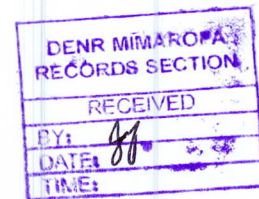




Ipilan Nickel Corporation

June 07, 2023

RED 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:

Review and evaluation of the Memorandum of Agreement for Adopt-A-National Greening Program (NGP) Site

We transmit a copy of the Memorandum of Agreement (MOA) for Adopt-A-National Greening Program (NGP) Site with DENR, BLGU-Calasaguen and associated local farming bodies, namely the Sitio Abubakar Coconut Farmers Association, Calasaguen Shore Coconut-Based Association, and Bulho Farmers Association.

We would like to request assistance in reviewing and evaluating its compliance with existing DENR rules and guidelines. Finally, we invite your office to join the Memorandum of Agreement signing at a convenient date and time.

Thank you for your prompt and usual assistance.

Sincerely,


Dante R. Bravo
President

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

This Memorandum of Agreement for Adopt-a-National Greening Program (NGP) Site ("MOA") is dated June 19, 2023 between:

Parties

- (i) **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 OIC-Resident Mine Manager, Alex C. Arabis;
- (ii) **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 ;
- (iii) **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
- (iv) **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.)

Recitals

- (i) DENR is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources.
- (ii) 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.
- (iii) 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.
- (iv) 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.

- (v) 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.
- (vi) 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.
- (vii) SACFA is one of the People's Organizations which will be involved in the implementation of this Project.
- (viii) 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.
- (ix) 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

- a. Provide technical assistance on the consultation meetings regarding the implementation of the Project together with INC and SACFA;
- b. 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;
- c. Verify reported Statement of Work Accomplishment (SWA) as reported by INC; and
- d. 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 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 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.

1.3. Responsibilities of BLGU-Calasaguen

- a. Identify the area for tree planting and ensure access to the land and usage for the Project.
- b. 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.
- c. 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 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.
- 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 st year	Conduct of site preparation and plantation establishment	Php2,100,000
2 nd year	Maintenance and protection of the plantation	Php2,000,000
3 rd 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 Php6,100,000.00 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 st release	30% of the Year 1 budget as Mobilization Fund		Php 630,000	Approved MOA and WFP
2 nd 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
3 rd 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
4 th 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
5 th Release	10% (Retention Fee) of the Year 1 project cost	Shall be released after evaluation by the DENR-MIMAROPA 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 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 st Qtr	2 nd Qtr	3 rd Qtr	4 th 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	Php2,000,000	Validated SWA by the DENR-MIMAROPA and 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	Php2,000,000	

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 of such fact.

5.o. 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.o. 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.o. 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

**DEPARTMENT OF ENVIRONMENT AND
NATURAL RESOURCES**

ALEX C. ARABIS
OIC-Resident Mine Manager

FELIZARDO B. CAYATOC
PENRO, Palawan

BLGU-CALASAGUEN

**SITIO ABUBAKAR COCONUT FARMERS
ASSOCIATION**

SINGAPORE S. JURATIL
Punong Barangay

JORDAN A. PIRAZA
PO Chairman

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. MATHILAC
Barangay Mainsin, 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. 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.

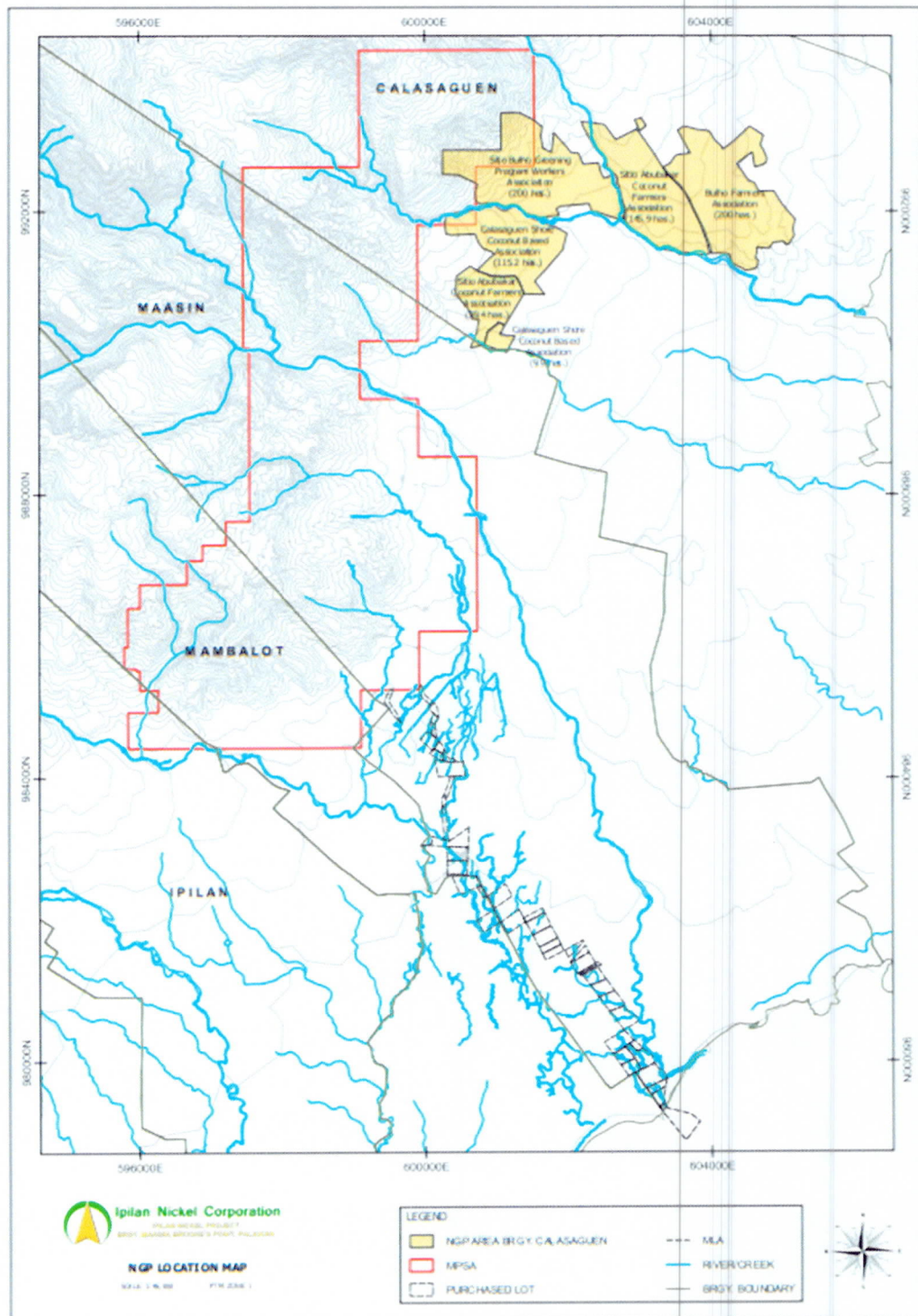
Issued this 26 MAY 2016, at DENR Region 4B-MIMAROPA, Roxas Boulevard, Ermita, Manila.

