



## Ipilan Nickel Corporation

Penthouse, Platinum Tower, Aseana Avenue corner Fuentes St.,  
Aseana, Paranaque City  
Office: (632) 519 7888 Fax: (632) 519 7999



July 07, 2023

**Lormelyn E. Claudio, CESO IV**

DENR IV-B Regional Executive Director  
DENR by the Bay 1515 L&S Bldg., Roxas Blvd.,  
Manila

Dear RED Claudio:

***Update on INC's compliance with its 2016 Special Tree Cutting and Earth-Balling  
Permit No. DENR IV-B MIMAROPA-2016-014***

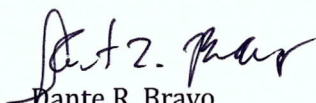
We are writing to provide an update regarding INC's compliance with the conditions of its 2016 Special Tree Cutting and Earth-Balling Permit No. DENR IV-B MIMAROPA-2016-014.

In compliance with Condition No. 6 of the 2016 STCEBP, on June 27, 2023, INC entered into a Memorandum of Agreement for Adopt-a-National Greening Program (NGP) Site with BLGU-Calasaguen, Sitio Abubakar Coconut Farmers Association,<sup>1</sup> Calasaguen Shore Coconut-Based Association,<sup>2</sup> and Bulho Farmers Association.<sup>3</sup> The Project is expected to facilitate the distribution, planting and propagation of 861,839 seedlings of various indigenous species over a 517-hectare tract of land located at Sitio Bulho, Brgy. Calasaguen, Brooke's Point, Palawan.

With this significant progress, we would like to request assistance in streamlining the issuance and approval of our pending application to cut or earthball approximately 8,613 trees within a total area of 23.65 hectares of land in Brgy. Maasin, Brooke's Point filed on October 24, 2022.

Thank you for your prompt assistance and attention.

Very truly yours,

  
Dante R. Bravo  
President

---

<sup>1</sup> Annex "A".

<sup>2</sup> Annex "B".

<sup>3</sup> Annex "C".

Copy furnished:

Dr. Carlo Primo C. David  
Undersecretary for Integrated Environmental Science  
Department of Environment and Natural Resources  
Visayas Ave., Diliman,  
Quezon City, Metro Manila

**MEMORANDUM OF AGREEMENT  
FOR ADOPT-A-NATIONAL GREENING PROGRAM (NGP) SITE**

**KNOW ALL MEN BY THESE PRESENTS:**

This Memorandum of Agreement for Adopt-a-National Greening Program (NGP) Site ("MOA") is made and entered into this 27<sup>th</sup> day of June, 2023 by and between:

**IPILAN NICKEL CORPORATION (INC)**, a corporation organized and existing under Philippine laws with address at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana Paranaque City, as presented by its Assistant Resident Mine Manager, **SEGUNDO A. VILLANUEVA**;

- and -

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)**, a government agency with office address at 1515 L&S Building, Roxas Blvd. Ermita Manila, represented by **PENRO (Palawan) FELIZARDO B. CAYATOC**;

- and -

**BARANGAY LOCAL GOVERNMENT UNIT OF CALASAGUEN (BLGU-Calasaguen)**, a local government unit with an address at Brooke's Point, Palawan, represented by its Punong Barangay, **HON. SINGAPORE JURATIL**; and

- and -

**BULHO FARMER ASSOCIATION (BFA)** an organized People's Organization with address at Barangay Calasaguen, Brooke's Point, Palawan, represented by its Chairman, **MARISSA H. MARAJAN**.

(Each of whom is also referred to as the Party and collectively as the Parties.)

**WITNESSETH:**

**WHEREAS**, the DENR is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources.

**WHEREAS**, the Forest Management Bureau (FMB) under the DENR allows the use of seedlings for tree replacement as planting materials for those National Greening Program (NGP)/Expanded National Greening Program (ENGP) sites with very low survival rate after the three-year maintenance and protection, and damage by fire, force majeure, and other causality.

**WHEREAS**, the Executive Order No. 193, Series of 2015, expanded the coverage of the NGP to comprise the remaining unproductive, denuded and degraded forest lands and the period of implementation is likewise extended from 2016 to 2028 and all sectors, particularly the private sector, are encouraged to actively participate in the ENGP.

**WHEREAS**, the DENR's Adopt-a-National Greening Program Site Project (the "Project") is among the strategies adopted to encourage and enhance forest development as well as to improve the survival percentage of NGP/ENGP plantations.

**WHEREAS**, the Project will be implemented in partnership with Local Government Units (LGUs) and People's Organizations (POs), among others, with assistance from the government and the private sector, which shall be primarily responsible in maintaining and protecting the established plantations.

**WHEREAS**, the INC, a mining company operating in Barangay Maasin, Brooke's Point, Palawan, manifests its willingness to participate in the ENGP through the Project in compliance with the condition for the replacement of trees under its Special Tree Cutting and Earth-balling Permit (STCEP) No. DENR IV-B MIMAROPA-2016-014, a copy of which is attached and marked as Annex A.

**WHEREAS**, the BFA is one of the People's Organizations which will be involved in the implementation of this Project.



**WHEREAS**, the DENR recommended to INC the Project through BLGU-Calasaguen, represented by its elected officials, which offered 517 hectares of available areas in Sitio Bulho, Calasaguen and agreed to be a partner of INC in the implementation of the Project outside of its mining tenement. The map is attached as Annex B.

**WHEREAS**, the Parties recognize the importance of collaboration and partnership for the reforestation of the open and degraded forest lands and compliance by INC in fulfilling its obligations to DENR and providing economic opportunities to upland communities.

### **TERMS AND CONDITIONS**

The Parties agree as follows:

#### **1.0. Roles and Responsibilities of the Parties**

##### **1.1. Responsibilities of DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN)**

- a. Identify the area for tree planting and ensure access to the land and usage for the Project;
- b. Provide technical assistance on the consultation meetings regarding the implementation of the Project together with INC and BFA;
- c. Conduct survey, mapping and planning as well as prepare geographic information system generated maps (GIS maps) of the NGP sites, which shall form an integral part of this MOA;
- d. Verify reported Statement of Work Accomplishment (SWA) as reported by INC; and
- e. Create a composite Monitoring and Validation team to ensure compliance of INC and BFA with the terms and conditions of the issued permit and validate that the survival rate of seedlings is at least 85%.

##### **1.2. Responsibilities of INC**

- a. Prepare a Work and Financial Plan (WFP) for approval of the DENR;
- b. Provide 333,400 seedlings of various indigenous species, exclusive of the required number of seedlings for replanting, either produced or procured to ensure compliance with the 1:100 seedlings replacement ratio for every tree cut;
- c. Provide BFA with the specified funds per approved WFP and stipulated payment terms;
- d. Submit the approved WFP to the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) for its concurrence, which shall form part of this MOA;
- e. Release the funds stipulated in the approved WFP through progress billing to be used by BFA for the rehabilitation and development of the area;
- f. Provide DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) with the assistance, such as food and transportation, needed for survey, mapping and planning activities;
- g. Supervise the activities undertaken by BFA according to the approved WFP;
- h. Verify the Financial Utilization Report submitted by BFA; and



- i. Conduct validation and monitoring of the accomplishments of BFA; on the plantation establishment as well as the maintenance and protection of the plantations in accordance with the approved WFP as a requirement for the release of corresponding payments directly made to BFA by INC.
- j. Submit Statement of Work Accomplishment (SWA), Financial Utilization Report, map of the planted sites and geotagged photos to the DENR-MIMAROPA thru channels for verification.

1.3. Responsibilities of BLGU-Calasaguen

- a. Concur the identified area for tree planting and ensure access to the land and usage for the Project
- b. Assist the DENR to identify the area for tree planting and ensure access to the land and usage for the Project.
- c. Identify a People's Organization (PO) within its jurisdiction to be partners with INC for this Project and implement/undertake the site establishment, rehabilitation and maintenance and protection activities.
- d. Oversee the conduct of site establishment, rehabilitation and maintenance and protection activities of the PO/family beneficiaries.

1.4. Responsibilities of BFA

- a. Undertake the rehabilitation and development of 200 hectares of the Project, for a period of three (3) years in accordance with the approved WFP and the continuous maintenance to ensure sustainability and as a contribution to the ecological balance of the country;
- b. Submit to INC the SWA in accordance with the approved WFP furnished to the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) as the basis for the conduct of validation activity;
- c. Submit to INC the following, as a requirement for progress billing:
  - i. Request for validation with attached SWA
  - ii. Geotagged photos for documentation
- d. Guarantee that the documents and reports submitted to INC are prepared, and/or accomplished before the conduct of validation by the INC's Validation Team; and
- e. Keep and maintain accounting records of the amount received and/or disbursed and submit the Financial Utilization Report to be attached at each billing to INC and the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN).
- f. Ensure a survival rate of 85% of the seedlings upon inspection and shoulder any costs for additional seedlings and other expenses to comply with the 85% required survival rate.

**2.0. Payment Terms and Inspection**

- 2.1. The total Project cost is Six Million One Hundred Thousand Pesos (Php 6,100,000.00), inclusive of VAT and subject to withholding tax, if any, which shall be applied in accordance with the approved WFP.
- 2.2. For the implementation of the Project, INC shall pay BFA within fifteen (15) days upon presentation of the SWA and Financial Utilization Report, to be validated on-site by the INC Validation Team in accordance with the schedule of payments stipulated in this MOA.

