration Act."

In any event, the arbitration shall be conducted applying the substantive laws of the Republic of the Philippines.

14.3. Each party shall pay fifty percent (50%) of the fees and expenses of the Arbitrators and the costs of arbitration. Each party shall pay its own costs and attorney's fee.

SECTION XV

SUSPENSION OR TERMINATION OF CONTRACT, TAX INCENTIVES AND CREDITS

15.1. This Agreement may be suspended for failure of the Contractor: (a) to comply with any provision or requirement of the Act and/or its implementing rules and regulations; (b) to pay on time the complete taxes, fees and/or other charges demandable and due the Government.

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- 15.2. This Agreement terminates or may be terminated for the following causes:

 (a) expiration of its term, whether original or renewal; (b) withdrawal from the Agreement by the Contractor; (c) violation by the Contractor of the Agreement's terms and conditions; (d) failure to pay taxes, fees/or charges or financial obligations for two (2) consecutive years; (e) false statement or omission of facts by the Contractor; and (f) any other cause or reason provided under the Act and its implementing rules and regulations, or any other relevant laws and regulations.
- 15.3. All statements made in this Agreement shall be considered as conditions and essential parts hereof, and any falsehood in said statements or omission of facts which may alter, change or affect substantially the fact set forth in said statements shall be a ground for its revocation and termination.
- 15.4. The Contractor may, by giving due notice at any time during the term of this Agreement, apply for its cancellation due to causes which, in the opinion of the Contractor, render continued mining operation no longer feasible or viable. In this case, the Secretary shall decide on the application within thirty (30) days from notice: Provided, That the Contractor has met all the financial, fiscal and legal obligations.
- 15.5. No delay or omissions or course of dealing by the Government shall impair any of its rights under this Agreement, except in the case of a written waiver. The Government's right to seek recourse and relief by all other means shall not be construed as a waiver of any succeeding or other default unless the contrary intention is reduced in writing and signed by the party authorized to exercise the waiver.
- 15.6. In case of termination, the Contractor shall pay all the fees and other liabilities due up to the end of the year in which the termination becomes effective. The Contractor shall immediately carry out the restoration of the Contract Area in accordance with good mining industry practice.
- 15.7. The withdrawal by the Contractor from the Mineral Agreement shall not release it from any and all financial, environmental, legal and fiscal obligations under this Agreement.
- 15.8. The following acts or omission, inter alia shall constitute breach of contract, upon which the Government may exercise its right to terminate the Agreement:
 - Failure of the Contractor without valid reason to commence Commercial Production within the period prescribed; and/or
 - b. Failure of the Contractor to conduct mining operations and other activities in accordance with the approved Work Programs and/or any modification thereof as approved by the Director.
- 15.9. The Government may suspend and cancel tax incentives and credits if the Contractor fails to abide by the terms and conditions of said incentives and credits.

SECTION XVI

OTHER PROVISIONS

16.1. Any terms and conditions resulting from repeal or amendment of any existing laws or regulation or from the enactment of a law, regulation or administrative order shall be considered a part of this Agreement.

16.2. Notice

All notices, demands and other communications required or permitted hereunder shall be made in writing, telex or telecopy and shall be deemed to have been duly given notice, in the case of telex or telecopy, if answered back or confirmation received, or if delivered by hand, upon receipt or ten days after being deposited in the mail, airmail postage prepaid and addressed as follows:

If to the Government:

THE SECRETARY
Department of Environment and Natural Resources
DENR Building, Visayas Avenue
Diliman, Quezon City

If to the Contractor:

THE PRESIDENT Altai Philippines Mining Corporation 78 Visayas Avenue, Quezon City

Either party may substitute or change such address on notice thereof to the other party: Provided, That the Contractor shall, in case of any change of address during the term of this Agreement, notify the Director in writing. Failure to do such notification shall be deemed as waiver by the Contractor to be informed about any communications as provided in Section 16.2 above.

16.3. Governing Law

This Agreement and the relation between the parties hereto shall be governed by and construed in accordance with the laws of the Republic of the Philippines. The Contractor hereby agrees and obliges itself to comply with the provisions of the Act, its implementing rules and regulations and other relevant laws and regulations.

16.4. Suspension of Obligation

a. Any failure or delay on the part of any party in the performance of its obligation or duties hereunder shall be excused to the extent attributable to Force Majeure as defined in the Act: Provided, That the suspension of Mining Operations due to Force Majeure causes shall be subject to approval by the Director.

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- b. If Mining Operations are delayed, curtailed or prevented by such Force Majeure causes, then the time for enjoying the rights and carrying out the obligations thereby affected, the term of this Agreement and all rights and obligations hereunder shall be extended for a period equal to the period involved.
- c. The Party, whose ability to perform its obligations is affected by such Force Majeure causes, shall promptly give Notice to the other in writing of any such delay or failure of performance, the expected duration thereof and its anticipated effect and shall use its efforts to remedy such delay, except that neither Party shall be under any obligation to settle a labor dispute: Provided, That the suspension of obligation by the Contractor shall be subject to prior approval by the Director.

16.5. Amendments

This Agreement shall not be annulled, amended or modified in any respect except by mutual consent in writing of the herein parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the day and year first above written

THE REPUBLIC OF THE PHILIPPINES

BY:

Secretary Secour

Department of Environment and Natural Resources

ALTAI PHILIPPINES MINING CORPORAT.

TIN: 004-775-807

BY:

11:

PIO C. FORTUNO President

SIGNED IN THE PRESENCE OF: HORACIO C. FLAMOS (Signature over Printed Name) (Signature over Printed Name) Republic of the Philippines) Quezon City Before me, a Notary Public for and in the City of Quezon, personally appeared JOSE L. ATIENZA, JR., with Community Tax Certificate No. 11263944 issued on January 22, 2009 at QUEZON OITY, in his capacity as Secretary of the Department of Environment and Natural Resources, and PIO C. FORTUNO, with Community Tax Certificate No. 18206016 issued on Acomber 23, 2009 at AUCZON CITY , in his capacity as President, Altai Philippines Mining Corporation, both known to me and to me known to be the same persons who executed the foregoing instrument consisting of twenty three (23) pages, including this acknowledgment page, and acknowledged to me that the same is their voluntary acts and deeds. IN WITNESS WHEREOF, I have hereunto set my hand and affix my notarial seal, this day of DEC 2 3 this ___ day of FISELMO C. ABUNGAN Notary Public Until December 31, 2010 1-05-09 G.C. PT/2 No. 1119444 1-05-09 MID:14 1BP No. 740 965 Doc. No. MOLE compliance No. 1 - 0006247 Page No. koll of Allorney's No. 35343 Book No. Series of

MINES AND GEOSCIENCES BUREAU Regional Office No. IV-B MIMAROPA

CERTIFICATE OF REGISTRATION

The filing fee therefore having been paid, the foregoing instruments was filed for record in this Office at 04 o'clock and 00 minutes, RM, on the 22nd day of June A.D. 2010 and has been recorded in Book No. I of the Records of MINERAL PRODUCTION SHARING AGREEMENT NO. 304-2009-IVB in this Region on page 01 as Document No. 10

Filing Fee paid under Official Receipt No. 4462749 dated <u>January 19, 2010</u> in the amount of <u>Phy</u> 20.000.00.

ROLAND A. DE JESOS Regional Director

Republic of the Philippines
ment of Environment and Natural Resources
INES AND GEO-SCIENCES BURKAU
Regional Office No 17 -B MIMAROPA

I hereby certify that the foregoing is a true
and ce tifled comy of MPSA-304-2009-IVB of ALTAI
PHILIPPINES MING CORPORATION
on file with the Mining Claims Exemination Section
of the Mines Regional Chice No. IV. This certified
copy which consist of (23) twenty three is issued this
17th of October 2011 the request of SIBUYAN NICKEL
PROPERTIES CORP. AND point the charges hereof in the
amount of # 248.00 evidenced by Official Receipt
No. 8666644 dated Oct. 17, 130x 2011

(certified xerox copies)

For the Regional Director:

ELENITA G. PASCUAL Economist II



ANNEX "2"



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:

- 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.
- 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.
- This grant requires the full implementation of the approved ExVVP 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:

- 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;
- A copy of the approved ExWP and EWP should be furnished by APMC to the Sangguniang Panlaiawigan of Romblon; and





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'

"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."

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.

ANNEX "3"

APPROVED

Republic of the Philippines

Department of Environment and Natural Resources

Mines and Geosciences Bureau

Mines and Geosciences Bureau

Mines and Geosciences Bureau North Avenue, Diliman, Quezon City

EXPLORATION WORK PROGRAM

1.0 PROPONENT INFORMATION

Proponent Name:

Altai Philippines Mining Corporation

Address:

1901 Tycoon Center

Pearl Drive, Brgy. San Antonio

Pasig City

Contact Person:

Mr. Hanniel T. Ngo

President

Telephone No.:

7958-3533

2.0 PROJECT LOCATION

The mineral property of Altai Philippines Mining Corporation is located within the Barangays of España and Taclobo, Municipality of San Fernando (Sibuyan Island), Province of Romblon. The property is described by the geographical coordinates as follows:

Technical Description:

2.1 Parcel 1: Area 1,140.7790 hectares

Cornor	Latitude	Longitude
Corner	12° 25' 07.999"	122° 31' 33.631"
1	12° 24' 45.000"	122° 31′ 33.631"
3	12° 24' 45.000"	122° 32' 00.167
4.	12° 23' 23.856"	122° 32' 00.167"
5	12° 23' 23.856"	122° 33' 19.611"
6	12° 23' 12.792"	122° 33' 07.500"
7	12° 22' 57.821"	122° 33' 07.500"
8	12° 22' 57.821"	122° 32' 55.000"
9	12° 22' 31.786"	122° 32' 55.000"
10	12° 22' 31.786"	122° 30' 53.952"
11	12" 23' 23.856"	122° 30′ 53.952″
12	12° 23' 23.856"	122° 30' 40.710"
13	12° 23' 49.885"	122° 30' 40.710"

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation - Sibuyan Nickel Project

opines Mining Corporal	ion – Sibuyan Nickel Project	JUL 12 2022 ay
14	12° 23' 49.885"	122° 31' 07.196"
15	12° 25' 07.999"	122° 31' 07. PSPS ment o Environment and Hatdral Resources Minbs and Geosciences Bureau

Area 440.0220 hectares 2.2 Parcel 2:

Corner	Latitude	Longitude
1	12° 22' 05.774"	122° 33' 19.611"
2	12° 22' 05.774"	122° 34' 10.000"
3	12° 21' 10.000"	122° 34' 39.713"
4	12° 20' 47.643"	122° 34' 39.713"
5	12° 20' 47.643"	122° 33' 46.096"
6	12° 21' 13.678"	122° 33' 46.096"
7	12° 21' 13.678"	122" 33' 19.611"

2.3 Total Area:

1.580.8010 hectares

3.0 AREA OR SIZE OF COVERAGE

The project area covers a total of 1,580.8010 (+/-) hectares.

4.0 PROJECT DESCRIPTION

4.1 TERRAIN/PHYSIOGRAPHY

The topography of San Fernando (Sibuyan Island) Romblon ranges from gently undulating areas to a highly mountainous region. The rise in elevation and increase in slope follow an eastward direction. The south western and northeastern fringes of the island are gently undulating to gently sloping areas while the central core is characterized by mountainous areas and rugged terrain. Three (3) promontory peaks, aligned in a northwest direction with elevations of 2044, 1962, and 1520 ASL are noticeable.

4.2 ACCESSIBILITY

Sibuyan Island can be conveniently accessed from Manila by land trip to the Port of Batangas thence by regular ferry that leaves every afternoon arriving the next morning on the port of Magdiwang or Cajidiocan. From the local ports, the mining area at Sitio Talaba, Brgy. Taclobo in San Fernando can be reached thru the Sibuyan circumferential road.

4.3 DRAINAGE SYSTEM

There are four (4) main river systems within the mining claims namely: Punong, Olango, Binayaan and Cabitangahan (Talaba) rivers. These rivers generally flow in a southwest direction towards Sibuyan Sea. The head water systems of these four (4) major rivers iconsist of numerous tributary EXPLORATION WORK PROGRAM
Altai Philippines Mining Corporation – Sibuyan Nickel Project



that display a semi dendritic to dendritic drainage pattern influenced by structure and lithology. During heavy downpour causes flash floods and resources the flat lying deltaic areas, but lasts only for a few hours. Surfation of the superior waters within the catchment basin flows downstream due to low water retention in the upstream. This is due to the character of the headwaters with rocky ravines, sharp wall rocks and high water gradient.

4.4 VEGETATION

Vegetation of the area is classified into four (4) major uses such as forested, cultivated / private land, grassland and brush land. The forested area occupying the mining property is composed of the dominant Dipterocarp and Non-dipterocarp species mostly second growth generation. The adjacent cultivated lands are situated in the flat deltaic area while patches of cogon grass are found occupying the gaps and riparian zones. Grassland can be observed in Parcel 2 of the property. It is an elevated logged over plateau vegetated mainly by cogon grass or as grassland.

4.5 LAND USE

The land of Barangays España and Taclobo over the flat coastal areas are utilized for agriculture and township while the upper forested areas are utilized as source for timber and charcoal products.

5.0 DESCRIPTION OF EXPLORATION PROGRAM

5.1 RESEARCH WORK

5.1.1 PREVIOUS WORKS

5.1.1.1 NATURE OF STUDY

A detailed geological mapping in the project which covers part of the mining claims was conducted in the early part of 1970 by the Japanese investors for nickel deposit. Pacific Metal Corporation followed by Mitsui group of companies extensively explored the property in search for high grade nickel ore to supply the Japanese smelting plant. The Japanese group completed geological mapping, test pitting and soil sampling for nickel ore and its associated metal. Said company later withdrew from the project after it established the nickel ore to be of medium grade.

5.1.1.2 DURATION

The geological survey conducted by previous exploration lasted for a period of three (3) years

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project

/ JUL 12 2027.4 Department of Environment and Natural Resources

Mines and Geosciences Bureau

5.1.1.3 COVERAGE

The area covered in the exploration was estimated at 400 hectares.

5.1.1.4 PROPONENT

Sta. Barbara Development Corporation was the original proponent of the Mining Lease Contracts (MLC's). The subject instrument was then converted into a mineral production sharing agreement by application by Altai Philippines Mining Corporation in compliance to the new mining law.

5.1.1.5 RESULTS CONCLUSION

The previous exploratory work defined the presence of direct shipping ore of nickel within the mining claims. The initial inferred resource needs to be validated by additional exploratory program.

5.1.2 DATA COMPILATION

5.1.2.1 PREVIOUS WORKS

Several geological works were carried out in the mineral property. This works includes test pitting and geologic mapping. Data were compiled as reference to any follow up works to be undertaken in the future.

5.1.2.2 LITHOLOGICAL DATA

Sibuyan Island is underlain by the following rock units as described in the Geology and Mineral Resources of the Philippines published by the Mines and Geosciences Bureau in 1981.

- Romblon Metamorphics
- Sibuyan Ultramafics
- Intermediate Intrusive Rocks
- Quaternary Alluvium

Romblon Metamorphics

The Paleozoic metamorphic rocks represent the basement complex consisting of amphibolite schist, quartz chlorite mica schist, slates and associated marble. The unit occupies the eastern half of the island with limited exposure on the western part.

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project U JUL 12 2022ay

Satellite outcrop at the Base of Binayaan area well structure and Hatural Resources weathered slate with intact planar structure. Color varies from dark gray when fresh and brown-gray if oxidized. Interbedded with this schist are layers of marble at least a meter thick with exposures south of Cajidiocan town.

Sibuyan Ultramafics

The cretaceous to early Eocene ultramafics occupies the central part of the island forming the core of Mt. Guiting-Guiting mountain range and consists mostly of serpentinized dunite and peridotite. Aphanitic dunite in the area is composed predominantly of olivine. This unit underlies the tenement area of Altai Mining Corporation.

Intermediate Intrusive Rocks

Late Eocene quartz diorite and its hypabyssal variety intruded the ultramafic unit on the western portion of the island. The margins of the intrusive contacts localize the occurrence of various skarn deposits, which were prospected for iron. Associated copper mineralization occurs in the form of quartz-chalcopyrite-bornite veins in silicified serpentinite and quartz diorite.

Quaternary Alluvium

Loosely consolidated recent deposits of transported sand, gravel and boulders are mainly concentrated along major river channels, alluvial fans and deltaic flats in the island.

5.1.2.3 MINERALIZATION

The commodity of interest in this project is limonite and nickel silicate ore. Nickeliferous laterite is a product of residual enrichment over peridotite and dunites of the ophiolite complex, commonly found in tropical to sub-tropical regions. Sibuyan island ultramafics is situated in the right environment being climatically characterized by warm and wet season alternating with drier periods; good drainages system, thick vegetation and generally elevated topography suitable to the situ weathering of the parent rock to form a lateritic nickel profile. The process of nickel enrichment is complex but the resulting laterite profile have a distinct chemical pattern that marks the difference of each layer.

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Altai Philippines Mining Corporation – Sibuyan Nickel Project

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5.1.2.4 MAPS

Department of Environment and Natural Resources
Mines, and Geosciences Bureau

Geologic map was established in various locations of the mining claims.

5.1.2.5 ESTIMATED COST.

Not Applicable

5.2 RECONNAISANCE STUDY

5.2.1 REMOTE SENSING STUDY

5.2.1.1 TYPE OF SURVEY

Not Applicable

5.2.1.2 DURATION

Not Applicable

5.2.1.3 PROPONENT

Not Applicable.

5.2.1.4 COVERAGE

Not Applicable

5.2.1.5 ESTIMATED COST

Not Applicable

5.2.1.6 OUTPUT

Not Applicable

5.2.2 REGIONAL GEOLOGICAL STUDY

5.2.2.1 COVERAGE

The study will cover the entire mining claims and its vicinities to delineate and identify areas with economic nickel mineralization.

5.2.2.2 DURATION

The duration for regional geologic mapping is two (2) months.

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project

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Department of Environment and Natural Resources
Mines and Geosciences Bureau

5.2.2.3 MANPOWER REQUIREMENTS

1 Geologist

1 Geologic Mapper

2 Laborers

5.2.2.4 ESTIMATED COST

Salaries and Wages
Materials and Supplies
Food and Accommodation
Transportation Cost
Total

P 120,000.00 45,000.00 30,000.00 20,000.00 P215,000.00

5.2.2.5 OUTPUT

Geologic structure map of the region at scale 1:2,000, 1:5000, and 1: 25,000.

5.2.3 REGIONAL GEOCHEMICAL SURVEY

5.2.3.1 COVERAGE

The geochemical survey will cover the entire mining claim.