By the Authority of the Secretary:



[Signature]
OSCAR C. DOMINGUEZ
Regional Director

ANNEX B. Map of the Project Area



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES

_____) S.S

BEFORE ME, this _____ personally appeared the following:

Name	Competent Evidence of Identity	Date/Place of Issue

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 nine (9) 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.

NOTARY PUBLIC

Doc. No.

Page No.

Book No.

Series of 2023.

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

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Parties

- (i) **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 OIC-Resident Mine Manager, Alex C. Arabis;
- (ii) **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 ;
- (iii) **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
- (iv) **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.)

Recitals

- (i) DENR is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources.
- (ii) 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.
- (iii) 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.
- (iv) 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.

- (v) 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.
- (vi) 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.
- (vii) CSCBA is one of the People's Organizations which will be involved in the implementation of this Project.
- (viii) 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.
- (ix) 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

- a. Provide technical assistance on the consultation meetings regarding the implementation of the Project together with INC and CSCBA;
- b. 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;
- c. Verify reported Statement of Work Accomplishment (SWA) as reported by INC; and
- d. 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 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 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.

1.3. Responsibilities of BLGU-Calasaguen

- a. Identify the area for tree planting and ensure access to the land and usage for the Project.
- b. 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.
- c. 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 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.
- 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 (Php3,568,500.00), 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 st year	Conduct of site preparation and plantation establishment	Php1,228,500
2 nd year	Maintenance and protection of the plantation	Php1,170,000
3 rd 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 st release	30% of the Year 1 budget as Mobilization Fund		Php 368,550	Approved MOA and WFP
2 nd 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
3 rd 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
4 th 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
5 th Release	10% (Retention Fee) of the Year 1 project cost	Shall be released after evaluation by the DENR-MIMAROPA 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 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 st Qtr	2 nd Qtr	3 rd Qtr	4 th 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	Php1,170,000	Validated SWA by the DENR-MIMAROPA and 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	Php1,170,000	

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: 239-874-018-000000
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. CSCBA 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 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 CSCBA, 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 CSCBA 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 CSCBA 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 CSCBA 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, CSCBA, 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 ALEX C. ARABIS OIC-Resident Mine Manager	DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FELIZARDO B. CAYATOC PENRO, Palawan
BLGU-CALASAGUEN SINGAPORE S. JURATIL Punong Barangay	CALASAGUEN SHORE COCONUT BASED ASSOCIATION EMMANUEL E. JALOCON PO Chairman

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. MATHIAC
Barangay Mamasin, 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. 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.

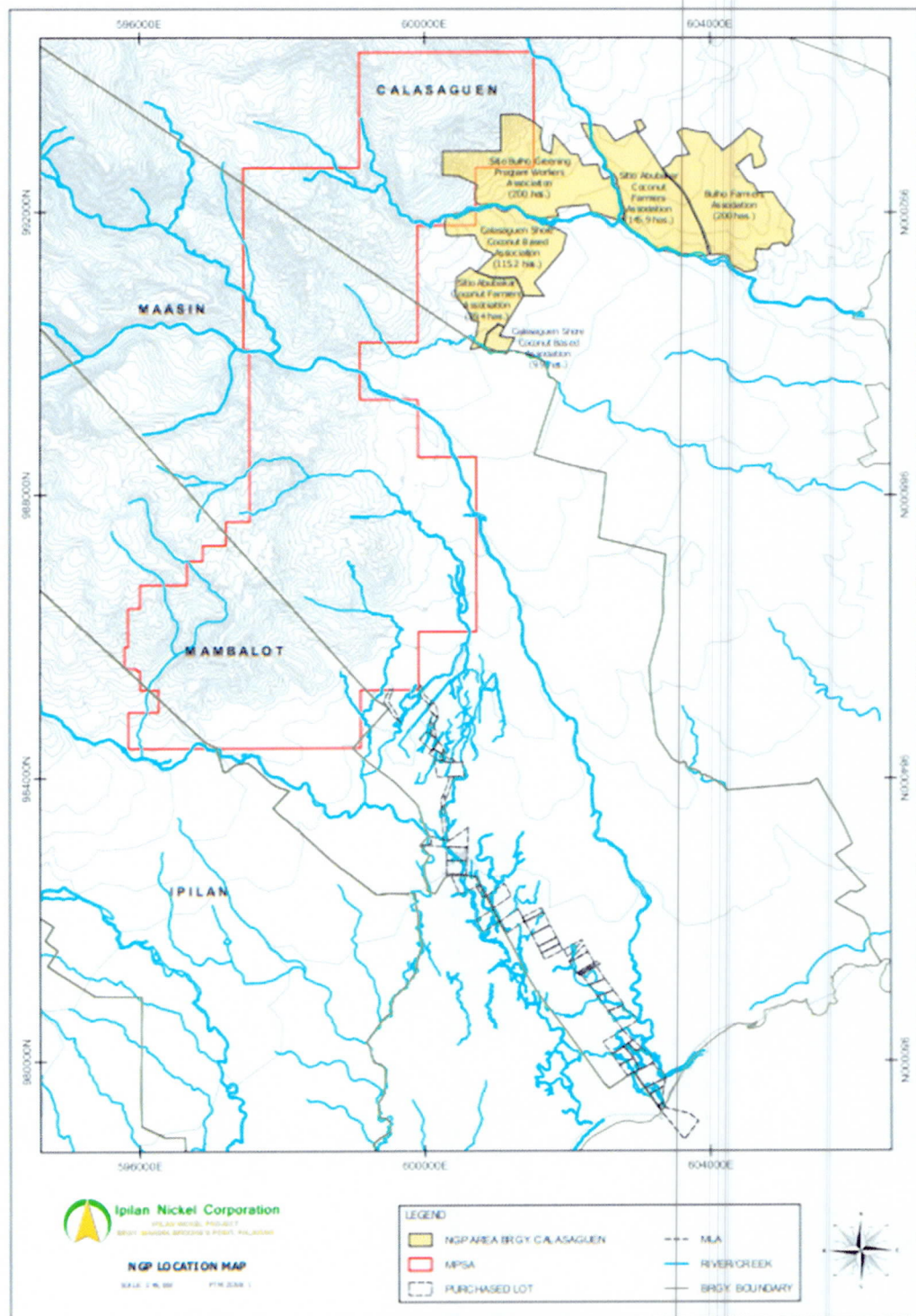
Issued this 26 MAY 2016, at DENR Region 4B-MIMAROPA, Roxas Boulevard, Ermita, Manila.



