



**PHILIPPINE MINING DEVELOPMENT CORPORATION**

**Quality Procedure**

**Project Management**

Control No:	PMDC-QP-06-05
Revision No.:	8
Effectivity:	July 11, 2025
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Approved by:

  
**Marites M. Reotutar**

Vice President for Operations

Date:

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**1.0 PURPOSE**

This document institutionalizes the policies and procedures for evaluation of unbidded properties, monitoring of the contracts with Partners/Operators, and management of mining projects.

**2.0 POLICY**

It is the policy of PMDC to ensure that Partners/Operators strictly comply with contractual obligations and adhere to laws, rules and regulations pertinent to project implementation. Likewise, to ensure the effective operation of PMDC's quality management system, the company establishes and maintains the necessary procedures/work instructions for reference and adoption by concerned employees.

**3.0 SCOPE**

The set of procedures applies to the specific steps or activities that the Technical Personnel and other concerned employees need to adopt in order to adhere to PMDC's Quality Policy and Objectives. This document covers the procedures from the evaluation of the unbidded mining assets to the generation of revenues.

**4.0 DEFINITIONS**

1. Budget Utilization Schedule (BUS) – refers to the document that contains, among others, a list of initial projected disbursement and/or expenses, the corresponding amount to amply cover the same, and the specific budget utilization date.
2. Certificate of Analysis – refers to the document issued by a qualified laboratory and duly signed by its representative which certifies the assay of mineral samples, including the method of analysis and preparation used.
3. Community – refers to the area where the mining project is located. It also refers to the group of people directly affected by the mining project, or stakeholders, which includes the local officials, the residents, indigenous people and all other key players.
4. Contract – refers to the written agreement that governs PMDC's operating relationship with its Partners/Operators referred to as the Joint Operating Agreement, and with its Financial/Service Provider (FSP) referred to as the Project Financing/Service Provider (PFSP) Agreement.
5. Declaration of Mining Project Feasibility Study – refers to a document proclaiming the presence of minerals in a specific site which are recoverable by socially acceptable, environmentally safe, and economically sound methods specified in the Mine Development Plan.
6. Development – refers to the work undertaken to prepare an ore body or a mineral deposit for mining, including the construction of necessary infrastructure and related facilities.

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7. Environmental Compliance Certificate (ECC) – refers to the document issued by the Department of Environment and Natural Resources (DENR) certifying that the project under consideration will not bring about an unacceptable environmental impact and that the proponent has complied with the requirements of the environmental impact statement system. (R. A. 7942)
8. Environmental Impact Statement (EIS) = refers to the document(s) of studies on the environmental impacts of a project including the discussions on direct and indirect consequences upon human welfare and ecological and environmental integrity. The EIS may vary from project to project but shall contain, in every case, all relevant information and details about the proposed project or undertaking, including the environmental impacts of the project and the appropriate mitigating and enhancement measures. (DENR Administrative Order No. 37)
9. Exploration – refers to the searching or prospecting for mineral resources by geological, geochemical and/or geophysical surveys, remote sensing, test pitting, trenching, drilling, shaft sinking, tunneling or any other means for the purpose of determining their existence, extent, quality and quantity and the feasibility of mining them for profit. (R. A. 7942)
10. Exploration Work Program (ExWP) – refers to the comprehensive and strategic plan to delineate the ore body of a deposit through the various stages of exploration methods.
11. Final Exploration Report – refers to the report submitted by the Partner/Operator containing the summary of all the exploration activities they have conducted in the project area within the span of the exploration stage.
12. Financial/Service Provider (FSP) – refers to an individual or a corporation, partnership, association or cooperative who has agreed and bound itself under the Project Financing/Service Provider (PFSP) Agreement, among others, to make available to PMDC at anytime and from time to time cash capital to finance the Work Program for each phase of the Project; to timely deliver all necessary equipment necessary or required for the pursuit of the project; and to provide experienced/ skilled manpower complement to enable the PMDC Project Management Team (PMT) to efficiently direct, control, and undertake all work for the exploration, development and utilization of the mineral resources in the Project contemplated in the PFSP Agreement.
13. Force Majeure – refers to acts or circumstances beyond the reasonable control of the Partner/Operator or the PMDC including, but not limited to, war, rebellion, insurrection, riots, civil disturbance, blockade, sabotage, embargo, strike, lockout, any dispute with surface owners and other labor disputes, epidemic, earthquake, storm, flood or other adverse weather conditions, explosion, fire, adverse action by government or any instrumentality or subdivision thereof, act of God or any public enemy and any cause that herein describe over which the affected party has no reasonable control. (R. A. 7942)
14. Mineral Ore Export Permit (MOEP) – refers to the permit issued by the Department of Environment and Natural Resources (DENR) Secretary or his authorized representative or by the provincial governors for the transport/shipment outside the Philippines of all mineral

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ore(s), including tailings by permit holders and other mining rights holders, including small scale mining permits. (DENR Administrative Order No. 2008-20)

- 15. Ore Transport Permit (OTP) – refers to the permit issued by the Mines and Geosciences Bureau (MGB) or the Office of the Provincial Governor to a Contractor, accredited dealer, retailer, processor and other Permit Holders to transport minerals/mineral products.
- 16. Order of Payment = refers to a document issued by the concerned MGB Regional Office (RO) for the purpose of payment of occupation fee based on the area covered per municipality where the project is located.
- 17. Partner/Operator – refers to the mining company to whom PMDC awarded the Contract or Joint Operating Agreement for a particular project, after the conduct of a competitive and/or transparent bid.
- 18. Project Management Team (PMT) – refers to a team assigned to the mining project under the PFSP Agreement that shall undertake, direct, coordinate, control, and supervise all the necessary phases of work (*exploration, development and/or mining operations*) in the said mining project.
- 19. Production – means the extraction or disposition of minerals.
- 20. Project Management – refers to the activity in which the Project Management Department (PMD) conducts monitoring of the mining projects and activities within the Diwalwal Mineral Reservation Area (DMRA) and other mine sites, verification of compliances with all regulatory requirements at every stage of mining operations, and project generation which covers evaluation of unbidded properties.

Project Management is carried out through site visits, review of reports and work programs, and communication with the Partner/Operator and the stakeholders, as needed, to ensure that problems are addressed, relevant programs/projects and services are provided to the mining communities, and revenues are generated on time. It also includes the close monitoring of PMDC’s contract with the Operator in such a way that all provisions of the contract, including Operator’s obligations, are complied with.

- 21. Project Management Committee (ManCom) – refers to the management body composed of five (5) members: three (3), including the Chairperson, to be appointed by PMDC, and two (2), including the Vice-Chairperson, to be appointed by the FSP for an initial term of three (3) years, that approves the Budget Utilization Schedule (BUS) and any amendment to the aforementioned BUS, and performs duties, functions, and responsibilities that are assigned by the parties .
- 22. Project Monitoring Database – refers to the database maintained by the PMD for each of the projects. The database contains the details of the major activities, events, and issues that arose or transpired on the project the journal pertains to and the specific PMD Personnel that undertake such actions. The database is meant to aid any PMD Personnel in monitoring and determining the status of the projects.

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23. Reference Price Index – refers to the basis of pricing the minerals/metals under consideration. This in turn relates to Bangko Sentral/London Metal Exchange, Asian Metal and Info Mine website data, as well as information provided by the Mines and Geosciences Bureau.

## 5.0 RESPONSIBILITY

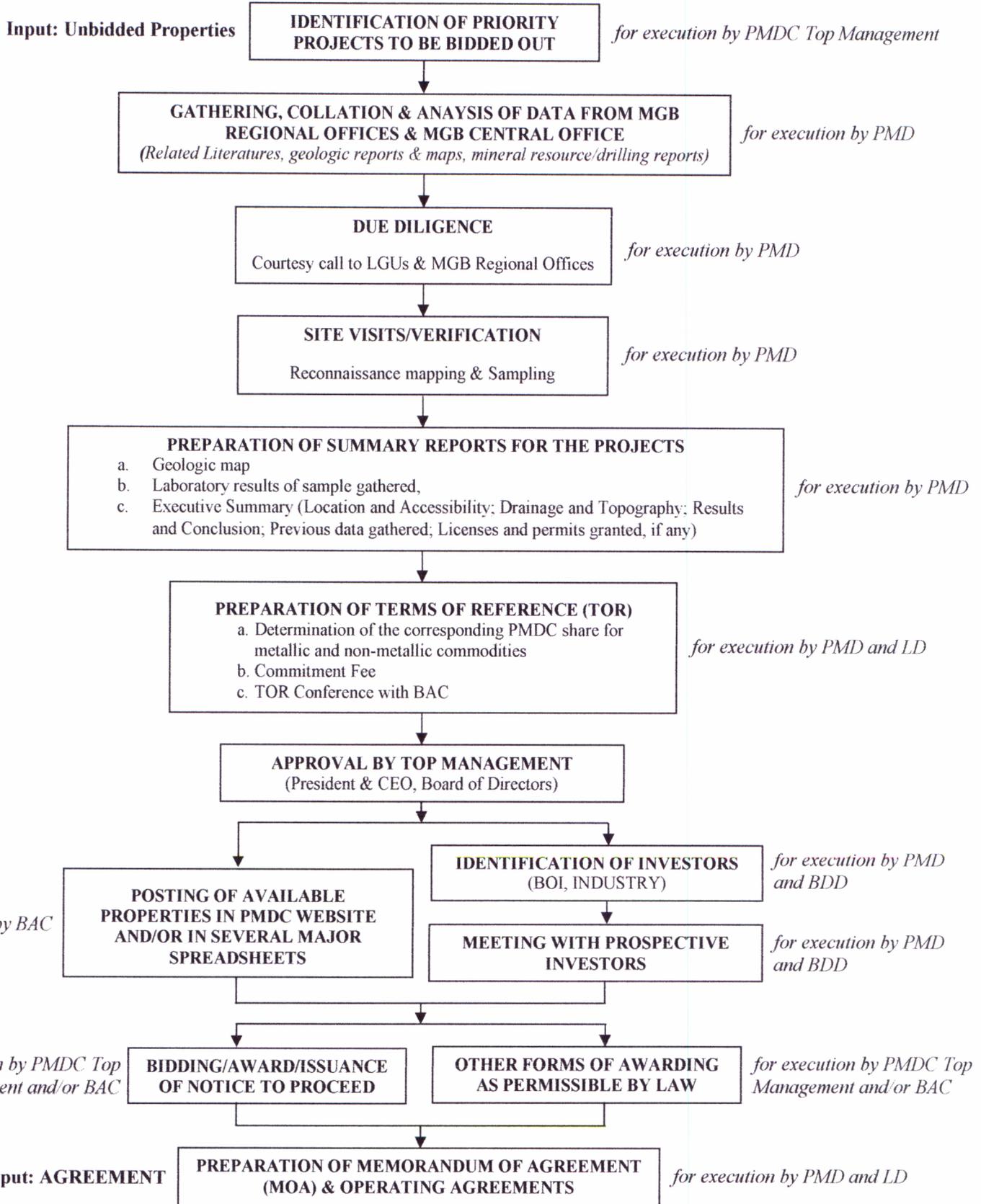
1. Field Coordinator – monitors the Partner/Operator’s activities and operations at the site, and submits timely feedback report to the PMD Manager.
2. Finance and Account Department (FAD) – undertakes the timely billing and collection of fees, payments and royalties from the PMDC’s Partners/Operators.
3. Legal Department (LD) – provides legal support and assistance to the Project Management Department in terms of any legal issues that the Technical Personnel encounter in their assigned projects.
4. Mineral Pricing Committee (MPC) – a PMDC AdHoc Committee which is tasked to review and submit recommendations to the President and CEO regarding the determination and settlement of pricing decisions on the value of ore or mineral shipments.
5. President and CEO – provides strategic direction to the company and oversees the complete operation of the organization, including that of Project Management.
6. Vice President for Operations – provides strategic direction to the operations of Project Management, Business Development and Corporate Social Responsibility (CSR).
7. Technical Personnel – records/documents the progress of all mining projects in accordance with agreed timelines and ensures that all Partners/Operators strictly comply with contractual obligations and adhere to laws, rules and regulations pertinent to project implementation.
8. Project Management Department (PMD) Assistant – creates the reminders for the Partner/Operator to submit required reports, work programs, and acknowledges the same upon receipt.
9. Project Management Department (PMD) – refers to the unit that undertakes all phases of project development including evaluation of unbidded properties, and project monitoring and reporting which include site visits, provision of technical assistance and coordination with Partners/Operator and ensures compliance with all rules and regulations pertinent to project implementation.
10. PMD Manager – manages the Project Management Department and ensures that the Technical Personnel and PMD Assistant adhere to the provisions stated in this Procedure on Project Management.

