



Republic of the Philippines  
**Department of Environment and Natural Resources**  
MIMAROPA Region  
PROVINCIAL ENVIRONMENT AND NATURAL RESOURCES OFFICE  
Bgy. Sta. Monica, Puerto Princesa City, Palawan  
Telfax No. (048) 434 - 8791  
Email Add: [penropalawan@denr.gov.ph](mailto:penropalawan@denr.gov.ph)

May 23, 2023

**MEMORANDUM**

**FOR :** The Regional Executive Director  
DENR MIMAROPA Region  
1515 DENR by the Bay Building,  
Roxas Boulevard, Barangay 668  
Ermita, Manila

**THRU :** The OIC, Assistant Regional Director for  
Technical Services

**FROM :** The Provincial Environment and  
Natural Resources Officer

**SUBJECT :** **REPORT RE: INSPECTION / MONITORING OF IMPORTED WOOD  
MATERIALS OF CORAL BAY NICKEL CORPORATION (CBNC),  
REGISTERED IMPORTER OF WOOD MATERIALS (WOOD PELLET)  
PER CERTIFICATE OF REGISTRATION NO. DENR MIMAROPA  
REGION 2023-001 (RENEWAL)**


Respectfully forwarded is the memorandum dated May 09, 2023 from CENRO Brooke's Point, Palawan re: monitoring / inspection of deliveries wood materials imported from Malaysia via Manila port to facility site of Coral Bay Nickel Corporation (CBNC) at Barangay Rio Tuba Export Processing Zone, Bataraza Palawan.

Attached herewith is the report dated April 24, 2023 by the inspection / monitoring team of CENRO Brooke's Point, Palawan with enclosures re: deliveries of the additional wood materials, 260 metric tons of Meranti wood pellets (*Shorea sp.*) in compliance to the terms and conditions stipulated with the issued Certificate of Registration No. DENR MIMAROPA REGION 2023-001 (renewal) as wood importer to the above mentioned company. Further, that the said additional wood materials will be used the same for pilot testing as an alternative fuel for coal fired boiler to mitigate Carbon Dioxide (CO<sub>2</sub>) emission.

For information and record.

f

For the PENRO:

  
**WAMALAYDA S. TALABUCON**  
Planning Officer III / OIC-CHIEF, MSD  
In-Charge Office of the PENRO

Copy Furnished:  
The Community Environment and  
Natural Resources Officer  
Brooke's Point, Palawan

DAIF Ref. 2023-4305  
TSD-RPS-Utilization  
rac

DENR REGIONAL OFFICE  
**PENRO-RECORDS  
RELEASED**  
By  Date 24 MAY 2023 CN 23-1466



May 9, 2023

**MEMORANDUM**

**FOR :** The Regional Executive Director  
DENR MIMAROPA Region  
1515 DENR By the Bay Buiding, Roxas Boulevard,  
Barangay 668, Ermita, Manila

**THRU :** The Provincial Environment and  
Natural Resources Officer  
Sta. Monica, Puerto Princesa City

**FROM :** The Community Environment and  
Natural Resources Officer

**SUBJECT :** **REPORT RE: INSPECTION/MONITORING OF IMPORTED  
WOOD MATERIALS OF CORAL BAY NICKEL CORPORATION  
(CBNC), REGISTERED IMPORTER OF WOOD MATERIALS  
(WOOD PELLETS) PER CERTIFICATE OF REGISTRATION NO.  
DENR MIMAROPA REGION 2023-001 (RENEWAL)**

**DENR PENRO  
PALAWAN RECORDS  
RECEIVED**

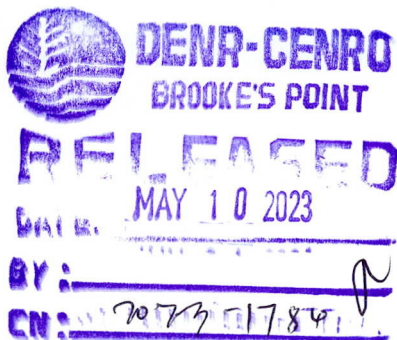
BY: [Signature]  
DATE: 05/11/2023 CN 234305

This is in compliance with her standing instruction contained in her Memorandum dated February 16, 2023 addressed to the PENRO Palawan and received by this Office on February 22, 2023 to submit monitoring report regarding deliveries of the wood materials imported by the Coral Bay Nickel Corporation (CBNC) from Malaysia to be transported to Manila Port and afterwards to CBNC Facility at Rio Tuba Export Processing Zone, Barangay Rio Tuba, Bataraza, Palawan.