By the Authority of the Secretary:

[Signature]
OSCAR C. DOMINGUEZ
Regional Director

ANNEX B. Map of the Project Area



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES

_____) S.S

BEFORE ME, this _____ personally appeared the following:

Name	Competent Evidence of Identity	Date/Place of Issue

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 nine (9) 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.

NOTARY PUBLIC

Doc. No.

Page No.

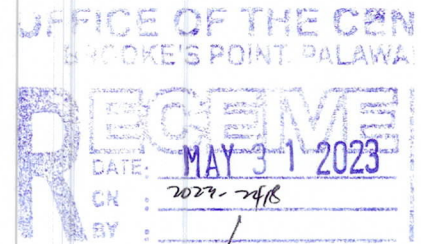
Book No.

Series of 2023.



31 May 2023

SUBJECT: COMPLETED STAFF WORK IN RE: REQUEST FOR RENEWAL OF PROVISIONAL PERMIT NO. 045306-001 OF IPILAN NICKEL CORPORATION REPRESENTED BY CARLO A. MATILAC SURVEYED UNDER PLAN MLC-045301-13-D CONTAINING AN AREA OF 118,580 SQM LOCATED AT BARANGAY MAASIN (FORMERLY MAMBALOT), BROOKE'S POINT, PALAWAN



I. FACTUAL BACKGROUND

- 08 October 2010 - OIC-Director Atty. Juan Miguel T. Cuna, DENR-EMB Central Office, forwarded the Environmental Compliance Certificate granted to Ipilan Nickel Corporation with ECC Ref. No. 1006-0017. Said ECC was cancelled on 16 December 2016 but reinstated on 5 June 2020.
- 14 June 2017 - Ipilan Nickel Corporation was issued Certificate of Filing of Amended Articles of Incorporation (Amending Article VII thereof) by Director Ferdinand B. Sales, Company Registration and Monitoring Department of Securities and Exchange Commission.
- 05 March 2021 - Survey Plan MLC 045306-13-D was approved covering the foreshore area adjacent/fronting to Lot No. 1165, PLS 96 identical to 5121, Cad 796-D containing an area of 14.0000 hectares located at Bgy. Mambalot, Brooke's Point, Palawan. Said survey plan is also covered by MLC 045306-12 of Ipilan Nickel Corporation represented by Carlo A. Matilac filed on September 23, 2015.
- 09 September 2021 - Eveart Grace P. Claro, Corporate Secretary of Ipilan Nickel Corporation executed a notarized Secretary's Certificate appointing Dante R. Bravo, Carlo A. Matilac and Edison R. Ranches as the Corporation's authorized representatives to transact for its application for miscellaneous lease agreement DENR-CENRO Brooke's Point.
- 27 September 2021 - LMI Rey D. Pambo reported that due to revocation and withdrawal of consent from the property owner of Lot No. 1165, PLS 96, the applicant-corporation cannot pursue their application over the same. With this, the applicant-corporation requested for new survey authority to survey the foreshore area fronting Lot No. 1166, PLS 96 identical to Lot No. 5701, Cad 796-D located at Bgy. Maasin (formerly Mambalot as described in the OCT P-5692), Brooke's Point, Palawan after getting notarized consent and permission from Kirby Erin C. Ng and Cymbelly Delos Santos, current owners of the mentioned lot.
- 29 September 2021 - This Office issued an Order rejecting the MLC 045306-11 of Ipilan Nickel Corporation represented by Carlo A. Matilac and the new Miscellaneous Lease Application filed by the same representative of applicant-corporation for the adjacent offshore area fronting Lot No. 1166, PLS 96 whose owners have given consent and authority to the applicant-corporation to file application was accepted and numbered as MLC 045306-13.

Thence, this Office accepted the application of Ipilan Nickel Corporation represented by Carlo A. Matilac and recorded under Miscellaneous Lease Corporation No. 045306-13 which covers the foreshore area adjacent to Lot No. 1166, PLS 96 containing an area of 12.0000 hectares located at Bgy. Ipilan (formerly Mambalot), Brooke's Point, Palawan for industrial purposes after paying the application fee amounting to Php 1,000.00 under OR No. 1414003 dated 28 September 2021.

- 26 November 2021 - Port Manager Elizalde M. Ulson of Philippine Ports Authority- Port Management Office-Palawan issued certification of no objection to the applicant-corporation's MLA 045306-13 for construction of use of LCT/Barges in shipside loading operation located at Bgy. Mambalot, Brooke's Point, Palawan. Further, Mr. Ulson certified that PPA has no plans for future port development in the area applied for the next five years, provided that: (1) the area applied for shall be subject to recall by government when public interest so requires; and (2) no port or port-related structure shall be constructed nor cargo handling activities be conducted at subject area without the prior clearance/approval from its office.