5.2.3.2 SAMPLING MEDIA

Semi-detailed survey would involve soil sampling along the ridges, spurs and selected areas for channel sampling.

5.2.3.3 ESTIMATED NUMBER OF SAMPLES

An estimated one hundred fifty (150) soil samples will be collected from the tenement area.

5.2.3.4 MODE OF ANALYSIS

The samples are subject for analytical method of analysis. The elements to determine are the following: Ni, Co, and Fe

5.2.3.5 MANPOWER REQUIREMENTS

- 1 Geologist
- 2 Geologic Aide
- 6 Laborers
- 1 Draftsman

·EXPLORATION WORK PROGRAM
Altai Philippines Mining Corporation — Sibuyan Nickel Project

5.2.3.6 ESTIMATED COST

Wages / Salaries Materials and supplies Travelling Expenses Analytical Costs

Total

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Department of Environment and Natural Resources
P 260,000.00

P 260,000.00 25,000.00 10,000.00 150,000.00

P 365,000.00

5.2.3.7 OUTPUT

Samples collected for laboratory analysis.

 Map preparation of the area at scale 1:25,000, 1:5000, 1:2000

Preparation of technical report of the surveyed area.

5.2.4 GEOPHYSICAL SURVEY

5.2.4.1 TYPE OF SURVEY Not applicable

5.2.4.2 COVERAGE Not Applicable

5.2.4.3 DURATION Not Applicable

5.2.4.4 MANPOWER REQUIREMENTS Not Applicable

5.2.4.5 ESTIMATED COST Not Applicable

5.2.4.6 OUTPUT Not Applicable

5.3 SEMI DETAILED SURVEY (FOLLOW-UP STUDIES)

5.3.1 GEOLOGICAL MAPPING / ALTERATION STUDIES

5.3.1.1 COVERAGE

The works will include additional geological mapping and sampling of the area. Estimated additional works will cover at 500 hectares.

5.3.1.2 DURATION

Duration time for follow up works is two (2) months.

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project

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Department of Environment and Natural Resources
Minas and Geosciences Bureau

5.3.1.3 MANPOWER REQUIREMENT

Geologist	1
Geological Mapper	2
Laborers	4
Draftsman	1

5.3.1.4 ESTIMATED COST

Wages/ Salaries	P 260,000.00
Travel Expenses	25,000.00
Supplies and Materials	25,000.00
Laboratory Fees	:150,000.00
Total	P 460,000.00
I CILAI	

5.3.1.5 OUTPUT

- Additional geological maps and information
- Additional samples for laboratory analysis.

5.3.2 GEOCHEMICAL SURVEY

5.3.2.1 COVERAGE

The coverage of the works will focus mainly on the possible identified mineralized zone estimated to be 60 hectares. Soil traverse lines will be laid out over lateritic areas.

5.3.2.2 SAMPLING DENSITY

This works will concentrate on areas mapped with geological and geochemical surveys identified to be anomalous in Ni, Fe and Co. Soil samples will be collected at 50 m interval over nickeliferous laterite zones. Selected old test pit areas will be resampled to additional data and for analysis.

5.3.2.3 MODE OF ANALYSIS

Samples are analyzed in the laboratory by Analytical Method to determine . the values of metal content. Elements to be determined are as follows: Ni, Co and Fe.

5.3.2.4 MANPOWER REQUIREMENTS

Geologist	1
Geologic Mapper	2
Draftsman	1
Laborers	4

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation - Sibuyan Nickel Project

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Department of Environment and Natural Resources

Mines and Geosciences Bureau

P 245,000.00 25,000.00 25,000.00

150,000.00 P 445,000.00

5.3.2.5 ESTIMATED COST

Salaries/ Wages Travel Expense Supplies and Materials Analytical Cost

Total

5.3.2.6 OUTPUT

Maps and Technical reports preparation.

Delineation of additional mineral anomalies.

5.3.3 GEOPHYSICAL SURVEY

NATURE/TYPE 5.3.3.1 Not Applicable

COVERAGE 5.3.3.2 Not Applicable

MANPOWER REQUIREMENT 5.3.3.3 Not Applicable

ESTIMATED COST 5.3.3.4 Not Applicable

5.3.4 SUB-SURFACE INVESTIGATION

Subsurface investigation will not yet be implemented at this stage.

5.4 TOPOGRAPHIC SURVEY

5.4.1 COVERAGE

Total area subject for topographic survey is 60 hectares. Survey works will be awarded to private contractor.

5.4.2 SCALE AND CONTOUR INTERVAL

Topographic survey map at scale 1: 10,000, 1: 5,000 and 1:500, 10 meters and 1-meter contour interval respectively.

5.4.3 MANPOWER COMPLEMENT

By Contractor

EXPLORATION WORK PROGRAM
Altai Philippines Mining Corporation – Sibuyan Nickel Project

5.4.4 ESTIMATED COST

Department of Environment and Natural Resources
Mines and Gaosciences Bureau

Estimated cost for the topographic survey for 60 hectares is P 360,000.

5.4.5 OUTPUT

Topographic map of the mineralized area and its vicinities.

5.5 DETAILED STUDY

5.5.1 DETAILED GEOLOGIC MAPPING

5.5.1.1 TYPE OF SURVEY

Survey work will be done by means of compass and tape along the minor and major creeks and rivers. This work will focus on the degree, type, and extent of alteration, lithological variation and structural control. Rock sampling will be done at 100m. interval along outcrops, creeks and rivers. All samples shall be described in terms of alteration, intensity, assemblages present, brecciation, homogeneity and other factors in determining the mineral value.

5.5.1.2 COVERAGE

The proposed detailed geological study will cover an additional area of 60 hectares.

5.5.1.3 DURATION

The duration of the study is estimated to for one (1) year.

5.5.1.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.1.5 ESTIMATED COST

Wages/Salaries	P 820,000.00
Materials and supplies	50,000.00
Laboratory Fees	150,000.00
Transportation Expenses	25,000.00
Total	P1,045,000.00
Iotai	

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Department of Environment and Natural Resources
Mines and Geosciences Bureau

5.5.1.6 OUTPUT

- Technical Reports Compilation
- Detailed Geologic maps of the area.
- Evaluation of Laboratory results of samples.

5.5.2 DETAILED GEOCHEMICAL SURVEY

5.5.2.1 COVERAGE OF GRID SURVEY

The grid survey will cover an area of 60 hectares. Soil samples will be collected at 50m interval and detailed test pit re-sampling on old test pit location.

5.5.2.2 ESTIMATED NUMBER OF SAMPLES

Estimated number of samples to be taken from the field is 250 samples.

5.5.2.3 MODE OF ANALYSIS

Mode of sample analysis by analytical method and the elements to be determined are as follows: Fe, Co and Ni.

5.5.2.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.2.5 ESTIMATED COST

P492,000.00
50,000.00
25,000.00
150,000.00
P717,000.00

5.5.2.6 OUTPUT

- Detailed Geochemical survey map
- Compilation and evaluation of laboratory results.

5.5.3 SUB - SURFACE INVESTIGATION

5.5.3.1 NATURE/TYPE

Core Drilling will be utilized for Sub-Surface investigation for field implementation.

· EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project

JUL 12 2022 9

Man-portable drill rigs will be used for core drilling diagonal and Natural Resources easy mobilization, hole transfer, as well as minimized size of working area and minimal impact to the environment.

5.5.3.2 NUMBER AND OVER-ALL LENGTH

The estimated numbers of proposed drill holes are as follows:

Location	Total Number	Depth	Total Meterage
Area 1	50 holes	20 m	1000 m
Area 2	50 holes	20 m	1000 m

5.5.3.3 ESTIMATED NUMBER OF SAMPLES

Estimated samples to be taken from the field are 2000 samples.

5.5.3.4 MODE OF ANALYSIS

Samples will be analyzed by Analytical Method. Target elements to be determined are as follows: Fe, Co, and Ni.

5.5.3.5 MANPOWER REQUIREMENT

By contract.

5.5.3.6 ESTIMATED COST

Drilling- 2000m @ P1600/meter	P3,200,000.00
Analytical Cost- 2000 samples	1,200,000.00
Total	P4,400,000.00

5.5.3.7 OUTPUT

- Completed number of drill holes
- Sub surface maps and logs.

5.5.4 TUNNELING/ADITTING

5.5.4.1 NUMBER OF ADIT/ TUNNEL

Not Applicable

5.5.4.2 TOTAL LENGTH

Not Applicable

5.5.4.3 ESTIMATED NUMBER OF SAMPLES

EXPLORATION WORK PROGRAM Altai Philippines Mining Corporation – Sibuyan Nickel Project

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Not Applicable.

5.5.4.4 ESTIMATED COST

Not Applicable

6.0 TOTAL ESTIMATED EXPLORATION COST.

YEAR 1	P2,890,000.00
YEAR 2	5,117,000.00
Total	P8,007,000.00

7.0 PROPOSED TIMING OF ACTIVITIES (See attached page)

8.0 CONCLUSION

The Exploration Work Program was designed to test and establish a potential economically viable nickel resource of the mineral property. In the course of the program, the timing and cost maybe amended as needed.

MAP ATTACHMENTS (See attached page)

Prepared by:

MICHAEL PETER M. SANCHEZ

Geologist

PRC No. 0001931

PTR No. 4895725

PTR Issued on January 28, 2022

PTR Issued at Mandaluyong City

Conformed:

HANNIEL T. NGO

President

ALTAI PHILIPPINES MINING

CORPORATION

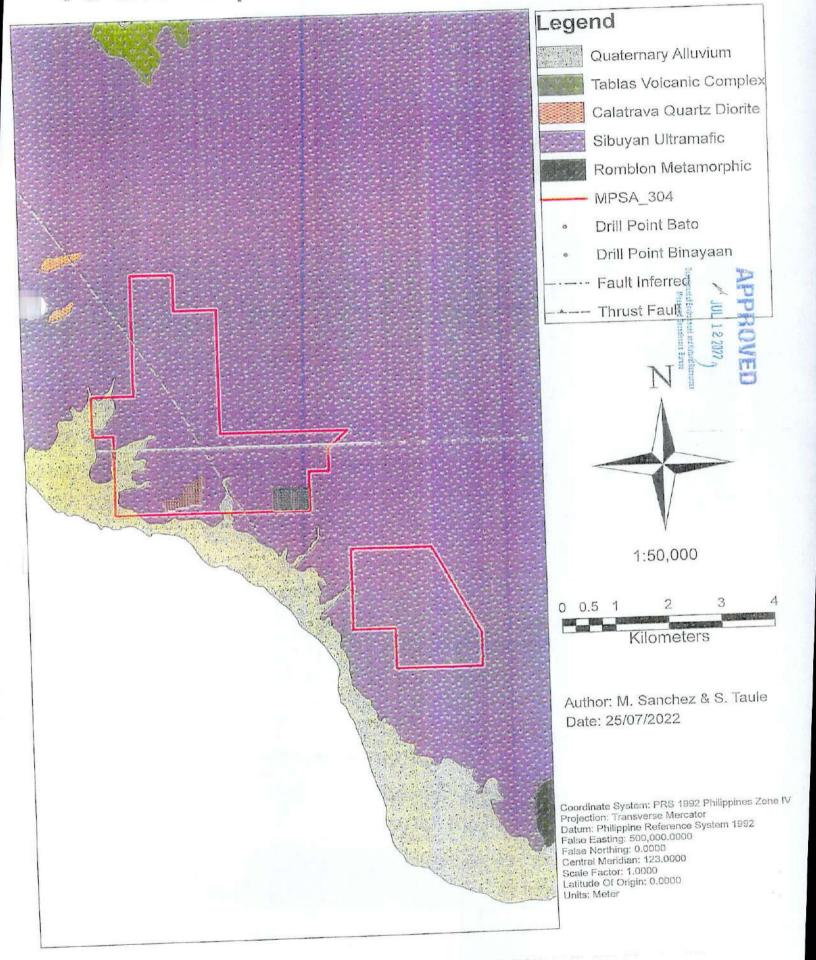
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GANTT CHART FOR PROPOSED EXPLORATION ACTIVITY

												T	ime	tab	le											Budgetary
No	Nature of Work						Ye	ar 1				ll control						- 2	Yea	ar 2			Same of the			Outlay (PhP)
		1.	.2	3	4	5	.6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Odday (1 111)
1	Regional Geological Studies																									215,000.00
2	Regional Geochemical Survey																									365,000.00
3	Semi Detailed Survey				-		i.																			460;000.00
4	Geochemical Survey																									445,000.00
5	Topographic Survey																									360,000.00
6	Defailed Geological Studies											į į					,									1,045,000.00
7	Detailed Geochemical Surveys	,																- 4								717,000.00
8	Sub-surface Investigation - Drilling / Sample Analysis																									4,400,000.00
TO	TAL EXPLORATION COST			Haca		decen)		•					0/10/00											30,113		8,007,000.00

APMC Exploration Drill Hole Location



Republic of the Philippines Department of Environment and Natural Resources Mines and Geosciences Bureau North Avenue, Diliman, Quezon City

EXPLORATION WORK PROGRAM

1.0 PROPONENT INFORMATION

Proponent Name:

Altai Philippines Mining Corputations and Geosciences Bureau

By: Vera Bagcal

Records Management Section

Address:

1901 Tycoon Center

Pearl Drive, Brgy. San Antonio

DEC 0 9 2022

Time: 1100m

Pasig City

Contact Person:

Mr. Hanniel T. Ngo

President

Telephone No.:

7958-3533

2.0 PROJECT LOCATION

The mineral property of Altai Philippines Mining Corporation is located within the Barangays of España and Taclobo, Municipality of San Fernando (Sibuyan Island), Province of Romblon. The property is described by the geographical coordinates as follows:

Technical Description:

2.1 Parcel 1: Area 1,140.7790 hectares

Corner	Latitude	Longitude
1	12° 25' 07.999"	122° 31′ 33.631″
2	12° 24' 45.000"	122° 31' 33.631"
3	12° 24' 45.000"	122° 32' 00.167
4	12° 23' 23.856"	122° 32' 00.167"
5	12° 23' 23.856"	122° 33' 19.611"
6	12° 23' 12.792"	122° 33' 07.500"
7	12° 22' 57.821"	122° 33' 07.500"
8	12° 22' 57.821"	122° 32′ 55.000″
9	12° 22' 31.786"	122° 32' 55.000"
10	12° 22' 31.786"	122° 30' 53.952"
11	12° 23' 23.856"	122° 30' 53.952"
12	12° 23' 23.856"	122° 30' 40.710"
13	12° 23' 49.885"	122° 30' 40.710"
14	12° 23' 49.885"	122° 31' 07.196"
FES	12° 25' 07.999"	122° 31' 07.196"

2.2 Parcel 2: Area 440.0220 hectares

Corner	Latitude	Longitude
1	12° 22' 05.774"	122° 33' 19.611"
2	12° 22' 05.774"	122° 34' 10.000"
3	12° 21' 10.000"	122° 34' 39.713"
4.	12° 20' 47.643"	122° 34' 39.713"
5	12° 20' 47.643"	122° 33' 46.096"
6	12° 21' 13.678"	122° 33' 46.096"
7	12° 21' 13.678"	122° 33' 19.611"

2.3 Total Area:

1,580.8010 hectares

3.0 AREA OR SIZE OF COVERAGE

The project area covers a total of 1,580.8010 (+/-) hectares.

4.0 PROJECT DESCRIPTION

4.1 TERRAIN/ PHYSIOGRAPHY

The topography of San Fernando (Sibuyan Island) Romblon ranges from gently undulating areas to a highly mountainous region. The rise in elevation and increase in slope follow an eastward direction. The south western and northeastern fringes of the island are gently undulating to gently sloping areas while the central core is characterized by mountainous areas and rugged terrain. Three (3) promontory peaks, aligned in a northwest direction with elevations of 2044, 1962, and 1520 ASL are noticeable.

4.2 ACCESSIBILITY

Sibuyan Island can be conveniently accessed from Manila by land trip to the Port of Batangas thence by regular ferry that leaves every afternoon arriving the next morning on the port of Magdiwang or Cajidiocan. From the local ports, the mining area at Sitio Talaba, Brgy. Taclobo in San Fernando can be reached thru the Sibuyan circumferential road.

4.3 DRAINAGE SYSTEM

There are four (4) main river systems within the mining claims namely: Punong, Olango, Binayaan and Cabitangahan (Talaba) rivers. These rivers generally flow in a southwest direction towards Sibuyan Sea. The head water systems of these four (4) major rivers iconsist of numerous tributary display a semi dendritic to dendritic drainage pattern influenced by structure and lithology. During heavy downpour causes flash floods along

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the flat lying deltaic areas but lasts only for a few hours. Surface run-off waters within the catchment basin flows downstream due to low water retention in the upstream. This is due to the character of the headwaters with rocky ravines, sharp wall rocks and high-water gradient.

4.4 VEGETATION

Vegetation of the area is classified into four (4) major uses such as forested, cultivated / private land, grassland and brush land. The forested area occupying the mining property is composed of the dominant Dipterocarp and Non-dipterocarp species mostly second growth generation. The adjacent cultivated lands are situated in the flat deltaic area while patches of cogon grass are found occupying the gaps and riparian zones. Grassland can be observed in Parcel 2 of the property. It is an elevated logged over plateau vegetated mainly by cogon grass or as grassland.

4.5 LAND USE

The land of Barangays España and Taclobo over the flat coastal areas are utilized for agriculture and township while the upper forested areas are utilized as source for timber and charcoal products.

5.0 DESCRIPTION OF EXPLORATION PROGRAM

5.1 RESEARCH WORK

5.1.1 PREVIOUS WORKS

5.1.1.1 NATURE OF STUDY

A detailed geological mapping in the project which covers part of the mining claims was conducted in the early part of 1970 by the Japanese investors for nickel deposit. Pacific Metal Corporation followed by Mitsui group of companies extensively explored the property in search for high grade nickel ore to supply the Japanese smelting plant. The Japanese group completed geological mapping, test pitting and soil sampling for nickel ore and its associated metal. Said company later withdrew from the project after it established the nickel ore to be of medium grade.

5.1.1.2 DURATION

The geological survey conducted by previous exploration lasted for a period of three (3) years

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5.1.1.3 COVERAGE

The area covered in the exploration was estimated at 400 hectares.

5.1.1.4 PROPONENT

Sta. Barbara Development Corporation was the original proponent of the Mining Lease Contracts (MLC's). The subject instrument was then converted into a mineral production sharing agreement by application by Altai Philippines Mining Corporation in compliance to the new mining law.