2.3. Essential Activities and the Corresponding Amount for NGP Planting (Table 1)

Year of Implementation	Activity	Amount
1 <sup>st</sup> year	Conduct of site preparation and plantation establishment	Php2,100,000
2 <sup>nd</sup> year	Maintenance and protection of the plantation	Php2,000,000
3 <sup>rd</sup> year	Maintenance and protection of the plantation	Php2,000,000

2.4. For the execution of the Project, the payment for the Project cost of Php 6,100,000.00 shall be made as follows:

a. First-Year Implementation (Table 1)

i. Activities: Establishment of Firebreaks/Fire Lines, Site Preparation and Plantation Establishment for 2023

Schedule	Payment	Particular Activity	Amount	Required Documents
1 <sup>st</sup> release	30% of the Year 1 budget as Mobilization Fund		Php 630,000	Approved MOA and WFP
2 <sup>nd</sup> Release	Upon accomplishment of the 50% plantation establishment (25% of project cost for Year 1)	Establishment of firebreaks and area development (strip brushing, staking, hauling of seedlings (from barangay to planting site), hole digging, planting, and fertilizer application	Php 525,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
3 <sup>rd</sup> Release	Upon accomplishment of the 100% plantation establishment (20% of project cost for Year 1)	Establishment of firebreaks and area development (strip brushing, staking, hauling of seedlings (from barangay to planting site), hole digging, planting, and fertilizer application	Php 420,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
4 <sup>th</sup> Release	Upon accomplishment of the Maintenance and Protection Activities (15% of project cost for Year 1)	Patrolling, Fireline establishment, Replanting, weeding, fertilizer application and other maintenance and protection activities	Php 315,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
5 <sup>th</sup> Release	10% (Retention Fee) of the Year 1 project cost	Shall be released after evaluation by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) and INC of at least 85% plant survival in the current year	Php 210,000 (equivalent to 10% project cost for Year 1)	Validated SWA by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos



Second and Third-Year Implementation (Table 2)

i. Activities: Maintenance and Protection Activities for 2023-2025

Activity	Year	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total	Required Documents
Patrolling, Fireline establishment, Replanting, weeding, fertilizer application and other maintenance and protection activities	2023-2024	Php 400,000	Php 400,000	Php 600,000	Php 600,000	Php 2,000,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map and geotagged photos. Plant survival rate must be at least 85% or higher.
	2024-2025	Php 400,000	Php 400,000	Php 600,000	Php 600,000	Php 2,000,000	

2.5. In the Year 1 up to Year 3 activities, no payment shall be made to the BFA unless the survival rate of the total seedlings planted in the site reaches 85% survival as verified during inspection/validation.

2.6. INC shall process the billing only after a thorough field inspection/validation of every accomplished activity and submission of the required documents, which are to be attached to the billing.

2.7. Upon every payment, the BFA shall, within five (5) business days, issue an Official Receipt to INC with the following correct and complete details as required by the Bureau of Internal Revenue (BIR):

Company Name: Ipilan Nickel Corporation  
 Address: Penthouse, Platinum Tower, Asean Avenue cor Fuentes Street, Aseana, Tambo 1701 City of Paranaque, NCR, Fourth District, Philippines  
 TIN: 239-874-018-00000  
 Business Style: Ipilan Nickel Corporation

**3.0. Duration and Effectiveness of the MOA**

3.1. This MOA shall take effect on the day it was signed by the Parties. The terms and conditions in this Agreement shall remain enforceable for the period stipulated.

**4.0. Penalties and Sanctions**

4.1. BFA shall refund INC of any payments already received in respect of the activities that have not yet been performed by him, including legal interest, in the following circumstances:

- a. Failure to perform his duties and responsibilities as stated in this MOA resulting to non-accomplishment of the Project due to his:
  - i. Non-compliance or partial compliance with the terms of the MOA;
  - ii. Failure to start the Project within 7 days from INC's issuance of the Notice to Proceed; and
  - iii. Abandonment of the Project area or of the work stipulated for a period of at least one month from the date of discovery by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) of such fact.

**5.0. No Employer-Employee Relationship**

5.1. No employer-employee relationship exists between the Parties, nor between the personnel of DENR-MIMAROPA, the workers of BLGU-Calasaguen and BFA, and INC. Nothing in this MOA shall be construed as creating any such relationship.

**6.0. Absence of Company Liability**



- 6.1. The DENR-MIMAROPA, BLGU-Calasaguen, and BFA shall hold in a fiduciary capacity for the benefit of INC, all confidential information, knowledge, or data relating to INC or any of its affiliated companies, and their respective businesses, which shall have been obtained by it during its service to INC or any of its affiliated companies and which shall not be or become public knowledge. At the termination of this MOA, it shall not, without the prior written consent of INC or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone.
- 6.2. The DENR-MIMAROPA, BLGU-Calasaguen, and BFA agree to hold INC, its parent company and the parent company's subsidiaries and affiliates, as well as the directors, officers and employees of these companies, free from and harmless against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the operations of the Project. Anyone directly or indirectly employed or engaged by the DENR-MIMAROPA, BLGU-Calasaguen, and BFA in connection with the Project may also be liable jointly and severally with them regardless of any such claim, damage, loss or expense caused in part by a party indemnified in this MOA. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity which would otherwise exist in favor of INC.

#### **7.0. Prohibition**

- 7.1. During and after the effectiveness of this MOA, DENR-MIMAROPA, BLGU-Calasaguen, BFA, and their personnel shall not: (i) disclose commercially-sensitive, operations-related and confidential information or data of INC to third parties; (ii) damage INC's good name and reputation through social media or other means; or (iii) involve themselves in acts of harassment or bullying of anyone employed by or related to INC.

#### **8.0. Authority of Signatories**

- 8.1. The signatories to this MOA are authorized to represent and sign for the Parties.

#### **9.0. Amendments**

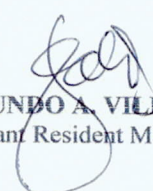
- 9.1. This MOA constitutes the Parties' entire agreement and supersedes any previous or contemporaneous expressions of intent, undertaking or agreement. It can only be amended or revised by a subsequent written agreement of the Parties.

#### **10.0. Governing Law and Dispute Resolution**

- 10.1. This MOA shall be governed by and interpreted according to Philippine laws.
- 10.2. Any dispute about this MOA's genuineness and authenticity and the interpretation and implementation of its terms and conditions shall be lodged before the appropriate courts of Parañaque City, excluding all others after efforts at an amicable settlement shall have been exhausted.

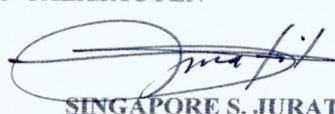
#### **IPILAN NICKEL CORPORATION**

By:

  
**SEGUNDO A. VILLANUEVA**  
Assistant Resident Mine Manager

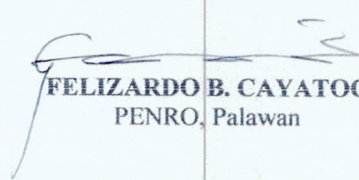
#### **BLGU-CALASAGUEN**

By:

  
**SINGAPORE S. JURATIL**  
Punong Barangay

#### **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

By:

  
**FELIZARDO B. CAYATOC**  
PENRO, Palawan

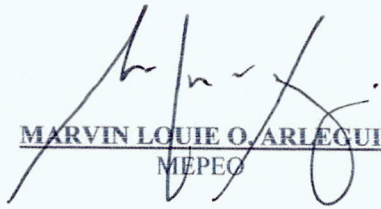
#### **BULHO FARMER ASSOCIATION**

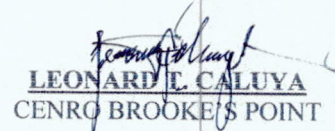
By:

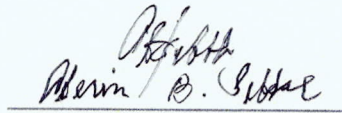
  
**MARISSA H. MARAJAN**  
PO Chairperson

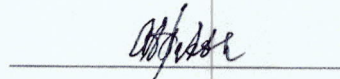


WITNESSES:

  
MARVIN LOUIE O. ARLEQUI  
MEPEO

  
LEONARD E. CALUYA  
CENRO BROOKE'S POINT

  
Marvin R. Subar

  
\_\_\_\_\_





## ANNEX A. Special Tree Cutting and Earth-balling Permit (STCEP)



Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
**MIMAROPA REGION**  
1515 L & S Building Roxas, Boulevard, Ermita, Manila

### SPECIAL TREE CUTTING AND EARTH-BALLING PERMIT NO. DENR IV-B MIMAROPA-2016-014

Pursuant to P.D. 705, as amended, and existing forest laws, rules and regulations, a **Special Tree Cutting and Earth-balling Permit** is hereby granted to:

**IPILAN NICKEL CORPORATION (INC)**  
**REPRESENTED BY ENGR. CARLO A. MATILAC**  
Barangay Maasin, Brooke's Point, Palawan

subject to the following conditions

1. The permittee shall conduct meetings or public consultations with concerned stakeholders in the area, to discuss the importance of the project, removal of trees affected, replacement of trees to be removed/cut, and resolve potential issues that may be raised;
2. Prior to the cutting and earth-balling operations, the applicant shall conduct assessment of the trees in terms of their biodiversity, carbon sequestration potential and water storage capacity and, identify mitigation measures to address the negative impacts of the tree cutting/earth-balling;
3. The cutting/earth-balling shall be confined within the 52.15 hectares within the MPSA area programmed for mining operations in years 1 and 2 and for the development of road networks;
4. To the extent possible, trees to be affected by the road development should be incorporated in the design of the structures to be constructed in order to minimize loss of trees;
5. Maximum of only 13,490 trees of various species with diameters of 16 centimeters and above shall be authorized to be cut and 14,439 trees with diameters of 15 centimeters and below shall be earth-balled;
6. Each tree to be cut earth-balled shall be replaced with 100 seedlings of indigenous species to be planted by the permittee within the non-minable areas of the company (such as on the strip twenty (20) meters wide on both sides of creeks or rivers bordering or traversing the subject area for stream bank protection), mined out areas and other areas identified jointly by the CENR Officer concerned and the permittee as contribution to the National Greening Program (NGP) and climate change initiatives of the government. The planted seedlings shall be maintained by the permittee for a period of three (3) years with a survival rate of at least (80%).
7. The saplings and regenerations shall be earth-balled whenever feasible and transplanted to the area identified by the permittee and DENR Region IV-B free from further development. The transplanting of the earth-balled trees shall be the obligation of the permittee who shall also maintain and protect the transplanted trees. For transplanted trees that did not survive after six (6) months, the permittee shall conduct replacement planting preferably saplings of indigenous species with a ratio of 100 seedlings saplings for every dead tree.
8. In the event that there will be no more available space for planting within the MPSA area, the CENRO PENRO having the jurisdiction over the area shall identify an appropriate planting site in support to the NGP of the government.
9. Cutting of trees on strip twenty (20) meters wide (buffer zone for stream bank protection) on both sides of creeks or rivers bordering or traversing subject area is prohibited. In case said twenty meter strip is bereft of trees, same shall be reforested by the permittee.
10. All timber cut harvested shall be immediately turned-over to the nearest DENR Office at the expense of the applicant for proper disposition subject to payment of forest charges for naturally grown trees. No commercial disposition is allowed.
11. Issues that will arise from the cutting earth-balling should be addressed directly by the proponent.





Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
MIMAROPA REGION  
1515 L & S Building Roxas, Boulevard, Ermita, Manila

**TREE CUTTING AND EARTH-BALLING PERMIT**  
**NO. DENR IV-B MIMAROPA-2016-014**

Pursuant to P.D. 705, as amended, and existing forest laws, rules and regulations, a **Special Tree Cutting and Earth-balling Permit** is hereby granted to:

**IPILAN NICKEL CORPORATION (INC)**  
**REPRESENTED BY ENGR. CARLO A. MATILAC**  
Barangay Maasin, Brooke's Point, Palawan

(continuation . .)

12. Prior to tree cutting/earth-balling operation, a placard or signboard measuring 4' x 8" shall be installed within the cutting/earth-balling area to inform the public that the tree cutting/earth-balling operation is authorized by the DENR and indicate the name of the permittee, the purpose of tree cutting/earth-balling and the number of trees to be cut/earth-balled.
13. The tree cutting/earth-balling operations shall at all times be under the direct supervision of the RD, DENR Region IV-B or his duly authorized representative(s). The CENRO concerned shall be responsible for the proper monitoring of compliance by the permittee with the terms and conditions of the permit.
14. The RD, DENR Region IV-B and the FMB Director shall be involved in the review of the approved Environmental Protection and Enhancement Program (EPEP) and the Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP).
15. The terms and conditions stipulated in the approved Environmental Compliance Certificate (ECC) shall be strictly followed.
16. A terminal report with photographs of accomplishments shall be submitted to the Office of the Secretary copy furnished the Director, Forest Management Bureau after the expiration of the permit, for record purposes.
17. The permittee is hereby required to create a Forestry Unit and to hire Foresters. The unit to be created shall be headed by a Registered Forester to implement and oversee forest restoration/rehabilitation and development within the MPSA area.
18. The permittee shall be required to undertake measures during and after tree cutting operations to mitigate the negative impacts of the said activity to the locality, and
19. Violations of any of the terms and conditions shall be sufficient ground for the termination/cancellation of the permit, subject to due process without prejudice to the imposition of appropriate penalties pursuant to existing regulations, and one strike policy to concerned DENR officials(s) and/or personnel(s).

This permit is effective on the date of issue and expires one (1) year from issuance hereof or as soon as the authorized number and volume of trees had already been cut, whichever comes first.

Issued this 26 MAY 2016, at DENR Region 4B-MIMAROPA, Roxas Boulevard, Ermita, Manila.

By the Authority of the Secretary:



*[Signature]*  
**OSCAR C. DOMINGUEZ**  
Regional Director

(page 2 of 2)

## ANNEX B. Map of the Project Area





# ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES

Brooke's Point, Palawan ) S.S

BEFORE ME, this JUN 29 2023 personally appeared the following:

Name	Competent Evidence of Identity	Date/Place of Issue
SEGUNDO A. VILLANUEVA	L02-81-018913	Driver's License
FELIZARDO B. CAYATOC	135-057-174	TIN
SINGAPORE S. JURATIL	D11-93-020478	Driver's License
MARISSA H. MARAJAN	905-648-943	TIN


All known to be and to me known to be the same person who executed the foregoing instrument, and who acknowledged to me that the same is their free and voluntary act and deed as well as that entities herein represented.

This instrument refers to a Memorandum of Agreement, which consist of eleven (11) pages, including this acknowledgement page, and which is signed by the parties and their instrumental witness on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

Doc. No. 438  
Page No. 89  
Book No. MS  
Series of 2023.



  
NOTARY PUBLIC  
ATTY. MARIETA BOLOS-BUENAVISTA  
NOTARY PUBLIC Until December 31, 2024  
Roll No. 53322  
IBP Lifetime member no. 010019  
PTR No. 2818386 / Oct. 28, 2022 / PAL.  
MCLE Compliance No. VII-0005375  
Brooke's Point, Palawan



**MEMORANDUM OF AGREEMENT  
FOR ADOPT-A-NATIONAL GREENING PROGRAM (NGP) SITE**

**KNOW ALL MEN BY THESE PRESENTS:**

This Memorandum of Agreement for Adopt-a-National Greening Program (NGP) Site ("MOA") is made and entered into this 27<sup>th</sup> day of June, 2023 by and between:

**IPILAN NICKEL CORPORATION (INC)**, a corporation organized and existing under Philippine laws with address at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana Paranaque City, as presented by its Assistant Resident Mine Manager, **SEGUNDO A. VILLANUEVA**;

- and -

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)**, a government agency with office address at 1515 L&S Building, Roxas Blvd. Ermita Manila, represented by **PENRO (Palawan) FELIZARDO B. CAYATOC**;

- and -

**BARANGAY LOCAL GOVERNMENT UNIT OF CALASAGUEN (BLGU-Calasaguen)**, a local government unit with an address at Brooke's Point, Palawan, represented by its Punong Barangay, **HON. SINGAPORE JURATIL**; and

- and -

**CALASAGUEN SHORE COCONUT BASED ASSOCIATION (CSCBA)** an organized People's Organization with address at Barangay Calasaguen, Brooke's Point, Palawan, represented by its Chairman, **EMMANUEL E. JALOCON**.

(Each of whom is also referred to as the Party and collectively as the Parties.)

**WITNESSETH:**

**WHEREAS**, the DENR is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources.

**WHEREAS**, the Forest Management Bureau (FMB) under the DENR allows the use of seedlings for tree replacement as planting materials for those National Greening Program (NGP)/Expanded National Greening Program (ENGP) sites with very low survival rate after the three-year maintenance and protection, and damage by fire, force majeure, and other causality.

**WHEREAS**, the Executive Order No. 193, Series of 2015, expanded the coverage of the NGP to comprise the remaining unproductive, denuded and degraded forest lands and the period of implementation is likewise extended from 2016 to 2028 and all sectors, particularly the private sector, are encouraged to actively participate in the ENGP.

**WHEREAS**, the DENR's Adopt-a-National Greening Program Site Project (the "Project") is among the strategies adopted to encourage and enhance forest development as well as to improve the survival percentage of NGP/ENGP plantations.

**WHEREAS**, the Project will be implemented in partnership with Local Government Units (LGUs) and People's Organizations (POs), among others, with assistance from the government and the private sector, which shall be primarily responsible in maintaining and protecting the established plantations.

**WHEREAS**, the INC, a mining company operating in Barangay Maasin, Brooke's Point, Palawan, manifests its willingness to participate in the ENGP through the Project in compliance with the condition for the replacement of trees under its Special Tree Cutting and Earth-balling Permit (STCEP) No. DENR IV-B MIMAROPA-2016-014, a copy of which is attached and marked as Annex A.



**WHEREAS**, the CSCBA is one of the People's Organizations which will be involved in the implementation of this Project.

**WHEREAS**, the DENR recommended to INC the Project through BLGU-Calasaguen, represented by its elected officials, which offered 517 hectares of available areas in Sitio Bulho, Calasaguen and agreed to be a partner of INC in the implementation of the Project outside of its mining tenement. The map is attached as Annex B.

**WHEREAS**, the Parties recognize the importance of collaboration and partnership for the reforestation of the open and degraded forest lands and compliance by INC in fulfilling its obligations to DENR and providing economic opportunities to upland communities.

### **TERMS AND CONDITIONS**

The Parties agree as follows:

#### **1.0. Roles and Responsibilities of the Parties**

##### **1.1. Responsibilities of DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN)**

- a. Identify the area for tree planting and ensure access to the land and usage for the Project;
- b. Provide technical assistance on the consultation meetings regarding the implementation of the Project together with INC and CSCBA;
- c. Conduct survey, mapping and planning as well as prepare geographic information system generated maps (GIS maps) of the NGP sites, which shall form an integral part of this MOA;
- d. Verify reported Statement of Work Accomplishment (SWA) as reported by INC; and
- e. Create a composite Monitoring and Validation team to ensure compliance of INC and CSCBA with the terms and conditions of the issued permit and validate that the survival rate of seedlings is at least 85%.