- 06 December 2021 - District Engineer Noel L. Fuentebella of DPWH-Palawan 2nd District Engineering Office issued a certification interposing no objection on the application filed by the applicant-corporation covered by MLC 045306-13 situated at Bgy. Mambalot, Brooke's Point, Palawan, for construction of causeway for use LCT/Barges in shipside loading operations purposes. Further, Engr. Fuentebella certified that DPWH has no existing on-going or propose project in the area.

- 09 December 2021 - Date approved of the Plan MLC 045306-13-D as surveyed for Ipilan Nickel Corporation of foreshore area adjacent to Lot No. 1166, PLS 96 situated in Bgy. Maasin, Brooke's Point, Palawan containing an area of 118,580 square meters as surveyed by Engr. Arsenio D. Tamayao on October 07, 2021 and approved by Assistant Regional Director for Technical Services Vicente B. Tuddao Jr., PhD, CESO IV.

- 13 December 2021 - The applicant-corporation submitted copies of the lacking documents pertinent to appraisal of its foreshore area applied: (1) Feasibility Study showing cost estimate of the proposed 493-meter-T-shaped causeway and most recent geotagged photographs; (2) Updated certified true copy of market value from the Municipal Assessor's Office; and, (3) reinstatement of the applicant-corporation's ECC.

- 15 December 2021 - Date of preliminary report of investigation conducted on the applied area by some personnel of this Office and recommended that the MLC 045306-13 of the applicant-corporation be given due course.

- 20 December 2021 - The Appraisal Committee of this Office submitted the Appraisal Report for MLC 0453606-13 of the applicant-corporation with recommendation of rental rate per annum of Php 7,114,800.00 for land and Php 1,825,684.14 for the proposed improvements or a total of Php 8,940,484.14 rental per annum.

- 21 December 2021 - This Office submitted the appraisal and CSW reports to the PENRO for evaluation and forward action.
- 28 December 2021 - PENRO Memorandum returning the submitted appraisal and CSW report and instructing to submit lacking documents per DAO 2004-24 duly received by this Office on 24 January 2022. The same was forwarded to the applicant-corporation for immediate compliance.
- 11 March 2022 - This Office received a letter from the applicant-corporation submitting the required documents specifically, SEP Clearance from PCSDS and Comments and Recommendations from LGU-Brooke's Point MPDC.
- 14 March 2022 - This Office resubmitted the appraisal and CSW reports along with all required documents to the PENRO for evaluation and forward action.
- 24 March 2022 - The applicant-corporation submitted their Application for Permit and Acceptance of Conditions and paid Php 1,000.00 application fee, Php 150.00 Inspection Fee and provided photocopies of all required documents per DAO 2004-24.
- 25 March 2022 - This Office forwarded the Provisional Application No. 045306-001 of the applicant-corporation together with all its attachments to the PENRO for information, record and consideration.
- 18 May 2022 - DPWH Secretary Roger G. Mercado issued a 1st Endorsement dated 18 May 2022 interposing no objection to the instant FLA of the applicant-corporation subject to the condition, observance of easement on roads, slopes, hazards zones and other applicable laws and shall provide DPWH with a right-of-way, should a portion thereof needed for future road widening or any infrastructure project. The same was forwarded to the Regional Office thru the PENRO for information contained in a CENRO Memorandum dated May 25, 2022.
- 31 May 2022 - DENR MIMAROPA OIC Assistant Regional Director for Technical Services Maximo C. Landrito submitted his report in re: request for the issuance of provisional permit of the applicant corporation with recommendation for some adjustment in the computation of the appraised value of the land and issuance of the provisional permit while the MLC 045306-13 is in process.
- 01 June 2022 - Approval of Appraisal Report on MLA 045306-13 in the name of the applicant-corporation signed by DENR MIMAROPA OIC Assistant Regional Director for Technical Services Maximo C. Landrito and DENR MIMAROPA Regional Executive Director Lormelyn E. Claudio, CESO IV with appraised value computed as follows:
- | | |
|-------------------------------------|-------------------------|
| Appraised Value of the Land | Php 7,470,540.00 |
| Appraised Value of the Improvements | Php 1,825,684.14 |
| Recommended Annual Rental | Php 9,296,224.14 |
- 01 June 2022 - Provisional Permit No. 045306-001 in the name of Ipilan Nickel Corporation represented by Carlo A. Matilac was recommended for approval by DENR MIMAROPA OIC Assistant

Regional Director for Technical Services Maximo C. Landrito and approved by DENR MIMAROPA Regional Executive Director Lormelyn E. Claudio, CESO IV good and valid for a period of from 01 June 2022 to 01 June 2023 renewable at the discretion of the Regional Executive Director.

- 01 June 2022 - DENR MIMAROPA Regional Executive Director Lormelyn E. Claudio, CESO IV instructed the PENRO to cause the collection of the annual government share as indicated in the approved Appraisal report relative to the Miscellaneous Lease Application No. 045306-13 and Provisional Permit No. 045306-001 both in the name of the applicant-corporation.

- 06 June 2022 - Ipilan Nickel Corporation represented by Carlo A. Matilac paid the annual rental fee on their Provisional Permit 045306-001 in the amount of **Php 9,296,224.14** under Official Order No. 1415181.

- 09 June 2022 - CENRO report of compliance to the Regional Office thru the PENRO submitting a photocopy of OR No. 1415181 dated 06 June 2022 and a letter releasing the original copy of Provisional Permit No. 045306-001 to Ipilan Nickel Corporation duly received by Mr. Marvin Louie Arlegui, MEPEO of INC.

- 14 December 2022 - this Office received a memorandum dated December 09, 2022 from RED Lormelyn E. Claudio, CESO IV instructing to facilitate the posting of the Notice for six (6) consecutive weeks at CENRO Bulletin and authorized this Office to proceed with the bidding process and complete other requirements for issuing the Order of Award/Lease Contract in re: MLC 045306-13 of Ipilan Nickel Corporation.

- 23 December 2022 - this Office forwarded the memorandum instruction to the applicant-corporation and advising to notify this Office of the date of the first week of posting in the Newspaper to serve as basis to be indicated in the Notice.