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**6.0 PROCESS FLOW ON PROJECT IDENTIFICATION/AWARD**



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**Lucas R. Vidad**  
 Vice President for Operations

Date: JUL 05 2021

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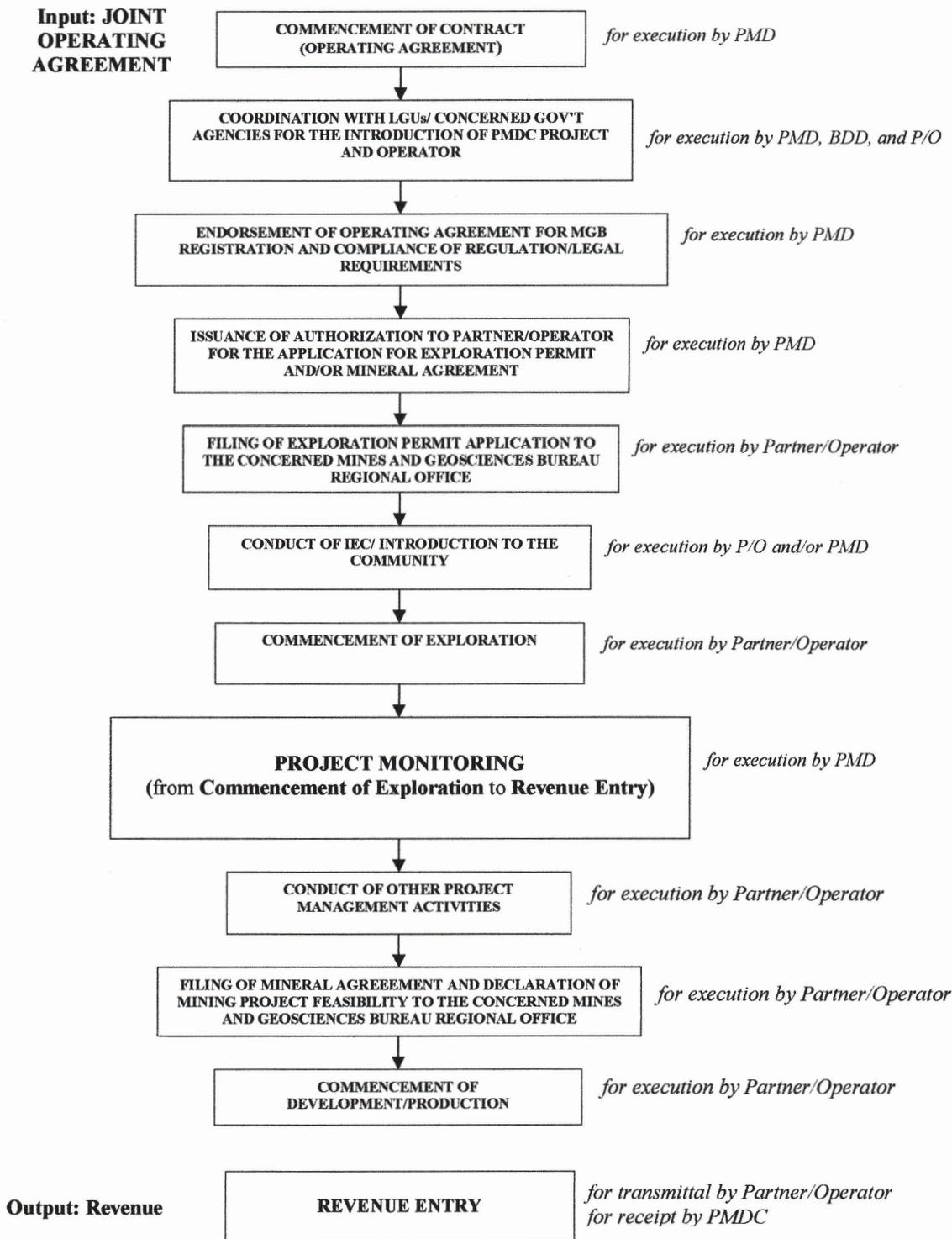
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**7.0 A. PROCESS FLOW UPON COMMENCEMENT OF CONTRACT**



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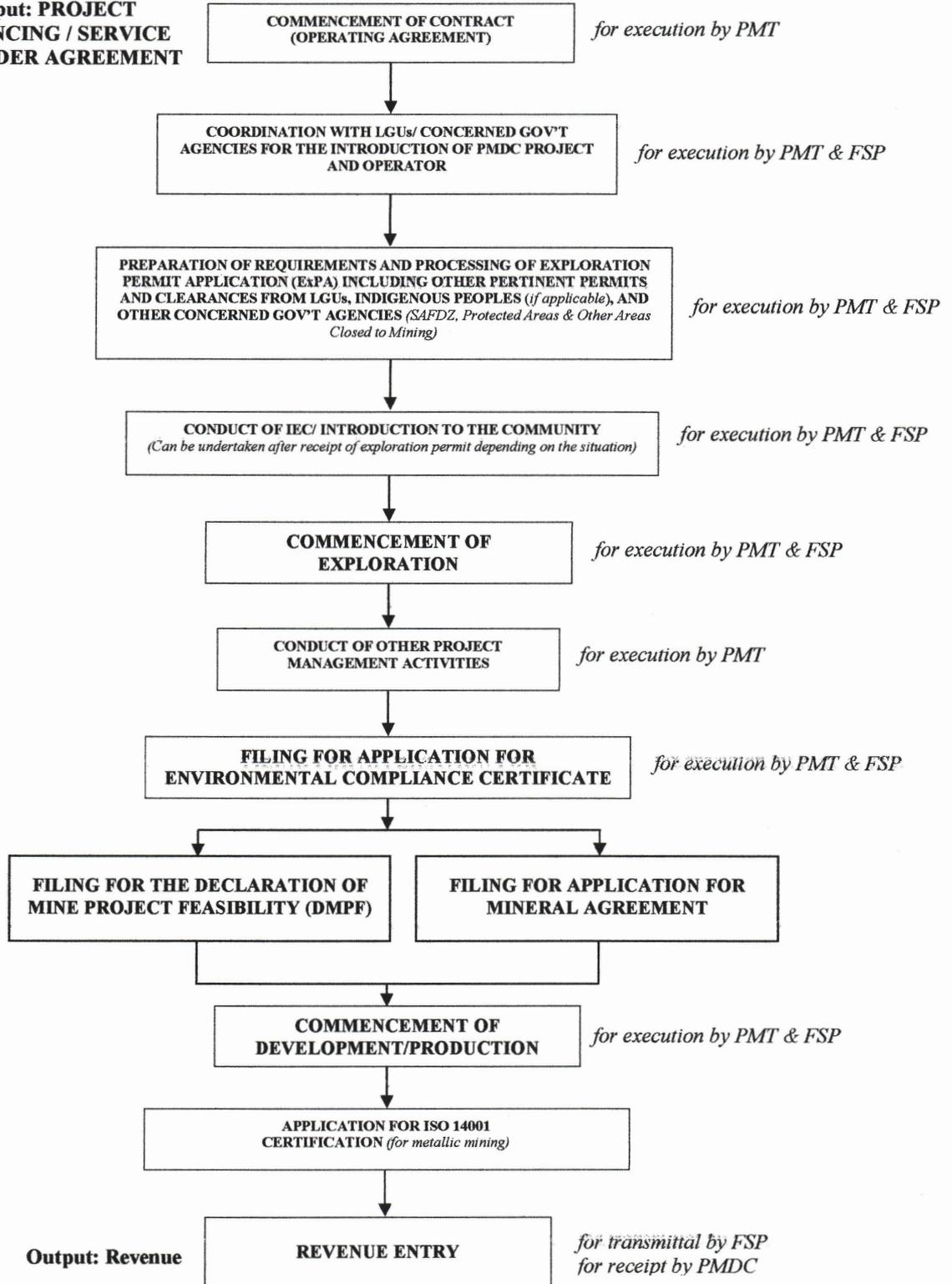
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**7.0 B. PROCESS FLOW UPON COMMENCEMENT OF CONTRACT**

**Input: PROJECT FINANCING / SERVICE PROVIDER AGREEMENT**



**Output: Revenue**

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**8.0 PROCEDURE AND ACTION PLANS FOR JOINT OPERATING AGREEMENTS**

The following provisions present the procedures and the corresponding timeline within which the Technical Personnel and other concerned parties are expected to undertake the specific activity.