##### **1.2. Responsibilities of INC**

- a. Prepare a Work and Financial Plan (WFP) for approval of the DENR;
- b. Provide 195,039 seedlings of various indigenous species, exclusive of the required number of seedlings for replanting, either produced or procured to ensure compliance with the 1:100 seedlings replacement ratio for every tree cut;
- c. Provide CSCBA with the specified funds per approved WFP and stipulated payment terms;
- d. Submit the approved WFP to the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) for its concurrence, which shall form part of this MOA;
- e. Release the funds stipulated in the approved WFP through progress billing to be used by CSCBA for the rehabilitation and development of the area;
- f. Provide DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) with the assistance, such as food and transportation, needed for survey, mapping and planning activities;
- g. Supervise the activities undertaken by CSCBA according to the approved WFP;
- h. Verify the Financial Utilization Report submitted by CSCBA ; and
- i. Conduct validation and monitoring of the accomplishments of CSCBA ; on the plantation establishment as well as the maintenance and protection of the plantations in accordance



with the approved WFP as a requirement for the release of corresponding payments directly made to CSCBA by INC.

- j. Submit Statement of Work Accomplishment (SWA), Financial Utilization Report, map of the planted sites and geotagged photos to the DENR-MIMAROPA thru channels for verification.

#### 1.3. Responsibilities of **BLGU-Calasaguen**

- a. Concur the identified area for tree planting and ensure access to the land and usage for the Project
- b. Assist the DENR to identify the area for tree planting and ensure access to the land and usage for the Project.
- c. Identify a People's Organization (PO) within its jurisdiction to be partners with INC for this Project and implement/undertake the site establishment, rehabilitation and maintenance and protection activities.
- d. Oversee the conduct of site establishment, rehabilitation and maintenance and protection activities of the PO/family beneficiaries.

#### 1.4. Responsibilities of CSCBA

- a. Undertake the rehabilitation and development of 117 hectares of the Project, for a period of three (3) years in accordance with the approved WFP and the continuous maintenance to ensure sustainability and as a contribution to the ecological balance of the country;
- b. Submit to INC the SWA in accordance with the approved WFP furnished to the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) as the basis for the conduct of validation activity;
- c. Submit to INC the following, as a requirement for progress billing:
  - i. Request for validation with attached SWA
  - ii. Geotagged photos for documentation
- d. Guarantee that the documents and reports submitted to INC are prepared, and/or accomplished before the conduct of validation by the INC's Validation Team; and
- e. Keep and maintain accounting records of the amount received and/or disbursed and submit the Financial Utilization Report to be attached at each billing to INC and the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN).
- f. Ensure a survival rate of 85% of the seedlings upon inspection and shoulder any costs for additional seedlings and other expenses to comply with the 85% required survival rate.

#### 2.0. Payment Terms and Inspection

- 2.1. The total Project cost is Three Million Five Hundred Sixty Eight Thousand Five Hundred Pesos (Php 3,568,500.00), inclusive of VAT and subject to withholding tax, if any, which shall be applied in accordance with the approved WFP.
- 2.2. For the implementation of the Project, INC shall pay CSCBA within fifteen (15) days upon presentation of the SWA and Financial Utilization Report, to be validated on-site by the INC Validation Team in accordance with the schedule of payments stipulated in this MOA.



2.3. Essential Activities and the Corresponding Amount for NGP Planting (Table 1)

Year of Implementation	Activity	Amount
1 <sup>st</sup> year	Conduct of site preparation and plantation establishment	Php1,228,500
2 <sup>nd</sup> year	Maintenance and protection of the plantation	Php1,170,000
3 <sup>rd</sup> year	Maintenance and protection of the plantation	Php1,170,000

2.4. For the execution of the Project, the payment for the Project cost of Php3,568,500.00 shall be made as follows:

a. First-Year Implementation (Table 1)

i. Activities: Establishment of Firebreaks/Fire Lines, Site Preparation and Plantation Establishment for 2023

Schedule	Payment	Particular Activity	Amount	Required Documents
1 <sup>st</sup> release	30% of the Year 1 budget as Mobilization Fund		Php 368,550	Approved MOA and WFP
2 <sup>nd</sup> Release	Upon accomplishment of the 50% plantation establishment (25% of project cost for Year 1)	Establishment of firebreaks and area development (strip brushing, staking, hauling of seedlings (from barangay to planting site), hole digging, planting, and fertilizer application	Php 307,125	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
3 <sup>rd</sup> Release	Upon accomplishment of the 100% plantation establishment (20% of project cost for Year 1)	Establishment of firebreaks and area development (strip brushing, staking, hauling of seedlings (from barangay to planting site), hole digging, planting, and fertilizer application	Php 245,700	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
4 <sup>th</sup> Release	Upon accomplishment of the Maintenance and Protection Activities (15% of project cost for Year 1)	Patrolling, Fireline establishment, Replanting, weeding, fertilizer application and other maintenance and protection activities	Php 184,275	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
5 <sup>th</sup> Release	10% (Retention Fee) of the Year 1 project cost	Shall be released after evaluation by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) and INC of at least 85% plant survival in the current year	Php 122,850 (equivalent to 10% project cost for Year 1)	Validated SWA by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos



b. Second and Third-Year Implementation (Table 2)

k. Activities: Maintenance and Protection Activities for 2023-2025

Activity	Year	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total	Required Documents
Patrolling, Fireline establishment, Replanting, weeding, fertilizer application and other maintenance and protection activities	2023-2024	Php 234,000	Php 234,000	Php 351,000	Php 351,000	Php 1,170,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map and geotagged photos. Plant survival rate must be at least 85% or higher.
	2024-2025	Php 234,000	Php 234,000	Php 351,000	Php 351,000	Php 1,170,000	

2.5. In the Year 1 up to Year 3 activities, no payment shall be made to the CSCBA unless the survival rate of the total seedlings planted in the site reaches 85% survival as verified during inspection/validation.

2.6. INC shall process the billing only after a thorough field inspection/validation of every accomplished activity and submission of the required documents, which are to be attached to the billing.

2.7. Upon every payment, the CSCBA shall, within five (5) business days, issue an Official Receipt to INC with the following correct and complete details as required by the Bureau of Internal Revenue (BIR):

Company Name: Ipilan Nickel Corporation  
Address: Penthouse, Platinum Tower, Asean Avenue cor Fuentes Street, Aseana, Tambo 1701 City of Paranaque, NCR, Fourth District, Philippines  
TIN: 239-874-018-00000  
Business Style: Ipilan Nickel Corporation

### 3.0. Duration and Effectiveness of the MOA

3.1. This MOA shall take effect on the day it was signed by the Parties. The terms and conditions in this Agreement shall remain enforceable for the period stipulated.

### 4.0. Penalties and Sanctions

4.1. BFA shall refund INC of any payments already received in respect of the activities that have not yet been performed by him, including legal interest, in the following circumstances:

- a. Failure to perform his duties and responsibilities as stated in this MOA resulting to non-accomplishment of the Project due to his:
  - i. Non-compliance or partial compliance with the terms of the MOA;
  - ii. Failure to start the Project within 7 days from INC's issuance of the Notice to Proceed; and
  - iii. Abandonment of the Project area or of the work stipulated for a period of at least one month from the date of discovery by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) of such fact.

### 5.0. No Employer-Employee Relationship

5.1. No employer-employee relationship exists between the Parties, nor between the personnel of DENR-MIMAROPA, the workers of BLGU-Calasaguen and BFA, and INC. Nothing in this MOA shall be construed as creating any such relationship.

### 6.0. Absence of Company Liability



- 6.1. The DENR-MIMAROPA, BLGU-Calasaguen, and BFA shall hold in a fiduciary capacity for the benefit of INC, all confidential information, knowledge, or data relating to INC or any of its affiliated companies, and their respective businesses, which shall have been obtained by it during its service to INC or any of its affiliated companies and which shall not be or become public knowledge. At the termination of this MOA, it shall not, without the prior written consent of INC or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone.
- 6.2. The DENR-MIMAROPA, BLGU-Calasaguen, and BFA agree to hold INC, its parent company and the parent company's subsidiaries and affiliates, as well as the directors, officers and employees of these companies, free from and harmless against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the operations of the Project. Anyone directly or indirectly employed or engaged by the DENR-MIMAROPA, BLGU-Calasaguen, and BFA in connection with the Project may also be liable jointly and severally with them regardless of any such claim, damage, loss or expense caused in part by a party indemnified in this MOA. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity which would otherwise exist in favor of INC.

#### 7.0. Prohibition

- 7.1. During and after the effectiveness of this MOA, DENR-MIMAROPA, BLGU-Calasaguen, BFA, and their personnel shall not: (i) disclose commercially-sensitive, operations-related and confidential information or data of INC to third parties; (ii) damage INC's good name and reputation through social media or other means; or (iii) involve themselves in acts of harassment or bullying of anyone employed by or related to INC.

#### 10.0. Authority of Signatories

- 10.1. The signatories to this MOA are authorized to represent and sign for the Parties.

#### 11.0. Amendments

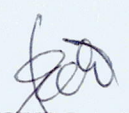
- 11.1. This MOA constitutes the Parties' entire agreement and supersedes any previous or contemporaneous expressions of intent, undertaking or agreement. It can only be amended or revised by a subsequent written agreement of the Parties.

#### 12.0. Governing Law and Dispute Resolution

- 12.1. This MOA shall be governed by and interpreted according to Philippine laws.
- 12.2. Any dispute about this MOA's genuineness and authenticity and the interpretation and implementation of its terms and conditions shall be lodged before the appropriate courts of Parañaque City, excluding all others after efforts at an amicable settlement shall have been exhausted.