- 16 January 2023 - this Office received a letter from the applicant-corporation in re: schedule of publication of Notice in Newspaper on January 20, 27; February 3, 10, 17 and 24, 2023. With this, a letter was sent to the applicant corporation forwarding the letter from RED Lormelyn E. Claudio, CESO IV dated December 09, 2022 and instructed to submit documentary requirement before the schedule posting ends.

- 20 January 2023 - this Office reported that the Notice of Bidding was posted in the bulletin of this Office until March 02, 2023 at 10:00 in the morning.

- 17 February 2023 - this Office received a copy of PENRO memorandum addressed to MIMAROPA Regional Office dated 13 February 2023 seeking clarification on the conduct of bidding, quoted: "However, in line with Revised Manual of Authorities under DAO No. 2022-10 dated May 30, 2022 the **conduct of bidding** does not lies within the authority of the CENRO but of **PENRO and RED in the case of NCR**".

09 March 2023	- CENRO memorandum addressed to the Regional Office thru the PENRO seeking clarification on the conduct of bidding for the MLC 045306-13 of Ipilan Nickel Corporation.
16 March 2023	- this Office received a letter dated 13 March 2023 transmitting the complied documents from the applicant-corporation in relation to the posting and publication of their MLA 045306-13.
17 March 2023	- this Office forwarded to the Regional Office thru the PENRO the formal bid of the applicant-corporation in re: Miscellaneous Lease Application No. 045306-13 together with all submitted documents and a copy of Certificate of Posting of Notice of Lease of Public Land issued by this Office.
20 March 2023	- the applicant-corporation sent letter of intent to renew their Provisional Permit No. 045306-001 and transmitted the pertinent documents for perusal.
23 March 2023	<p>- this Office forwarded to the Regional Office thru the PENRO the letter of intent and transmittal of documents in re: request for renewal of Provisional Permit No. 045306-001 issued to the applicant-corporation for information, record and consideration which was received by PENRO on 05 April 2023.</p> <p>- this Office received a PENRO Memorandum dated 21 March 2023 instructing to submit certification stating that during the scheduled bidding (Lease of Foreshore Land), there are no other bidders have participated and require the applicant-corporation to pay for at least three (3) months users' fee that is equivalent to Php 2,324,056.04 in relation their Miscellaneous Lease Application No. 045306-13.</p>
24 March 2023	- this Office sent letter addressed to the applicant-corporation forwarding a copy of letter from PENRO requiring them to pay corresponding fee equivalent to three (3) months Users' Fee amounting to Php 2,324,056.04 to be paid thru this Office. The same was received by Mr. Edison Ranches of INC on 28 March 2023.
28 March 2023	- this Office forwarded a copy of Certificate of Posting of Notice of Lease of Public Land and a copy of letter dated 24 March 2023 addressed to the applicant-corporation.
11 April 2023	- the applicant-corporation paid the three (3) months advance users' fee/annual lease amounting to Php 2,324,056.04 under Official Receipt No. 1416940.
14 April 2023	- this Office forwarded to the Regional Office thru the PENRO a photocopy of OR No. 1416940 dated 11 April 2023 amounting to Php 2,324,056.04 for information and record.
25 May 2023	- this Office received a memorandum from the DENR MIMAROPA OIC, Assistant Regional Director for Technical Services Maximo instructing to comply the enumerated six (6) items in re: renewal of Provisional Permit No. 045306-001 of Ipilan Nickel Corporation represented by Carlo A. Matilac located at Barangay Maasin, Brooke's Point, Palawan.

29 May 2023 - this Office sent letter to the applicant-corporation informing them of the memorandum instruction received and the scheduled inspection and appraisal to be conducted within the MLC 045306-13-D.

31 May 2023 - The Appraisal Committee of this Office submitted the Appraisal Report for the renewal of Provisional Permit No. 045306-001 issued to the applicant-corporation with recommended rental rate per annum as follows:

Land- Recommended Rental per Annum	Php 7,470,540.00
Improvements- Recommended Rental per Annum	<u>Php 2,313,436.26</u>
Total Recommended Annual Rental Rate	Php 9,783,976.26

31 May 2023 - The Compliance Monitoring Team of this Office reported regarding the result of their monitoring conducted per conditions stipulated in the issued Provisional Permit No. 045306-001 and have evaluated that the applicant-corporation is compliant thus, recommended for the approval of their request to renew their permit.

31 May 2023 - The Marine Assessment Team of this Office reported their initial assessment on the marine resources which can be affected by the causeway project of the applicant-corporation based on the secondary data available and observations on the ground. The team recommended for the approval of the request of the applicant-corporation to renew their permit given that a rapid marine and coastal assessment based on Technical Bulletin No. 05 Series of 2017 shall be conducted and considered to ascertain the actual marine and coastal situation within the approved Plan MLC 045306-13-D.

II. PROCEEDINGS/ACTIVITIES UNDERTAKEN/INSPECTION

30 May 2023 - LMO III Marivic C. Quitain, SI I May Q. Socrates and LMI Edelyn A. Evangelista conducted actual inspection and round-table entry-exit meeting with the personnel of the applicant-corporation. The following were observed:

1. That upon entry meeting, the representatives of the applicant-corporation were given list of documents to be submitted in relation to the compliance stipulated in their permit and attachments for appraisal of the improvements introduced therein;
2. That the applicant-corporation is holder of Mineral Production Sharing Agreement No. 017-93-IV covering an aggregate area of 2,835.06 hectares located in Barangays of Ipilan, Mambalot, Maasin, Calasaguen Brooke's Point, Palawan granted on 18 September 1993 and amended on 10 April 2000. Moreover, the mentioned MPSA No. 017-93-IV was also issued SEP Clearance No. MODP-122110-001 by Palawan Council for Sustainable Development on 21 December 2010;
3. That Plan MLC 045306-13-D is described as foreshore/seashore area adjacent Lot No. 1166, PLS 96 identical to Lot No. 5701, Cad 796-D covered by Original Certificate of Title No. P-5692 issued on 26 December 1969 in the name of Benson Maglaya. The same Benson Maglaya thru his Attorney-in-

fact, Maria B. Maglaya, sold and conveyed the mentioned said lot in favor of Kirby Erin C. Ng and Cymbelly Delos Santos as evidenced by a Deed of Absolute Sale executed on 13 November 2015. Moreover, on 24 September 2021, Kirby Erin C. Ng and Cymbelly Delos Santos constituted and appointed Engr. Carlo A. Matilac as their true and lawful attorney-in-fact and to perform with regards to the mentioned lot: (1) to transact and coordinate with concerned government agencies for the filing, processing and issuance of the Foreshore Lease Agreement/ Miscellaneous Lease Agreement application of Ipilán Nickel Corporation; (2) for this purpose, to inquire, fill out, apply for, sign, process the requirements and other relevant documents, pay all required fees and receive permits and certificates from various government agencies.