However, in the event that a Technical Personnel is not available (due to field work, sickness, or any valid reason) to handle or execute a required action or output that he/she is assigned to, the time indicated to perform the required action or output shall start on the first day the Technical Personnel reports to the office.

Moreover, the PMD Manager may assign another Technical Personnel to handle or execute an action that requires immediate attention. The time indicated to perform the required action shall therefore start on its delegation to the Technical Personnel.

**8.1. Project Generation/Evaluation**

**8.1.1.** Upon the identification of priority projects by the Top Management, the Project Management Department shall gather, collate, and analyze all the available pertinent data from the Mines and Geoscience Bureau Central Office (CO) and Regional Office (RO), and from other concerned agencies.

**8.1.2.** The data shall be verified by the assigned Technical Personnel through due diligence and site visits, where reconnaissance mapping and sampling will be conducted. A project summary report shall be prepared to be submitted to the President and CEO, and a list of projects for bidding shall be submitted to the PMDC Board of Directors for their approval.

**8.1.3.** The PMD and Legal Department shall prepare the Terms of Reference (TOR) with the following details:

a. Time Table: The following time table is established as the most typical and accepted mining cycle from Exploration to Mine Development/Utilization Production:

- The terms for Exploration period is six (6) years for mining properties with metallic minerals such as copper, gold, nickel, chromite, etc, and four (4) years for mining properties with non-metallic minerals such as limestone, silica, sand and gravel, and the likes;
- Feasibility study including the filing of the Declaration of Mine Project Feasibility (DMPF) and its applicable processes shall be conducted within allowed the exploration period;
- After the approval the DMPF and ECC, the Partner/Operator may commence with the mine development. Nevertheless,
- The provided timeline may be shorten depending on the availability of technical data of the mining projects and research study of the PMD. The said timeline shall also be determined by the PMD.

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b. Commitment Fee:

- First payment upon signing;
- Second payment after twelve (12) months occurring from Operating Agreement execution date. The payment of the Commitment Fee will not proceed if the project become operational (Production Period) the twelfth (12<sup>th</sup>) month from signing of the Operating Agreement; and
- Third to sixth payments (if exploration period is extended) annual Commitment Fees. The payment of the Commitment Fee shall ceased if the project become operational (Production Period). ;

c. Operating Agreement should stipulate that Partner/Operator should get ISO-14001 certification (Environmental Management System) should they decide to proceed to DMPF. The ISO-14001 is a mandatory requirement for mining projects with metallic minerals within one (1) year from the receipt of the order approving the DMPF. For mining projects of non-metallic minerals, ISO-14001 is not mandatory but recommended.

8.1.4. The projects shall be subjected to bidding rounds with interested/prospective bidders.

8.1.5. Once the bidding/negotiation is done, the project shall be awarded to the winning bidder, and a Notice of Award shall be issued.

8.1.6. The PMDC and the winning bidder shall sign the Operating Agreement.

**8.2. Commencement of Contract**

The provisions in the contract shall take effect immediately after the Operating Agreement signing of the Partner/Operator; and PMDC.

**8.2.1. Coordination with LGUs and Concerned Government Agencies**

**8.2.1.1. Introduction of PMDC Project and its Partner/Operator**

The assigned Technical Personnel shall send a letter using PM-Template-001 to the LGUs introducing the PMDC mining project, and the credentials of the Partner/Operator with the agreed schedule as coordinated with the Partner/Operator. The said letter shall be signed by the President and CEO.

**8.2.1.2. Endorsement of Operating Agreement with the MGB Regional Office for Registration**

a. The assigned Technical Personnel shall prepare and send a letter using PM-Template-002, within fifteen (15) calendar days after Operating Agreement signing, endorsing the registration of the project to the concerned MGB Regional Office (RO); said endorsement letter shall be

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signed by the President and CEO or the Vice President for Operations. The Partner/Operator shall be furnished a copy of this letter.

- b. The assigned Technical Personnel shall remind the Partner/Operator using PM-Template-003 to register the Operating Agreement to the concerned MGB RO within thirty (30) calendar days after Operating Agreement signing, and remind the P/O to submit to PMDC a copy of the registered Operating Agreement within thirty (30) calendar days after its registration. The letter of reminder shall be signed by the President and CEO or the Vice President for Operations.
- c. In cases where the Partner/Operator does not respond to the letter of reminder to submit a copy of the registered Operating Agreement, see **Section 8.8.2.**

**8.2.1.3. Payment of Occupation Fees**

- a. Upon receipt of the copy of the registered Operating Agreement, the PMD Assistant shall send a letter using PM-Template-004 to the concerned MGB Regional Office within five (5) working days requesting for the issuance of an Order of Payment to the Partner/Operator for the occupation fee. The said letter shall be signed by the President and CEO and/or Vice President for Operations.
- b. Upon receipt of the Order of Payment from the concerned MGB RO, the PMD Assistant shall forward a copy to the Partner/Operator within three (3) working days using PM-Template-005a.
- c. If the Partner/Operator did not provide a copy of proof of payment of the occupation fees within thirty (30) calendar days from the receipt of the Order of Payment, the PMD Assistant shall send a letter using PM-Template-005 to the Partner/Operator requiring them to submit a copy of the Official Receipt/s from the LGU/s as proof of their payment of occupation fee/s. The said letter shall be signed by the President and CEO and/or Vice President for Operations.
- d. Upon receipt of the proof of payment, the PMD Assistant shall record the details of the same in the Project Monitoring Database.
- e. The payment of occupation fees shall be done annually throughout the duration of the contract. The PMD Assistant shall send a letter using PM-Template-004 to the concerned MGB RO thirty (30) calendar days before the annual anniversary date of the JOA registration.
- f. In cases where the Partner/Operator does not respond to the letter of reminder to submit proof of their payment of occupation fee, see **Section 8.8.2.**

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**8.2.1.4. Filing of Exploration Permit Application (ExPA)**

- a. The assigned Technical Personnel shall remind the P/O to secure the mandatory documents relevant to the filing of ExPA. Once complete, the assigned Technical Personnel shall request a copy of the said requirements.
- b. Upon the receipt of the mandatory ExPA requirements, the PMD Manager thru the Vice President for Operations shall request the President and CEO an authorization to the Partner/Operator for filing the necessary Mineral Agreement to the concerned Mines and Geosciences Bureau Regional Office on behalf of PMDC.
- c. The assigned Technical Personnel shall coordinate with the Corporate Secretary to request copies of the PMDC SEC certified documents such as SEC Registration, Articles of Incorporation, By-Laws, as well as their amendments.
- d. The assigned Technical Personnel shall ensure the requirements are complete along with the authorization then forward the abovementioned documents to the Partner/Operator.
- e. The Partner/Operator shall file for an Exploration Permit Application to the concerned Mines and Geosciences Bureau Regional Office within fifteen (15) working days upon the receipt of the forwarded documents.
- f. The assigned Technical Personnel shall monitor the status of the Exploration Permit Application and coordinate with the concerned Mines and Geosciences Bureau Regional Office through calls, texts, emails, and/or letters, as deemed necessary. The assigned Technical Personnel shall request a copy of the said permit after its approval. All significant updates shall be recorded in the Project Monitoring Journal.

**8.2.1.5. Introduction of the Project to the Community (to be conducted in coordination with the Partner/Operator on the agreed schedule)**

- a. The assigned Technical Personnel shall coordinate with the Partner/Operator through a letter using PM-Template-010 on the possible schedule/s for the conduct of community meeting/Information, Education and Communication (IEC) Campaign.
- b. The assigned Technical Personnel shall conduct the meeting/IEC as scheduled together with the Partner/Operator.
- c. The assigned Technical Personnel shall prepare a summary/report using PM-Template-011 for submission to the President and CEO, thru the Vice President for Operations, and the PMD Manager, within five (5) working days after conduct of the said activity.

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- d. The assigned Technical Personnel shall file a copy of the report in its designated project folder.
- e. In cases where the Partner/Operator does not respond to the letter to conduct IEC/Introduction to the Community, see **Section 8.8.2**.

**8.3. Monitoring of the Partner/Operator’s Submission of the Mandatory Requirements to MGB for the conduct of Exploration**

**8.3.1.** The PMD Assistant shall require Partner/Operator to submit digital copy of the following MGB-approved work programs:

- a. Exploration Work Program
- b. Environmental Work Program
- c. Community Development Program
- d. Safety and Health Program, and accreditation at respective MGB office of the Partner/Operator’s Safety Officer

**8.3.2.** The PMD Assistant shall document in the Project Monitoring Database the relevant details of the submissions of the work programs.

**8.4. Commencement of Exploration**

**8.4.1.** The Partner/Operator shall start the conduct of exploration activities in the area within a period of ninety (90) calendar days from the date of issuance of the Exploration Permit. The assigned Technical Personnel shall monitor the progress of the exploration activities of the Partner/Operator thru site inspection and validation, conduct of meeting whenever necessary, etc. The assigned Technical Personnel may also provide technical assistance to the Partner/Operator as needed.

**8.4.2.** In cases where the **Partner/Operator** could not proceed with the exploration activities, see **Section 8.8.1**.