Relative thereto, respectfully forwarded/endorsed herewith is the report of the inspecting team regarding the monitoring/inspection of the additional imported wood pellets conducted together with the representatives of the company on April 17, 2023 at the CBNC Coal Yard, Pier Site, Barangay Rio Tuba, Bataraza, Palawan.

During the monitoring/inspection, the company's compliance with the Terms and Conditions based on the issued Certificate of Registration including those discussed and agreed upon during the Technical Meeting were checked/monitored. Result of the monitoring shows that there are terms and conditions that the company has yet to comply with such as the submission to the DENR, through CENRO concerned, a monthly report on imported wood materials not later than the fifth (5<sup>th</sup>) day of the succeeding month among others. Accordingly, the team likewise specified/included in the report, the corresponding recommendations based on the findings and observations during the monitoring/inspection. Said recommendations are communicated to the company through letter dated May 2, 2023 (*copy hereto attached for reference*).

For your information, record and further instruction.



[Signature]  
**LEONARD T. CALUYA**





May 2, 2023

**THE PLANT MANAGER**

Coral Bay Nickel Corporation  
Barangay Rio Tuba, Bataraza, Palawan

Sir:

Environmental greetings!

This pertains to the monitoring and inspection of delivery of wood pellets imported by the Coral Bay Nickel Corporation (CBNC) intended to be utilized for pilot testing purposes as an alternative fuel for coal fired boilers to mitigate Carbon Dioxide (CO<sub>2</sub>) emissions of the company.

Based on the findings and observations during the monitoring and inspection conducted by the personnel of this Office on April 17, 2023 listed hereunder are the corresponding recommendations of the team for compliance of the company as holder of Certificate of Registration as Importer of Wood Materials (wood pellets) Nos. DENR MIMAROPA REGION-2022-007 (New) and DENR MIMAROPA REGION-2023-001(Renewal) granted to CBNC pursuant to DENR Administrative Order (DAO) No. 2022-10 re: "*Revised DENR Manual of Authorities on Technical Matters*" and DAO No. 2021-06 re: "*Revised Regulations Governing the Entry and Disposition of Imported Wood Products*".

1. Prepare a display/signage of the Certificate of Registration (COR) that can easily be spotted and/or recognized.
2. Submit report on imported wood materials not later than the fifth (5<sup>th</sup>) day of the succeeding month to include, among others, the following information: Balance of previous months, Purchase(s) made during the month under report, Total volume/quantity handled, Volume processed/sold and Balance at the end of the month.
3. Maintain that the pertinent documents which shall accompany the movement or transport of the imported wood materials/pellets from the port of entry (Manila North Harbour) to the point of destination (Rio Tuba Export Processing Zone, Barangay Rio Tuba, Bataraza, Palawan as stipulated in Section 8 of DAO 2021-06 are always intact and readily available.

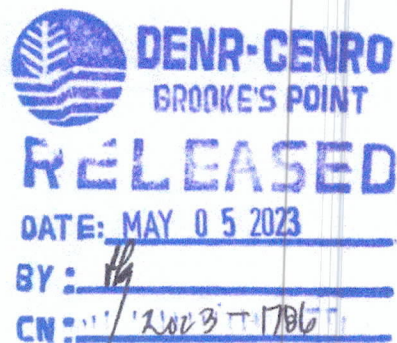
4. Maintain logbook/record containing the details/inventory of the volume/quantity of wood pellets in the storage area, withdrawn, handled and processed/used for systematic and more efficient inspection/monitoring.
5. Submit result of sample testing to characterize the components of the wood pellets contained in the following shipment:

COR NO.	SPECIES	ISSUED DATE	VOLUME (MT)
DENR MIMAROPA REGION-2022-007 (New)	Meranti ( <i>Shorea sp.</i> )	September 08, 2022	130
DENR MIMAROPA REGION-2023-001(Renewal)	Meranti ( <i>Shorea sp.</i> )	February 16, 2023	260

We trust that you have been properly informed.