5.1.1.5 RESULTS CONCLUSION

The previous exploratory work defined the presence of direct shipping ore of nickel within the mining claims. The initial inferred resource needs to be validated by additional exploratory program.

5.1.2 DATA COMPILATION

5.1.2.1 PREVIOUS WORKS

Several geological works were carried out in the mineral property. This works includes test pitting and geologic mapping. Data were compiled as reference to any follow up works to be undertaken in the future.

5.1.2.2 LITHOLOGICAL DATA

Sibuyan Island is underlain by the following rock units as described in the Geology and Mineral Resources of the Philippines published by the Mines and Geosciences Bureau in 1981.

- Romblon Metamorphics
- Sibuyan Ultramafics
- Intermediate Intrusive Rocks
- Quaternary Alluvium

Romblon Metamorphics

The Paleozoic metamorphic rocks represent the basement complex consisting of amphibolite schist, quartz chlorite mica schist, slates and associated marble. The unit occupies the eastern half of the island with limited exposure on the western part.



Satellite outcrop at the Base of Binayaan area consisted of weathered slate with intact planar structure. Color varies from dark gray when fresh and brown-gray if oxidized. Interbedded with this schist are layers of marble at least a meter thick with exposures south of Cajidiocan town.

Sibuyan Ultramafics

The cretaceous to early Eocene ultramafics occupies the central part of the island forming the core of Mt. Guiting-Guiting mountain range and consists mostly of serpentinized dunite and peridotite. Aphanitic dunite in the area is composed predominantly of olivine. This unit underlies the tenement area of Altai Mining Corporation.

Intermediate Intrusive Rocks

Late Eocene quartz diorite and its hypabyssal variety intruded the ultramafic unit on the western portion of the island. The margins of the intrusive contacts localize the occurrence of various skarn deposits, which were prospected for iron. Associated copper mineralization occurs in the form of quartz-chalcopyrite-bornite veins in silicified serpentinite and quartz diorite.

Quaternary Alluvium

Loosely consolidated recent deposits of transported sand, gravel and boulders are mainly concentrated along major river channels, alluvial fans and deltaic flats in the island.

5.1.2.3 MINERALIZATION

The commodity of interest in this project is limonite and nickel silicate ore. Nickeliferous laterite is a product of residual enrichment over peridotite and dunites of the ophiolite complex, commonly found in tropical to subtropical regions. Sibuyan island ultramafics is situated in the right environment being climatically characterized by warm and wet season alternating with drier periods; good drainages system, thick vegetation and generally elevated topography suitable to the situ weathering of the parent rock to form a lateritic nickel profile. The process of nickel enrichment is complex but the resulting laterite profile have a distinct chemical pattern that marks the difference of each layer.



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5.1.2.4 MAPS

Geologic map was established in various locations of the mining claims.

5.1.2.5 ESTIMATED COST.

Not Applicable

5.2 RECONNAISANCE STUDY 5.2.1 REMOTE SENSING STUDY 5.2.1.1 TYPE OF SURVEY

Not Applicable

5.2.1.2 DURATION

Not Applicable

5.2.1.3 PROPONENT

Not Applicable.

5.2.1.4 COVERAGE

Not Applicable

5.2.1.5 ESTIMATED COST

Not Applicable

5.2.1.6 OUTPUT

Not Applicable

5.2.2 REGIONAL GEOLOGICAL STUDY

5.2.2.1 COVERAGE

The study will cover the entire mining claims and its vicinities to delineate and identify areas with economic nickel mineralization.

5.2.2.2 DURATION

The duration for regional geologic mapping is two (2) months.



Mines and Geosciences Bureau

5.2.2.3 MANPOWER REQUIREMENTS

1 Geologist

1 Geologic Mapper

2 Laborers

5.2.2.4 ESTIMATED COST

Salaries and Wages	P 120,000.00
Materials and Supplies	45,000.00
Food and Accommodation	30,000.00
Transportation Cost	20,000.00
Total	P215,000.00

5.2.2.5 OUTPUT

Geologic structure map of the region at scale 1:2,000, 1:5000, and 1: 25,000.

5.2.3 REGIONAL GEOCHEMICAL SURVEY

5.2.3.1 COVERAGE

The geochemical survey will cover the entire mining claim.

5.2.3.2 SAMPLING MEDIA

Semi-detailed survey would involve soil sampling along the ridges, spurs and selected areas for channel sampling.

5.2.3.3 ESTIMATED NUMBER OF SAMPLES

An estimated one hundred fifty (150) soil samples will be collected from the tenement area.

5.2.3.4 MODE OF ANALYSIS

The samples are subject for analytical method of analysis. The elements to determine are the following: Ni, Co, and Fe

5.2.3.5 MANPOWER REQUIREMENTS

- 1 Geologist
- 2 Geologic Aide
- 6 Laborers
- 1 Draftsman



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5.2.3.6 ESTIMATED COST

Wages / Salaries	P 260,000.00
Materials and supplies	25,000.00
Travelling Expenses	10,000.00
Analytical Costs	150,000.00
Total	P 365,000.00

5.2.3.7 OUTPUT

Samples collected for laboratory analysis.

 Map preparation of the area at scale 1:25,000, 1:5000, 1:2000

Preparation of technical report of the surveyed area.

5.2.4 GEOPHYSICAL SURVEY

5.2.4.1 TYPE OF SURVEY Not applicable

5.2.4.2 COVERAGE Not Applicable

5.2.4.3 DURATION Not Applicable

5.2.4.4 MANPOWER REQUIREMENTS Not Applicable

5.2.4.5 ESTIMATED COST Not Applicable

5.2.4.6 OUTPUT Not Applicable

5.3 SEMI DETAILED SURVEY (FOLLOW-UP STUDIES)

5.3.1 GEOLOGICAL MAPPING / ALTERATION STUDIES

5.3.1.1 COVERAGE

The works will include additional geological mapping and sampling of the area. Estimated additional works will cover at 500 hectares.

5.3.1.2 DURATION

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Duration time for follow up works is two (2) months.

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5.3.1.3 MANPOWER REQUIREMENT

Geologist	1
Geological Mapper	2
Laborers	4
Draftsman	1

5.3.1.4 ESTIMATED COST

Wages/ Salaries	P 260,000.00
Travel Expenses	25,000.00
Supplies and Materials	25,000.00
Laboratory Fees	:150,000.00
Total	P 460,000.00

5.3.1.5 OUTPUT

- Additional geological maps and information
- Additional samples for laboratory analysis.

5.3.2 GEOCHEMICAL SURVEY

5.3.2.1 COVERAGE

The coverage of the works will focus mainly on the possible identified mineralized zone estimated to be 60 hectares. Soil traverse lines will be laid out over lateritic areas.

5.3.2.2 SAMPLING DENSITY

This works will concentrate on areas mapped with geological and geochemical surveys identified to be anomalous in Ni, Fe and Co. Soil samples will be collected at 50 m interval over nickeliferous laterite zones. Selected old test pit areas will be resampled to additional data and for analysis.

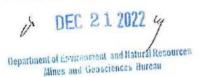
5.3.2.3 MODE OF ANALYSIS

Samples are analyzed in the laboratory by Analytical Method to determine the values of metal content. Elements to be determined are as follows: Ni, Co and Fe.

5.3.2.4 MANPOWER REQUIREMENTS

Geologist	1
Geologic Mapper	2
Draftsman	1
Laborers	4





5.3.2.5 ESTIMATED COST

 Salaries/ Wages
 P 245,000.00

 Travel Expense
 25,000.00

 Supplies and Materials
 25,000.00

 Analytical Cost
 150,000.00

 Total
 P 445,000.00

5.3.2.6 OUTPUT

Maps and Technical reports preparation.

Delineation of additional mineral anomalies.

5.3.3 GEOPHYSICAL SURVEY

5.3.3.1 NATURE/TYPE Not Applicable

5.3.3.2 COVERAGE Not Applicable

5.3.3.3 MANPOWER REQUIREMENT Not Applicable

5.3.3.4 ESTIMATED COST: Not Applicable

5.3.4 SUB-SURFACE INVESTIGATION

Subsurface investigation will not yet be implemented at this stage.

5.4 TOPOGRAPHIC SURVEY

5.4.1 COVERAGE

Total area subject for topographic survey is 60 hectares. Survey works will be awarded to private contractor.

5.4.2 SCALE AND CONTOUR INTERVAL

Topographic survey map at scale 1: 10,000, 1: 5,000 and 1:500, 10 meters and 1-meter contour interval respectively.

5.4.3 MANPOWER COMPLEMENT

By Contractor

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5.4.4 ESTIMATED COST

Estimated cost for the topographic survey for 60 hectares is P 360,000.

5.4.5 OUTPUT

Topographic map of the mineralized area and its vicinities.

5.5 DETAILED STUDY

5.5.1 DETAILED GEOLOGIC MAPPING

5.5.1.1 TYPE OF SURVEY

Survey work will be done by means of compass and tape along the minor and major creeks and rivers. This work will focus on the degree, type, and extent of alteration, lithological variation and structural control. Rock sampling will be done at 100m. interval along outcrops, creeks and rivers. All samples shall be described in terms of alteration, intensity, assemblages present, brecciation, homogeneity and other factors in determining the mineral value.

5.5.1.2 COVERAGE

The proposed detailed geological study will cover an additional area of 60 hectares.

5.5.1.3 DURATION

The duration of the study is estimated to for one (1) year.

5.5.1.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.1.5 ESTIMATED COST

Wages/Salaries	P 820,000.00
Materials and supplies	50,000.00
Laboratory Fees	150,000.00
Transportation Expenses	25,000.00
Total	P1,045,000.00
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5.5.1.6 OUTPUT

- Technical Reports Compilation
- Detailed Geologic maps of the area.
- Evaluation of Laboratory results of samples.

5.5.2 DETAILED GEOCHEMICAL SURVEY

5.5.2.1 COVERAGE OF GRID SURVEY

The grid survey will cover an area of 60 hectares. Soil samples will be collected at 50m interval and detailed test pit re-sampling on old test pit location.

5.5.2.2 ESTIMATED NUMBER OF SAMPLES

Estimated number of samples to be taken from the field is 250 samples.

5.5.2.3 MODE OF ANALYSIS

Mode of sample analysis by analytical method and the elements to be determined are as follows: Fe, Co and Ni.

5.5.2.4 MANPOWER REQUIREMENT

Geologist	2
Geologic Mapper	2
Draftsman	1
Laborers	6

5.5.2.5 ESTIMATED COST

Wages/Salaries	P492,000.00
Materials and Supplies	50,000.00
Transportation Expenses	25,000.00
Analytical Cost	150,000.00
Total	P717,000.00
I Otell	

5.5.2.6 OUTPUT

- Detailed Geochemical survey map
- Compilation and evaluation of laboratory results.

5.5.3 SUB - SURFACE INVESTIGATION

5.5.3.1 NATURE/TYPE

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Core Drilling will be utilized for Sub-Surface investigation for field implementation.

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Department of Environment and Natural Resources
Mines and Geosciences Bureau

Man-portable drill rigs will be used for core drilling due to easy mobilization, hole transfer, as well as minimized size of working area and minimal impact to the environment.

5.5.3.2 NUMBER AND OVER-ALL LENGTH

The estimated numbers of proposed drill holes are as follows:

Location	Total Number	Depth	Total Meterage
Area 1	50 holes	20 m	1000 m
Area 2	50 holes	20 m	1000 m

5.5.3.3 ESTIMATED NUMBER OF SAMPLES

Estimated samples to be taken from the field are 2000 samples.

5.5.3.4 MODE OF ANALYSIS

Samples will be analyzed by Analytical Method. Target elements to be determined are as follows: Fe, Co, and Ni.

5.5.3.5 MANPOWER REQUIREMENT

By contract.

5.5.3.6 ESTIMATED COST

Drilling- 2000m @ P1600/meter	P3,200,000.00
Analytical Cost- 2000 samples	1,200,000.00
	P4,400,000.00
Total	1

5.5.3.7 OUTPUT

- Completed number of drill holes
- Sub surface maps and logs.

5.5.4 TUNNELING/ ADITTING

5.5.4.1 NUMBER OF ADIT/ TUNNEL

Not Applicable

5.5.4.2 TOTAL LENGTH

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Not Applicable

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5.5.4.3 ESTIMATED NUMBER OF SAMPLES

Not Applicable.

5.5.4.4 ESTIMATED COST

Not Applicable

5.5.5 METALLURGICAL BULK SAMPLING AND ANALYSIS

5.5.5.1 NATURE/ TYPE

The Sibuyan nickel mining project is covered by two (2) tenement parcels containing three (3) general types of ores (e.g. saprolite, transition saprock, limonite) which are occurring in three (3) different parent rock domains (e.g. harzburgite, interlayered harzburgite-dunite and limonite) which all contains two (2) main commercial elements such as nickel (Ni) and iron (Fe).

5.5.5.2 NUMBER AND OVER-ALL LENGTH

To complete the metallurgical study as required in the permitting process, three (3) metallurgical bulk sampling of three different types of ores one from the main saprolite zone, one from the transition saprock zone and one from the limonite zone shall be collected which shall be loaded and transported by interisland vessel to a reliable foreign metallurgical laboratory in order to test the concentration of multi-elements in all three samples.

5.5.5.3 ESTIMATED NUMBER OF SAMPLES

The estimated number of samples to be collected shall be three (3) from the identified main zones of mineralization previously identified during the later phases of exploration period.

5.5.5.4 MODE OF ANALYSIS

All metallurgical samples will be analyzed by pyrometallurgical or HPAL processes in order to determine the actual metal recovery. Initially, representative samples from the bulk of metallurgical samples shall be sent to the laboratory for the element contents such as Ni, co, Fe, MgO, MnO, SiO₂, TiO₂, Al₂O₃, Cr₂O₃, CaO and PO₂.

5.5.5.5 MANPOWER REQUIREMENT

Manpower shall be by Contract with a local accredited contractor.

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5.5.5.6 ESTIMATED COST

Excavation, loading and shipping @ P1,500,000/m ³	P 4,500,000.00
Metallurgical and elemental analysis @ P 350,000/m ³	1,050,000.00
Total	P 5,550,000.00

5.5.5.7 OUTPUT

- Completed the required number of metallurgical tests
- Future plan of expanding to establish processing plant

6.0 TOTAL ESTIMATED EXPLORATION COST.

YEAR 1	P2,890,000.00	P 8,440,000.00
YEAR 2	5,117,000.00	5,117,000.00
Total	P8,007,000.00	P 13,557,000.00

7.0 PROPOSED TIMING OF ACTIVITIES (See attached page)

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Mines and Geosciences Bureau

EXPLORATION WORK PROGRAM Áltai Philippines Mining Corporation – Sibuyan Nickel Project

8.0 CONCLUSION

The Exploration Work Program was designed to test and establish a potential economically viable nickel resource of the mineral property. In the course of the program, the timing and cost maybe amended as needed.

MAP ATTACHMENTS (See attached page)

Prepared by:

Arnulfo-Pascual B. Santiago, MSc. GtE Mining Engineer, PTR No. MCF4148328 Geologist, PTR No. MCF4148329 Conformed:

HANNIEL T. NGO

President APMC

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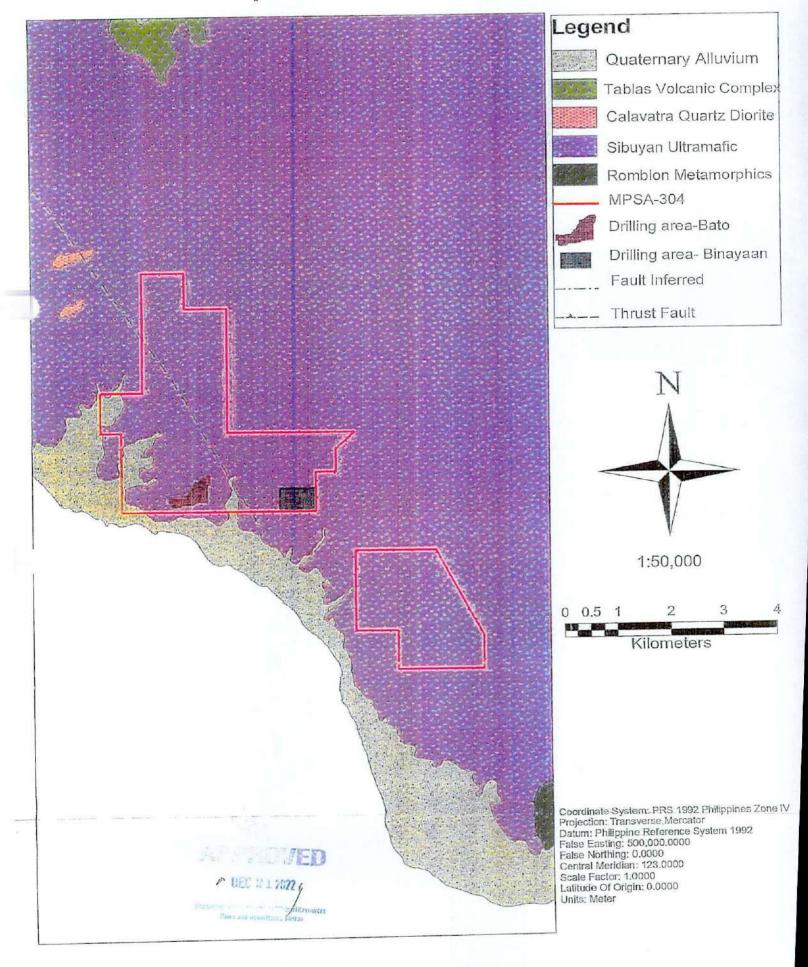
No. TOTAL EXPLORATION COST 4 Geochemical survey 3 Semi-detailed survey 1 Regional geologic study 6 Detailed geological study 9 Bulk metallurgical testing 8 Sub-surface investigation (Drilling) Regional geochemical survey Detailed geochemical study Topographic survey Nature of Work U S 7 00 0 10 17 Timetable 12 t 14 15 12 17 18 19 Year 2 20 21 22 23 Budget Outlay 13,557,000.00 5,117,000.00 5,550,000.00 4,400,000.00 1,045,000.00 (PhP) 460,000.00 365,000.00 717,000.00 445,000.00 215,000.00 360,000.00

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Mines and Geosciences Bureau

APMC Exploration Drill Hole Location





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

ANNEX "5"

DENR Compound, Visayas Avenue, Dilliman, Quezon City 1115 Telephone Nos: (632)927-15-17,928-37-25; Fax No. (632) 920-22-58 Website http://www.emb.gov.ph/Email: mail@emb.gov.ph

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-12-02356)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