**8.4.3. Submission of Reports (Quarterly/Semestral/Annual Technical Report, CDP and Environmental Reports, Safety Reports, Audited Financial Statements)**

- a. The PMD Assistant shall remind the Partner/Operator to submit to PMDC a copy of MGB-received pertinent reports/documents using PM-Template-012 / PM-Template-013 / PM-Template-013a, whichever is applicable:
  - Quarterly and Annual Report on Exploration Accomplishments;
  - Quarterly Drilling Report;
  - Semi-annual and Annual Report on Environmental Accomplishments;
  - Annual Report on Community and Development;
  - Audited Financial Statement, if necessary
- b. Upon receipt of the pertinent reports/documents, the PMD Assistant shall provide the reports to the PMD Manager. The PMD Manager shall designate a Technical Personnel to review and take note of major accomplishments of the

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Partner/Operator. The assigned Technical Personnel shall input major accomplishments, if any, of the Partner/Operator in the Project Monitoring Database.

- c. Upon receipt of the submitted Audited Financial Statements, if any, the assigned Technical Personnel shall forward the said Financial Statements to the Finance and Accounting Department.
- d. The Finance and Accounting Department shall review the document, and submit the evaluation report to the PMD Manager within five (5) working days.
- e. In cases where the Partner/Operator does not respond to the letter of reminder to submit the mandatory report/s, see **Section 8.8.2.**

**8.4.4. Project Site Inspection/Field Verification/Regulatory Agencies' Scheduled Inspections, and Evaluation Meetings**

- a. For monitoring validation of reports submitted by the Partner/Operator, the assigned Technical Personnel shall conduct project site inspection/field verification in coordination with the regulatory scheduled inspections, as needed, to be approved by the PMD Manager and Vice President for Operations.
- b. The assigned Technical Personnel shall fill up a Travel Order to be approved by the President and CEO once the schedule of the site inspection with MGB CO and/or MGB RO is arranged.
- c. The assigned Technical Personnel may conduct field verification and validation, as needed. In cases where rock/sand/water samples are collected from the site, the said samples shall be sent to MGB Central Office (CO) for laboratory analyses. MGB CO shall send a Certificate of Analysis to PMDC once the analyses are done. If in case MGB CO is not capable of certain analyses needed by the assigned Technical Personnel, the assigned Technical Personnel shall send the said samples to a private laboratory. The private laboratory shall send a Certificate of Analysis to PMDC once the analyses are done.
- d. For the evaluation meetings, the assigned Technical Personnel shall coordinate with MGB CO and/or MGB RO informing them that PMDC will be joining the evaluation meeting, and communicate thru phone call for the details.
- e. The assigned Technical Personnel shall submit a Post Travel Report using PM-Template-011 to the President and CEO thru Vice President for Operations after the project site inspection/field verification. The findings and recommendations cited during the exit conference on the following aspects must be included in the Post Travel Report:
  - Exploration activity and results relevant to the project
  - Community development project accepted by the community and giving improvements to the local residents

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- Environmental initiatives giving positive impact to the community as well as observable negative effects-violations for corrective action
  - IEC initiatives appreciated by the community
- f. Once the Vice President for Operations has noted/signed the Post Travel Report, the assigned Technical Personnel shall file it in its designated project folder.
- g. The assigned Technical Personnel shall monitor the actions of the Partner/Operator on the findings and recommendations cited by the members of the inspection team. The major actions shall be noted down in the Project Monitoring Database.
- h. Whenever necessary, the assigned Technical Personnel may request a PMDC staff from the field to monitor or validate the Partner/Operator’s activities in the project area. The PMDC staff shall submit a project monitoring report to the assigned Technical Personnel within five (5) working days after the end of the site visit. The monitoring report should contain any or all of the following:
- Exploration activity/ies,
  - Community development project/s,
  - Community coordination/s,
  - Sample shipment/s or movement or transportation, if any and
  - Other activities/accomplishments that may be related to the exploration activity.

After his/her review, the assigned Technical Personnel shall file the project monitoring report, submitted by the assigned PMDC staff, in its designated project folder.

**8.4.5. Participation in the Presidential Mineral Industry Environmental Award (PMIEA) for Exploration**

If PMDC receives an invitation to the PMIEA involving PMDC projects, PMDC shall encourage its Partners/Operators using PM-Template-024 to actively participate in Presidential Mineral Industry Environmental Award (PMIEA) for Exploration. The PMD Assistant shall coordinate with Partner/Operator and consolidate documentary evidences for submission to the PMIEA Secretariat for evaluation as entry and participant to the yearly award:

Environmental Management	45%
Safety and Health	15%
Community Development	15%
Information, Education, Communication	25%
<b>TOTAL</b>	<b>100%</b>

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#### 8.4.6. Meeting with the Partner/Operator

- a. The assigned Technical Personnel shall inform the PMD Manager and/or Vice President for Operations if the Partner/Operator requested for a meeting to discuss project issues, as needed. Subject to their availability, the PMD Manager and/or Vice President for Operations shall attend the meeting together with the Technical Personnel.
- b. The assigned Technical Personnel shall submit the Minutes of the Meeting using PM-Template-014 to the President and CEO, thru the PMD Manager and Vice President for Operations, within two (2) working days after the meeting.
- c. The assigned Technical Personnel shall monitor the progress of the agreements/action items as contained in the Minutes of Meeting, and act upon the comments and instructions of the President and CEO, if any. The major matters to be monitored with the corresponding actions undertaken shall be recorded to the Project Monitoring Database.

#### 8.5. Monitoring of the Partner/Operator's Submission of the Requirements for Application of Environmental Compliance Certificate and Declaration of Mining Project Feasibility (Prior to the Commencement of Development/Production)

##### 8.5.1. Application of Environmental Compliance Certificate (ECC)

- a. The assigned Technical Personnel shall remind the Partner/Operator using PM-Template-015 to submit the Environmental Baseline Study for the preparation of required Initial Environmental Examination (IEE), and the Environmental Impact Statement (EIS) and other documents required in the application of ECC to the Environmental Management Bureau Central Office (EMB CO). The said reminder shall be sent to the Partner/Operator within five (5) working days upon receipt of the Partner/Operator's notification that the exploration activities in the project area has been completed and of its intention to proceed with the development/production stage of the mining project.
- b. In cases where the Partner/Operator does not respond to the letter of reminder to submit EIS and other required documents in the application of ECC to EMB, see **Section 8.8.2.**
- c. The assigned Technical Personnel shall coordinate with the EMB CO and Partner/Operator regarding the status of the ECC application through email, phone calls and/or letters. The assigned Technical Personnel shall document in the Project Monitoring Database the relevant details regarding the status of the ECC application.
- d. The application for ECC is evaluated by a Review Committee of different concerned regulatory agencies (EMB, MGB, BMB, FMB, etc.) The assigned Technical Personnel shall participate in the evaluation and/or field inspection of the Review Committee, as needed and approved by the PMD Manager.

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- e. The assigned Technical Personnel shall provide the Vice President for Operations thru the PMD Manager a report regarding the matters discussed in the evaluation of the Review Committee within three (3) working days after the said evaluation.
- f. The assigned Technical Personnel shall monitor the actions of the Partner/Operator based on the findings and recommendations of the technical working group of concerned regulatory agencies. The relevant actions and updates shall be written in the Project Monitoring Database.
- g. Upon receipt of the notification that the ECC was already issued/approved, the assigned Technical Personnel shall request for a copy of the issued/approved ECC and EIS with the Partner/Operator within three (3) working days.

**8.5.2. Filing of the Declaration of Mining Project Feasibility (DMPF)**

- a. After the completion of exploration period of the mining projects, Partner/Operator shall exercise option to proceed to Feasibility of detailed mine and metallurgical studies including the filing of DMPF and its applicable processes. Partner/Operator shall notify PMDC that the exploration is successful and defined a mineral resource for feasibility studies and thus, they intend to continue the project for development/production stage.
- b. The assigned Technical Personnel shall send a letter using PM-Template-016 reminding the Partner/Operator to prepare and submit to MGB CO/RO printed copy/ies of each of the following documents/report necessary for the filing of DMPF:
  - Sworn Declaration of Mining Project Feasibility (DMPF);
  - Secretary’s Certificate attesting to a Board Resolution as to the authority of the person who is filing the Declaration;
  - Mining Feasibility Study Report;
  - Three (3)-Year Work Program;
  - Application for **Order of Survey** or Approval of Survey Plan;
  - Environmental Compliance Certificate (ECC);
  - Environmental Protection and Enhancement Program (EPEP) and Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP);
  - Social Development and Management Program (SDMP);
  - Final Exploration Report;
  - Project approval/endorsement by the Sanggunian concerned;
  - Proof of technical competence to undertake the implementation of the activities under the Work Program in the form of (a) Bio-data and track record of mining operations and environmental management, and (b) Sworn statement/employment/contract/proof availed services of the technical person/s who will implement the Work Program;
  - Proof of financial capability to undertake the implementation of the activities under the Work Program in the form of (a) Latest audited Financial Statement and Annual Report and (b) Credit Lines/Bank Guarantees/Deposits.

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- Additional Requirement for application of Mineral Agreement:
  - Duly certified **Certificate of Registration, Articles of Incorporation/Partnership/Association and By-Laws** issued by the Securities and Exchange Commission or authorized Government agency concerned, or Certification from the Bureau/Regional Office concerned that the said documents are duly registered in that Office;
  - **Location map/sketch plan** of the proposed contract area showing its geographic coordinates/meridional block(s) and boundaries in relation to major environmental features and other projects using a NAMRIA topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;
  - **Three-year Development/Utilization Work Program** (MGB Form No. 6-2) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist;
  - **Proof of technical competence**, including, among others, curricula vitae and track records in mining operations and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Development/Utilization Work Program;
  - **Proof of financial capability** to undertake the activities pursuant to the Development/Utilization Work Program, such as latest audited **financial statement** and where applicable, **Annual Report** for the preceding year, **credit line(s)**, **bank guarantee(s)**, and/or similar **negotiable instruments**;
  - **Affidavit of Undertaking for corporation, partnership, association or cooperatives** (Annex A of DENR Memorandum Order No. 99-10) declaring:
    - The list of applications filed and the Mining Permit(s)/Contract(s) granted to the applicants, including the corresponding hectarage and location of the areas, disaggregated on a per province; and
    - The list of Applicant(s)/Contactor(s)/Permittee(s) in which more than seventy (70%) of the authorized capital stock is held by the stockholders of the applicant, including the corresponding hectarage, disaggregated in a per province basis.
  - **Mining Project Feasibility Study** (MGB Form No. 5-3);
  - **Complete and Final Exploration Report** pertaining to the area;
- c. The assigned Technical Personnel shall monitor and record in the Project Monitoring Journal the compliance of Partner/Operator with respect to the above mentioned submissions.
- d. Upon checking if the requirements are complete, the assigned Technical Personnel shall send an endorsement letter using PM-Template-017, addressed to the concerned MGB RO, to the Partner/Operator for the filing of DMPF, within three

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(3) working days. Once the DMPF is already filed, the assigned Technical Personnel shall request the receiving copy of the filing of the DMPF.