Sincerely yours,

  
LEONARD T. CALUYA  
CENRO







Republic of the Philippines  
Department of Environment and Natural Resources  
MIMAROPA Region  
**COMMUNITY ENVIRONMENT AND NATURAL RESOURCES OFFICE**  
Brooke's Point, Palawan

April 24, 2023

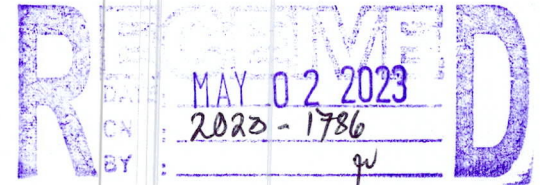
OFFICE OF THE CENRO  
BROOKE'S POINT, PALAWAN

**MEMORANDUM**

**FOR :** The Community Environment and  
Natural Resources Officer

**FROM :** The Undersigned Personnel

**SUBJECT :** **REPORT RE: INSPECTION/MONITORING OF IMPORTED  
WOOD MATERIALS OF CORAL BAY NICKEL CORPORATION  
(CBNC) - REGISTERED IMPORTER OF WOOD MATERIALS  
(WOOD PELLETS) PER CERTIFICATE OF REGISTRATION NO.  
DENR MIMAROPA REGION 2023-001 (RENEWAL)**



This is in line with Memorandum dated February 16, 2023 of Regional Executive Director Lormelyn E. Claudio, *CESO IV* with instruction to concerned DENR field office to submit monitoring report regarding the deliveries of the additional Meranti (*Shorea sp.*) wood materials/pellets to be imported by the Coral Bay Nickel Corporation (CBNC) from Malaysia to be transported to Manila Port and from Manila Port to Rio Tuba Export Processing Zone, Barangay Rio Tuba, Bataraza, Palawan. Whereas, the same will be used for pilot testing purposes as an alternative fuel for coal fired boilers to mitigate Carbon Dioxide (CO<sub>2</sub>) emissions of CBNC. The company was granted with Certificate of Registration No. DENR MIMAROPA REGION-2023-001 (Renewal) dated February 16, 2023 pursuant to DENR Administrative Order (DAO) No. 2022-10 re: "*Revised DENR Manual of Authorities on Technical Matters*" and DAO No. 2021-06 re: "*Revised Regulations Governing the Entry and Disposition of Imported Wood Products*".

Relative thereto, upon request of the company and per instruction of the CENRO, the undersigned coordinated with CBNC and jointly conducted monitoring of the company's compliance to the terms and conditions and/or its responsibilities stipulated in the issued Certificate of Registration including those discussed/agreed during the Technical Meeting.

Hereunder are the details of the conducted inspection/monitoring:

**1. Inspection/Monitoring:**

Date : April 17, 2023

Time : 11: 05 AM

Place : CBNC Coal Yard, Pier Site, Barangay Rio Tuba, Bataraza, Palawan

**2. The Inspecting Team:**

a. The undersigned personnel

b. The CBNC Personnel:

Ronald A. Balmonte – Utilities General Supervisor

M.Rodriguez St. Poblacion District I, Brooke's Point Palawan 5305

Mobile Phone: Globe: 0917-502-8961

Email: [cenrobrookespoint@denr.gov.ph](mailto:cenrobrookespoint@denr.gov.ph)

Melchor Puig – Shipping Assistant II  
 Noel Eclevia – Warehouse/PLD Representative  
 Joel Lacson – Utilities Supervisor  
 Grace R. De Jesus – Safety Officer

### 3. Findings and Observations

- a. Prior to the inspection/monitoring conducted by the undersigned DENR CENRO Brooke's Point personnel, the representative from the Bureau of Customs had conducted inspection and removal of GPS in order to open the container van loaded with wood pellets situated in the designated storage area at the CBNC Coal Yard, Pier Site, Barangay Rio Tuba, Bataraza, Palawan on April 15, 2023.
- b. Per inspection, a total of 130 bags (130 metric tons) of wood pellets loaded in thirteen (13) container van (20 footer) were transported by LCT ASC RAENELL from Malaysia to Manila North Harbour then to pier site at Barangay Rio Tuba, Bataraza, Palawan. The subject wood pellets were transported/shipped from Manila North Harbour to Rio Tuba Export Processing Zone, Barangay Rio Tuba, Bataraza, Palawan on April 13, 2023.
- c. Compliance to Terms and Conditions