4. That the foreshore/seashore area is adjacent to the A & D Zone under LC Map No. 2046, Project No. 12-J, Block II, FAO No. 4-563, duly certified by the Bureau of Forestry on 23 November 1956;
5. That Plan MLC 045306-13-D is approximately 2 kilometers from the National Highway and is accessible by land vehicles via a private road ranging from 12 to 15 meters owned by the applicant-corporation;
6. That during the inspection, the team found that the proposed T-shaped causeway and its project cost did not materialize due to the result of hydrographic survey and engineering studies. Instead, the applicant-corporation requested for amendment of its causeway layout plan and actually built an L-shaped causeway with an approximate length of 410 meters with the beaching area for LCT ramps sized at 30m wide and 50m long making the total length at 440m construction completed on 08 August 2022. The applicant-corporation was issued Certificate of Registration/ Permit to operate by the Philippine Ports Authority valid for one (1) year commencing on September 13, 2022. Further, the project cost incurred for Phase 1 and 2 is reportedly amounted to **Php 102,697,052.28**;
7. As since Causeway Construction Project Phases 1 & 2 was already completed, the applicant-corporation applied for permit to improve/rehabilitate/expand its private port thru Phases 3, 4 and 5 described as L-shaped causeway; laying of core rocks, laying of armor rocks, laying of surface materials to fill the voids of the top core rocks, installation of gabion, grading and compacting of causeway surface, construction of drainage canal, and installation of environmental mitigating measures such as silt curtain and silt traps. The project cost to be incurred for Phases 3, 4 & 5 is estimated to **Php 136,133,189.15**;

III. COORDINATION/ AGENCIES INVOLVED

1. Department of Public Works and Highways (DPWH)

District Engineer Noel L. Fuentebella of DPWH-Palawan 2nd District Engineering Office issued a certification on 6 December 2021 interposing no objection on the application filed by the applicant-corporation covered by MLC 045306-13 situated at Bgy. Mambalot, Brooke's Point, Palawan, for construction of causeway for use LCT/Barges in shipside loading operations purposes. Further, Engr. Fuentebella certified that DPWH has no existing on-going or proposed project in the area. That on 18 May 2022 DPWH Secretary Roger G. Mercado issued a 1st Endorsement dated 18 May 2022 interposing no objection to the instant FLA of the applicant-corporation subject to the condition, observance of easement on roads, slopes, hazards zones and other applicable laws and shall provide DPWH with a right-of-way, should a portion thereof be needed for future road widening or any infrastructure project.

2. Office of the Punong Barangay of Maasin, Brooke's Point

Punong Barangay Domingo D. Bernas certified on 31 May 2023 that Ipilan Nickel Corporation is the legal occupant of the area stated in the MPSA No. 017-93-IV and that Kirby Erin C. Ng and Cymbelly Delos Santos are absolute co-owners of Lot 1166, PLS 96 containing an area of 56,240 square meters located in this barangay;

3. Municipal Planning and Development Office- LGU Brooke's Point

The Municipal Planning & Development Coordinator, EnP. Joie C. Piramide released their comment and recommendations on the Causeway Project of Flood Control Plan of the applicants-corporation. It states that out of 11.8 hectares: around 1,823 square meters is within salvage zone, 5,404 square meters is within foreshore area and 111,359 square meters is water in which largest portion of the application is within municipal waters. With this, the MPDC recommended that there should be a separate lease from LGU for the privilege aside from the foreshore lease.

That the applicant-corporation was required to pay the rental fee for the lease of municipal water per Section 5D.01 of the Revised Revenue Code of the Municipality of Brooke's Point. With this, the applicant-corporation paid Php 592,900.00 to the Brooke's Point Municipal Treasurer's Office evidenced by OR No. 1023346 dated 29 May 2023.

That the applicant-corporation was issued Locational/Zoning Clearance by the Municipal Planning & Development Coordinator, EnP. Joie C. Piramide for the building of causeway/port facilities within water zone inside Plan MLC 045306-13 and paid the locational clearance fee and penalty amounting to Php 179,209.25 under OR No. 0870425 dated 03 June 2022.

4. Philippine Ports Authority (PPA)

Port Manager Elizalde M. Ulson of Philippine Ports Authority- Port Management Office- Palawan issued certification on 26 November 2021 of no objection to the applicant-corporation's MLA 045306-13 for construction of use of LCT/Barges in shipside loading operation located at Bgy. Mambalot, Brooke's Point, Palawan. Further, Mr. Ulson certified that PPA has no plans for future port development in the area applied for the next five years, provided that: (1) the area applied for shall be subject to recall by government when public interest so requires; and (2) no port or port-related structure shall be constructed nor cargo handling activities be conducted at subject area without the prior clearance/approval from its office.

That the applicant-corporation was issued Permit to Construct No. 2022-001 for their Causeway/Port Facilities with total estimated cost of improvements amounting to Php 173,709,243.10 by PPA-PMO Palawan on 05 April 2022.

That the applicant-corporation was issued Certificate of Registration/ Permit to operate by the Philippine Ports Authority valid for one (1) year commencing on 13 September 2022.