- e. In cases where the Partner/Operator does not respond to the letter of reminder to submit copies of the above listed documents to the concerned MGB RO and provide PMDC a copy of the same, see **Section 8.8.2**.
- f. The process in the filing of the DMPF involves evaluation of the assigned Technical Working Group of the concerned MGB, EMB and other regulatory agencies. The Technical Personnel shall participate in the said evaluation of regulatory agencies pertaining to the DMPF application, as needed, and approved by the PMD Manager.
- g. The assigned Technical Personnel shall provide a report detailing the matters (findings, recommendations, etc.) discussed in the evaluation of the DMPF documents within three (3) working days to the Vice President for Operations through the PMD Manager.
- h. The assigned Technical Personnel shall monitor the actions of the Partner/Operator based on the findings and recommendations of the Technical Working Group of concerned regulatory agencies. The relevant actions and updates shall be written in the Project Monitoring Database.
- i. The assigned Technical Personnel shall request the Partner/Operator to furnish PMDC copies of the following documents and work programs:
  - Issuance Order of Approving DMPF;
  - Mine Feasibility Study;
  - Environmental Protection and Enhancement Program (EPEP);
  - Final Mine Rehabilitation and Decommissioning Plan (FMR/DP);
  - Social Development and Management Program (SDMP);
  - Safety and Health Program (SHP);
  - 3-Year Development/Utilization Work Program
  - Respective Certificates of Approval (COA) of the above mentioned programs

Upon receipt of the submitted Environmental Protection and Enhancement Program (EPEP), Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP), 3-Year Work Program, Social Development and Management Program (SDMP), and the Safety and Health Program (SHP) including their respective Certificates of Approval (COA), the PMD Assistant shall file the Program in its designated folder for record.

In cases where the Partner/Operator does not respond to the letter to submit the mandatory program/s, see **Section 8.8.2**

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## 8.6. Commencement of Development/Production

Upon the receipt of the approval of the DMPF, the assigned Technical Personnel shall remind the Partner/Operator to prepare the necessary requirements and apply for an ISO 14007 otherwise known as the Environmental Management System (EMS). The certification shall be mandatory for metallic projects. However, it is not mandatory for non-metallic projects, but, encouraged. The Partner/Operator has one (1) year from the approval date of the DMPF to secure the abovementioned certification.

In the development/production stage of mining, the assigned Technical Personnel shall ensure that the Partner/Operator performs its responsibilities and obligations as stipulated in the Operating Agreement through observing/monitoring production/shipment operations, site inspection and validation, evaluation of reports, conduct of meetings whenever necessary, etc. In addition, the assigned Technical Personnel may provide technical assistance to the Partner/Operator as needed.

Before the end of the Calendar Year, the assigned Technical Personnel shall remind the Partner/Operator thru letter, email, SMS, and/or phone call to submit to the concerned Mines and Geosciences Bureau Regional Office (MGB RO), copy furnish PMDC thirty (30) Calendar Days prior to the deadline of the following annual work programs:

- Annual Environmental Protection and Enhancement Program (AEPEP);
- Annual Social Development and Management Program (ASHP); and
- Annual Safety and Health Program (ASHP);

Likewise, the assigned Technical Personnel shall remind the Partner/Operator thirty (30) Calendar Days before the deadline of submission of the abovementioned programs on the succeeding years.

### 8.6.1. Submission of Reports to PMDC (Monthly/Quarterly/Annual Mandatory Reports, Audited Financial Statements, and Environment Audit Report)

- The PMD Assistant shall remind the Partner/Operator to furnish PMDC a copy of the Quarterly Reports using PM-Template-012 within fifteen (15) calendar days before the end of each quarter, and Annual Report, Audited Financial Statements, and Environment Audit Report related to Partner/Operator's ISO 14001: Environmental Management System using PM-Template-013, within fifteen (15) calendar days before the end of each year. The letter shall be signed by the PMD Manager. The reports must include, if applicable, but not limited to:
  - Monthly Report on Production, Sales and Inventory of Metallic/Non-Metallic Minerals and Employment
  - Monthly General Accident Report and Annual Safety Statistics
  - Monthly Explosives and Accessories Consumption Report, if applicable
  - Quarterly Energy Consumption Report
  - Quarterly Status Report based on Work Programs (environmental, production and/or exploration, safety and health and social development)

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- Semi-annual report on mine waste and mill tailings produced, contained, and/or utilized for the period
  - Annual Status Report
  - Integrated Annual Report
  - Annual Mineral Reserve Report
  - Annual Land Use Report
  - Annual Financial Statement, as deemed necessary
- b. The PMD Assistant shall ensure that the submitted mandatory reports, Quarterly and Annual Reports, were duly received by the concerned MGB RO.
- c. Upon receipt of the submitted Quarterly Reports and/or Annual Report and Environment Audit Report, the PMD Assistant shall provide the said reports to the PMD Manager. The PMD Manager shall assigned a Technical Personnel to review the reports. The assigned Technical Personnel shall review the said Quarterly Reports and/or Annual Report, and take note of the major accomplishments of the Partner/Operator. The major accomplishments and issues shall be written in the Project Monitoring Journal, if there is any. The assigned Technical Personnel shall also monitor the implementation of the audit finding enumerated in the Environment Audit Report.
- d. Upon receipt of the submitted Audited Financial Statements, the PMD Assistant shall forward the said Financial Statements to the Finance and Accounting Department thru the PMD Manager.
- e. The Finance and Accounting Department shall review the document and submit the evaluation report to the PMD Manager within five (5) working days.
- f. After the PMD Manager’s review of the evaluation report of the Audit Financial Statements, the PMD Assistant shall file the evaluation reports, the Quarterly and/or Annual Reports, the Audited Financial Statements, and the Environment Audit Report in their designated folders.
- g. In cases where the Partner/Operator does not respond to the letter of reminder to submit the mandatory report/s, see **Section 8.8.2.**

**8.6.2. Project Site Inspection/Field Verification, Regulatory Agencies Scheduled Inspections and Evaluation Meetings**

- a. For the monitoring of the on-site activities, validation of reports submitted by the Partner/Operator, and regulatory agencies scheduled inspections, the assigned Technical Personnel shall conduct a project site inspection/field verification, and shall participate in the regulatory agencies and Multi-partite Monitoring Team (MMT) scheduled inspections and evaluation meetings as well as inspections scheduled by other regulatory agencies, to be approved by the PMD Manager and Vice President for Operations.

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- b. Upon approval of the PMD Manager and Vice President for Operations, the assigned Technical Personnel shall secure a Travel Order to be approved and signed by the President and CEO.
- c. During the monitoring, the assigned Technical Personnel may collect rock/sand/ore/water samples from the field, as needed. The said samples shall be sent to MGB Central Office (CO) for laboratory analyses. MGB CO shall send a Certificate of Analysis to PMDC once the analyses are done. If in case MGB CO is not capable of certain analyses needed by the assigned Technical Personnel, the assigned Technical Personnel shall send the said samples to a private laboratory. The private laboratory shall send a Certificate of Analysis to PMDC once the analyses are done.
- d. The assigned Technical Personnel shall coordinate with the concerned regulatory agencies such as MGB the monitoring of the mandated expenditure of the Partner/Operator with respect to the allocation of the budget (1% direct mining and milling cost) for Social Development and Management Program (SDMP) to the host and neighboring communities, e.g. water facilities, hospitals, schools, etc. The allocation is as follows:
  - 75% for Social Development Management Program
  - 15% for Information Education Communication Program
  - 10% for Development of Mining Technology and Geosciences
- e. The assigned Technical Personnel shall submit a Post-Travel Report using PM-Template-011 to the President and CEO thru the PMD Manager and Vice President for Operations within five (5) working days after the project site inspection/field verification.
- f. For regulatory scheduled inspections and evaluation meetings, the assigned Technical Personnel shall monitor the actions of the Partner/Operator on the findings and recommendations cited by the members of the inspection team. The major actions shall be noted down in the Project Monitoring Database.
- g. Once the President and CEO has noted the Post-Travel Report, the assigned Technical Personnel shall file it in its designated project folder.

**8.6.3. Meeting with the Operator/Partner**

- a. The assigned Technical Personnel shall require the Partner/Operator using PM-Template-018 to provide an annual presentation, when necessary, summarizing the results of the mining production operations and other relevant accomplishments not later than the end of January of the year immediately following the end of the pertinent year.
- b. The assigned Technical Personnel shall conduct a meeting with the Partner/Operator for the discussion of project updates, as needed. Subject to

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their availability, the PMD Manager and/or Vice President for Operations shall attend the meeting together with the Technical Personnel.

- c. The Minutes of the Meeting using PM-Template-014 shall be submitted to the President and CEO, thru the PMD Manager and the Vice President for Operations, within two (2) working days after the meeting.
- d. The assigned Technical Personnel shall also file the Minutes of the Meeting in its designated project folder after the President and CEO's review of the minutes.
- e. The assigned Technical Personnel shall monitor the progress of the agreements/action items as contained in the Minutes of Meeting, and act upon the comments and instructions of the President and CEO, if any.

**8.6.4. Shipment/Production Monitoring**

**8.6.4.1. Direct Shipping Ore (DSO) of Nickel and Chromite**

- a. The Partner/Operator shall submit to PMDC the Monthly Production Report, Quarterly Reconciliation Report, Annual Production, and Annual Mineral Resource and Ore Reserve Inventory, together with the following details:
  - Location map of mining program and/or Land Use Map;
  - Mine tonnage and grade;
  - Monthly report on production, sales, inventory of metallic minerals and employment data;
  - Energy consumption report;
- b. The assigned Field Coordinator at the Project Area shall submit a monthly project monitoring report using PM-Template-019 to the Technical Personnel within five (5) working days after the end of each month. The monitoring report shall contain any or all of the following:
  - Location where ore materials were extracted;
  - Name of vessel/s;
  - Arrival and departure of the vessel/s;
  - Information on the draught/draft survey before and after loading;
  - Conduct of sampling, if deemed necessary and;
  - Daily tonnage loaded;
  - Other event/data relevant to the shipment.