Based on the Certificate of Registration	Complied		Remarks
	Yes	No	
1. Display the COR at a conspicuous place within the establishment's premises exposed to public view	✓		A copy of the COR is displayed in the designated storage area of the imported wood pellets located at the CBNC Coal Yard, Pier Site.
2. Submit to the DENR, through CENRO/Implementing PENRO concerned, a monthly report on imported wood materials not later than the fifth (5 <sup>th</sup> ) day of the succeeding month to include, among others, the following information: 2.1. Balance of previous months; 2.2. Purchase(s) made during the month under report; 2.3. Total volume/quantity handled; 2.4. Volume processed/sold; and 2.5. Balance at the end of the month.		✓	To date, no report had been submitted.
3. Provide the required COR from the RED concerned or authorized representative to import before disposing through sales the imported wood materials	✓		Copy of COR was previously provided by the company to CENRO Brooke's Point via email. <i>Note:</i> The wood pellet will not be disposed through sales but are intended to be used for



			testing at CBNC's Plant Facility.												
4. Allow authorized DENR personnel to inspect the premises where the imported wood materials are stored and to examine records concerning withdrawals or disposition of same	✓		<p>The DENR CENRO Personnel conducted inspection/monitoring on:</p> <ul style="list-style-type: none"> <li>➤ October 27, 2022 (shipment per DENR MIMAROPA REGION-2022-007 (New))</li> <li>➤ March 2, 2023 (1<sup>st</sup> shipment per DENR MIMAROPA REGION-2023-001(Renewal)); and</li> <li>➤ April 17, 2023 (2<sup>nd</sup> shipment per DENR MIMAROPA REGION-2023-001(Renewal))</li> </ul>												
5. Provide such other related information as may be required by the Secretary or authorized representative	✓		During inspection, the company provided copy of pertinent documents which shall accompany the movement or transport of the imported wood materials/pellets from the port of entry (Manila North Harbour) to the point of destination (Rio Tuba Export Processing Zone, Barangay Rio Tuba, Bataraza, Palawan as stipulated in DAO 2021-06.												
<b>As discussed/agreed during the Technical Meeting</b>															
6. To submit result of sample testing to characterize the components of wood pellets in the following shipments: <table border="1" data-bbox="188 1686 858 2011"> <thead> <tr> <th>COR NO.</th><th>SPECIES</th><th>ISSUED DATE</th><th>VOLUME (MT)</th></tr> </thead> <tbody> <tr> <td>DENR MIMAROPA REGION-2022-007 (New)</td><td>Meranti (<i>Shorea sp.</i>)</td><td>September 08, 2022</td><td>130</td></tr> <tr> <td>DENR MIMAROPA REGION-2023-</td><td>Meranti (<i>Shorea sp.</i>)</td><td>February 16, 2023</td><td>260</td></tr> </tbody> </table>	COR NO.	SPECIES	ISSUED DATE	VOLUME (MT)	DENR MIMAROPA REGION-2022-007 (New)	Meranti ( <i>Shorea sp.</i> )	September 08, 2022	130	DENR MIMAROPA REGION-2023-	Meranti ( <i>Shorea sp.</i> )	February 16, 2023	260		✓	<p>The company provided copy of Analysis Report of wood pellets from the origin country issued by SGS Malaysia for shipment per DENR MIMAROPA REGION-2022-007 (New); Meanwhile, the company likewise presented a copy of Analysis Report of the 1<sup>st</sup> shipment/batch of wood</p>
COR NO.	SPECIES	ISSUED DATE	VOLUME (MT)												
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M.Rodriguez St. Poblacion District I, Brooke's Point Palawan 5305

Mobile Phone: Globe: 0917-502-8961

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001(Renewal)					pellets per DENR MIMAROPA REGION-2023 001(Renewal), however, it was observed that there is a clerical error with regards to the date of gathering of samples witnessed by CENRO Personnel. Hence, the company stated that copy of the updated/rectified Analysis Report will be provided but to date the same is not yet submitted.
7. Gathering of samples should be conducted in the presence of the technical personnel of CENRO Brooke's Point, Palawan and authorized representative of CBNC. Sampling should be properly documented and corresponding report shall be submitted to the DENR Regional Office.	✓				<p>The DENR CENRO Brooke's Point personnel witness the gathering of samples intended for third party analysis.</p> <ul style="list-style-type: none"> <li>➤ October 27, 2022 (shipment per DENR MIMAROPA REGION-2022-007 (New))</li> <li>➤ March 2, 2023 (1<sup>st</sup> shipment per DENR MIMAROPA REGION-2023-001(Renewal)); and</li> <li>➤ April 17, 2023 (2<sup>nd</sup> shipment per DENR MIMAROPA REGION-2023-001(Renewal))</li> </ul>
8. Use of wood pellets as an alternative fuel for coal fires boilers shall only be conducted upon written consent/clearance has been issued by DENR EMB. Furnish DENR Regional Office of the same for information and record.	✓				<p>The company is still awaiting for the written consent/clearance from DENR EMB CO in order to utilize/use the 260 metric tons imported wood pellets (1<sup>st</sup> and 2<sup>nd</sup> shipment/delivery per DENR MIMAROPA REGION-2023-001(Renewal).</p>