That the applicant-corporation was issued Permit to Improve/ Rehabilitate/ Expand a Private Port No. 2022-001 for their L-shaped causeway; laying of core rocks, laying of armor rocks, laying of surface materials to fill the voids of the top core rocks, installation of gabion, grading and compacting of causeway surface, construction of drainage canal, and installation of environmental mitigating measures such as silt curtain and silt traps with proposed project cost amounting to Php 136,133,189.15 by PPA-PMO Palawan on 23 November 2022.

5. Municipal Assessor's Office of Brooke's Point, Palawan

The Market Value in the Tax Declaration No. 18-06-009-0791 with Property Identification No. 066-06-009-11-064 for Lot No. 1166, PLS-96 is Php 8.40/sqm for 56,240 square meter area classified as Agricultural (coconut land) comprising a total market value of Php 472,416.00.

The Market Value in Urban Lands in the Province of Palawan classified as first class for Industrial is Php 2,100/sqm.

The Zonal Value of BIR Revenue District Office No. 36 for Palawan classified as Industrial is Php 2,000.00/sqm.

6. Bureau of Internal Revenue (BIR) RDO No. 36

The Department of Finance (DoF) issued the Department Order No. 072-2017 dated on 24 November 2017 on the Implementation of the revised schedule of Zonal Values of Real Properties in the City of Puerto Princesa, Palawan and all municipalities within the jurisdiction of Revenue District Office No. 36- Puerto Princesa for the purpose of computing any internal revenue tax due on sale/transfer or any other disposition of real properties.

IV. LEGAL BASIS

- 1. DAO 98-24 Manual of Approvals**
- 2. DAO 2004-24 Revised Rules Governing the Administration and Management of Foreshore Lands**
- 3. DAO 2016-07 as amended by DAO 2022-10 Manual of Authorities on Technical Matters**
- 4. Section 4 of Public Land Act (Commonwealth Act 141) as amended**

The Director of Lands shall have direct executive control of the survey, classification, lease, sale or any other form of concession or disposition and management of the lands of the public domain, and his decisions as to questions of fact shall be conclusive when approved by the Secretary of Agriculture and Natural Resources.

- 5. DENR Administrative Order No. 98-20 dated 20 May 1998**

Revised rules and regulations on the conduct of appraisal on public lands and other patrimonial properties of the government.

- 6. DENR Administrative Order No. 2010-26 dated 13 October 2010**

Amendment to Paragraphs 2 and 3, Section 3 of DAO 98-20 in re: entitled rules and regulations on the conduct of appraisal on public lands and other patrimonial properties of the government. "XXX if the property is classified as commercial or industrial, the appraised value shall not be less than the zonal value or market value thereof whichever is higher."

- 7. Local Government Code of 1991 or RA 7160 on Section 201: Appraisal of Real Property**

All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality where the property is situated. The Department of Finance shall promulgate the necessary rules and regulations for the classification, appraisal, and assessment of real property pursuant to the provisions of this Code.

- 8. Lands Administrative Order 8-3 Section 14-C-5**

The fee for the foreshore or shore lands or marshy lands or lands covered with water bordering upon the shore or banks or navigable lakes or rivers devoted to industrial, commercial or other similar productive purposes...the fee shall not be less than three per centum (3%) per annum of the value of the land plus one per centum (1%) of the value of the improvements existing or to be erected thereon, ...xxx

**9. DBM, DENR, DPWH Joint Circular No. 1 dated on September 30, 1989 Section 2.2
Appraisal of Real property: Methods of Computation**

Manual on Policies, Standards, Guidelines and Issuances on Building Services and Real Property Management.

V. FINDINGS AND RECOMMENDATIONS

The applicant-corporation has complied with the requirements for their MLC 045306-13 covering the subject area and have paid the three (3) months advance users' fee/annual lease amounting to Php 2,324,056.04 under Official Receipt No. 1416940 dated 11 April 2023 which was already forwarded to Regional Office thru the PENRO on 14 April 2023.

The purpose of application for provisional permit will serve as their temporary tenurial instrument as required by other government agencies and to continue their port operations while waiting for the approval of their Miscellaneous Lease Agreement.

Since there are additional/proposed improvements which are not included in the approved appraisal dated 01 June 2022, the Appraisal Committee of this Office re-computed and submitted Re-appraisal Report dated 31 May 2023 for the renewal of Provisional Permit No. 045306-001 issued to the applicant-corporation with recommended rental rate per annum as follows:

Land- Recommended Rental per Annum	Php 7,470,540.00
Improvements- Recommended Rental per Annum	<u>Php 2,313,436.26</u>
Total Recommended Annual Rental Rate	Php 9,783,976.26

The Compliance Monitoring Team of this Office reported on 31 May 2023 regarding the result of their monitoring conducted per conditions stipulated in the issued Provisional Permit No. 045306-001 and have evaluated that the applicant-corporation is compliant thus, recommended for the approval of their request to renew their permit.

The Marine Assessment Team of this Office reported their initial assessment on the marine resources which can be affected by the causeway project of the applicant-corporation based on the secondary data available and observations on the ground. The team recommended for the approval of the request of the applicant-corporation to renew their permit given that a rapid marine and coastal assessment based on Technical Bulletin No. 05 Series of 2017 shall be conducted and considered to ascertain the actual marine and coastal situation within the approved Plan MLC 045306-13-D.

IN VIEW OF THE FOREGOING, we respectfully recommend that the request for renewal of the Provisional Permit No. 045306-001 of Ipilan Nickel Corporation be evaluated, considered and approved subject to the existing laws and regulations while their MLC 045306-13 is still on process.


EDELYN A. EVANGELISTA
Land Management Inspector


MAY O. SOCRATES
Special Investigator I


MARIVIC C. QUITAIN
LMO III/ Chief, RPS

SUBSCRIBED AND SWORN to before me this **31st day of May 2023** at CENRO Brooke's Point, Palawan.


LEONARD T. CALUYA
CENRO

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

This Memorandum of Agreement for Adopt-a-National Greening Program (NGP) Site ("MOA") is dated June 19, 2023 between:

Parties

- (i) **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 OIC-Resident Mine Manager, Alex C. Arabis;
- (ii) **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 ;
- (iii) **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
- (iv) **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.)

Recitals

- (i) DENR is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources.
- (ii) 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.
- (iii) 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.
- (iv) 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.