If in case the Field Coordinator may not be able to submit its monthly project monitoring report on time due to unforeseen events, the Field Coordinator shall communicate with the PMD Assistant through text, call or email to provide the necessary information, for the latter to accomplish the PM-Template-019 on behalf of the Field Coordinator. The PMD Assistant shall submit the

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aftermentioned report to the Technical Personnel within five (5) working days after the end of each month.

- c. The assigned Technical Personnel shall monitor/observe shipment operations of the Partner/Operator in a year. The actual monitoring/observation shall be determined if necessary. When actual shipment is monitored and observed, the assigned Technical Personnel shall check on the sampling of the ore to be shipped. Furthermore, the assigned Technical Personnel shall prepare the detailed report on the shipment operations and submit the said report to the PMD Manager, and the Vice President for Operations within five (5) working days after the said activity.

The assigned Technical Personnel shall coordinate with the Partner/Operator through calls, SMS, or email to submit the following shipment documents:

- MGB Approved Ore Transport Permit (OTP);
- MGB Approved Mineral Ore Export Permit (MOEP);
- Final Draft Survey Report;
- Mate's Receipt;
- Permit to Export;
- Outward Foreign Manifest;
- Final Stowage Plan;
- Statement of Facts;
- Statistical Supplement;
- Proof of Payment of Excise Tax to the BIR;
- Proof of Payment Royalty 5%, if covered by a Mineral Reservation;

If the Partner/Operator failed to submit the same, the PMD Assistant shall send within ten (10) working days after the end of the month a reminder using PM-Template-020 to the Partner/Operator, to submit all the above-mentioned documents related to shipments made in the preceding month, if any. The letter of reminder shall be signed by the PMD Manager or the Vice President for Operations.

If there is no actual monitoring of shipment operations undertaken, the assigned Technical Personnel shall coordinate with the Field Coordinator for updates on the on-going shipment. The assigned Technical Personnel shall also coordinate with the MGB personnel regarding the status of the shipment. The coordination shall be reflected in the PMD Monitoring Database.

- d. The assigned Technical Personnel shall request within fifteen (15) working days after the end of the year for MGB Certification on the shipment made for the year.
- e. In cases where the Partner/Operator does not respond to the letter of reminder to submit all the MGB-approved MOEPs, OTPs, and other shipment related documents, see **Section 8.8.2**.

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**8.6.4.2. Cement Production of Limestone**

- a. The Partner/Operator shall submit to PMDC the Monthly Production Report, Quarterly Reconciliation Report, Annual Production, and Annual Mineral Resource and Ore Reserve Inventory, together with the following details:
  - Location map of mining program and/or Land Use Map;
  - Mine tonnage and grade;
  - Monthly report on production, sales, inventory of non-metallic minerals and employment data;
  - Energy Consumption Report
- b. The assigned Technical Personnel shall monitor/observe mining operations of the Partner/Operator in a year. The actual monitoring/observation shall be determined if necessary. When actual shipment is monitored and observed, the assigned Technical Personnel shall check on the sampling of the ore to be shipped. Furthermore, the assigned Technical Personnel shall prepare the detailed report on the shipment operations and submit the said report to the PMD Manager, and the Vice President for Operations within five (5) working days after the said activity.

**8.7. Revenue Entry**

**8.7.1. Determination of the Reference Price of the Mineral/Ore by the PMDC Mineral Pricing Committee (PMPC)**

- a. After receipt of letter from Partner/Operator requesting approval of the price of the mineral to be shipped, the PMPC shall evaluate and recommend to the PMDC President and CEO within five (5) working days upon receipt of the request.
- b. The PMPC shall send a letter to the Partner/Operator signed by the President and CEO, informing them of the price approved by PMDC within five (5) working days after the approval.

**8.7.2. Issuance of Billing Statement (On PMDC Share)**

**8.7.2.1.** In case of DSO Nickel Ore, the assigned Technical Personnel shall:

- a. Coordinate with the Partner/Operator through calls, texts or email to submit all necessary shipment related documents. If the Partner/Operator failed to provide the requested documents, the assigned Technical Personnel should inform the PMD Assistant to remind the Partner/Operator to submit the necessary documents as contained in PM-Template-020 for the shipment of nickel-chromite/production and/or metallic and non-metallic minerals. The letter of reminder shall be signed by the PMD Manager or the Vice President for Operations;

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- b. For gold, advise Partner/Operator to submit Sales Agreement, Production Report, BSP Assay Report; for non-metallic, submit Sales Invoice or Production Report;
- c. Coordinate with concerned MGB Regional Office for verification through SMS, calls, emails of Partner/Operator's shipment within three (3) working days upon receipt of the shipping documents. The verification of the concerned MGB shall be recorded in the corresponding monitoring journal;
- d. Review submitted documents and check on the completeness of documents to be submitted to the Finance and Accounting Department using PM-Template-025 for the computation of share due to PMDC;

**8.7.2.2.** The Finance and Accounting Department (FAD), within five (5) working days upon receipt of the PM-reviewed shipping and sales documents, shall compute the share due to PMDC taking into consideration the following:

- a. Tonnage
- b. Quality
- c. Reference Prices as sourced from applicable reference such as, but not limited to the sales agreement between the partner and its customer/end-user, websites of the Bangko Sentral ng Pilipinas (BSP) for gold and silver, London Metal Exchange (LME), Asian Metal and Ferroalloy.net. The latter two websites are for raw mineral ores exported as is to end-users. Also for reference and guidance are collective reports and recommendations to the President and CEO by the PMDC Mineral Pricing Committee (PMPC).
- d. PMDC share rate in (%) per applicable Operating Agreement in either US dollar and/or Philippine Peso.

The FAD shall issue the billing statement signed by the President/CEO or his authorized representative to the Partner/Operator. The Partner/Operator shall be given sixty (60) days to settle the amount as stated in the billing statement.

**8.7.3. Payment of 2<sup>nd</sup>-6<sup>th</sup> Commitment Fees**

8.7.3.1. The PMD Assistant shall remind the Partner/Operator using PM-Template-021 with Billing Statement prepared by FAD within thirty (30) calendar days before the due date of the payment of the 2<sup>nd</sup>-6<sup>th</sup> Commitment Fee. The letter of reminder shall be signed by the PMD Manager or the Vice President for Operations.

8.7.3.2. In cases where the Partner/Operator does not respond to the letter of reminder to pay the 2<sup>nd</sup>/3<sup>rd</sup> commitment fee, see **Section 8.8.2.**

Approved by:  <b>Marites M. Reotutar</b> Vice President for Operations	Date:	<div style="border: 2px solid black; padding: 5px; display: inline-block;"> <p style="margin: 0;"><b>PMDC</b></p> <p style="margin: 0; color: purple;">JU 09 2025</p> <p style="margin: 0; font-size: 2em;"><b>UNCONTROLLED</b></p> <p style="margin: 0; font-size: 2em;"><b>COPY</b></p> </div>



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**8.7.4. Performance Bond**

**8.7.4.1.** The PMD Assistant shall annually monitor and remind the Partner/Operator using PM-Template-022 to submit the renewal of its Performance Bond within thirty (30) calendar days prior to its yearly expiration date. The letter of reminder shall be signed by the PMD Manager or the Vice President for Operations.

**8.7.4.2.** The PMD Assistant shall forward the submitted Performance Bond to FAD for safekeeping, and file a photocopy of it to the Performance Bond folder.

**8.7.4.3.** In cases where the Partner/Operator does not respond to the letter of reminder to submit the renewal of performance bond, see **Section 8.8.2.**

**8.8. Addressing Non-Action and Non-Compliance of Concerned Entities, and Requests of Partner/Operator**

**8.8.1.** In cases where the **Partner/Operator** could not proceed with the exploration activities for any of the reasons below:

**a. Due to Force Majeure**

i. The Technical Personnel shall determine the necessary action or assistance to be rendered to the Partner/Operator **within five (5) working days** upon receipt of a letter/advice from the Partner/Operator regarding the matter.

The Technical Personnel shall recommend appropriate action to the Vice President for Operations thru the PMD Manager (memo format).

ii. Upon the review and decision of the Top Management (the Vice Presidents, and the President and CEO), the Technical Personnel shall coordinate with the Partner/Operator regarding the action/assistance to be provided and to determine when the Partner/Operator may resume its exploration activities in the project area.

iii. The Technical Personnel shall document in the Project Monitoring Database the details of all the transactions and actions about the Force Majeure that transpired including, but not limited to, correspondences, as well as the assistance/actions provided by the Technical Personnel.

**b. No Feedback from the Partner/Operator**

i. The Technical Personnel shall send a letter reminding the Partner/Operator to start the exploration activities in the area **at least thirty (30) calendar days** before the end of the ninety (90) day period.

ii. If the Partner/Operator still does not communicate nor start the exploration activities after the 90-day period, the Technical Personnel shall send a second

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letter **within five (5) working days** after the said period requiring the Partner/Operator to submit a written explanation stating the reasons for not commencing/proceeding with the exploration activities.

- iii. If the Partner/Operator still does not communicate nor comply within thirty (30) calendar days after the 90-day period, the Technical Personnel shall send a third/final letter to the Partner/Operator requiring the latter to state its reasons for not undertaking exploration activities. The said letter shall be sent **within five (5) working days** after the mentioned 30-calendar day period.
- iv. During the course of the above mentioned items (i-iii), the Technical Personnel shall also attempt to set a meeting with the Partner/Operator to discuss the reasons for its non-compliance.
- v. If the Partner/Operator communicates and/or submits its written explanation and/or requests for moratorium/extension, said explanation/request shall be evaluated by the Technical Personnel, and reviewed by the PMD Manager.

If explanation and/or request for moratorium/extension is meritorious as evaluated by the Technical Personnel, reviewed by PMD Manager, and approved by President and CEO, said request shall be submitted to the PMDC Board of Directors for approval. Upon approval of the PMDC Board of Directors, a written response signed by the President and CEO informing the Partner/Operator that their request was approved shall be sent to the Partner/Operator **within five (5) working days** after the PMDC Board of Directors' approval of the said request.