December 15, 2022

For its

APMC EXPLORATION PERIMETER ACCESS ROAD

SITIO BATO, BRGY ESPAÑA San Fernando, Romblon Province, R4B

Classified as

ITEM 3.4.2 INFRASTRUCTURE PROJECTS/ROADS AND BRIDGES/ROADS, WIDENING, REHABILITATION AND/OR IMPROVEMENT WITH NO CRITICA SLOPE - WITH > 50% INCREASE IN CAPACITY (OR IN TERMS OF LENGTH/WIDTH)

(Declared Project Size: 0.6 Kilo meter Increase in length)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

ENGR. WILLIAM P. CUÑADO

Director



Receipt No.2216290/ Php 1240.00/ December 15, 2022 ARN. dedf484e-f170-4368-b4f1-74e6259988b9



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

ANNEX "6"

DENR Compound, Visayas Avenue, Diliman, Quezon City 1115Telephone Nos: (632)927-15-17,928-37-25; Fax No. (632) 920-22-58 Website http://www.emb.gov.ph / Email: mail@emb.gov.ph

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-08-01525)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

August 16, 2022

For its

EXPLORATION ACCESS ROAD CONSTRUCTION

Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon San Fernando, Romblon Province, R4B

Classified as

ITEM 3.4.2 INFRASTRUCTURE PROJECTS/ROADS AND BRIDGES/ROADS, WIDENING, REHABILITATION AND/OR IMPROVEMENT WITH NO CRITICA SLOPE - WITH > 50% INCREASE IN CAPACITY (OR IN TERMS OF LENGTH/WIDTH)

(Declared Project Size: 0.474 Kilo meter Increase in length)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

> ENGR. WILLIAM P. CUÑADO Director



eceipt No.2121004/ Php 1240.00/ August 16, 2022 ARN, 730ba67b-6e0c-41f9-9600-dc90fc5069d1



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

ANNEX "7"

DENR Compound, Visayas Avenue, Dilliman, Quezon Chy 1115 Telephone Nos: (632)927-15-17,928-37-25; Frix No. (632) 920-22-58 Website http://www.emb.gov.ph/Email: mail@emb.gov.ph

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586, THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-07-01175)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

July 04, 2022

For its

CONSTRUCTION OF EXPLORATION ACCESS ROAD 3

Sitio Bato, Brgy España, Municipality of San Fernando, Sibuyan Island, Romblon San Fernando, Romblon Province, R4B

Classified as

ITEM 3.4.2 INFRASTRUCTURE PROJECTS/ROADS AND BRIDGES/ROADS, WIDENING, REHABILITATION AND/OR IMPROVEMENT WITH NO CRITICA SLOPE - WITH > 50% INCREASE IN CAPACITY (OR IN TERMS OF LENGTH/WIDTH)

(Declared Project Size: 0.207 Kilo meter Increase in length)

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

ENGR. WILLIAM P. CUÑADO

Director



Receipt No.2418384/ Php 1240.00/ July 01, 2022 ARN, d4187ab7-5278-483f-9394-3763d66687f4

MIMAROPA Region

VIRONMENT AND NATURAL RESOURCES OFFICE Odiougan, Rombion

NOTE: This application must be submitted in duplicate, otherwise, it will be rejected.

MISCELLANEOUS LEASE APPLICATION	
BUREAU OF LANDS No. 045913 - 3 Entry No.	
1. The undersigned hereby makes application under the provisions of chapters VI & IX of Commonwealth Act No. 141. as amended, to lease for a period of 25 years the tract of land described as follows: 25 Foreshore land adjacon; 10 a sittled property identified as East 1209,000. 26 Foreshore land adjacon; 10 a sittled property identified as East 1209,000. 27 Att7=0. San Fernando Cadas+re lacated of Southeen Broyn Baraday San Fernando	n Kurukk
Situated in the Barrio of ELVENTH Municipality of SENT FERNESCO Province of RONGLOW Island of LIBUYEN Philippines, containing an area of D hectares. 45 area, and 65 centares, the shape and dimensions of which are indicated in the sketch drawn on the back of the application.	
2. My name is ASTATEL T. ALO my age is 39 years, the place of my birth is particle, entroposes I am citizen of FALLERWSE and my post-office address is married/single, and the name of my wife/husband is married/single. The complete is a citizen of participates. Thick Corner aloo who is a citizen of participates. I am employed in the government service. (If a government employee, He should attach to this application permission in writing of the head of the Department under which he is working). I possess funds and personal property as follows, with which I expect to put into beneficial use the land applied for within the period fixed by law:	
The application should be accomplished with a project study indicating, among others, the plan of development of the land applied or and the financial expability of the application to underwrite the project. If the applicant is a corporation or association, its applications, in addition to required project study should be also be accompanied with its articles of incorporation, and a certificate of registration by the Securities and Exchange Commission) 3. I have been upon and clamed the land applied for, and it contains no improvements or indication of occupation and belief, it is neither timber nor mineral land and contains no guano or any deposit of salt or coal. The following improvements are proposed to be made on the land applied for the same to be used solely for CPU-LENDY purposes. (State kind and approximate value of proposed improvements, such as houses, warehouse, factories, wharves, docks, piers, etc.) (If the land will be devoted for agricultural purposes state the erop to be raised.) For Docksing Purposes	
4. This application is made in the good faith for the exclusive benefit of the applicant and not either directly or indirectly for the benefit of any other person. Corpornion, association or partnership and for actual purposes of using the tradestard solices specified in this application and for no other purposes, I will not sell at All DEP COLUMN manner encumber the tend or the right or rights that I may acquire without the application of Commonwealth Act wo, 147, as remember. Provided Proceedings of Commonwealth Act wo, 147, as remember. Effort recommon in the process of the Deep of	

the advertisement of this application and other legal and necessary expenses and to deposit in account the advertisement of this application and other legal and necessary expenses the definition of the land herein applied for.

The advertisement of this application and other legal and necessary expenses to definition. The sufficient of the land herein applied for. survey or re-survey of the land herein applied for.

clearing thereon or utilize the same for ordinary farming purposes even after a contract of lease shall have been executed in my favor (NOTE: Not applicable if land applied for is for residential, industrial or commercial purposes) a member, stockholder, officer, representative, attorney, agent, employee or bondholder of the following corporations or partnerships which are engaged in agriculture and are holders of agricultural public lands in the Philippines. 9. I understand that this application conveys no right to me to enter upon, occupy, cultivate, or make clearings on the land until the same has been finally approved and lease contract executed, and that any lease applicant who shall willfully and knowingly submit false statements or execute false affidavits in connection with the foregoing application shall be deemed guilty of perjury and published by a fine of not more than two thousand pesos and by imprisonment for not more than five years, and in addition thereto his application shall be cancelled and all amounts paid on account thereof forfeited to the Government, and he shall not be entitled to apply for any public land in the Philippines. (Signature of Applicant) AFFIDAVIT REPUBLIC OF THE PHILIPPINES PROVINCE OF MURICIPALITY OF . the person making this application, first being duly sworn upon my oath and say: That I have read, or someone has read to me, and I thoroughly understand the foregoing application; that I signed said application and this affidavit in the presence of the officer who administered the oath; that each and every statement in said application is true and correct. Applicant Before me, at the place aforesaid, on this AUG dec 1, 2022 personally, known to me to be the person whose name appears in the foregoing application, and in my presence he signed the said application and subscribed and sworn to appeared this affidavit. The affiant exhibited to me his Tox local frontier No. 265-116-60 issued at on said residence Certificate to be years of age, and a native of (Officer Authorized to Administer Oath) (Official Title) Doc. No

ATTY JAMES K. ABUGAN

Rail No. 30-99 Listered MCLENA VISUADE OF THE ET 4/2025 THE SECRET OF THE ET 4/2025 PTH No. 25'11' TO LESS AND MANUSCRIPT OF THE ET A/2022 TO MANUSCRIPT OF THE ET A/2022 TO THE

30 cm/y Public SKETCHARDS No. 0442-22 Unit Ocs. 31, 2022 IBP No. 175122 D76672022 Road Chapter

Page No. Book No.

Series of





ALTAI PHILIPPINES MINING CORPORATION

January 21, 2023

PHILIPPINE PORTS AUTHORITY

Port Management Office – Batangas, Port Access Road, Brgy. Calicanto, Batangas City

MR. JOSELITO SINOCRUZ, PhD.

Port Manager

RE: 1. Application to Develop & Construct (PDC) a Non-Commercial Port,
Altai Philippines Mining Corp. (APMC-Bato Causeway) located at
Sitio, Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon.

 Request for Consideration for Temporary Use of APMC-Bato Causeway located at Sitio Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon.

Dear Sir,

We are Altai Philippines Mining Corporation, and we have a mining tenement of laterite nickel located at Brgy. España and Brgy. Taclobo both in the municipality of San Fernando, Sibuyan Island, Romblon Province. After a decade of exploration and numerous permits obtained from the Mines and Geosciences Bureau, the Department of Environment and Natural Resources, as well as the Local Government Units, we are now in the final stages of the process to export our nickel ores.

Our Miscellaneous Lease Application was received on December 12, 2022 by the DENR, MIMAROPA Office, Odiongan, Romblon for MLA No. 045913-3 in relation to our mining causeway located in Sitio Bato, Brgy. España, San Fernando, Sibuyan Island, Romblon. The Foreshore Land Adjacent under Lot 1209, CAD 447-D covering the three (3) parcels of land of 133,591 square meters is owned by our company.

This January 2023 we've started to deposit some backfill materials on our causeway in preparation for the transport of our heavy equipment coming from Manila by barge. Our causeway does not have any concrete for pavements and slope protections, except only for some mooring bitts foundations at the pier. The current design is only for Mediterranean-type of docking for non-propelled and self-propelled barges of 3,000-5,000 deadweight in sizes with loaded draft of 5.0 meters, which is not suitable for our purposes. The causeway will be primarily used for our nickel ore loading for export by shipside or offshore loading where the mother/foreign vessel will anchor to about 0.8 to 1.0 mile distance from the shore.

APMC's target volume of nickel ore to export every year is 3,000,000 metric tons or 250,000 metric tons per month, and five (5) panamax-size foreign vessels will arrive every month at the España Anchorage, San Fernando, Sibuyan Island. This will undoubtedly generate positive economic impacts in the area, such as employment opportunities, new businesses, and provide the Philippine Ports Authority with added collection on fees of cargo wharfage, cargo handling share fee, vessel dockage and pilotage.



ALTAI PHILIPPINES MINING CORPORATION

For your reference, please check hereunder our submitted Documentary Requirements on our Application for Permit to Develop and Construct (PDC) for Non-Commercial Ports, stated as follows:

A. Application for PDC

1. Duly Filled Application Form

2. Notarized Omnibus Undertaking

3. SEC Registration

4. Secretary Certificate of APMC

5. Audited Financial Statement

6. Company Profile

7. Project Proposal/Feasibility

7.1 summary of project scope

7.2 description

7.3 intended use of the project

7.4 economic impact

7.5 estimated cost of the project

7.6 broken down into major components

7.7 general port layout plan

7.8 development plan

7.9 vicinity map

8. Detailed Engineering

, of APMC-Bato Causeway

, for APMC PDC to PPA

, of APMC

, of APMC

, sworn by APMC President

, of Altai Philippines Mining

, to Mr. Ronilo Salundaguit

, of APMC-Bato Causeway

8.1 quantity and cost estimates

8.2 hydrographic survey

8.3 topographic survey

8.4 soil investigations

9. Miscellaneous Lease Agreement

, from DENR

We sincerely apologize for our urgent request to allow APMC to temporarily use the under-developed APMC-Bato Causeway for nickel ore shipside loading on or before January 24, 2023. The barges that came from Cebu and Manila will start to arrive on January 23, 2024, and they need to dock at our causeway to unload our supplies, heavy equipment, and provisions. Two (2) self-propelled barges are likewise schedule to arrive on the same date.

We already hired North Coast Shipping .NCS Corporation as our Barge Supplier (to serve loading at causeway and deliver to foreign vessel) and Cargo Handler (Onboard Stevedoring @ foreign vessel as crane operator & rigger) for our nickel ore shipside loading. Please check hereunder also the license and accreditation of the abovementioned company for your perusal:

B. Request for Consideration for Temporary of APMC-Bato Causeway

1. Permit to Operate for Barging & Lighterage , pier/causeway to anchorage at APMC-Bato Causeway,

, pier/causeway to anchorage at APMC-Bato Causeway, San Fernando, Sibuyan Island, Romblon



ALTAI PHILIPPINES MINING CORPORATION

- 1.1 Marina License of North Coast for Domestic Shipping
- Accre. No. 2006-LU-134-13 valid until Sept. 14, 2023
- 1.2 Marina License of North Coast for Maritime Enterprises
- Cert. No. 186-LU-0290-20 valid until Sept. 14, 2023
- 1.3 PPA Accre. of North Coast for Lighterage/Barging
- , Accre. No. 000771 valid until <u>April 29, 2024</u>
- Permit to Operate for Cargo Handling (Onboard Stevedoring at Vessel/Anchorage) ,
- España Anchorage, Brgy. Esapaña, San Fernando, Sibuyan Island, Rombon
- 2.1 PPA Accre. Of North Coast for Cargo Handling
- , Accre. No. 002256 Valid until <u>Nov. 12, 2024</u>

In addition to our request for temporary port for loading, we include herewith also the documents related to our 1st nickel ore loading on January 24, 2023 with the foreign vessel MV Beauty Peony: (1) the Mineral Ore Export Permit from DENR, Central Office, Manila; and (2) Ore Transport Permit from DENR, MIMAROPA, Regional Office, Romblon. Hoping for your soonest reply on our PDC Application and the granting of our Request for Temporary Use of APMC-Bato Causeway as our Port of Loading.

Thank you very much.

Sincerely,

ARCH. HANNIEL T. NGO Chairman & President



01252309

JAN 2 5 2023

Arch HANNEL T NGO
Chairman and President
Altai Philippines Mining Corporation
1901 Tycoon Center, Pearl Drive.
San Antonio, Ortigas Center, Pasig City
<altarcorpo@gmail.com >

Dear Arch Ngo:

This refers to your letter dated 21 January 2022 requesting to allow you to temporarily use your causeway at Sitio Bato. Espana, San Fernando, Sibuyan Island. Romblon for loading of export cargo/laterite nickel ore on the vessel.

Relative thereto, your request may be GRANTED subject to compliance of the following:

- Submission of all pertinent cargo documents;
- Payment of 100% vessel and cargo charges;
- Vessel Entrance Formalities and Departure Clearance;
- Accreditation Certificate/Permit to Operate of all service providers;
- Government share remittance on income from cargo handling services; and
 Your company shall, at all times, stands solely liable and responsive for the enforcement of, and compliance with all existing laws, rules and regulations binds itself to save and hold the PPA free and harmless from any and all liability

in respect thereof and/or arising therefrom.

Truly yours.

Port Manager

Co:

TMO Rombion

08-01252023

PORT MANAGEMENT OFFICE - BATANGAS
Administration Pullding, Port Access Boad.
Calicanto, Batangas City 4200 Philippines
Tel Pro : (043) 772-7629 / (043) 723-0164 Fox No.: (043) 723-0164



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

ANNEX "11"

DENIA Compound, Visseyes Averton, Elliman, Costeni City ** 115 Santone Ross, 1812/112* - 1 7/12/8 27 25; Fix No. (632) 220-22-3 Walt talk mig. Numer sants apopted Limit: miglemin, geo. ph

IN ACCORDANCE WITH THE REVISED PROCEDURAL MANUAL FOR DENR ADMINISTRATIVE ORDER NO. 30, SERIES OF 2003 OF PRESIDENTIAL DECREE NO. 1586. THIS

CERTIFICATE OF NON-COVERAGE (CNC-OL-R4B-2022-10-01928)

Issued to

ALTAI PHILIPPINES MINING CORPORATION

On

October 25, 2022

For its

PROPOSED APMC BATO CAUSEWAY

Sitio Bato, Brgy España, Municipality of San Fernando, Romblon Romblon, Romblon Province, R4B

Classified as

ITEM 3.5.3 INFRASTRUCTURE PROJECTS/OTHER TRANSPORT FACILITIES/SEA PORT, CAUSEWAYS.
AND HARBORS(INCLUDING RO-RO FACILITIES) - WITHOUT RECLAMATION
(Declared Project Size: 0.4563 Flectare Based on project area (e.g., title, lease contract))

THE ISSUANCE OF THIS CERTIFICATE SHALL NOT EXEMPT THE GRANTEE FROM COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES AND REGULATIONS INCLUDING THE PERMITTING REQUIREMENTS OF OTHER GOVERNMENT AGENCIES NEITHER CREATE ANY RIGHT NOR BE USED AS AN AUTHORIZATION TO IMPLEMENT THE PROJECT, YOU MAY PROCEED WITH THE IMPLEMENTATION ONLY AFTER SECURING ALL THE NECESSARY AND RELEVANT PERMITS FROM OTHER PERTINENT GOVERNMENT AGENCIES.

MOREOVER, ANY EXPANSION AND/OR MODIFICATION OTHER THAN SPECIFIED ABOVE SHALL BE CONSIDERED AS A VIOLATION OF P.D. 1586 (EIA SYSTEM) AND SHALL BE SUBJECTED TO IMPOSITION OF FINES/PENALTIES AMOUNTING TO PHP 50,000.00.

ENGR. WILLIAM P. CUÑADO

Director



Receipt No.2321098/ Php 1240.00/ October 21, 2022 ARN, 8en9ab73-d18d-4a4b-abs8-a6c09c3a768b ENGR. WILLIAM P. CUÑADO Director



Receipt No.2120587/ Php 1240.00/ August 23, 2022 ARN. 608dd974-660a-4218-8a9b-f4e7d5305f45

D INCOM

TIME:



ALTAI PHILIPPINES MINING CORPORATION DENR MIMAROPA

10 February 2023

MR. ARNOLDO A. BLAZA, JR.

OIC, Provincial Environment and Natural Resources Officer (PENRO)
Department of Environment and Natural Resources – MIMAROPA Region PENRO Romblon, Formelleza St., Brgy. Tabing-Dagat

Odiongan, Romblon 5505

SUBJECT: Notice of Violation (NOV) dated February 3, 2023 (Alleged Violation of Section 77, P.D. 705)

Dear PENR Officer Blaza:

We acknowledge receipt of your subject NOV on February 4, 2023 directing ALTAI PHILIPPINES MINING CORPORATION ("APMC") to stop cutting/clearing activities and submit to the Office of the DENR PENRO Romblon the copy of Special Tree Cutting Permit within fifteen (15) days to avoid violations pursuant to Section 77 of Presidential Decree (PD) 705, as amended.