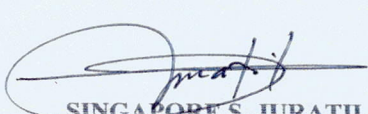
#### **IPILAN NICKEL CORPORATION**

By:

  
**SEGUNDO A. VILLANUEVA**  
Assistant Resident Mine Manager


#### **BLGU-CALASAGUEN**

By:

  
**SINGAPORE S. JURATIL**  
Punong Barangay

#### **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

By:

  
**FELIZARDO B. CAYATOC**  
PENRO, Palawan

#### **CALASAGUEN SHORE COCONUT BASED ASSOCIATION**

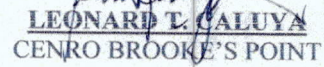
By:

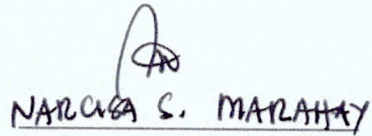
  
**EMMANUEL E. JALOCON**  
PO Chairperson

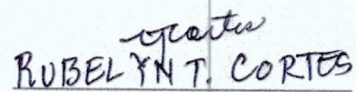


WITNESSES:

  
MARVIN LOUIE O. ARLEGUI  
MEPEO

  
LEONARD T. CALUYA  
CENTRO BROOKE'S POINT

  
NARCISA S. MARAHAY

  
RUBELYN T. CORTES





## ANNEX A. Special Tree Cutting and Earth-balling Permit (STCEP)



Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
**MIMAROPA REGION**  
1515 L & S Building Roxas, Boulevard, Ermita, Manila

### SPECIAL TREE CUTTING AND EARTH-BALLING PERMIT NO. DENR IV-B MIMAROPA-2016-014

Pursuant to P.D. 705, as amended, and existing forest laws, rules and regulations, a **Special Tree Cutting and Earth-balling Permit** is hereby granted to:

**IPHILAN NICKEL CORPORATION (INC.)**  
**REPRESENTED BY ENGR. CARLO A. MATILAC**  
Barangay Maasin, Brooke's Point, Palawan

subject to the following conditions

1. The permittee shall conduct meetings or public consultations with concerned stakeholders in the area, to discuss the importance of the project, removal of trees affected, replacement of trees to be removed/cut, and resolve potential issues that may be raised.
2. Prior to the cutting and earth-balling operations, the applicant shall conduct assessment of the trees in terms of their biodiversity, carbon sequestration potential and water storage capacity and, identify mitigation measures to address the negative impacts of the tree cutting/earth-balling.
3. The cutting/earth-balling shall be confined within the 52.15 hectares within the MPSA area programmed for mining operations in years 1 and 2 and for the development of road networks.
4. To the extent possible, trees to be affected by the road development should be incorporated in the design of the structures to be constructed in order to minimize loss of trees.
5. Maximum of only 13,490 trees of various species with diameters of 16 centimeters and above shall be authorized to be cut and 14,439 trees with diameters of 15 centimeters and below shall be earth-balled.
6. Each tree to be cut earth-balled shall be replaced with 100 seedlings of indigenous species to be planted by the permittee within the non-minable areas of the company (such as on the strip twenty (20) meters wide on both sides of creeks or rivers bordering or traversing the subject area for stream bank protection), mined out areas and other areas identified jointly by the CENR Officer concerned and the permittee as contribution to the National Greening Program (NGP) and climate change initiatives of the government. The planted seedlings shall be maintained by the permittee for a period of three (3) years with a survival rate of at least (80%).
7. The saplings and regenerations shall be earth-balled whenever feasible and transplanted to the area identified by the permittee and DENR Region IV-B free from further development. The transplanting of the earth-balled trees shall be the obligation of the permittee who shall also maintain and protect the transplanted trees. For transplanted trees that did not survive after six (6) months, the permittee shall conduct replacement planting preferably saplings of indigenous species with a ratio of 100 seedlings saplings for every dead tree.
8. In the event that there will be no more available space for planting within the MPSA area, the CENRO PENRO having the jurisdiction over the area shall identify an appropriate planting site in support to the NGP of the government.
9. Cutting of trees on strip twenty (20) meters wide (buffer zone for stream bank protection) on both sides of creeks or rivers bordering or traversing subject area is prohibited. In case said twenty meter strip is bereft of trees, same shall be reforested by the permittee.
10. All timber cut harvested shall be immediately turned-over to the nearest DENR Office at the expense of the applicant for proper disposition subject to payment of forest charges for naturally grown trees. No commercial disposition is allowed.
11. Issues that will arise from the cutting earth-balling should be addressed directly by the proponent.



ANNEX A. Continuation



Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
MIMAROPA REGION  
1515 L & S Building Roxas, Boulevard, Ermita, Manila

**TREE CUTTING AND EARTH-BALLING PERMIT**  
**NO. DENR IV-B MIMAROPA-2016-014**

Pursuant to P.D. 705, as amended, and existing forest laws, rules and regulations, a **Special Tree Cutting and Earth-balling Permit** is hereby granted to:

**IPILAN NICKEL CORPORATION (INC)**  
**REPRESENTED BY ENGR. CARLO A. MATHIAC**  
Barangay Maasin, Brooke's Point, Palawan

(continuation )

- 12 Prior to tree cutting/earth-balling operation, a placard or signboard measuring 4' x 8" shall be installed within the cutting/earth-balling area to inform the public that the tree cutting/earth-balling operation is authorized by the DENR and indicate the name of the permittee, the purpose of tree cutting/earth-balling and the number of trees to be cut/earth-balled.
13. The tree cutting/earth-balling operations shall at all times be under the direct supervision of the RD, DENR Region IV-B or his duly authorized representative(s). The CENRO concerned shall be responsible for the proper monitoring of compliance by the permittee with the terms and conditions of the permit.
14. The RD, DENR Region IV-B and the FMB Director shall be involved in the review of the approved Environmental Protection and Enhancement Program (EPEP) and the Final Mine Rehabilitation and/or Decommissioning Plan (FMRDP).
- 15 The terms and conditions stipulated in the approved Environmental Compliance Certificate (ECC) shall be strictly followed.
16. A terminal report with photographs of accomplishments shall be submitted to the Office of the Secretary copy furnished the Director, Forest Management Bureau after the expiration of the permit, for record purposes.
- 17 The permittee is hereby required to create a Forestry Unit and to hire Foresters. The unit to be created shall be headed by a Registered Forester to implement and oversee forest restoration/rehabilitation and development within the MPSA area.
- 18 The permittee shall be required to undertake measures during and after tree cutting operations to mitigate the negative impacts of the said activity to the locality, and
- 19 Violations of any of the terms and conditions shall be sufficient ground for the termination/cancellation of the permit, subject to due process without prejudice to the imposition of appropriate penalties pursuant to existing regulations, and one strike policy to concerned DENR officials(s) and/or personnel(s).

This permit is effective on the date of issue and expires one (1) year from issuance hereof or as soon as the authorized number and volume of trees had already been cut, whichever comes first.

Issued this 26 MAY 2016, at DENR Region 4B-MIMAROPA, Roxas Boulevard, Ermita, Manila.

By the Authority of the Secretary:

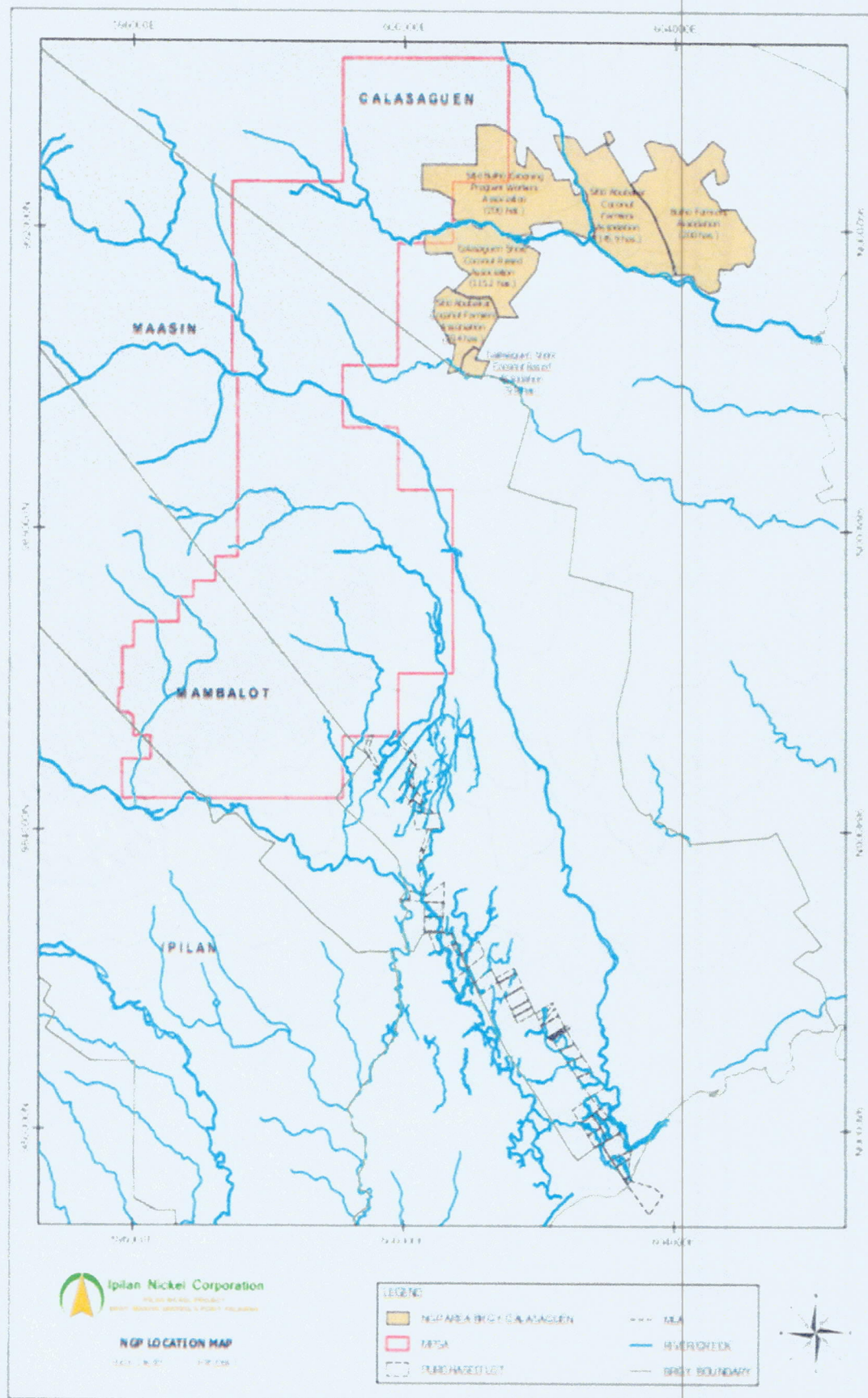


*Oscar C. Dominguez*  
**OSCAR C. DOMINGUEZ**  
Regional Director

(page 2 of 2)



## ANNEX B. Map of the Project Area





## ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES  
Brooke's Point, Palawan ) S.S

BEFORE ME, this JUN 29 2023 personally appeared the following:

Name	Competent Evidence of Identity	Date/Place of Issue
SEGUNDO A. VILLANUEVA	L02-81-018913	Driver's License
FELIZARDO B. CAYATOC	135-057-174	TIN
SINGAPORE S. JURATIL	D11-93-020478	Driver's License
EMMANUEL E. JALOCAN		

All known to be and to me known to be the same person who executed the foregoing instrument, and who acknowledged to me that the same is their free and voluntary act and deed as well as that entities herein represented.

This instrument refers to a Memorandum of Agreement, which consist of eleven (11) pages, including this acknowledgement page, and which is signed by the parties and their instrumental witness on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

Doc. No. 439  
Page No. 89  
Book No. 145  
Series of 2023.



  
NOTARY PUBLIC

ATTY. MARIETA BOLOS-BUENAVISTA  
NOTARY PUBLIC Until December 31, 2024  
Roll No. 53322  
IBP Lifetime member no. 010019  
PTR No. 2618386 / Oct. 28, 2022  
MCLE Compliance No. VI-0005376  
Brooke's Point, Palawan



**MEMORANDUM OF AGREEMENT  
FOR ADOPT-A-NATIONAL GREENING PROGRAM (NGP) SITE**

**KNOW ALL MEN BY THESE PRESENTS:**

This Memorandum of Agreement for Adopt-a-National Greening Program (NGP) Site ("MOA") is made and entered into this 27<sup>th</sup> day of June, 2023 by and between:

**IPILAN NICKEL CORPORATION (INC)**, a corporation organized and existing under Philippine laws with address at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana Paranaque City, as presented by its Assistant Resident Mine Manager, **SEGUNDO A. VILLANUEVA**;

- and -

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)**, a government agency with office address at 1515 L&S Building, Roxas Blvd. Ermita Manila, represented by **PENRO (Palawan) FELIZARDO B. CAYATOC**;

- and -

**BARANGAY LOCAL GOVERNMENT UNIT OF CALASAGUEN (BLGU-Calasaguen)**, a local government unit with an address at Brooke's Point, Palawan, represented by its Punong Barangay, **HON. SINGAPORE JURATIL**; and

- and -

**SITIO ABUBAKAR COCONUT FARMERS ASSOCIATION (SACFA)** an organized People's Organization with address at Barangay Calasaguen, Brooke's Point, Palawan, represented by its Chairman, **JORDAN A. PIRAZA**.

(Each of whom is also referred to as the Party and collectively as the Parties.)

**WITNESSETH:**

**WHEREAS**, the DENR is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources.

**WHEREAS**, the Forest Management Bureau (FMB) under the DENR allows the use of seedlings for tree replacement as planting materials for those National Greening Program (NGP)/Expanded National Greening Program (ENGP) sites with very low survival rate after the three-year maintenance and protection, and damage by fire, force majeure, and other causality.

**WHEREAS**, the Executive Order No. 193, Series of 2015, expanded the coverage of the NGP to comprise the remaining unproductive, denuded and degraded forest lands and the period of implementation is likewise extended from 2016 to 2028 and all sectors, particularly the private sector, are encouraged to actively participate in the ENGP.

**WHEREAS**, the DENR's Adopt-a-National Greening Program Site Project (the "Project") is among the strategies adopted to encourage and enhance forest development as well as to improve the survival percentage of NGP/ENGP plantations.

**WHEREAS**, the Project will be implemented in partnership with Local Government Units (LGUs) and People's Organizations (POs), among others, with assistance from the government and the private sector, which shall be primarily responsible in maintaining and protecting the established plantations.

**WHEREAS**, the INC, a mining company operating in Barangay Maasin, Brooke's Point, Palawan, manifests its willingness to participate in the ENGP through the Project in compliance with the condition for the replacement of trees under its Special Tree Cutting and Earth-balling Permit (STCEP) No. DENR IV-B MIMAROPA-2016-014, a copy of which is attached and marked as Annex A.



**WHEREAS**, the SACFA is one of the People's Organizations which will be involved in the implementation of this Project.

**WHEREAS**, the DENR recommended to INC the Project through BLGU-Calasaguen, represented by its elected officials, which offered 517 hectares of available areas in Sitio Bulho, Calasaguen and agreed to be a partner of INC in the implementation of the Project outside of its mining tenement. The map is attached as Annex B.

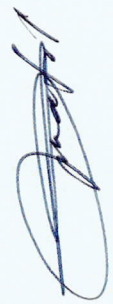
**WHEREAS**, the Parties recognize the importance of collaboration and partnership for the reforestation of the open and degraded forest lands and compliance by INC in fulfilling its obligations to DENR and providing economic opportunities to upland communities.

### **TERMS AND CONDITIONS**




The Parties agree as follows:

#### **1.0. Roles and Responsibilities of the Parties**

##### **1.1. Responsibilities of DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN)**

- 
- a. Identify the area for tree planting and ensure access to the land and usage for the Project;
  - b. Provide technical assistance on the consultation meetings regarding the implementation of the Project together with INC and SACFA;
  - c. Conduct survey, mapping and planning as well as prepare geographic information system generated maps (GIS maps) of the NGP sites, which shall form an integral part of this MOA;
  - d. Verify reported Statement of Work Accomplishment (SWA) as reported by INC; and
  - e. Create a composite Monitoring and Validation team to ensure compliance of INC and SACFA with the terms and conditions of the issued permit and validate that the survival rate of seedlings is at least 85%.

##### **1.2. Responsibilities of INC**

- 
- 
- 
- a. Prepare a Work and Financial Plan (WFP) for approval of the DENR;
  - b. Provide 333,400 seedlings of various indigenous species, exclusive of the required number of seedlings for replanting, either produced or procured to ensure compliance with the 1:100 seedlings replacement ratio for every tree cut;
  - c. Provide SACFA with the specified funds per approved WFP and stipulated payment terms;
  - d. Submit the approved WFP to the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) for its concurrence, which shall form part of this MOA;
  - e. Release the funds stipulated in the approved WFP through progress billing to be used by SACFA for the rehabilitation and development of the area;
  - f. Provide DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) with the assistance, such as food and transportation, needed for survey, mapping and planning activities;
  - g. Supervise the activities undertaken by SACFA according to the approved WFP;
  - h. Verify the Financial Utilization Report submitted by SACFA; and
  - i. Conduct validation and monitoring of the accomplishments of SACFA; on the plantation establishment as well as the maintenance and protection of the plantations



in accordance with the approved WFP as a requirement for the release of corresponding payments directly made to SACFA by INC.

- j. Submit Statement of Work Accomplishment (SWA), Financial Utilization Report, map of the planted sites and geotagged photos to the DENR-MIMAROPA thru channels for verification.

#### 1.3. Responsibilities of **BLGU-Calasaguen**

- a. Concur the identified area for tree planting and ensure access to the land and usage for the Project
- b. Assist the DENR to identify the area for tree planting and ensure access to the land and usage for the Project.
- c. Identify a People's Organization (PO) within its jurisdiction to be partners with INC for this Project and implement/undertake the site establishment, rehabilitation and maintenance and protection activities.
- d. Oversee the conduct of site establishment, rehabilitation and maintenance and protection activities of the PO/family beneficiaries.

#### 1.4. Responsibilities of **SACFA**

- a. Undertake the rehabilitation and development of 200 hectares of the Project, for a period of three (3) years in accordance with the approved WFP and the continuous maintenance to ensure sustainability and as a contribution to the ecological balance of the country;
- b. Submit to INC the SWA in accordance with the approved WFP furnished to the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) as the basis for the conduct of validation activity;
- c. Submit to INC the following, as a requirement for progress billing:
  - i. Request for validation with attached SWA
  - ii. Geotagged photos for documentation
- d. Guarantee that the documents and reports submitted to INC are prepared, and/or accomplished before the conduct of validation by the INC's Validation Team; and
- e. Keep and maintain accounting records of the amount received and/or disbursed and submit the Financial Utilization Report to be attached at each billing to INC and the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN).
- f. Ensure a survival rate of 85% of the seedlings upon inspection and shoulder any costs for additional seedlings and other expenses to comply with the 85% required survival rate.