If explanation and/or request is found not reasonable, the Technical Personnel shall require the Partner/Operator to commence with conduct of exploration activities as soon as possible without delay and extension to the Exploration Period.

- vi. If the Partner/Operator still does not communicate nor comply with the period stated in the third/final letter, the Technical Personnel shall escalate the issue to the Legal Department, copy furnished the President and CEO, thru a Memorandum including the PMD's findings and recommendations.

**8.8.2. Non-Response of Partner/Operator to PMDC's Letters of Reminders**

**8.8.2.1.** The Technical Personnel shall monitor the response of the **Partner/Operator** to the following letters of reminders **within the deadline set on each particular letter of reminder:**

- Submission of Environmental Work Program
- Submission of Community Development Program
- Submission of Revised Exploration Work Program
- Submission of Revised Environmental Work Program
- Submission of Revised Community Development Program

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- Conduct of IEC Campaign
- Submission of the Payment of 2<sup>nd</sup>-6<sup>th</sup> Commitment Fee
- Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP)
- Social Development Mining Program
- 3-Year Development/Utilization Work Program
- Annual Programs (AEPEP, ASDMP, ASHP)

In the event that the Partner/Operator does not respond to the letter of reminder, the Technical Personnel shall send a follow-up letter after the deadline set on the letter of reminder.

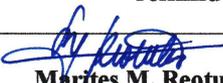
8.8.2.2. The Technical Personnel shall monitor the response of the Partner/Operator to the letter of reminder of submission of all MGB-Approved MOEPs and OTPs of all the shipments made in the preceding month, if any, **within the deadline set on the letter of reminder** after the sending of letter of reminder.

In the event that the Partner/Operator does not respond to the letter of reminder, the Technical Personnel shall communicate/follow-up with the Partner/Operator either thru email, SMS, or phone call, and shall record these in the Project Monitoring Journal.

8.8.2.3. The PMD Assistant shall monitor the response of the **Partner/Operator** to the following requirements **within thirty (30) calendar days** after sending the letter of reminder:

- Submission of Quarterly Reports
- Submission of Annual Reports
- Submission of Copy of registered Operating Agreement
- Submission of Copy of the Official Receipt from LGU as proof of their payment of the occupation fee
- Submission of Copy of proof of the renewal of performance bond
- Submission of ExWP, EnWP, and CDP to MGB
- Submission of EIS and other required documents in the application of ECC to EMB
- Submission of Environmental Protection and Enhancement Program (EPEP) and Final Mine Rehabilitation and Decommissioning Plan (FMR/DP)
- Submission of Social Development and Management Program (SDMP)
- Submission of updated 3-Year Utilization/Development Work Program
- Submission of annual work programs (AEPEP, ASDMP, ASHP)
- Submission of Audited Financial Statements
- Submission of Environment Audit Report

In the event that the Partner/Operator does not respond to the letter of reminder:

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- a. The PMD Assistant shall refer to a Technical Personnel the said non-response and/or non-submission, and the Technical Personnel shall communicate/follow-up with the Partner/Operator either thru email.
- b. Significant issues/updates acquired through SMS, or phone call, and email shall be recorded in the Project Monitoring Database.
- c. In the case of non-response and/or non-submission of the Partner/Operator's quarterly reports within one (1) calendar year, the Technical Personnel shall escalate the issue to the Legal Department for their review and appropriate action.

8.8.2.4. If the **Partner/Operator** fails to respond to the following letters of reminders due to **force majeure or other justifiable reasons**:

- Submission of Quarter reports
- Submission of Annual reports
- Submission of Copy of registered Operating Agreement
- Submission of Copy of the Official Receipt from LGU as proof of their payment of the occupation fee
- Submission of approved Community Development Program
- Submission of approved Exploration Work Program
- Submission of approved Environmental Work Program
- Conduct of IEC Campaign
- Submission of a copy each of the documents necessary for the filing of DMPF
- Submission of the Payment of 2<sup>nd</sup> Commitment Fee
- Submission of Copy of proof of the renewal of performance bond
- Submission of MGB-Approved MOEPs and OTPs of all the shipments made in the preceding month
- Submission of ExWP, EnWP, and CDP to MGB
- Submission of EIS and other required documents in the application of ECC to EMB
- Submission of Environmental Protection and Enhancement Program (EPEP) and Final Mine Rehabilitation and Decommissioning Plan (FMR/DP)
- Submission of Social Development and Management Program (SDMP)
- Submission of updated 3-Year Utilization/Development Work Program
- Submission of annual work programs (AEPEP, ASDMP, ASHP)
- Submission of Audited Financial Statements
- Submission of Environment Audit Report

- a. The Technical Personnel shall determine the necessary action to be taken for the non-response of the Partner/Operator.

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- b. If the Partner/Operator asks for assistance, the Technical Personnel shall determine the necessary step/s to be rendered to the Partner/Operator’s request within five (5) working days upon receipt of a letter/advice from the Partner/Operator regarding the matter.
- c. The Technical Personnel shall recommend approval of the proposed assistance/action to the President and CEO thru the PMD Manager (memo format).
- d. Upon the recommendation of the PMD Manager, and the approval of the President and CEO, the Technical Personnel shall coordinate with the Partner/Operator regarding the action/assistance to be provided and to determine when the Partner/Operator may resume its mining related activities in the project area.
- e. The assigned Technical Personnel shall document in the Project Monitoring Database the details of all the transactions and actions about the Force Majeure that transpired including, but not limited to, correspondences, as well as the assistance/actions provided by the Technical Personnel.

**8.8.2.5.** In cases where the LGUs and concerned government agencies do not respond to the request for the Issuance of Order of Payment sent by PMDC, the Technical Personnel shall communicate/follow-up with the LGUs and concerned government agencies either thru letter, email, SMS, or phone call, and shall record these in the Project Monitoring Journal.

**9.0 PROCEDURE AND ACTION PLANS FOR PROJECT FINANCING/SERVICE PROVIDER (PFSP) AGREEMENT**

The following provisions present the procedures and the corresponding timeline within which the members of the Project Management Team (PMT) and other concerned parties are expected to undertake the specific activity.

However, in the event that a Technical Personnel is not available (due to field work, sickness, or any valid reason) to handle or execute a required action or output that he/she is assigned to, the time indicated to perform the required action or output shall start on the first day the Technical Personnel reports to the office.

Moreover, the Supervising Manager of the PMT or the PMD Manager may assign another Technical Personnel to handle or execute an action that requires immediate attention. The time indicated to perform the required action shall therefore start on its delegation to the Technical Personnel.

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**9.1. Project Generation/Evaluation**

- 9.1.1. Upon the identification of priority projects by the Top Management, the PMD shall gather, collate, and analyze all the available pertinent data from the MGB CO and RO, and other concerned agencies.
- 9.1.2. The data shall be verified by the Technical Personnel through due diligence and site visits, where reconnaissance mapping and sampling will be conducted. A project summary report shall be prepared to be submitted to the President and CEO, and a list of projects for bidding shall be submitted to the PMDC Board of Directors for their approval.
- 9.1.3. The PMD and Legal Department shall prepare the Terms of Reference (TOR).
- 9.1.4. The projects shall be subjected to bidding rounds with interested/prospective bidders.
- 9.1.5. Once the bidding/negotiation is done, the project shall be awarded to the winning bidder, and a Notice of Award shall be issued.
- 9.1.6. The PMDC and the winning bidder shall sign the Project Financing/Service Provider (PFSP) Agreement.

**9.2. Commencement of Contract**

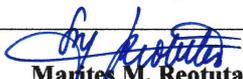
The provisions in the contract shall take effect immediately after the PFSP Agreement signing of the Financier/Service Provider (FSP) and PMDC.

**9.2.1. Establishment of Management Committee (ManCom) Composition**

Upon the signing of the PFSP Agreement, the President and CEO shall issue a Memorandum Order designating the members of the ManCom specifically for the FSP Project within five (5) working days.

**9.2.2. Establishment of the Project Management Team (PMT) Composition**

- a. Upon the signing of the PFSP Agreement, the President and CEO shall issue a Memorandum Order designating the members of the PMT, which acts as the Technical Working Group (TWG) to the ManCom, within five (5) working days. The PMT is composed of the following:
  - Project Manager (Geologist or Mining Engineer)
  - Environment Officer
  - Safety Engineer
  - Community Relations Officer
- b. The PMT shall undertake all the activities needed for the project. A meeting of the PMT shall be conducted within three (3) working days from the receipt of the PMT composition by the Supervising Manager to commence the activities.

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 Vice President for Operations

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- c. The assigned Technical Personnel shall submit the Minutes of the Meeting to the President and CEO, thru the Vice President for Operations and the Supervising Manager, within five (5) working days after the meeting.
- d. The Supervising Manager shall monitor the progress of the agreements/action items as contained in the Minutes of Meeting, and act upon the comments and instructions of the President and CEO, if any. The major matters to be monitored with the corresponding actions undertaken shall be recorded to the Project Monitoring Journal.

**9.2.3. Coordination with LGUs and Concerned Government Agencies**

**9.2.4.1. Introduction of PMDC Project and its FSP**

The assigned Community Relations Officer shall send a letter to the LGUs and concerned government agencies in the area introducing the PMDC mining project, and the credentials of the FSP within five (5) working days after PMT meeting. The said letter shall be signed by the President and CEO.

**9.2.4.2. Submission of PFSP Agreement with the MGB Regional Office**

- a. The assigned Project Manager shall prepare a letter within five (5) working days after PMT meeting, for the submission/registration of the project to the concerned MGB Regional Office (RO); said letter shall be signed by the President and CEO. The FSP shall be furnished a copy of this letter.
- b. The assigned Project Manager shall submit/register the Operating Agreement to the concerned MGB RO within thirty (30) calendar days after Operating Agreement signing.
- c. The assigned Project Manager shall file a copy of the submitted/registered Operating Agreement in its designate project folder.