We note that in the subject NOV, it was mentioned that a monitoring was conducted by your Office on January 18, 2023 and the results thereof revealed that allegedly "a number of trees are damaged and cleared, at the exploration site xxxxx"

We clarified from our site personnel about your supposed results. With due respect however, based on the information that we gathered, it appears that the PENRO personnel who inspected the exploration site went there without any prior written notice. According to our site personnel, they passed by our site office without any written notice or request to enter the exploration site for inspection purposes. They first proceeded to our causeway and then at the mine area. They were advised that it was muddy but they insisted to go. While at the exploration/mine area, they verbally informed our site personnel that they were conducting the inspection on the basis of allegations from "sources", "reports", and Facebook posts that trees were cut using chainsaw and that there were missing trees. Unfortunately, they did not show to our site personnel any map of tree inventory which, to our knowledge was already completed by your Office. The map of tree inventory is necessary so that it can be clear what particular trees and which area in the exploration site were being referring to. Up until this time, it is very unfortunate that we have not received any official report about the supposed results mentioned in the NOV.

It is respectfully submitted that APMC's right to due process was seriously violated based on the manner and method of inspection made by the PENRO personnel and the subsequent NOV that was issued to APMC. At the very least, APMC is entitled to see the official Ground Report as to the number of trees allegedly damaged and cleared, at the exploration site.

APMC is aware of such inventory and during exploration, it would not dare to cut any inventoried tree because its application and/or request for Tree Cutting Permit is pending. Even assuming on the sole argument that trees were cut at the mine area, our site personnel was not provided with relevant data such as the tree species cut, the actual number of the trees cut, any document like photograph of the "chainsaw" that was said to have been used,

N

the identities of individuals who cut the trees, and any report from authorities as to the whereabouts of the supposedly cut trees.

We are alarmed that PENRO personnel propounded the foregoing queries without showing the foregoing important data.

It is a well-known fact that there are anti-mining residents in Barangay Espana who go out of their way in spreading rumors and lies about APMC's operations in Sibuyan Island for years. It is common knowledge as of this writing that mainstream and social media have been flooded with all sorts of innuendos of illegal activities on APMC's part coming from anti-mining residents and their supporters who are anti-mining environmental activists. These realities on the ground are factors to be considered and thus we humbly implore your Office to be extremely circumspect in acting on such allegations from "sources", "reports", and Facebook posts which, in all likelihood were generated by parties opposed to our proposed mining project. But regardless of any prevailing circumstances, regulatory protocol requires a prior written notice to the subject establishment stating the basis of visit or inspection. It is sad to note that your Office failed to follow this elementary procedure.

We would like to clarify that anent the submission of Special Tree Cutting Permit, the records of your Office will bear out that we have submitted our request for Tree Cutting Permit through a letter dated November 22, 2022 but the same remains unacted upon and we have not received any formal communication from your office about its status. A copy of said request with covering email transmittal that was duly received by your Office is attached as Annex "1", "1-A", to "1-B" for your easy reference.

Moreover, prior to the application for a Tree Cutting Permit, APMC requested for the conduct of Tree Inventory over the 20-hectare Exploration Area and Proposed Access Road as early as 11 April 2022. Needless to say, a Tree Inventory is necessary before one may apply for a Tree-Cutting Permit. APMC's request for Tree Inventory was acted upon only in October 2022 and the Report was transmitted to APMC only on 11 November 2022, seven (7) months after its request. Herein below is a summary of the events that took place anent APMC's request for Tree Inventory and Tree Cutting Permit, to wit:

 On 11 April 2022, APMC requested for a Tree Inventory over the 20hectare Exploration Area and Proposed Access Roads;

 On 15 August 2022, APMC requested for an Inspection and Tree Inventory of the 20-hectare land, Binayaan Exploration Area and the proposed one-hectare Nursery Area;

 On 07 September 2022, DENR MIMAROPA issued an Invitation for a Technical Conference;

4. On 11 November 2022, DENR PENRO issued its Inspection Report on the Inspection and Tree Inventory requested by APMC over the 20hectare area. In the Memorandum dated 26 October 2022, the following recommendations are noted:

"Considering the above findings and observations, the undersigned found that the applicant complied with the requirements of existing laws, rules and regulations of the DENR. It is therefore recommended for the issuance of Cutting Permit in favor of ALTAI Philippines Mining Corporation in Sitio Binayaan, Brgy. Espana, San Fernando, Romblon." (Emphasis supplied)

Attached hereto are the copies of the above-enumerated APMC's request letters for a Tree Inventory dated April 11, 2022, August 15, 2022, September 7, 2022 and DENR Memorandum dated 26 October 2022 as Annexes "2", "3", "4", "5" and "6", respectively.

As regards the recent exploration activity in the mine site, the same was limited along the sides of the old exploration access. The clearing that was done if any was limited to shrubs that were less than 150 mm in diameter and tall grass and never involved the cutting of fully grown and duly inventoried trees.

We are committed to compliance with environmental laws, rules and regulations. Along this line, we endeavored to comply through submission of relevant requests and supporting documents. We find it ironic that APMC is being asked to produce a Special Tree Cutting Permit when the records will bear out that our application remains pending and unacted upon.

The above considered, we implore your good Office to reconsider and set aside your subject NOV for lack of factual and legal basis.

In closing, please be informed that APMC voluntarily halted all exploration and related activities as of February 6, 2023 in order to address all regulatory and compliance issues that have been raised. Rest assured that APMC shall continue to cooperate with your office in order to ensure compliance with environmental laws, rules and regulations for the benefit of all stakeholders.

We trust that the above explanation will merit the consideration of your good Office.

Truly yours,

ATTY. MARY JANE F. BALAGTAS

Legal Counsel for APMC

Copy Furnished:

Regional Executive Director **DENR-MIMAROPA**

DENR MIMAROPA RECORDS SECTION BY: TIME

LBC EXPRESS, INC.

UNIT G-1E NYMSUM CORP. PLAZA, F. CRITGAS

JR. AVE., DRITGAS CENTER, PASIG CITY

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1498 2929 8046

9.

CONSIGNEE:

ALTAI PHILIPPINES, MINING CORPORATION

Address: 1901 TYCOON CENTER, PEARL DRIVE, SAN ANTONIO, PASIG CITY, METRO MANILA CONTACT No. (s).. 9672480308 /9572480308

Card Number: TIN: Bus. Style: TABING DAGAT, ODIONGAN, ROMBLON CONTACT No. (s).: 9672480308

Email: CONSIGNEE: OPT OF THE PROPRIETY OF THE P

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I hereby agree to be bound with the terms and conditions and the part of the back and forth by LBC EXPRESS

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Signature of Resociate

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BIR Scereditation No: 1228807021492815850218 Date legand: 86/26/2815

ALTAI PHILIPPINES MINING CORPORATION

November 22, 2022

ANNEX "1"

FORESTER ARNOLDO A. BLAZA

PENR Officer

Department of Environment and Natural Resources
Odiongan, Tablas Island, Romblon

RE: REQUEST FOR TREE CUTTING PERMIT WITHIN THE TWENTY (20)
HECTARE AREA SITUATED AT SITIO BATO, BRGY ESPAÑA,
SAN FERNANDO, ROMBLON BELONGING TO ALTAI PHILIPPINES
MINING CORPORATION

Dear Sir,

The Inspection and Tree Inventory of the Twenty-Hectare (20 ha) was completed by your good office on 26 October 2022, and subsequently, you likewise endorsed the same to the Department of Environment and Natural Resources, MIMAROPA Region. Thus, Altai Philippines Mining Corporation now respectfully requests the issuance of the related TREE CUTTING PERMIT.

Your favorable action on this request will be highly appreciated.

Very truly yours,

HANNIEL T. NGO

President



ALTAI PHILIPPINES MINING CORPORATION <altaicorpo@gmail.com>

APMC_REQUEST FOR TREE CUTTING PERMIT WITHIN 20 HECTARES AREA

2 messages

Redlaf Onitiento <altaicorpo@gmail.com> To: penroromblon@denr.gov.ph

Wed, Nov 30, 2022 at 1:15 PM

ANNEX 661-A-1-B"

MR. ARNOLDO A. BLAZA, JR.

Officer-in-Charge

Department of Environment and Natural Resources

Provincial Environment and Natural Resources Office - Romblon

Dear Sir:

Greetings.

Kindly see the attached file regarding our request for tree cutting permit within the 20 hectares area situated at Sitio Bato, Brgy. España, San Fernando, Rombion.

For your perusal and consideration.

Thank you very much!

Sincerely,

HANNIEL T. NGO

Received, thank you. [Quoted lext hidden]

President

Altai Philippines Mining Corporation

APMC_PENRO_Tree Cutting_1.pdf 88K

R4B PENRO Romblon penroromblon@denr.gov.ph>

To: Redlaf Onitlento <altaicorpo@gmail.com>

Thu, Dec 1, 2022 at 10:34 AM

ALTAI PHILIPPINES MINING CORPORATION

April 1.1, 2022

MIS, LORMIELYN E. CLAUDIO, CESO-IV OIC Regional Executive Director Department of Environment and Natural Resources MIMAROPA Region DENR by the Bay Building 1515 Roxas Boulevard Ermita, Manlla City



Subject: Request for Tree Inventory of the Twenty (20) Hectare Exploration Area and Proposed Access Road

Dear Madam,

in reference to the Mineral Production Sharing Agreement (MPSA) No. 304-2009-IVB of Altai Philippines Mining Corporation ("APMC") (Annex A), located in San Fernando (Sibuyan Island), Province of Romblon, please be informed that this company is currently preparing to implement its exploration program in compliance with the terms stipulated in the MPSA. To provide some background information, the field operations were stopped on Sept 19, 2011 by virtue of the Cease and Desist Order Issued by the Mines and Geo-Sciences Bureau. Then on September 2021, the subject order was lifted by the Secretary of the Department of Environment and Natural Resources, paving the way for APMC to resume its long-delayed field exploration program.

Anent to this, the planned initial detailed exploratory activity will be focused over a twenty (20) hectare area within the mineral property of APMC (Annex B), although the surface right is held privately by Sibuyan Nickel Properties Development Corporation ("SNPDC"). SNPDC consented to APIMC's program, and attached herewith is a letter of no objection for your ready reference (Annex

In view of the above, we respectfully request through your office for the accomplishment of an official \cdot Tree inventory covering twenty hectares of active exploration area. The said inventory shall serve as basis for APMC to file the Application for Tree Cutting Permit as well as to identify the number of trees that may be affected by the exploration program. Should you require additional documentation or information, please do not hesitate to contact me through the company's official address or by phone, landline number (02) 85296868, for my Immediate reply.

Thank you and your approval on the above request will be highly appreciated.

Very truly yours

TAMMERT, MGO

President

1901 TYCOON CENTER, PEARL DRIVE, SAN ANTONIO, ORTIGAS CENTER, PASIG CITY TEL No.: 8529-6868; EMAIL ADDRESS: altaicorpo@gmall.com

WINERAL PRODUCTION SHARING AGREENED TO

304-2009-IVB

REGIONAL. OFF UNINO, IV ASSESSED A BECEIVED

This MINERAL PRODUCTION SHARING AGREEMENT is made and entered into between:

THE REPUBLIC OF THE PHILIPPINES, herein referred to as the GOVERNMENT, represented in this act by the Secretary of the Department of Environment and Natural Resources, with offices at the Department of Environment and Natural Resources Building, Visayas Avenue, Diliman, Quezon

and

ALTAI PHILIPPINES MINING CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, herein referred to as the CONTRACTOR, with office at 78 Visayas Avenue, Quezon City and represented in this act by its President, Pio C. Fortuno, as authorized by its Board of Directors (please refer to ANNEX "A")

WITNESSETH:

WHEREAS, the 1987 Constitution of the Republic of the Philippines provides in Article XII, Section 2 thereof that all lands of the public dornain, waters, minerals, coal, petroleum and other natural resources are owned by the State and that their exploration, development and utilization shall be under the full control and supervision of the State;

WHEREAS, the Constitution further provides that the State may directly undertake such activities, or it may enter into a Co-Production, Joint Venture, or Mineral Production Sharing Agreement with Filipino citizens, or cooperatives, partnerships, corporations or associations at least sixty per centum of whose capitalization is owned by such citizens;

WHEREAS, pursuant to Republic Act No. 7942, otherwise known as "The Philippine Mining Act of 1995," which took effect on 09 April 1995, the Secretary of the Department of Environment and Natural Resources is authorized to enter into Mineral Production Sharing Agreements in furtherance of the objectives of the Government and the Constitution to bolster the national economy through sustainable and systematic development and utilization of mineral lands;

WHEREAS, the Government desires to avail liself of the financial resources, technical competence and skill, which the Contractor is capable of applying to the mining operations of the project contemplated herein;

WHEREAS, the Contractor desires to join and assist the Government in the Initial S rational exploration and possible development and utilization for commercial purposes of nickel, iron, cobalt, chromite and other associated mineral deposits existing in the Contract Area (as herein defined);

1 1:

WHEREAS, the Contractor has access to all the financing, technical competence, technology and environmental management skills required to promptly and effectively carry out the objectives of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants, terms and conditions hereinafter set forth, it is hereby stipulated and agreed as follows:

SECTION

SCOPE

- 1.1. This Agreement is a Mineral Production Sharing Agreement entered into pursuant to the provisions of the Act and its implementing rules and regulations. The primary purpose of this Agreement is to provide for the rational exploration, development and commercial utilization of nickel, iron, cobalt, chromite and other associated mineral deposits existing within the Contract Area, with all necessary services, technology and financing to be furnished or arranged by the Contractor in accordance with the provisions of this Agreement. The Contractor shall not, by virtue of this Agreement, acquire any title over the Contract/Mining Area without prejudice to the acquisition by the Contractor of the land/surface rights through any mode of acquisition provided for by law.
- 1.2. The Contractor shall undertake and execute, for and on behalf of the Government, responsible mining operations in accordance with the provisions of this Agreement, and is hereby constituted and appointed, for the purpose of this Agreement, as the exclusive entity to conduct mining operations in the Contract Area.
- 1.3. The Contractor shall assume all the exploration risk such that if no minerals in commercial quantity are developed and produced, it will not be entitled to reimbursement.
- 1.4. During the term of this Agreement, the total value of production and sale of minerals derived from the mining operations contemplated herein shall be accounted for and divided between the Government and the Contractor in accordance with Section VIII hereof.

SECTION II

DEFINITIONS

As used in this Agreement, the following words and terms, whether singular or plural, shall have the following respective meaning:

- Act refers to Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995."
- 2.2. Agreement means this Mineral Production Sharing Agreement.
- 2.3. Associated Minerals mean other ores/minerals, which occur together with the principal ore/mineral.

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- Bangko Sentral means Bangko Sentral ng Pilipinas.
- Budget means an estimate of expenditures to be made by Contractor in rollning operations contemplated hereunder to accomplish the World Program for each particular period.
- Bureau means Mines and Geosciences Bureau. 2.6.
- Calendar Year or Year means a period of twelve 12) consecutive months starting with the first day of January and ending on December 31, while 2.7. "Calendar Quarter" means a period of three consecutive months with the first calendar quarter starting with the first day of January.
- Commercial Production means the production of sufficient quantity of minerals to sustain economic viability of mining operations reckoned from 2.3. the date of commercial operation as declared by the Contractor or as stated in the feasibility study, whichever comes first.
- Constitution or Philippine Constitution means the 1987 Constitution of the Republic of the Philippines adopted by the Constitutional Convention of 2.9. 1986 on October 15, 1986 and ratified by the People of the Republic of the Philippines on February 2, 1987.
- Contract Area means the area onshore or offshore delineated under the Mineral Production Sharing Agreement subject to the relinquishment-2.10. obligations of the Contractor and properly defined by latitude and longitude or bearing and distance...
- 2.11. Contract Year means a period of twelve (12) consecutive months counted from the Effective Date of this Agreement or from the anniversary of such Effective Date.
- Contractor means Altai Philippines Mining Corporation or its assignee(s) of interest under this Agreement: Provided, That the assignment of any of such interest is accomplished pursuant to the pertinent provisions of the Implementing rules and regulations of the Act.
- Declaration of Mining Project Feasibility means a document proclaiming the presence of minerals in a specific site, which are recoverable by socially acceptable, environmentally safe and economically sound methods specified in the Project Feasibility Study.
- means the Department of Environment and Natural Department or DENR Resources.
- 2.15. <u>Director</u> means the Director of Mines and Geosclences Bureau.
- means the date of execution of this Agreement by the Contractor and by the Secretary on behalf of the Government. Effective Date
- means all facets of man's surroundings physical, ecological, aesthetic, cultural, economic, historic, institutional and social. Environment
- Exploration means searching or prospeoting for mineral resources by geological, geophysical and geochemical surveys, remote sensing, test

pitting, trenching, drilling, shaft sinking, tunneling or any other means for the purpose of determining the existence, extent, quality and quantity of mineral resources and the feasibility of mining them for profit.

- 2.19. Exploration Period shall mean the period from the Effective Date of this Agreement, which shall be for two (2) years, renewable for like periods but not to exceed a total term of six (6) years for nonmetallic minerals and eight (8) years for metallic minerals, subject to the pertinent provisions of the implementing rules and regulations of the Act.
- 2.20. Force Majeure means acts or circumstances beyond the reasonable control of the Contractor including, but not limited to war, rebellion, insurrection, riots, civil disturbances, blockade, sabotage, embargo, strike, lockout, any dispute with surface owners and other labor disputes, epidemics, earthquake, storm, flood or other adverse weather conditions, explosion, fire, adverse action by the Government or by any of its instrumentality or subdivision thereof, act of God or any public enemy and any cause as herein described over which the affected party has no reasonable control.
- 2.21. Foreign Exchange means any currency other than the currency of the Republic of the Philippines acceptable to the Government and the Contractor.
- 2.22. Government means the Government of the Republic of the Philippines or any of its agencies and instrumentalities.
- 2.23. Gross Output means the actual market value of the minerals or mineral products from each mine or mineral land operated as a separate entity, without any deduction for mining, processing, refining, transporting, handling, marketing or any other expenses: Provided, That if the minerals or mineral products are sold or consigned abroad by the Contractor under C.I.E. terms, the actual cost of ocean freight and insurance shall be deducted: Provided further, That in the case of mineral concentrates which are not traded in commodity exchanges in the Philippines or abroad such as copper concentrate, the actual market value shall be the world price quotation of the refined mineral products contained thereof prevailing in the said commodity exchanges, after deducting the smelting, refining, treatment, insurance, transportation and other charges incurred in the process of converting mineral concentrates into refined metal traded in those commodity exchanges.
 - 2.24. Mine Development refers to work undertaken to prepare an ore body or a mineral deposit for mining, including the construction of necessary infrastructure and related facilities.
 - 2.25. Minerals mean all naturally occurring inorganic substances in solid, liquid, gas or any intermediate state excluding energy materials such as coal, petroleum, natural gas, radioactive materials and geothermal energy.
 - 2.26. Mineral Products mean materials derived from mineral ores/rocks and prepared into marketable state by metallurgical processes which include beneficiation, cyanidation, leaching, smelting, calcination and other similar processes.