- (v) 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.
- (vi) 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.
- (vii) BFA is one of the People's Organizations which will be involved in the implementation of this Project.
- (viii) 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.
- (ix) 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

- a. Provide technical assistance on the consultation meetings regarding the implementation of the Project together with INC and BFA;
- b. 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;
- c. Verify reported Statement of Work Accomplishment (SWA) as reported by INC; and
- d. 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 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 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.

1.3. Responsibilities of BLGU-Calasaguen

- a. Identify the area for tree planting and ensure access to the land and usage for the Project.
- b. 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.
- c. 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 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.
- 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 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 st year	Conduct of site preparation and plantation establishment	Php2,100,000
2 nd year	Maintenance and protection of the plantation	Php2,000,000
3 rd 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 Php6,100,000.00 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 st release	30% of the Year 1 budget as Mobilization Fund		Php 630,000	Approved MOA and WFP
2 nd 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
3 rd 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
4 th 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 DENR-MIMAROPA and INC, Financial Utilization Report by the People's Organization, map of the planted sites and geotagged photos
5 th Release	10% (Retention Fee) of the Year 1 project cost	Shall be released after evaluation by the DENR-MIMAROPA 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 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 st Qtr	2 nd Qtr	3 rd Qtr	4 th 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	Php2,000,000	Validated SWA by the DENR-MIMAROPA and 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	Php2,000,000	

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: 239-874-018-000000
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 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 ALEX C. ARABIS OIC-Resident Mine Manager	DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FELIZARDO B. CAYATOC PENRO, Palawan
BLGU-CALASAGUEN SINGAPORE S. JURATIL Punong Barangay	BULHO FARMER ASSOCIATION MARISSA H. MARAJAN PO Chairman

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;

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. 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.

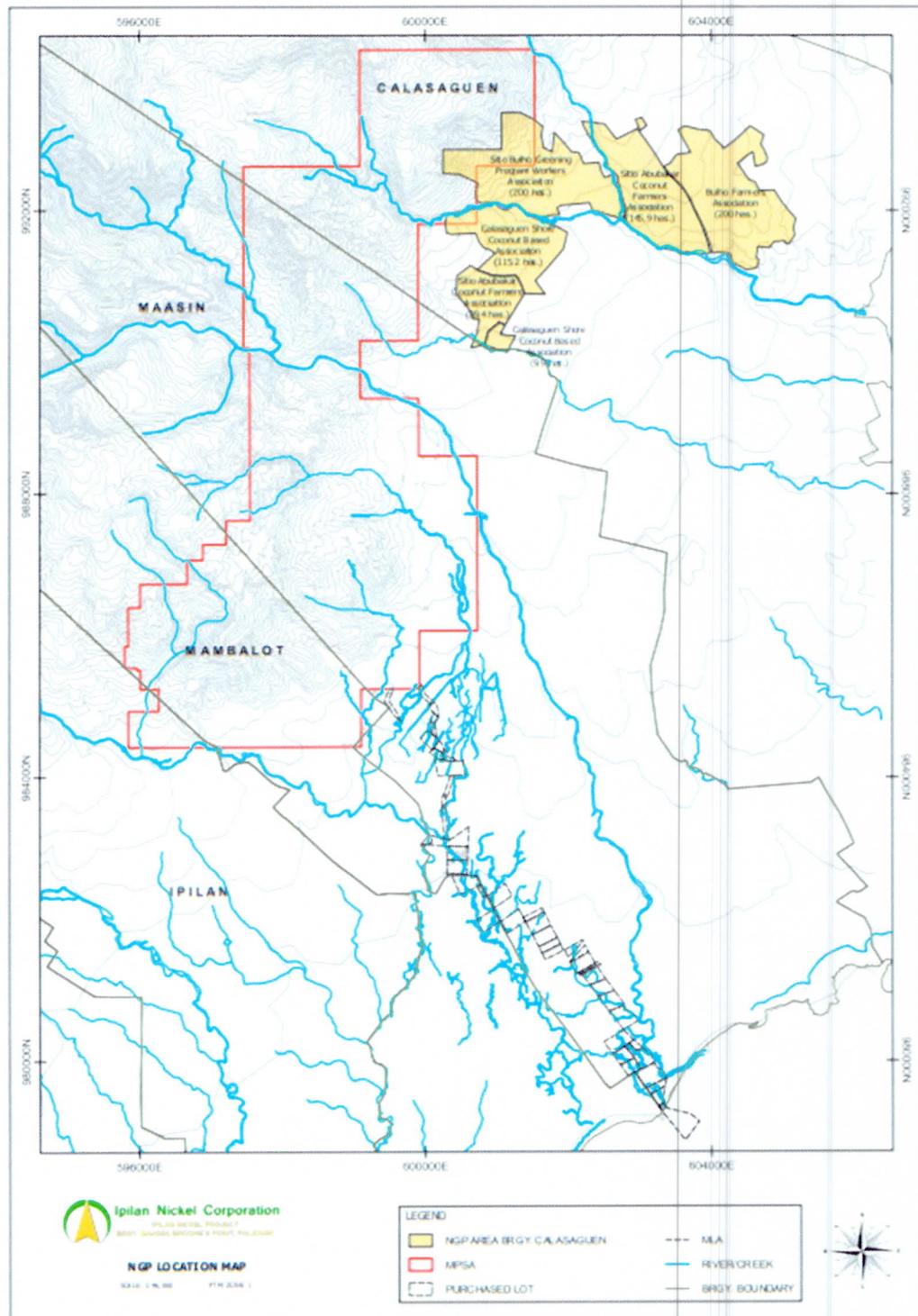
Issued this 26 MAY 2016, at DENR Region 4B-MIMAROPA, Roxas Boulevard, Ermita, Manila.



By the Authority of the Secretary:


OSCAR C. DOMINGUEZ
Regional Director

ANNEX B. Map of the Project Area



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES
_____) S.S

BEFORE ME, this _____ personally appeared the following:

Name	Competent Evidence of Identity	Date/Place of Issue

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 nine (9) 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.

NOTARY PUBLIC

Doc. No.
Page No.
Book No.
Series of 2023.