#### 2.0. **Payment Terms and Inspection**

- 2.1. The total Project cost is Six Million One Hundred Thousand Pesos (Php6,100,000.00), inclusive of VAT and subject to withholding tax, if any, which shall be applied in accordance with the approved WFP.
- 2.2. For the implementation of the Project, INC shall pay SACFA within fifteen (15) days upon presentation of the SWA and Financial Utilization Report, to be validated on-site by the INC Validation Team in accordance with the schedule of payments stipulated in this MOA.



2.3. Essential Activities and the Corresponding Amount for NGP Planting (Table 1)

Year of Implementation	Activity	Amount
1 <sup>st</sup> year	Conduct of site preparation and plantation establishment	Php2,100,000
2 <sup>nd</sup> year	Maintenance and protection of the plantation	Php2,000,000
3 <sup>rd</sup> year	Maintenance and protection of the plantation	Php2,000,000

2.4. For the execution of the Project, the payment for the Project cost of Php 6,100,000.00 shall be made as follows:

a. First-Year Implementation (Table 1)

i. Activities: Establishment of Firebreaks/Fire Lines, Site Preparation and Plantation Establishment for 2023

Schedule	Payment	Particular Activity	Amount	Required Documents
1 <sup>st</sup> release	30% of the Year 1 budget as Mobilization Fund		Php 630,000	Approved MOA and WFP
2 <sup>nd</sup> Release	Upon accomplishment of the 50% plantation establishment (25% of project cost for Year 1)	Establishment of firebreaks and area development (strip brushing, staking, hauling of seedlings (from barangay to planting site), hole digging, planting, and fertilizer application	Php 525,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
3 <sup>rd</sup> Release	Upon accomplishment of the 100% plantation establishment (20% of project cost for Year 1)	Establishment of firebreaks and area development (strip brushing, staking, hauling of seedlings (from barangay to planting site), hole digging, planting, and fertilizer application	Php 420,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
4 <sup>th</sup> Release	Upon accomplishment of the Maintenance and Protection Activities (15% of project cost for Year 1)	Patrolling, Fireline establishment, Replanting, weeding, fertilizer application and other maintenance and protection activities	Php 315,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
5 <sup>th</sup> Release	10% (Retention Fee) of the Year 1 project cost	Shall be released after evaluation by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) and INC of at least 85% plant survival in the current year	Php 210,000 (equivalent to 10% project cost for Year 1)	Validated SWA by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos



b. Second and Third-Year Implementation (Table 2)

i. Activities: Maintenance and Protection Activities for 2023-2025

Activity	Year	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total	Required Documents
Patrolling, Fireline establishment, Replanting, weeding, fertilizer application and other maintenance and protection activities	2023-2024	Php 400,000	Php 400,000	Php 600,000	Php 600,000	Php 2,000,000	Validated SWA by the INC, Financial Utilization Report by the People's Organization, map and geotagged photos. Plant survival rate must be at least 85% or higher.
	2024-2025	Php 400,000	Php 400,000	Php 600,000	Php 600,000	Php 2,000,000	

2.5. In the Year 1 up to Year 3 activities, no payment shall be made to the SACFA unless the survival rate of the total seedlings planted in the site reaches 85% survival as verified during inspection/validation.

2.6. INC shall process the billing only after a thorough field inspection/validation of every accomplished activity and submission of the required documents, which are to be attached to the billing.

2.7. Upon every payment, the SACFA shall, within five (5) business days, issue an Official Receipt to INC with the following correct and complete details as required by the Bureau of Internal Revenue (BIR):

Company Name: Ipilan Nickel Corporation  
 Address: Penthouse, Platinum Tower, Asean Avenue cor Fuentes Street, Aseana, Tambo 1701 City of Paranaque, NCR, Fourth District, Philippines  
 TIN: 239-874-018-00000  
 Business Style: Ipilan Nickel Corporation

**3.0. Duration and Effectiveness of the MOA**

3.1. This MOA shall take effect on the day it was signed by the Parties. The terms and conditions in this Agreement shall remain enforceable for the period stipulated.

**4.0. Penalties and Sanctions**

4.1. SACFA shall refund INC of any payments already received in respect of the activities that have not yet been performed by him, including legal interest, in the following circumstances:

- a. Failure to perform his duties and responsibilities as stated in this MOA resulting to non-accomplishment of the Project due to his:
  - i. Non-compliance or partial compliance with the terms of the MOA;
  - ii. Failure to start the Project within 7 days from INC's issuance of the Notice to Proceed; and
  - iii. Abandonment of the Project area or of the work stipulated for a period of at least one month from the date of discovery by the DENR-MIMAROPA (CENRO BROOKE'S POINT, PALAWAN) of such fact.

**5.0. No Employer-Employee Relationship**

5.1. No employer-employee relationship exists between the Parties, nor between the personnel of DENR-MIMAROPA, the workers of BLGU-Calasaguen and SACFA, and INC. Nothing in this MOA shall be construed as creating any such relationship.



#### 6.0. Absence of Company Liability

- 6.1. The DENR-MIMAROPA, BLGU-Calasaguen, and SACFA shall hold in a fiduciary capacity for the benefit of INC, all confidential information, knowledge, or data relating to INC or any of its affiliated companies, and their respective businesses, which shall have been obtained by it during its service to INC or any of its affiliated companies and which shall not be or become public knowledge. At the termination of this MOA, it shall not, without the prior written consent of INC or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone.
- 6.2. The DENR-MIMAROPA, BLGU-Calasaguen, and SACFA agree to hold INC, its parent company and the parent company's subsidiaries and affiliates, as well as the directors, officers and employees of these companies, free from and harmless against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the operations of the Project. Anyone directly or indirectly employed or engaged by the DENR-MIMAROPA, BLGU-Calasaguen, and SACFA in connection with the Project may also be liable jointly and severally with them regardless of any such claim, damage, loss or expense caused in part by a party indemnified in this MOA. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity which would otherwise exist in favor of INC.

#### 7.0. Prohibition

- 7.1. During and after the effectiveness of this MOA, DENR-MIMAROPA, BLGU-Calasaguen, SACFA, and their personnel shall not: (i) disclose commercially-sensitive, operations-related and confidential information or data of INC to third parties; (ii) damage INC's good name and reputation through social media or other means; or (iii) involve themselves in acts of harassment or bullying of anyone employed by or related to INC.

#### 10.0. Authority of Signatories

- 10.1. The signatories to this MOA are authorized to represent and sign for the Parties.

#### 11.0. Amendments

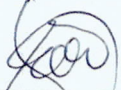
- 11.1. This MOA constitutes the Parties' entire agreement and supersedes any previous or contemporaneous expressions of intent, undertaking or agreement. It can only be amended or revised by a subsequent written agreement of the Parties.

#### 12.0. Governing Law and Dispute Resolution

- 12.1. This MOA shall be governed by and interpreted according to Philippine laws.
- 12.2. Any dispute about this MOA's genuineness and authenticity and the interpretation and implementation of its terms and conditions shall be lodged before the appropriate courts of Parañaque City, excluding all others after efforts at an amicable settlement shall have been exhausted.


#### IPILAN NICKEL CORPORATION

By:

  
**SEGUNDO A. VILLANUEVA**  
Assistant Resident Mine Manager


#### BLGU-CALASAGUEN

By:

  
**SINGAPORE S. JURATIL**  
Punong Barangay

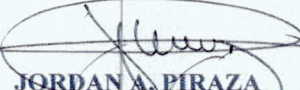
#### DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

By:

  
**FELIZARDO B. CAYATOC**  
PENRO, Palawan

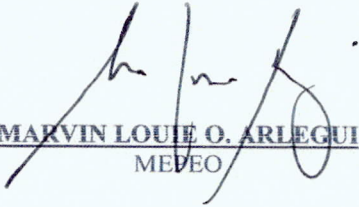
#### SITIO ABUBAKAR COCONUT FARMERS ASSOCIATION

By:


  
**JORDAN A. PIRAZA**  
PO Chairman

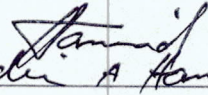



WITNESSES:

  
MARVIN LOUIE O. ARLEGUI  
MEVEO

  
LEONARD T. CALUYA  
CENRO BROOKE'S POINT

  
NARCISA S. MARAHAY

  
Eddin A. Hanni









## ANNEX A. Special Tree Cutting and Earth-balling Permit (STCEP)



Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
MIMAROPA REGION  
1515 L & S Building Roxas, Boulevard, Ermita, Manila

### SPECIAL TREE CUTTING AND EARTH-BALLING PERMIT NO. DENR IV-B MIMAROPA-2016-014

Pursuant to P.D. 705, as amended, and existing forest laws, rules and regulations, a **Special Tree Cutting and Earth-balling Permit** is hereby granted to:

**IPILAN NICKEL CORPORATION (INC)**  
**REPRESENTED BY ENGR. CARLO A. MATILAC**  
Barangay Maasin, Brooke's Point, Palawan

subject to the following conditions

1. The permittee shall conduct meetings or public consultations with concerned stakeholders in the area, to discuss the importance of the project, removal of trees affected, replacement of trees to be removed/cut, and resolve potential issues that may be raised;
2. Prior to the cutting and earth-balling operations, the applicant shall conduct assessment of the trees in terms of their biodiversity, carbon sequestration potential and water storage capacity and, identify mitigation measures to address the negative impacts of the tree cutting/earth-balling;
3. The cutting/earth-balling shall be confined within the 52.15 hectares within the MPSA area programmed for mining operations in years 1 and 2 and for the development of road networks;
4. To the extent possible, trees to be affected by the road development should be incorporated in the design of the structures to be constructed in order to minimize loss of trees;
5. Maximum of only 13,490 trees of various species with diameters of 16 centimeters and above shall be authorized to be cut and 14,439 trees with diameters of 15 centimeters and below shall be earth-balled;
6. Each tree to be cut earth-balled shall be replaced with 100 seedlings of indigenous species to be planted by the permittee within the non-minable areas of the company (such as on the strip twenty (20) meters wide on both sides of creeks or rivers bordering or traversing the subject area for stream bank protection), mined out areas and other areas identified jointly by the CENR Officer concerned and the permittee as contribution to the National Greening Program (NGP) and climate change initiatives of the government. The planted seedlings shall be maintained by the permittee for a period of three (3) years with a survival rate of at least (80%).
7. The saplings and regenerations shall be earth-balled whenever feasible and transplanted to the area identified by the permittee and DENR Region IV-B free from further development. The transplanting of the earth-balled trees shall be the obligation of the permittee who shall also maintain and protect the transplanted trees. For transplanted trees that did not survive after six (6) months, the permittee shall conduct replacement planting preferably saplings of indigenous species with a ratio of 100 seedlings saplings for every dead tree.
8. In the event that there will be no more available space for planting within the MPSA area, the CENRO PENRO having the jurisdiction over the area shall identify an appropriate planting site in support to the NGP of the government.
9. Cutting of trees on strip twenty (20) meters wide (buffer zone for stream bank protection) on both sides of creeks or rivers bordering or traversing subject area is prohibited. In case said twenty meter strip is bereft of trees, same shall be reforested by the permittee;
10. All timber cut harvested shall be immediately turned-over to the nearest DENR Office at the expense of the applicant for proper disposition subject to payment of forest charges for naturally grown trees. No commercial disposition is allowed;
11. Issues that will arise from the cutting earth-balling should be addressed directly by the proponent;





Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
MIMAROPA REGION  
1515 L & S Building Roxas, Boulevard, Ermita, Manila

**TREE CUTTING AND EARTH-BALLING PERMIT**  
**NO. DENR IV-B MIMAROPA-2016-014**

Pursuant to P.D. 705, as amended, and existing forest laws, rules and regulations, a **Special Tree Cutting and Earth-balling Permit** is hereby granted to:

**IPILAN NICKEL CORPORATION (INC)**  
**REPRESENTED BY ENGR. CARLO A. MATILAC**  
Barangay Maasin, Brooke's Point, Palawan

(continuation...)

12. Prior to tree cutting/earth-balling operation, a placard or signboard measuring 4' x 8" shall be installed within the cutting/earth-balling area to inform the public that the tree cutting/earth-balling operation is authorized by the DENR and indicate the name of the permittee, the purpose of tree cutting/earth-balling and the number of trees to be cut/earth-balled;
13. The tree cutting/earth-balling operations shall at all times be under the direct supervision of the RD, DENR Region IV-B or his duly authorized representative(s). The CENRO concerned shall be responsible for the proper monitoring of compliance by the permittee with the terms and conditions of the permit;
14. The RD, DENR Region IV-B and the FMB Director shall be involved in the review of the approved Environmental Protection and Enhancement Program (EPEP) and the Final Mine Rehabilitation and/or Decommissioning Plan (FMRDP);
15. The terms and conditions stipulated in the approved Environmental Compliance Certificate (ECC) shall be strictly followed;
16. A terminal report with photographs of accomplishments shall be submitted to the Office of the Secretary copy furnished the Director, Forest Management Bureau after the expiration of the permit, for record purposes;
17. The permittee is hereby required to create a Forestry Unit and to hire Foresters. The unit to be created shall be headed by a Registered Forester to implement and oversee forest restoration/rehabilitation and development within the MPSA area;
18. The permittee shall be required to undertake measures during and after tree cutting operations to mitigate the negative impacts of the said activity to the locality; and
19. Violations of any of the terms and conditions shall be sufficient ground for the termination/cancellation of the permit, subject to due process without prejudice to the imposition of appropriate penalties pursuant to existing regulations, and one strike policy to concerned DENR officials(s) and/or personnel(s).

This permit is effective on the date of issue and expires one (1) year from issuance hereof or as soon as the authorized number and volume of trees had already been cut, whichever comes first.

Issued this 26 MAY 2016, at DENR Region 4B-MIMAROPA, Roxas Boulevard, Ermita, Manila.

By the Authority of the Secretary:

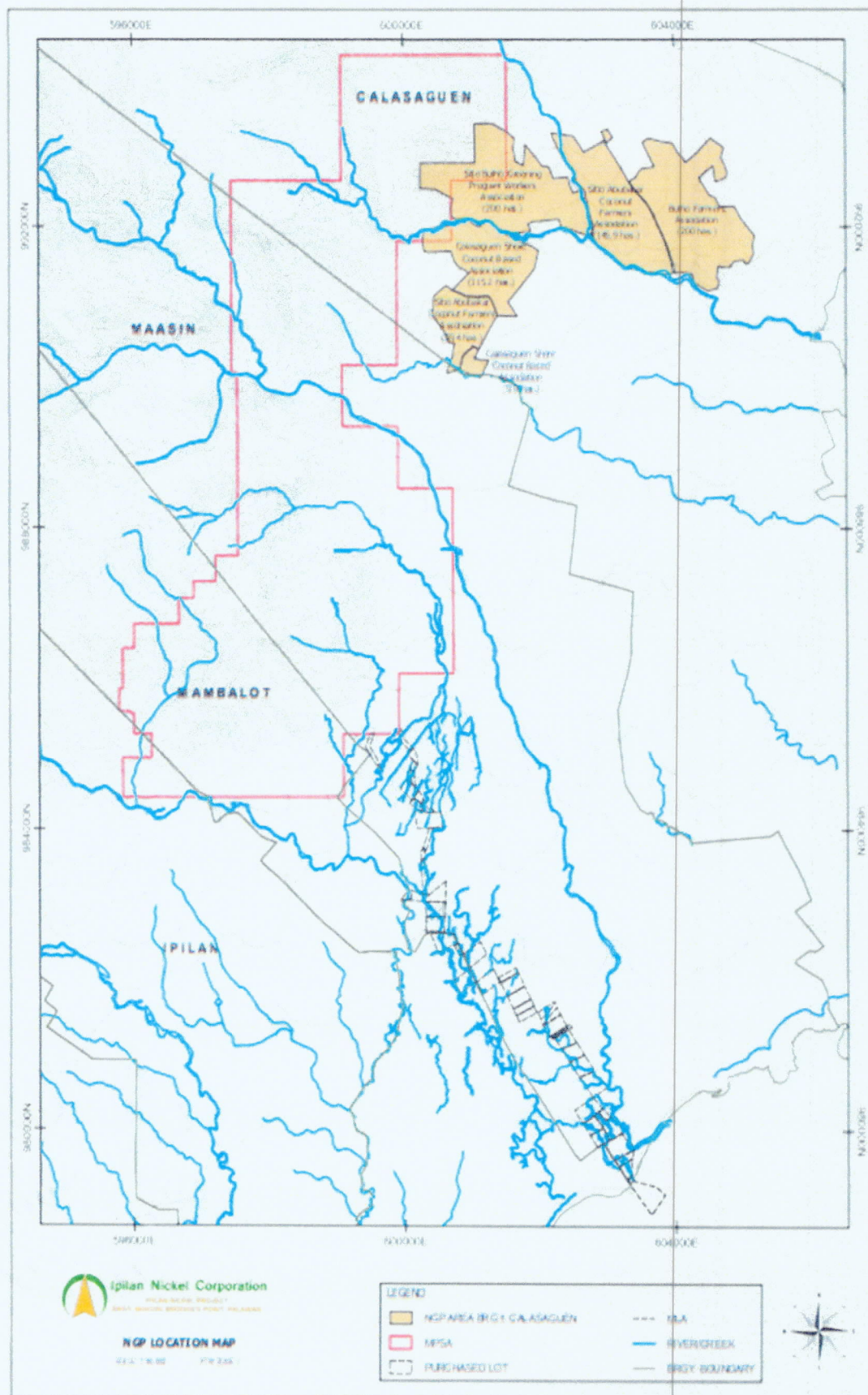


*[Signature]*  
**OSCAR C. DOMINGUEZ**  
Regional Director

(page 2 of 2)



## ANNEX B. Map of the Project Area





## ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES  
Brooke's Point, Palawan) S.S

BEFORE ME, this JUN 29 2023 personally appeared the following:

Name	Competent Evidence of Identity	Date/Place of Issue
SEGUNDO A. VILLANUEVA	L02-81-018913	Driver's License
FELIZARDO B. CAYATOC	135-057-174	TIN
SINGAPORE S. JURATIL	D11-93-020478	Driver's License
JORDAN A. PIRAZA	D11-13-001702	Driver's License

All known to be and to me known to be the same person who executed the foregoing instrument, and who acknowledged to me that the same is their free and voluntary act and deed as well as that entities herein represented.

This instrument refers to a Memorandum of Agreement, which consist of eleven (11) pages, including this acknowledgement page, and which is signed by the parties and their instrumental witness on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

Doc. No. 440  
Page No. 89  
Book No. MS  
Series of 2023.



NOTARY PUBLIC  
ATTY. MARIETA BOLOS-BUENAVISTA  
NOTARY PUBLIC Until December 31, 2024  
Roll No. 52022  
IBP Lifetime member no. 01511  
PTR No. 2818383 / Oct. 28, 2023 AL  
MCLE Compliance No. VII-0005579  
Brooke's Point, Palawan