- 2.27. Mining Area means that portion of the Contract Area identified by the Contractor as defined and delineated in a Survey Plan duly approved by the Director/Regional Director concerned for purposes of development and/or utilization and sites for support facilities.
- 2.28. Mining Operations means mining activities involving exploration, feasibility study, environmental impact assessment, development, utilization, mineral processing and mine rehabilitation.
- 2.29. Notice means notice in writing, telex or telecopy (authenticated by answer back or confirmation received) addressed or sent as provided in Section 16.2 of this Agreement.
 - 2.30, Ore means naturally occurring, substance or material from which a mineral or element can be mined and/or processed for profit.
 - 2.31. Pollution means any alteration of the physical, chemical and/or biological properties of any water, air and/or land resources of the Philippines, or any discharge thereto of any liquid, gaseous or solid wastes or any production of unnecessary noise or any emission of objectionable odor, as will or is likely to create or render such water, air, and land resources harmful, detrimental or injurious to public health, safety or welfare or which will adversely affect their utilization for domestic, commercial, industrial, agricultural, recreational or other legitimate purposes.
 - 2.32. Secretary means the Secretary of the Department of Environment and Natural Resources.
 - 2.33. State means the Republic of the Philippines.
 - 2.34. Work Program means a document which presents the plan of major mining operations and the corresponding expenditures of the Contractor in its Contract Area during a given period of time, including the plan and expenditures for development of host and neighboring communities and of local geoscience and mining technology, as submitted and approved in accordance with the implementing rules and regulations of the Act.

SECTION III

TERM OF AGREEMENT

3.1. This Agreement shall have a term of twenty five (25) years from Effective Date, and may be renewed thereafter for another term not exceeding Date, and may be renewed thereafter for another term not exceeding twenty five (25) years. The renewal of this Agreement, as well as the twenty five (25) years. The renewal of this Agreement, as well as the changes in the terms and conditions thereof, shall be upon mutual consent oby the parties. In the event the Government decides to allow mining by the parties. In the event the Government decides to allow mining the parties. The contractor, this must be through competitive operations thereafter by other Contractor, this must be through competitive public bidding. After due publication of notice, the Contractor shall have the right to equal the highest bid upon reimbursement of all reasonable expenses of the highest bidder.

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· SECTION IV

CONTRACT AREA

Size, Shape, and Location of Contract Area - This Agreement covers a Contract Area of approximately One Thousand Five Hundred Eighty and 8,010/10,000 (1,580,8010) hectares, situated in San Fernando, Rombion, Sibuyan Island, and bounded by the following geographical coordinates (please refer to ANNEX "B" - 1;50,000 scale Location Map/Sketch Plan):

Parcel 1 Area = 1,140.7790 hectares

11.	Latitude	Longitude	
Corner	I-SI CLEATION		
1 2 3 4 5 6 7 8 9 10 11 12 13 14	12° 25' 07.999° 12° 24' 45.000" 12° 24' 45.000" 12° 23' 23.856" 12° 23' 12.792" 12° 22' 57.821" 12° 22' 31.786" 12° 22' 31.786" 12° 23' 23.856" 12° 23' 3.856" 12° 23' 49.885" 12° 23' 49.885" 12° 23' 49.885"	122° 31' 33.631" 122° 31' 33.631" 122° 32' 00.167" 122° 33' 19.611" 122° 33' 07.500" 122° 32' 55.000" 122° 32' 55.000" 122° 30' 53.952" 122° 30' 40.710" 122° 30' 40.710" 122° 31' 07.196"	

Parcel 2 Area = 440,0220 hectares

		Latitude	Longitude
*	1 2 3 4 5 6 7	12° 22' 05.774 12° 22' 06.774 12° 21' 10.000 12° 20' 47.640 12° 20' 47.640 12° 21' 13.67	122° 34′ 39.713° 122° 34′ 39.713° 122° 34′ 39.713° 122° 33′ 46.096° 122° 33′ 46.096°

SECTION V

EXPLORATION PERIOD.

Timetable for Exploration - The Contractor shall commence Exploration activities not later than three (3) months after the Effective Date for a period of two (2) years, renewable for like periods but not to exceed a total term of two (2) years, renewable for like periods but not to exceed a total term of the contractor represents the released of the contractor of six (6) years for nonmetallic minerals and eight (8) years for metallic.

minerals, subject to annual review and approval by the Director in accordance with the implementing rules and regulations of the Act.

5.2. Renewal of Exploration Period - In case the Contractor opts for a renewal of its Exploration Period, it shall file prior to the expiration thereof, a renewal application in the Mines and Geosciences Bureau Central Office, accompanied by the mandatory requirements stipulated in the implementing rules and regulations of the Act. The Director may grant the renewal of the Exploration Period on condition that the Contractor has substantially complied with the terms and conditions of the Agreement.

In cases where further exploration is warranted beyond the six (6)- or eight (8)-year period and on condition that the Contractor has substantially implemented the Exploration and Environmental Work Programs as verified by the Bureau, the Director may further grant renewal of the Exploration Period: Provided, That the Contractor shall be required to set up a performance surety equivalent to the expenditure requirement of the Exploration and Environmental Work Programs.

5.3. Work Programs and Budgets - The Contractor shall strictly comply with the approved Exploration and Environmental Work Programs together with their corresponding Budgets (please refer to ANNEXES "C" and "D").

The amount to be spent by the Contractor in conducting Exploration activities under the terms of this Agreement during the Exploration Period shall be in the aggregate of not less than that specified for each of the Contract Years, as follows:

For the Exploration Work Program:

1st Contract Year 2nd Contract Year Total PhP 2,933,500.00 PhP 4,922,500.00 PhP 7,856,000.00

For the Environmental Work Program

PhP 800,000.00

In the event of renewal of the Exploration Period, the amount to be spent every year shall first be agreed upon by the parties.

In the event of termination of this Agreement, the Contractor shall only be obliged to expend the pro-rata amount for the period of such Contract Year prior to termination. If during any Contract Year, the Contractor should expend more than the amount to be expended as provided above, the excess may be subtracted from the amount required to be expended by the Contractor during the succeeding Contract Years, and should the Contractor, due to unforeseen circumstances or with the consent of the Government, expend less during a year, then the deficiency shall be applied to the amount to be expended during the succeeding Contract Years.

5.4. Relinquishment of Total/Portion of the Contract Area - During the Exploration Period, the Contractor may relinquish totally or partially the exploration Period and prior to or upon original Contract Area. After the Exploration Period and prior to or upon approval of a Declaration of Mining Project Feasibility by the Director, the Contract Area not Contractor shall finally relinquish any portion of the Contract Area not

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necessary for mining operations and not covered by any Declaration of . Mining Project Feasibility.

- Final Mining Area. The Director may allow the Contractor to hold more than one (1) final Mining Area subject to the maximum limits set under the Implementing rules and regulations of the Act: Provided, That each final 5.5. Mining Area shall be covered by a Declaration of Mining Project Feasibility.
- Declaration of Mining Project Feasibility Within the term of the Exploration Period, the Contractor shall file in the Regional Office concerned, the Declaration of Mining Project Feasibility of the Contract Area/final Mining 5.6. Area supported by Mining Project Feasibility Study, Three (3)-Year Development and Construction or Commercial Operation Work Program, complete geologic report, an application for survey and the pertinent Compliance Certificate, among requirements. Failure of the Contractor to submit the Declaration of Mining Project Feasibility during the Exploration Period shall be considered a substantial breach of this Agreement.
 - Survey of the Contract Are The Contractor shall cause the survey of the perimeter of the Contract Area/final Mining Area through an application for . survey, complete with requirements, filed in the Regional Office concerned 5.7. simultaneous with the submission of the Declaration of Mining Feasibility. Survey returns shall be submitted to the Regional Director concerned for approval within one (1) year from receipt of the Order of Survey complete with the mandatory requirements stated in the implementing rules and regulations of the Act.

Reporting 5.8.

- During the Exploration Period, the Contractor shall submit to the Director, through the Regional Director concerned, quarterly and annual accomplishment reports under oath on all activities al. conducted in the Contract Area from the Effective Date of this Agreement. The quarterly report shall be submitted not later than fifteen (15) days at the end of each Galendar Quarter while the annual accomplishment report shall be submitted not later than thirty (30) days from the end of each Calendar Year. Such Information shall include detailed financial expenditures, raw and processed geological, geochemical, geophysical and radiometric data plotted on a map at a minimum 1:50,000 scale, copies of originals of assay results, duplicated samples, field data; copies of originals from drilling reports, maps, environmental work program implementation and detailed expenditures showing discrepancies/ deviations with approved exploration and environmental plans and budgets as well as all other information of any kind collected during the exploration activities. All information submitted to the Bureau shall be subject to the confidentiality clause of this Agreement.
 - Final Report The Contractor shall submit to the Director, through the Regional Director concerned, a final report under oath upon the expiration of the Exploration Period which shall be in the form and b. substance comparable to published professional reports of respectable international institutions and shall incorporate all the findings in the Contract Area including location of samples, assays,

chemical analysis, and assessment of mineral potentials together with a geologic map of 1:50,000 scale at the minimum showing the. results of the exploration. Such report shall also include detailed expenditures incurred during the Exploration Period. In case of diamond drilling, the Contractor shall, upon request of the Director/Regional Director concerned, submit to the Regional Office concerned a quarter of the core samples, which shall be deposited in the Regional Office Core Library for safekeeping and reference.

Relinquishment Report - The Contractor shall submit a separate relinquishment report with a detailed geologic report of the relinquished area accompanied by maps at a scale of 1:50,000 and results of analyses and detailed expenditures, among others.

SECTION VI

DEVELOPMENT AND CONSTRUCTION PERIOD

Timetable - The Contractor shall complete the development of the mine including the construction of production facilities within thirty six (36) months from the submission and approval of the Declaration of Mining 6.1. Project Feasibility, subject to such extension based on justifiable reasons as the Director may approve, upon recommendation of the Regional Director concerned.

Reporting 6.2.

- Annual The Contractor shall submit, within sixty (60) days after December 31 of each year, to the Director, through the Regional Director concerned, an annual report, which states the major activities, achievements and detailed expenditures during the year covered, including maps, assays, rock and mineral analyses and geological and environmental progress reports during the Development and Construction Period.
- Final Report Within six (6) months from the completion of the development and construction activities, the Contractor shall submit a final report to the Director, through the Regional Director concerned. Such report shall integrate all information in maps of appropriate scale and quality, as well as in monographs or reports in accordance with International standards.

SECTION VII

OPERATING PERIOD

Timetable - The Contractor shall submit, within thirty (30) days before completion of mine development and construction of production facilities, to the Director, through the Regional Director concerned, a Three-Year Commercial Operation Work Program. The Contractor shall commence commercial utilization immediately upon approval of the aforesaid Work Program. Failure of the Contractor to commence Commercial Production.

within the period shall be considered a substantial breach of the Agreement.

7.2. Commercial Operation Work Program and Budget - During the Operating Period, the Contractor shall submit to the Director, through the Regional Director concerned, Work Programs and Budgets covering a period of three (3) years each, which shall be submitted not later than thirty (30) days before the expiration of the period covered by the previous Work Program.

The Contractor shall conduct Mining Operations and other activities for the duration of the Operating Period in accordance with the duly approved Work Programs and corresponding Budgets.

7.3. Expansion and Modification of Facilities - The Contractor may make expansions, modifications, improvements, and replacements of the mining facilities and may add new facilities as the Contractor may consider necessary for the operations: Provided, That such plans shall be embodied in an appropriate Work Program approved by the Director.

7.4. Reporting

- a. Quarterly Roports Beginning with the first Calendar Quarter following the commencement of the Operating Period, the Contractor shall submit, within thirty (30) days after the end of each Calendar Quarter, to the Director, through the Regional Director concerned, a Quarterly Roport stating the tonnage of production in terms of ores, concentrates, and their corresponding grades and other types of products; value, destination of sales or exports and to whom sold; terms of sales and expenditures.
 - b. Annual Reports During the Operating Period, the Contractor shall submit within sixty (60) days from the end of each Calendar Year, to the Director, through the Regional Director concerned, an Annual Report indicating in sufficient detail:
 - b.i. The total tornage of ore reserves, whether proven, probable, or inferred, the total tonnage of ores, kind by kind, broken down between tonnage mined, tonnages transported from the minesite and their corresponding destination, tonnages stockpiled in the mine and elsewhere in the Philippines, stockpiled in the mine and elsewhere in the Philippines, stockpiled from the Philippines or not), tonnages actually shipped from the Philippines (with full details as to purchaser, destination and terms of sale), and if known to the Contractor, destination and terms of sale), and if known to the Contractor, tonnages refined, processed or manufactured in the Philippines with full specifications as to the intermediate products, by-products or final products and of the terms at which they were disposed;
 - b.2. Work accomplished and work in progress at the end of the year in question with respect to all the installations and facilities related to the utilization program, including the investment actually made or committed; and



Profile of work force, including management and staff, stating particularly their nationalities, and for Filipinos, their place of b.3. origin (i.e., barangay, town, province, region).

The Contractor shall also comply with other reporting requirements provided for in the implementing rules and regulations of the Act.

SECTION VIII

FISCAL, REGIME

- General Principle The fiscal regime of this Agreement shall be governed by the principle according to which the Government expects a reasonable return in economic value for the utilization of non-renewable mineral resources under its national sovereignty while the Contractor expects a reasonable return on its investment with special account to be taken for the high risk of exploration, the terms and conditions prevailing elsewhere in the industry and any special efficiency to be gained by a particularly good performance of the Contractor.
- Registration Fees Within fifteen (15) days upon receipt of the notice of approval of the Agreement from the Regional Office concerned, the 8.2. Contractor shall cause the registration of this Agreement with the said Regional Office and pay the registration fee at the rate provided in the Failure of the Contractor to cause the existing rules and regulations. registration of this Agreement within the prescribed period shall be sufficient ground for cancellation of the same.
- Occupation Fees Prior to registration of this Agreement and at the same date every year thereafter, the Contractor shall pay to the Municipal/City 8,3. Treasurer concerned an occupation fee over the Contract Area at the annual rate provided in the existing rules and regulations. If the fee is not paid on the date specified, the Contractor shall pay a surcharge of twenty five percent (25%) of the amount due in addition to the occupation fees.
- Share of the Government The Government Share shall be the excise tax ori mineral products at the time of removal and at the rate provided for in Republic Act No. 7729 amending Section 151 (a) of the National Internal 8.4. Revenue Code, as amended, as well as other taxes, duties and fees levied by existing laws. The Excise Tax shall be timely and completely paid to the nearest Bureau of Internal Revenue Office in the province concerned.

For purposes of determining the amount of the herein Government Share, c the Contractor shall strictly comply with the auditing and accounting requirements prescribed under existing laws and regulations.

The Government Share shall be allocated in accordance with Sections 290 and 292 of Republic Act No. 7160, otherwise known as "The Local" Government Code of 1991.

Pricing of Sales - The Contractor shall dispose of the minerals and byproducts produced at the highest market price prevailing in the locality: The Contractor shall also pay the lowest achievable marketing commissions 8.5. and related fees and shall negotiate for more advantageous terms and

conditions subject to the right to enter into long-term sales or marketing contracts or foreign exchange and commodity hedging contracts, which the Government acknowledges to be acceptable notwithstanding that the sale price of the minerals and by-products may from time to time be lower, or the terms and conditions of sales are less favorable, than that available elsewhere. The Contractor shall seek to strike a balance between long-term sales or marketing contracts or foreign exchange and commodity hedging contracts comparable to policies followed by independent producers in the international mining industry.

The Contractor shall likewise seek a balanced distribution among consumers. Insofar as sales to Contractor's affiliate(s) are concerned, prices shall be at arm's length standard, and competing offers for large scale and long-term contracts shall be procured. Before any sale and/or shipment of mineral product is made, existing and future marketing contract(a)/sales agreement(s) shall be submitted to the Director, copy furnished the Regional Director concerned, for registration. At the same time, the Contractor shall regularly inform the Director in writing of any revisions, changes or additions in said contract(s)/agreement(s).

The Contractor shall reflect in its Monthly/Quarterly Report on Production, Sales and Inventory of Minerals, as well as in the Integrated Annual Report, corresponding registration number(s) of contract(s)/agreement(s) governing the export or sale of minerals.

Associated Minerals - If minerals other than nickel, iron, cobalt, chromite are discovered in commercial quantities in the Contract Area, the value .8.6. thereof shall be added to the value of the principal mineral in computing the Government share.

SECTION DO

WORK PROGRAMS

- Submission to Government Within the periods stated herein, the Contractor shall prepare and submit to the Director, through the Regional Director concerned, a Work Program and corresponding Budget for the 9.1. Contract Area stating the Mining Operations and expenditures which the Contractor proposes to carry out during the period covered with the details and particulars set forth elsewhere in this Agreement or in the supporting documents.
- Government's Examination and Revision of Work Program Should the Government decide to propose a revision to a certain specific feature in the Work Program or Budget, it shall, within thirty (30) days after receipt 9.2 thereof, provide a Notice to the Contractor specifying in reasonable detail its reasons therefore. Promptly thereafter, the Government and Contractor will meet and endeavor to agree on the revision proposed by the Government. In any event, the revision of any portion of said Work Program or Budget in which the Government shall fail to notify the Contractor of the proposed revision shall, insofar as possible, be carried out as prescribed herein. If the Government should fall within sixty (60) days as presented netern. If the Government should ran within sixty (ou) days from receipt thereof to notify Contractor of the proposed revisions, the

Work Program and Budget proposed by the Contractor shall be deemed to be approved.

Contractor's Changes to Work Program - It is recognized by the Government and the Contractor that the details of any Work Program may 9.3. require changes in the light of changing circumstances. The Contractor may make such changes: Provided, That it shall not change the general objective of the Work Program: Provided further, That changes which entail a negative variance of at least twenty percent (20%) shall be subject to the approval of the Director.

in case of any positive variance in the future, the Contractor shall submit to the Bureau and Regional Office concerned a copy each of the revised Work Programs, for Information. .

The Government's approval of a proposed Work Program and Budget will not be unreasonably withheld. 9.4.