#### 4. Recommendation:

Based on the findings and observations, the inspecting team recommends the following for the company - holder of the Certificate of Registration as Importer of Wood Materials (wood pellets):

- a) Prepare a display/signage of the Certificate of Registration (COR) that can easily be spotted and/or recognized.
- b) Ensure on-time submission of report on imported wood materials not later than the fifth (5<sup>th</sup>) day of the succeeding month to include, among others, the following information: Balance of previous months, Purchase(s) made during the month under report, Total volume/quantity handled, Volume processed/sold and Balance at the end of the month.
- c) Maintain that the pertinent documents which shall accompany the movement or transport of the imported wood materials/pellets from the port of entry (Manila North Harbour) to the point of destination (Rio Tuba Export Processing Zone, Barangay Rio Tuba, Bataraza, Palawan as stipulated in Section 8 of DAO 2021-06 are always intact and readily available.
- d) Maintain logbook/record containing the details/inventory of the volume/quantity of wood pellets in the storage area, withdrawn, handled and processed/used for systematic and more efficient inspection/monitoring.
- e) Submit result of sample testing to characterize the components of the wood pellets contained in the following shipment:

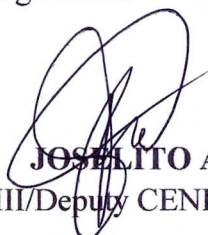
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DENR MIMAROPA REGION-2023-001(Renewal)	Meranti ( <i>Shorea sp.</i> )	February 16, 2023	260

Attached herewith are photos taken during the inspection/monitoring of the imported wood pellets.

For his information, evaluation and further instruction.

  
**KENNIT FRANCIS V. VALDESTAMON**  
FT II/ TL, Rio Tuba Monitoring Station

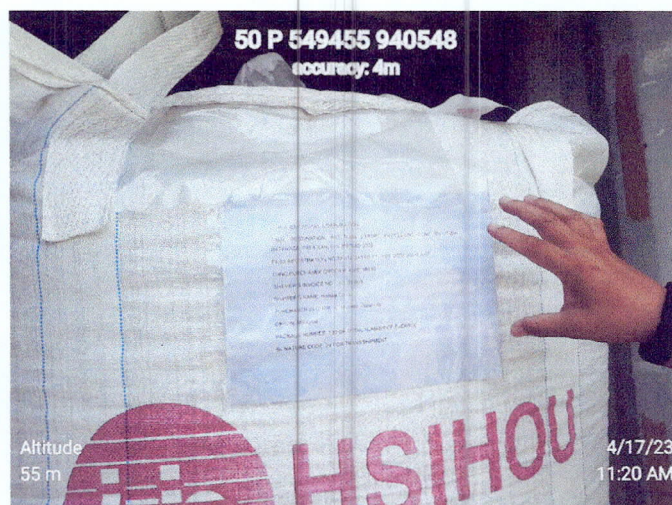
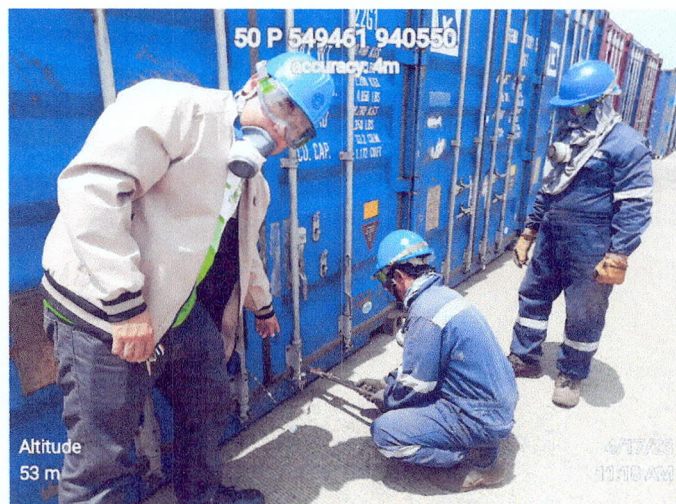
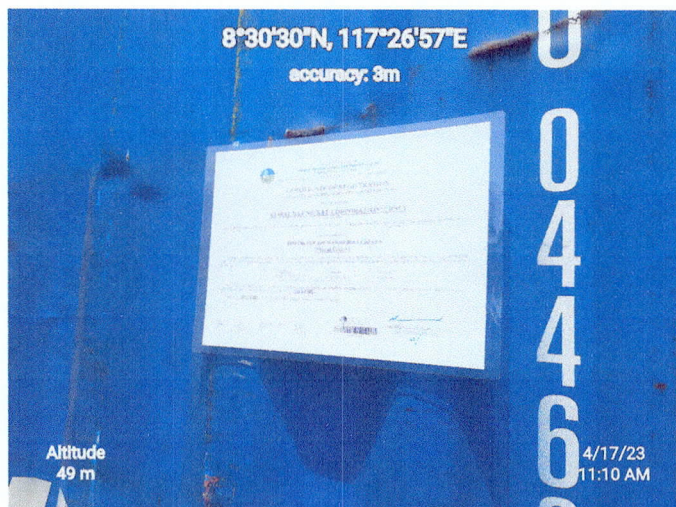
  