SECTION X

ENVIRONMENTAL PROTECTION AND WINE SAFETY AND HEALTH

- The Contractor shall manage its Mining Operations in a technically, financially, socially, culturally and environmentally responsible manner to achieve the sustainable development objectives and responsibilities as provided for under the implementing rules and regulations of the Act.
- 10.2. The Contractor shall ensure that the standards of environmental protection are met in the course of the Mining Operations. To the extent possible, control of pollution and the transformation of the mined-out areas or materials into economically and socially productive forms must be done simultaneously with mining.
- The Contractor shall submit an Environmental Work Program during the Exploration Period as prescribed in the implementing rules and regulations 10.3.
- 10.4. An Environmental Compliance Certificate (ECC) shall be secured first by the Contractor prior to the conduct of any development works, construction of production facilities and/or mine production activities in the Contract
- 10.5. The Contractor shall submit within thirty (30) calendar days after the issuance and receipt of the ECC, an Environmental Protection and Enhancement Program (EPEP) using MGB Form No. 16-2 covering all areas to be affected by development, utilization and processing activities The Contractor shall allocate for its initial environment related capital expenditures approximately ten percent (10%) of the total project cost or in such amount depending on the environmental/geological condition, nature and scale of operations and technology to be employed in the Contract Area.
 - The Contractor shall submit, within thirty (30) days prior to the beginning of every calendar year, an Annual Environmental Protection, and

Enhancement Program (AEPEP), using MGB Form 16-3, which shall be based on the approved EPEP. The AEPEP shall be implemented during the year for which it was submitted. To implement its AEPEP, the Contractor shall allocate annually three to five percent (3%-5%) of its direct mining and milling costs depending on the environmental/geologic condition, nature and scale of operations and technology employed in the Contract Area.

10.7. The Contractor shall establish a Contingent Liability and Rehabilitation Fund (CLRF) which shall be in the form of the Mine Rehabilitation Fund (MRF) and the Mine Waste and Tailings Fee (MWTF).

The MRF shall be based on the financial requirements of the approved EPEP as a reasonable environmental deposit to ensure satisfactory compliance with the commitments/strategies of the EPEP/AEPEP and availability of funds for the performance of the EPEP/AEPEP during the specific project phase. The MRF shall be deposited as Trust Fund in a government depository bank and shall be used for physical and social rehabilitation of areas affected by mining activities and for research on the social, technical and preventive aspects of rehabilitation.

The MWTF shall be collected based on the amounts of mine waste and mill tallings generated during the conduct of Mining Operations. The MWTF collected shall accrue to a Mine Waste and Tailings Reserve Fund and shall be deposited in a government depository bank for payment of compensation for damages caused by the Mining Operations.

- 10.8. The Contractor shall set up mitigating measures such as mine waste and mill tailings disposal system, mine rehabilitation or plan, water quality monitoring, etc. to minimize land degradation, air and water pollution, acid rock drainage and changes in hydrogeology.
- 10.9. The Contractor shall set up an Environmental and Safety Office at its minosite manned by qualified personnel to plan, implement and monitor its approved EPEP.
- 10.10. The Contractor shall be responsible in the monitoring of environmental, safety and health conditions in the Contract Area and shall strictly comply with all the rules and regulations embodied under DAO No. 2000-98, otherwise known as the "Mine Safety and Health Standards."
- 10.11. The Contractor shall be responsible for the submission of a final mine rehabilitation and/or decommissioning plans, including its financial requirements and incorporating the details and particulars set forth in the implementing rules and regulations of the Act.

SECTION XI

RIGHTS AND OBLIGATIONS OF THE PARTIES

11.1. Obligations of the Contractor:

. Salar Se

- To exclusively conduct sustainable Mining Operations within the 3. Contract Area in accordance with the provisions of the Act and its implementing rules and regulations;
- To construct and operate any facilities specified under the Mineral b. Agreement or approved Work Program;
- To determine the exploration, mining and treatment process to be G. utilized in the Mining Operations;
- To extract, remove, use and dispose of any tailings as authorized by d. an approved Work Program;
- To secure all permits necessary or desirable for the purpose of 0. Mining Operations;
 - To keep accurate technical records about the Mining Operations, as well as financial and marketing accounts, and make them available to Government representatives authorized by the Director for the purpose of assessing the performance and compliance of the Contractor with the terms of this Agreement. Authorized representatives of other Government Agencies may also have access to such accounts in accordance with existing laws; rules and regulations;
- To furnish the Bureau all the data and Information gathered from the Contract Area and that all the books of accounts and records shall g. be open for inspection;
- To allow access to Government during reasonable hours in inspecting the Contract Area and examining pertinent records for h. purposes of monitoring compliance with the terms of this Agreement;
- To hold the Government free and harmless from all claims and accounts of all kinds, as well as demands and actions arising out of the accidents or injuries to persons or properties caused by Mining Operations of the Contractor and indemnify the Government for any expenses or costs incurred by the Government by reason of any such claims, accounts, demands or actions;
 - In the development of the community:
 - To recognize and respect the rights, customs and traditions of indigenous cultural communities over their ancestral lands and to allocate royalty payment of not less than one percent (1%) of the value of the gross output of minerals sold;
 - To coordinate with proper authorities in the development of the mining community and for those living in the host and 1.2. neighboring communities through social infrastructure, livelihood programs, education, water, electricity and medical Where traditional self-sustaining income and the community activities are identified to be present, the shall assist in the preservation and/or Contractor enhancement of such activities; -

- To allot annually a minimum of one percent (1%) of the direct 1.3. mining and milling costs necessary to implement the activities undertaken in the development of the host and neighboring communities. Expenses for community development may be charged against the royalty payment of at least one percent (1%) of the gross output intended for the concerned indigenous cultural community;
- To give preference to Filipino citizens who have established domicile in the neighboring communities, in the hiring of personnel for its mining operations. If necessary skills and expertise are currently not available, the Contractor must immediately prepare and undertake a training and recruitment program at its expense; and
- To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement (j.1) to (j.3) of this Section;
- In the development of Mining Technology and Geosciences:
 - In the course of its operations, to produce geological, geophysical, geochemical and other types of maps and reports that are appropriate in scale and in format and substance which are consistent with the Internationally accepted standards and practices. Such maps shall be made available to the scientific community in the most convenient and cost effective forms, subject to the condition that the Contractor may delay release of said information for a reasonable period of time which shall not exceed three (3) years;
 - To systematically keep the data generated from the Contract/ Mining Area such as cores, assays and other related K.2. Information, including economic and financial data and make them accessible to students, researchers and other persons responsible for developing mining, geoscience and processing technology subject to the condition that the Contractor may delay release of data to the science and technology community within a reasonable period of time which shall not exceed three (3) years;
 - To transfer to the Government or local mining company the appropriate technology it may adapt in the exploration, development and commercial utilization of the minerals in the k.3. Contract Area;
 - To allocate research and development budget for the advancement of mining technology and geosciences in coordination with the Bureau, research institutions, academe, K.4. etc.; and
 - To replicate data, maps and reports clied in (k.1) and (k.2) and furnish the Bureau for archiving and systematic K.5.



safekeeping which shall be made available to the science and technology community for conducting research and undertaking other activities which contribute to the development of mining, geoscience and processing technology and the corresponding national pool of manpower talents: Provided, however, that the release of data, maps and the like shall be similarly constrained in accordance with (k.1) and (k.2) above;

- To incorporate in the Mining Feasibility Study the planned expenditures necessary to implement all the plans and programs set forth in this Agreement; and
- To pay all other taxes and fees mandated by existing laws, rules and regulations.

11.2. Rights of the Contractor:

- To conduct Mining Operations within the confines of its Contract/Mining Area in accordance with the terms and conditions hereof and without interfering with the rights of other Contractors/Lessees/Operators/.Permittees/Permit Holders;
- b. Possession of the Contract Area, with full right of ingress and egress and the right to occupy the same, subject to surface and easement rights:
- c. To use and have access to all declassified geological, geophysical, drilling, production and other data relevant to the mining operations;
- To sell, assign, transfer, convey or otherwise dispose of all its rights, interests and obligations under the Agreement subject to the approval of the Government;
 - To employ or bring into the Philippines foreign technical and specialized personnel, including the immediate members of their families as may be required in the operations of the Contractor, subject to applicable laws and regulations. Provided, That if the employment connection of such foreign persons with the Contractor ceases, the applicable laws and regulations on immigration shall apply to them. Every time foreign technologies are utilized and where aller executives are employed, an effective program of training understudies shall be undertaken. The alien employment shall be limited to technologies requiring highly specialized training and experience subject to the required approval under existing laws, rules and regulations;
 - f. To enjoy easement rights and use of timber, water and other natural resources in the Contract Area subject to pertinent laws, rules and regulations and the rights of third parties;
 - g. Repatriation of capital and remittance of profits, dividends and interest on loans, subject to existing laws and Bangko Sentral ng Pilipinas rules and regulations; and

Mr.

- To import when necessary all equipment, spare parts and raw materials required in the operations in accordance with existing laws h. and regulations.
- Obligations of the Government:
 - To ensure that the Contractor has the Government's full cooperation in the exercise of the rights granted to it under this Agreement;
 - 'To use its best efforts to ensure the timely issuance of necessary permits and similar authorizing documents for use of the surface of b. the Contract Area; and
 - To cooperate with the Contractor in its efforts to obtain financing contemplated herein from banks or other financial institutions: C. Provided, That such financing arrangements will in no event reduce the Contractor's obligation on Government rights hereunder.

SECTION XII

ASSETS AND EQUIPMENT

- The Contractor shall acquire for the Mining Operations only such assets that are reasonably estimated to be required in carrying out such Mining · Operations. .
- 12.2. All materials, equipment, plant and other installations of a movable nature erected or placed on the Contract Area by the Contractor shall remain the property of the Contractor. The Contractor shall have the right to remove and re-export such materials and equipment, plant and other installations from the Philippines, subject to existing rules and regulations. In case of cessation of Mining Operations on public lands occasioned by its voluntary abandonment or withdrawal, the Contractor shall have a period of one (1) year from the time of cessation within which to remove its improvements; otherwise, all social infrastructures and facilities shall be turned over or donated tax free to the proper government authorities, national or local, to ensure that said infrastructures and facilities are continuously maintained and utilized by the host and neighboring communities.

SECTION XIII

EMPLOYMENT AND TRAINING OF PHILIPPINE PERSONNEL

The Contractor agrees to employ, to the extent possible, qualified Filipino personnel in all types of mining operations for which they are qualified; and after Commercial Production commences shall, in consultation and with consent of the Government, prepare and undertake an extensive training programme suitable to Filipino nationals in all levels of employment. The objective of sald programme is to reach within the timetable set forth below the following targets of "Filipinization:"

Professional Management Clerical Skilled Unskilled (%) (%) (%)

Year 1 Year 3 Year 5 Year 7 Year 10 Year 15	100 100 100 100 100 100	100 100 100 100 100 100		100 100 100 100 100	75 80 90 95 95	75 80 90 95 95
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- 13.2. Cost and expenses of training such Filipino personnel and the Contractor's own employees shall be included in the Operating Expenses.
- 13.3. The Contractor shall not discriminate on the basis of gender and shall respect the right of women workers to participate in policy and decisionmaking processes affecting their rights and benefits.

SECTION XIV

ARBITRATION

- 14.1. The Government and the Contractor shall consult with each other in good faith and shall exhaust all available remedies to settle any and all disputes or disagreements arising out of or relating to the validity, interpretations, enforceability, or performance of this Agreement before resorting to arbitration as provided for in Section 14,2, below.
- 14.2. Any disagreement or dispute which can not be settled amicably within a period of one (1) year from the time the issue is raised by a Party shall be settled by a tribunal of three (3) arbitrators. This tribunal shall be constituted as follows: one to be appointed by the Contractor and the other to be appointed by the Secretary. The first two appointed arbitrators shall consider names of qualifled persons until agreement on a mutually acceptable Chairman of the tribunal is selected. Such arbitration shall be initiated and conducted pursuant to Republic Act No. 876, otherwise known. as the "Arbitration Act."

In any event, the arbitration shall be conducted applying the substantive laws of the Republic of the Philippines.

Each party shall pay fifty percent (50%) of the fees and expenses of the Arbitrators and the costs of arbitration. Each party shall pay its own costs and attorney's fee.

SECTION XV .

SUSPENSION OR TERMINATION OF CONTRACT, TAX INCENTIVES AND CREDITS

15.1. This Agreement may be suspended for failure of the Contractor: (a) to comply with any provision or requirement of the Act and/or its implementing rules and regulations; (b) to pay on time the complete taxes, fees and/or other charges demandable and due the Government.

- 16.2. This Agreement terminates or may be terminated for the following causes:

 (a) expiration of its term, whether original or renewal;
 (b) withdrawal from the Agreement by the Contractor;
 (c) violation by the Contractor of the Agreement's terms and conditions;
 (d) failure to pay taxes, fees/or charges or financial obligations for two (2) consecutive years;
 (e) false statement or omission of facts by the Contractor;
 (f) any other cause or reason provided under the Act and its implementing rules and regulations, or any other relevant laws and regulations.
- 15.3. All statements made in this Agreement shall be considered as conditions and essential parts hereof, and any falsehood in said statements or omission of facts which may alter, change or affect substantially the fact set forth in said statements shall be a ground for its revocation and termination.
- 15.4. The Contractor may, by giving due notice at any time during the term of this Agreement, apply for its cancellation due to causes which, in the opinion of the Contractor, render continued mining operation no longer feasible or viable. In this case, the Secretary shall decide on the application within thirty (30) days from notice: Provided, That the Contractor has met all the financial, fiscal and legal obligations.
- 15.5. No delay or omissions or course of dealing by the Government shall impair any of its rights under this Agreement, except in the case of a written waiver. The Government's right to seek recourse and relief by all other means shall not be construed as a waiver of any succeeding or other default unless the contrary intention is reduced in writing and signed by the party authorized to exercise the waiver.
- 15.6. In case of termination, the Contractor shall pay all the fees and other liabilities due up to the end of the year in which the termination becomes effective. The Contractor shall Immediately carry out the restoration of the Contract Area in accordance with good mining industry practice.
- 15.7. The withdrawal by the Contractor from the Mineral Agreement shall not release it from any and all financial, environmental, legal and fiscal obligations under this Agreement.
- 15.8. The following acts or omission, inter alia shall constitute breach of contract, upon which the Government may exercise its right to terminate the Agreement:
 - Failure of the Contractor without valid reason to commence Commercial Production within the period prescribed; and/or
 - Failure of the Contractor to conduct mining operations and other activities in accordance with the approved Work Programs and/or any modification thereof as approved by the Director.
 - 15.9. The Government may suspend and cancel tax incentives and credits if the Contractor fails to abide by the terms and conditions of said incentives and credits.

TOP-

SECTION XVI

OTHER PROVISIONS

46.1. Any terms and conditions resulting from repeal or amendment of any existing laws or regulation or from the enactment of a law, regulation or administrative order shall be considered a part of this Agreement.

16.2. Notice

All notices, demands and other communications required or permitted hereunder shall be made in writing, telex or telecopy and shall be deemed to have been duly given notice, in the case of telex or telecopy, if answered back or confirmation received, or if delivered by hand, upon receipt or ten days after being deposited in the mail, alrmall postage prepaid and addressed as follows:

If to the Government:

THE SEGRETARY
Department of Environment and Natural Resources
DENR Building, Visayas Avenue
Dilimari, Quezon City

If to the Contractor:

THE PRESIDENT Altal Philippines Mining Corporation 78 Visayas Avenue, Quezon City

Either party may substitute or change such address on notice thereof to the other party: Provided, That the Contractor shall, in case of any change of address during the term of this Agreement, notify the Director in writing. Fallure to do such notification shall be deemed as waiver by the Contractor to be informed about any communications as provided in Section 16.2 above.

16.3. Governing Law

This Agreement and the relation between the parties hereto shall be governed by and construed in accordance with the laws of the Republic of the Philippines. The Contractor hereby agrees and obliges itself to comply with the provisions of the Act, its implementing rules and regulations and other relevant laws and regulations.

16.4. Suspension of Obligation

a. Any fallure or delay on the part of any party in the performance of its obligation or duties hereunder shall be excused to the extent attributable to Force Majoure as defined in the Act: Provided, That the suspension of Mining Operations due to Force Majoure causes shall be subject to approval by the Director.

25-P-

- b. If Mining Operations are delayed, curtailed or prevented by such Force Majeure causes, then the time for enjoying the rights and carrying out the obligations thereby affected, the term of this Agreement and all rights and obligations hereunder shall be extended for a period equal to the period involved.
- c. The Party, whose ability to perform its obligations is affected by such Force Majeure causes, shall promptly give Notice to the other in writing of any such delay or failure of performance, the expected duration thereof and its anticipated effect and shall use its efforts to remedy such delay; except that neither Party shall be under any obligation to settle a labor dispute: Provided, That the suspension of obligation by the Contractor shall be subject to prior approval by the Director.

16.5. Amondments

This Agreement shall not be annulled, amended or modified in any respect except by mutual consent in writing of the herein parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the day and year first above written

THE REPUBLIC OF THE PHILIPPINES

BY:

Department of Environment and Natural Resources

ALTAI PHILIPPINES WINING CORPORAT.

TIN: 004-775-307

BY:

11:

Pro C. FORTUNO President

MINES AND GEOSCIENCES CUILAU Legional Office No. - 14-B MIMIROCA

CERTIFICATE OF WEGISTRATION

foregoing instruments was filed for record in this Office at O4 o'clock and O0 minutes, RAL, on the 22nd day of June A.D. 2010 and has been recorded in Book, No. I of the Records of ALMARIA. FROMUCTION STANDING MAINTENANCE PRODUCTION on page O1 as Domment No. 10

4462749 dated January 19, 2010 in the amount of Phy

TROLĂINO A. OS ISBOS.
Regionalistiques

Tapublic of the Pillippines
thent if Environment and Natural Resources
TRIES AND CHEC-SCHENCES BURBAU
Regional Office No. 17 BUMARORA

I heroby certify that the foregoing is a fracture of the with the Mainty Cleme Examination Section of the With the Mainty Cheme Examination Section of the Mines Esgional Catics No. IV. This certified copy which consist of (23) twenty three is issued this 17th of Ogtober 2011, the request of FIBUXAN MIGCEL PROPERTIES CORPS. As a little charges haved in the amount of T. 248.00. evidenced by Official Receipt No. 8666644 Rated Odte 17a, 1862 2011

(dertaried xorox copples).

For the Regional Director

ELEMINA G. PASCUAL.