**ROSEVILLE I. MITRA**  
Forest Technician II

  
**JOSE LITO A. EYALA**  
F-III/Deputy CENRO/Chief, MES

M.Rodriguez St. Poblacion District I, Brooke's Point Palawan 5305  
Mobile Phone: Globe: 0917-502-8961  
Email: [cenrobrookespoint@denr.gov.ph](mailto:cenrobrookespoint@denr.gov.ph)



**GEOTAGGED PHOTOS DURING THE INSPECTION/MONITORING AND  
GATHERING OF SAMPLES OF IMPORTED WOOD PELLETS OF CORAL BAY  
NICKEL AT CBNC COAL YARD PIER SITE, BARANGAY RIO TUBA, BATARAZA,  
PALAWAN**

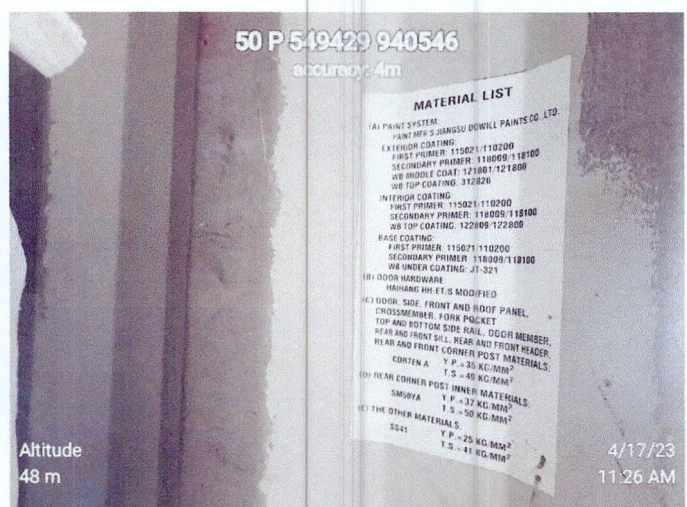
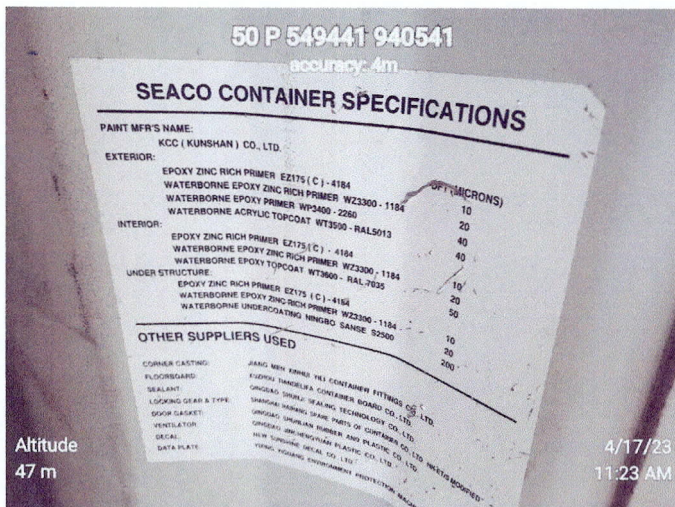


*[Handwritten signature]*

*Rnifra*



**GEOTAGGED PHOTOS DURING THE INSPECTION/MONITORING AND  
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NICKEL AT CBNC COAL YARD PIER SITE, BARANGAY RIO TUBA, BATARAZA,  
PALAWAN**



*[Handwritten signature]*

*Rui fra*

M.Rodriguez St. Poblacion District I, Brooke's Point Palawan 5305  
Mobile Phone: Globe: 0917-502-8961  
Email: [cenrobrookespoint@denr.gov.ph](mailto:cenrobrookespoint@denr.gov.ph)



**GEOTAGGED PHOTOS DURING THE INSPECTION/MONITORING AND  
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NICKEL AT CBNC COAL YARD PIER SITE, BARANGAY RIO TUBA, BATARAZA,  
PALAWAN**



*Raifra*





Report Order: PKE22-00497.001  
BOSS No.

Page 1 of 1

## ANALYSIS REPORT

Principal Name: HSIHOU ENTERPRISE (M) SDN BHD  
Principal Address: Lot 16, Free Trade Zone, Jelapang 2, 30020, Ipoh, Perak, Malaysia  
Sample Name: PNS221000011/TABEA 906E/130.00MT  
Sample Type: WOOD PELLET  
Sample Received Date: 2022-10-05  
Sample Reported Date: 2022-10-25  
Order Number:  
Sample Condition on Receipt:  
Port: Manila North Harbour Philippines

In accordance with instructions received from applicant, we prepared and carried out required test on the submitted sample. The analysis results reported as follows.

Test Items	Unit	Result	Method
Diameter	mm	8.4	ISO 17829
Length	mm	34.0	ISO 17829
Bulk Density	kg/m <sup>3</sup>	618	ISO 17828
Fines Content (-3.15mm)	%	0.24	ISO 18846
Total Moisture, arb	%	8.8	ISO 18134-1
Inherent Moisture, adb	%	8.3	ISO 18134-3
Ash, adb	%	2.4	ISO 18122
Gross Calorific Value, adb	kcal/kg	4498	ISO 18125
Gross Calorific Value, adb	kJ/kg	18.8	ISO 18125
Net Calorific Value, adb	kcal/kg	4180	ISO 18125
Net Calorific Value, adb	kJ/kg	17.5	ISO 18125
Sulfur, db	%	0.03	ISO 19579
Chlorine, db	ppm	109	ISO 587
Hydrogen, adb	%	5.17	ISO 16948
Sodium, Na + Potassium, K	ppm	1101	ASTM D6349 - IN HOUSE
Aluminum, Al	mg/kg	106	ASTM D6349 - IN HOUSE
Chromium, Cr	mg/kg	<10	ASTM D6357 - IN HOUSE
Lead, Pb	mg/kg	<10	ASTM D6357 - IN HOUSE
Zinc, Zn	mg/kg	<10	ASTM D6357 - IN HOUSE
Tin, Sn	mg/kg	<10	ASTM D6357 - IN HOUSE
Foreign Matter	%	<0.001	BY VISUAL

**Remark:**

- These test results are representative only of the sample received and are not intended to be representative of any lot, cargo or shipment.
- This test report is not for L/C negotiation purposes.

**Notes:**

Foreign Matter is defined as small rocks or stones.

\*\*\*\*\* The End\*\*\*\*\*

SGS (MALAYSIA) SDN. BHD. - MINERALS

ChM Mohd Asyraf  
BSc (Hons), MMIC  
Senior Chemist

WARNING: The sample(s) to which the findings recorded herein (the "Findings") relate was (were) drawn and/or provided by the Client or by a third party acting at the Client's direction. The Findings constitute no warranty of the samples' representativeness of any goods and strictly relate to the sample(s). The Company accepts no liability with regard to the origin or source from which the sample(s) is/are said to be extracted.

SGS (Malaysia) Sdn Bhd

SGS (Malaysia) Sdn Bhd

Wisma SGS Lot 603 Leboh Raja Lumu

Kawasan Perindustrian PKNS

(Co. No. 10871-T)

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