Silbuyan Property Location Map



ANNEXC

多可用 Yesta 1415 3560, PARADERO CERE, HARWIG director 196 1901 Tycoon Center, Pearl Drive, San Antonio, Orligas Center, Pasig City

April 11, 2022

MS. LORMELYN E. CLAUDIO, CESO-IV
OIC Regional Executive Director
Dept. of Environment and Natural Resources
MIMAROPA Region
DENR by the Bay Building
1515 Roxas Boulevard
Ermita, Manila City

4 2 1/2 4 06/PM 1

Re: Altai Philippines Mining Corporation Mineral Production Sharing Agreement No. 304-2009-IVB Exploration Program

Dear Madam,

1150

In connection with the Exploration Activity of Altai Philippines Mining Corporation (Altai) relative to MPSA No. 304-2009-IVB, please be informed that the planned activity will be conducted within two (2) parcels of land particularly described as Lot No.2468 and Lot No. 2469, situated in Sitio Binayaan, Brgy. España, Municipality of San Fernando, Province of Rombion, and are under Tax Declaration Titles held by Sibuyan Nickel Properties Development Corporation ("SNPDC"). Please be informed further that SNPDC has given its full consent to Altai, and interposes no objection to the exploration work within the subject land, provided that it is conducted within the legal framework of the law.

Thank you and we hope this submission will assist Altal in securing the pertinent permits from your office in relation to its exploration activity.

Very respectfully yours,

STEVE L. TAULE President

Ce: Dir. Edwin M. Mojares, PhD Regional Director Mines and Geo-Sciences Bureau DENR MIMAROPA REGION

ALTAI PHILIPPINES MINING CORPORATION

15 August 2022

11

FORESTER ARNOLDO A. BLAZA, JR.

Officer-in-Charge Department of Environment and Natural Resources

Provincial Environment and Natural Resources Office - Romblon

SUBJECT: REQUEST FOR INSPECTION AND TREE INVENTORY OF THE (1)

TWENTY (20) HECTARE LAND; (2) BINAYAAN EXPLORATION AREA; and (3) PROPOSED ONE-HECTARE NURSERY AREA OF

ALTAI PHILIPPINES MINING CORPORATION (APMC)

Dear Sir:

This is in relation to the implementation of the Exploration Work Program (ExWP) of Altai Philippines Mining Corporation (APMC) in compliance to the terms stipulated in its approved Mineral Production Sharing Agreement No. 304-2009-IVB.

Anent to the said program, detailed exploratory activity will be focused on the twenty -hectare land privately owned at Bato area and Binayaan Exploration area, all of which are within the mineral property of APMC.

Further, an Environmental Work Program (EWP) will also be implemented alongside with the Exploration Work program. As part of the EWP, a nursery area will be constructed to be planted with seedlings which will be used for the company's rehabilitation program. The proposed nursery area is within the leased property of APMC which is located at Sitio Talaba, Brgy. Taclobo, San Fernando, Romblon.

In this regard, we are respectfully requesting your office to conduct an inspection and inventory of the trees within the aforementioned areas. Attached herewith is the location map for your ready reference. (Annex A)

Further, we are also submitting a copy of the Amended Certificate of Non-Coverage (GNG-OL-R4B-2022-08-01525) for the exploration access road construction located at Sitio Bato, España, San Fernando, Romblon.

We look forward to your favorable action on this matter. Thank you.

Very truly yours,

HANNIEL T. NGO

de mor

1901 TYCOON CENTER, PEARL DRIVE, SAN ANTONIO, ORTIGAS CENTER, PASIG CITY President

TEL No.: 8529-6868; EMAIL ADDRESS: altaicorpo@gmail.com

AMPC Bato Property 20 Hec

Corner_No	X_Long	12.376574
	122.524573	12.374982
	122,525591	12.37608
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4	122,531301	12.38080
5	122.529103	12.37937
6		12.3769
-7	122.527691	

Nursery 1 Hec Area

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and the same of th	X Long	Y Lat
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A	122.544122	12.365505
5		12.365850
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Binayaan Explo 80 Hec

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	122.549548	12.37462
	122.549561	12.3746
	122.540365	12.01 (440)

ALTAI PHILIPPINES MINING CORPORATION

15 August 2022

FORESTER ARNOLDO A. BLAZA, JR.

Officer-in-Charge

Department of Environment and Natural Resources Provincial Environment and Natural Resources Office - Romblon

SUBJECT: REQUEST FOR INSPECTION AND TREE INVENTORY OF THE (1)

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We look forward to your favorable action on this matter. Thank you.

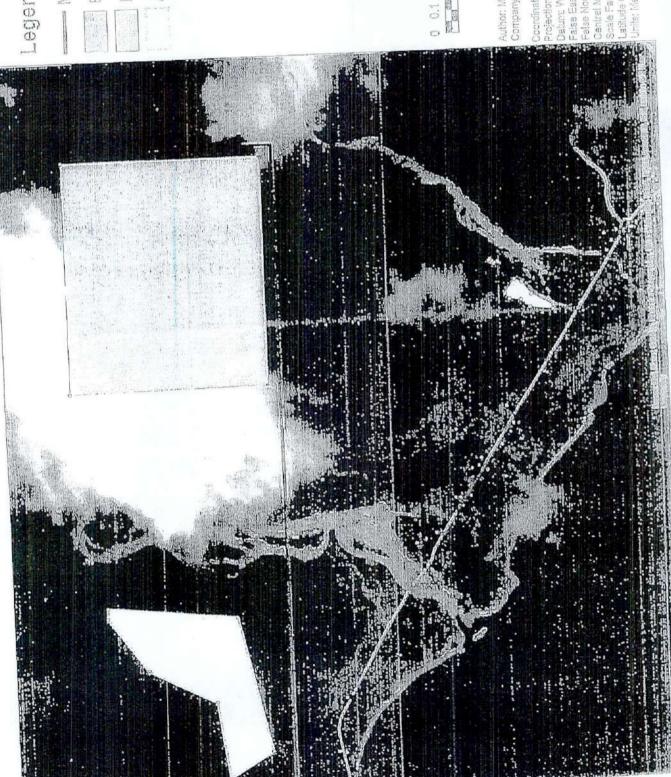
Very truly yours,

LEMP HANNIEL T. NGO

1901 TYGOON CENTER, PEARL DRIVE, SAN ANTONIO, ORTIGAS CENTER, PASIG CITY

TEL No.: 8529-6868; EMAIL ADDRESS; altaicorpo@gmail.com

AMPC Area for Tree Inventory



Legend

Binayaan Explo 80 Hec

Nurcery 1 Hec

APMC 20 Hec Lot

AMPC Bato Property 20 Hec

	122.527691	
12.37694	E01-252,521	
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Mursery 1 Hec Area

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ALTAI PHILIPPINES MINING CORPORATION <altaicorpo@gmail.com>

REQUEST FOR CONDUCT OF INSPECTION OF PROPOSED ACCESS ROAD FOR THE EXPLORATION ACTIVITY OF APMC

2 messages

Rediaf Onitiento <altaicorpo@gmail.com> To: "penrorambion@denr.gov.ph" <penrorambion@denr.gov.ph> Mon, Jul 25, 2022 at 10:33 PM

09 July 2022

FORESTER ARNOLDO A. BLAZA, JR. Provincial Environment and Natural Resources Office -Rombion Officer-in-Charge Department of Natural Resources -MIMAROPA

Dear Sir:

Kindly see attached letter RE Altai Phillippines Mining Corporation's request for conduct of inspection of proposed access road for the exploration activity under Mineral Production Sharing Agreement (MPSA) No.304-2009-IVB.

For your perusal.

Thank you very much.

Sincerely,

Hanniel T. NGO President Altai Philippines Mining Corporation

APMC_LETTER TO PENRO ROMBLON_REQUEST FOR INSPECTION OF PROPOSED ACCESS E ROAD_070822.pdf

1015K

R4B PENRO Rombion <penrorombion@denr.gov.ph> To: Redlaf Onitlento <altaicorpo@gmail.com>

Mon, Jul 11, 2022 at 8:53 AM

Received with thanks!

PHILIPPE ZAR E. MENEZ, LPT Information Systems Analyst II DENR PENRO Rombion [Quoted text hidden]



Republic of the Philippines Department of Environment and Natural Resources MIMAROPA Region 21

September 7, 2022

HAMNIEL T. NGO President, ALTAI Philippines Mining Corporation 1901 Tycoca Center, Pear Drive San Antonio, Ortigas Center, Pasig City

Sir:

This pertains to the clarificatory hearing conducted last August 19, 2022, wherein PENRO Romblon and Altai Philippines Mining Corporation, represented by Project Manager Michael Peter Sanchez, agreed to conduct a technical conference for the drilling contractors regarding the cutting of trees. It was also stipulated that the conference be held at DENR Sibuyan Substation at Sitio Logdeck, Brgy Tampayan, Magdiwang, however, due to the conflicting schedules the conference did not transpire.

In line with this, we would like to invite you, or a representative of the company, along with the head of the drilling contractors for a technical conference at DENR PENRO Romblon in Brgy. Tabing-dagat, Odiongan on Friday. September 9, 2022 at 9:00 am.

L

Your cooperation is highly appreciated

Very-truly yours,

OIC. PEMR Officer

DENR-Rambion Odiougan, Rambion Tel # 567-2199 Email Address, pour or ambion@denr-gov.ph

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Republic of the Philippines
Department of Environment and Natural Resources
PHIMAROPA Region top

Resources - 1 W 2022

MEMOTANDAIM

ROTHE .

The Regional Executive Director

1515 DENR by the Bay Building, Roxas Boulevard,

Barangay 668, Ermita, Manila

A.M. M. M. M. S. W. L.

The Assistant Regional Director

for Technical Services

Licenses, Patents, and Deeds Division

MIMAROPA Region

亚联の極

The CHC, PENE Officer

Odiongan, Romblon

SUBJECT

INSPECTION REPORT ON THE REQUEST OF APMC FOR

INSPECTION AND TREE INVENTORY OF THE 20.0 MECTARES AREA OF ALYAI PHILIPPINES MINING

CORPORATION LOCATED IN SITIO BATO, BRGY. ESPAÑA,

SAN MERNANDO, ROMBLOH

Respectfully submitting the report on the conducted inspection and inventory of standing trees in the 20.0 hectares area of ALTAI Philippines Mining Corporation located at Sitlo Bato, Brgy. España, San Fernando, Romblon.

Attached are the following pertinent documents: (a) Tally sheet; (b) Stand and Stock Table; (c) GIS map showing the location of the trees applied for cutting permit; and (d) Geotagged photos.

For information and further instructions.

ALTAI Philippines Minute Corporation

PEGARO Rombios Thurugay Tahing dagat, Odiongan, Rombios 2505 Thiest Line: (042) 557-5030 Email Address:

MOV 1 1) 2022



Partie to all the etc. Pro ---Department of Lovironment and Natural Resources MUMAROPA Region

MEMORAPIDUM

FOR

THE OIC PENR OFFICER

DENR, Odiongan, Rombion

THRU

THE OIC SIBUYAN SUB-STATION

& PASU OF MGGNP.

TROM

FORESTER-(ROLLY F. MORALES ET. AL.

SUBJECT

INSPECTION REPORT ON THE REQUEST OF APMC FOR INSPECTION AND TREE INVENTORY THE 20.0 HECTARES AREA OF ALTAI PHILIPPINES MINUNG CORPORATION LOCATED IN

SITIO BATO, BRGY. ESPANA, SAN FERNANDO, ROMBLON.

DATE

October 26, 2022

A. REFERENCE

Pursuant to the Memorandum from The Chief, Technical Services Division Malvin R. Rocero dated September 6, 2022 on the request of APIMC for Inspection and Tree Inventory of 20.0 Hectare Land, Sitio Bate Exploration of ALTAI Philippines Mining Corporation.

- 1. The team received an instruction from The Chief, Technical Services Division Malvin R. Rocero dated September 6, 2022 on the request of APMC for Inspection and Tree Inventory of 20:0 Hectare Land, Sitio Bato Exploration Area of ALTAI Philippines Mining Corporation with supporting documents as follows;
 - Memorandum from The Chief, Technical Services Division Malvin R. Rocero dated September 6, 2022 on the request of APMC for Inspection and Tree Inventory of 20.0 Hectare Land, Sitio Bato Exploration Area of ALTAI Philippines Mining Corporation.
 - b. A request letter from the ALTAI Philippines Mining Corporation for the OIC PENR Officer Arnoldo A. Blaza Jr. for the request for Inspection and Tree Inventory of 20.0 Hectare Land, Sitio Bato Exploration Area of ALTAI Philippines Mining Corporation.
 - GIS Map Showing the area to be inspected as a request from the ALTAI Philippines Mining Corporation.

C. ACTIONS

- 1. In compliance to the instruction from the office, On September 14- October 26, 2022, the team traveled to Sitio Buto, Brgy, Espana, San Fernando, Romblon requested by ALTAI Philippines Mining Corporation and the undersigned conducted the following activities:
 - a. Proceed to the area/site and coordinated to the Office of the Barangay Chairman regarding on the activity werevere going to do in their area of jurisdiction and signed in
 - b. Conducted ocular inspection/verification on the requested trees to be inventoried
 - Measured the diameter breast height and merchantable height
 - Took geo-tagged photos



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Department of Environment and Natural Resources DAINIAROPA Region

D. FINDINGS

The findings of the inspection/verification are as follows:

- That the 20.0 Has of ALTAI Philippines Mining Corporation is within the Private Land under Lot Number 2468 and 2469 located in Sitio Bato, Brgy. Espana, San Fernando,
- That a total of 2,673 individual trees inventoried with a total volume of 576.62 cu,m from 15cm above diameter trees and 2,429 individual trees 5-14cm of diameter.
- 3. That the trees inventoried by the team are all natural growing trees except for three (3) jackfruit trees.

- 1. DENR Administrative Order No 2021-11 "Guidelines in the Processing and Issuance of E. LEGAL BASIS Permits for the cutting, removal and relocation of Natural Grown Trees.
 - 2. FMB Technical Bulletin No. 3 " Measurement standards and procedures in the conduct of inventory for standing trees (timber)

F. COMMENTS

1. 1. As stipulated FMB Technical Bulletin No. 3 " Measurement standards and procedures in the conduct of inventory for standing trees (timber) stated the following documents required relative to the applications, the following requirements were complied, to wit:

Attached are the supporting documents of the inspection conducted:

- a. Tally Sheet
- b. Stand and Stock Table
- c. GIS map showing the location of the trees applied for Cutting Permit
- d. Geo-tagged photos of the tree

G. RECOMMENDATIONS

Considering the above findings and observation, the undersigned found that the applicant complied with the requirements of the existing laws, rules and regulations of the DENR. It is therefore recommended for the issuance of Cutting Permit in favor of ALTAI Philippines Mining Corporation in Sitio Binayaan, Brgy. Espana, San Fernando, Romblon.

For your consideration and approval.

RED MANALON Ow.

ERRIEL. FORCADAS yeung 6, LUDWIN W. RUADO

MENRICE CROSONILLA II

2022 SUBSCRIBED AND SWORN TO BEFORE, me this 1/1/ at DENR, Odiougan, Rombion

> MANUEL B. ROMERO OLC Sibuyan Sub-Station

& PASU OF MCKINP



ALTAI PHILIPPINES MINING CORPORATION

February 14, 2023

Engr. GLENN MARCELO C. NOBLE Regional Director Mines and Geosciences Bureau - MIMAROPA 7th Floor DENR By the Bay Building 1515 Roxas Blvd., Ermita, Manila



SUBJECT:

Notice of Voluntary Stoppage of Exploration

And Related Activities

Dear Director Noble:

Please be informed that in view of the issues that have been raised recently about the transport of bulk metallurgical sample from the exploration site to the port situated at Sitio Bato, Barangay Espana, San Fernando, Sibuyan Island, Romblon, ALTAI PHILIPPINES MINING CORPORATION ("APMC") voluntarily stopped all exploration and related activities thereat as of February 6, 2023. This voluntary stoppage is intended to address any concerns or issues that have been raised against APMC.

It is APMC's priority to maintain peace and order, to ensure the concerns and wellbeing of the Sibuyanons and to ensure that no parties are negatively impacted by our operations. In doing so, we will abide by environmental protocols in implementing such stoppage.

APMC reiterates its commitment to comply with prevailing environmental laws, rules, and regulations pertaining to its exploration and related activities. It shall continue to coordinate with your Office for guidance to ensure compliance to protect the interests of all stakeholders.

	DENR MIMAROPA
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□ IN	COMING OUTGOING
BY:	Abe DATS NO.
TIME	

Truly yours,

ATTY, MARY JANE F. BALAGTAS

esse.

Legal Counsel

Copy Furnished:

Mr. JOE AMIL M. SALINO Regional Director Environmental Management Bureau (EMB) 6th Floor DENR By the Bay Building 1515 Roxas Blvd., Ermita, Manila 1000

FEB. 15, 2023

RECORDS SECTION EMB-MIMAROPA REGION

1901 Tycoon Center, Pearl Drive, San Antonio, Ortigas Center, Pasig City TEL No.: 7958-3533; EMAIL ADDRESS: altaicorpo@gmail.com



ALTAI PHILIPPINES MINING CORPORATION

GILBERT C. GUNZAMS

Ms. LORMELYN E. CLAUDIO, CESO IV

Regional Executive Director **DENR-MIMAROPA** Region 3rd Floor DENR By the Bay Building 1515 Roxas Blvd., Ermita, Manila 1000

(Engr. WILLIAM P. CUNADO)

Director
Environment and Management Bureau (EMB)

DENR

DENR Compound, Visayas Avenue

Diliman, 1101 Quezon City

The Director

Mines and Geosciences Bureau (MGB) MGB Compound, North Avenue Diliman, 1101 Quezon City

Ms. MARIA ANTONIO YULO-LOYZAGA

Office of the Secretary Department of Environment and Natural Resources (DENR) DENR Compound, Visayas Avenue Diliman, 1101 Quezon City

Atty. JUAN MIGUEL T. CUNA

Undersecretary for Field Operations and Environment Department of Environment and Natural Resources (DENR DENR Compound, Visayas Avenue Diliman, 1101 Quezon City

MR. ARNOLDO A. BLAZA, JR.

OIC, Provincial Environment and Natural Resources Officer (PENRO) Department of Environment and Natural Resources - MIMAROPA Region PENRO Compound, Formelleza St., Brgy. Tabing-Dagat Odiongan, Romblon 5505

DENR-MINES AND GEOSCIENCES BUREAU Records Management Section

FEB 1 6 2023

By: ROP

Time: 8:40

ENVIRONMENTAL MANAGEMENT BUREAU
RECORDS SECTION / CENTRAL OFFICE

FEB 1 6 2023