**9.2.4.3. Introduction of the Project to the Community (can be conducted before or after the receipt of the Exploration Permit depending on the situation)**

- a. The assigned Community Relations Officer shall prepare and send request letter/s to the BLGU/s for a possible schedule/s for courtesy meeting, and/or the conduct of community meeting and Information, Education and Communication (IEC) Campaign; said letter/s shall be signed by the President and CEO. The FSP shall be furnished a copy of this/these letter/s.
- b. The assigned Community Relations Officer shall also prepare a letter of invitation for the concerned MGB RO to participate in the community

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meeting and Information, Education and Communication (IEC) Campaign.

**9.2.4. Preparation of Requirements and Processing of Exploration Permit (EP)**

**9.2.4.1. Filing of Exploration Permit Application (ExPA)**

a. The PMT shall conduct the activities to secure the following mandatory requirements for the filing of ExPA:

- Accomplished MGB Form Mo. 05-1
- Location Map/Sketch Map of the proposed permit area showing its geographic coordinates/ meridional block(s) and boundaries in relation to major environmental features and other projects using a National Mapping and Resource Information Authority (NAMRIA) topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;
- Two-year Exploration Work Program (MGB Form No. 5-4) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist;
- Proof of technical competence, including, among others, curricula vitae and track records in exploration and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Exploration Work Program;
- Proof of financial capability to undertake the Exploration Work Program, such as the following:
  1. For an individual – Copy of income tax return for the preceding year and proof of bank deposit or credit line in the amount of at least Two Million Five Hundred Thousand Pesos (PhP 2,500,000.00) and
  2. For a corporation, partnership, association or cooperative - Latest audited financial statement and, where applicable, Annual Report for the preceding year, credit line(s), bank guarantee(s) and/or similar negotiable instruments;
- Photocopy of Articles of Incorporation/Partnership/Association, By-Laws and Certificate of Registration, duly certified by the Securities and Exchange Commission or authorized Government agency(ies) concerned, for a corporation, partnership, association or cooperative, or Certification from the Bureau/Regional Office concerned that said documents are duly registered in that Office; and
- Affidavit of Undertaking for corporation, partnership, association or cooperatives (Annex A of DENR Memorandum Order No. 99-10) declaring:
  1. The list of applications filed and the Mining Permit(s)/Contract(s) granted to the applicants, including

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the corresponding hectarage and location of the areas, disaggregated on a per province basis; and

2. The list of other Applicant(s)/Contractor(s)/Permittee(s) in which more than seventy percent (70%) of the authorized capital stock is held by stockholders of the applicant, including the corresponding hectarage, disaggregated on a per province basis.

The PMT shall also prepare the following additional requirements, which can be submitted simultaneously with the mandatory requirements or after the acceptance of the ExPA but prior to the issuance of the Exploration Permit:

- Certificate of Environmental Management and Community Relations Record (CEMCRR)/Certificate of Exemption;
  - Environmental Work Program (MGB Form No. 16-1 or MGB Form No. 16-1A). If the applicant is a member of the Chamber of Mines of the Philippines, Inc. (COMP), he/she/it must submit Certificate of Good Membership Standing, which is a necessary requirement before the EWP can be evaluated; and
  - Certification Precondition from the National Commission on Indigenous Peoples attesting that –
    - The proposed permit area does not overlap any ancestral land/domain claim in case of non-Indigenous People (IP) area; or
    - The Free and Prior Informed Consent (FPIC) has been issued by the Indigenous Cultural Community (ICC)/IP concerned.
- b. Once the requirements are complete, the Project Manager shall request for authorization to file the ExPA. The PMD Manager thru the Vice President for Operations shall request the President and CEO an authorization granting to the Supervising Manager and/or Project Manager for filing the ExPA to the concerned Mines and Geosciences Bureau Regional Office.
  - c. The Supervising Manager and/or Project Manager shall prepare seven (7) copies of all the requirements, and file the ExPA to the concerned Mines and Geosciences Bureau Regional Office within thirty (30) working days upon the receipt of the Authorization Letter. The Supervising Manager and/or Project Manager shall secure a Travel Order to be approved and signed by the President and CEO.
  - d. The Supervising Manager and/or Project Manager shall follow-up and monitor the status of the Exploration Permit Application and coordinate with the concerned Mines and Geosciences Bureau Regional Office through calls, texts, emails, and/or letters, as deemed necessary. The assigned Project Manager shall also follow up the concerned MGB RO for

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the Certificate of Approval of the ExWP and EnWP. All significant updates shall be recorded in the Project Monitoring Journal.

**9.2.4.2. Processing of Other Permits, Consents and Clearances**

**9.1.4.2.1. Indigenous Peoples (IPs) Consent thru FPIC Process**

- a. Within five (5) working days from the acceptance of ExPA, the assigned Project Manager shall prepare a letter requesting the concerned MGB RO to issue an endorsement of the mining project to NCIP RO; said letter shall be signed by the President and CEO. The FSP shall be furnished a copy of this letter.
- b. Once a copy of the endorsement is received, the assigned Community Relations Officer shall follow up the schedules of the FPIC activities with the concerned NCIP RO through calls, texts, emails, and/or letters, as deemed necessary.
- c. The assigned Community Relations Officer shall participate in the whole FPIC process. All significant updates shall be recorded in the Project Monitoring Journal.

**9.1.4.2.2. Clearance from the Department of Agriculture Regional Office**

- a. Once a letter from MGB RO detailing the findings of an overlap with the DA's Strategic Agriculture and Fisheries Development Zone (SAFDZ), the assigned Project Manager shall prepare letters requesting concerned MGB RO, concerned DA RO, and the Bureau of Soil and Water Management (DA-BSWM) for a joint ground validation over the area; said letters shall be signed by the President and CEO. The FSP shall be furnished a copy of this letter.
- b. The assigned Environmental Officer shall follow up the schedule of the joint ground validation with the concerned government offices through calls, texts, emails, and/or letters, as deemed necessary.
- c. The assigned Environmental Officer shall participate in the joint ground validation. All significant updates shall be recorded in the Project Monitoring Journal.

**9.3. Commencement of Exploration**

The Exploration Work Program and Environmental Work Program shall be implemented immediately after the receipt of the Exploration Permit (EP).

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Vice President for Operations

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**9.3.1. Formulation and Implementation of the Budget Utilization Schedule (BUS)**

9.3.1.1. The PMT shall formulate the interim Budget Utilization Schedule (BUS) using the budget of the submitted Work Programs within five (5) days from the acceptance of ExPA. The BUS shall be revised upon receipt of the approved Work Programs.

9.3.1.2. Once the EP is received, the Project Manager shall submit the BUS to the ManCom for its approval.

9.3.1.3. The PMT shall commence the conduct of exploration activities in the area within thirty (30) calendar days from the approval of the BUS. The assigned Technical Personnel shall document in the Project Monitoring Journal the relevant accomplishments, and submit a weekly accomplishment report to the Supervising Manager.

**9.3.2. Preparation and Submission of Other Requirements**

**9.3.2.1. Conduct of Community Consultation, and Preparation and Submission of Community Development Program (can be conducted simultaneously with the IEC campaign or after the receipt of EP)**

a. The assigned Community Relations Officer shall prepare a letter requesting for a schedule for community consultation in relation to the crafting of the CDP; said letter shall be signed by the President and CEO and/or Vice President for Operations. The FSP shall be furnished a copy of this letter.

b. The assigned Community Relations Officer shall follow up the concerned barangays for the schedule of the community consultation.

c. The assigned Community Relations Officer shall participate in the community consultation. All significant updates shall be recorded in the Project Monitoring Journal.

d. Within thirty (30) days from the end of the community consultation, the assigned Community Relations Officer shall prepare the draft CDP. Once finalized, the Project Manager shall prepare a letter to submit five (5) copies of the CDP to the concerned MGB RO; said letter shall be signed by the President and CEO and/or Vice President for Operations. The assigned Community Relations Officer shall secure a Travel Order to be approved and signed by the President and CEO.

a. The assigned Community Relations Officer shall follow up the Certificate of Approval of the CDP with the concerned MGB RO through calls, texts, emails, and/or letters, as deemed necessary.

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*Marijes M. Reotutar*  
**Marijes M. Reotutar**

Vice President for Operations

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- e. Once the Certificate of Approval is received, the assigned Community Relations Officer shall implement the Projects/Programs/Activities (PPAs) listed in the approved CDP.

**9.3.2.2. Accreditation of Safety Officer at respective MGB Regional Office, and Preparation and Submission of Annual Safety and Health Program**

- b. The assigned Safety Engineer shall prepare the mandatory requirements for accreditation with the concerned MGB RO.
- c. The assigned Safety Engineer shall prepare the draft Annual Safety and Health Program for the mining project.
- d. Within five (5) days from the receipt of the Permanent Safety Engineer’s Permit, the assigned Safety Engineer shall prepare a letter to submit the Annual Safety and Health Program; said letter shall be signed by the President and CEO and/or Vice President for Operations. The assigned Safety Engineer shall secure a Travel Order to be approved and signed by the President and CEO.
- e. The assigned Safety Engineer shall follow up the Certificate of Approval of the ASHP with the concerned MGB RO through calls, texts, emails, and/or letters, as deemed necessary.
- f. Once the Certificate of Approval is received, the assigned Safety Engineer shall implement the Projects/Programs/Activities (PPAs) listed in the approved ASHP.

**9.3.3. Submission of Quarterly/Semi-Annual/Annual Reports**

- a. The assigned Technical Personnel shall prepare and route the pertinent reports/documents to the FSP Supervising Manager for his/her review:
  - Quarterly Exploration Accomplishment Reports
  - Quarterly Drilling Reports
  - Annual Exploration Accomplishment Report
  - Quarterly Environmental Accomplishment Reports
  - Annual Environmental Accomplishment Report
  - Annual Community Development Program Accomplishment Report
  - Monthly General Accident Report (MGAR) and Monthly Employer’s Report of Accident or Illness (MERAI), including the submission to DOLE
  - Monthly Minutes of the Meeting of the Safety and Health Committee (SHC)
  - Semi-Annual ASHP Accomplishment Reports
  - Annual ASHP Accomplishment Report

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 Vice President for Operations

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- b. Upon receipt of the signed pertinent reports/documents, the PMT Assistant shall provide the reports to the FSP Supervising Manager, and prepare the corresponding transmittals. The FSP Supervising Manager shall review and endorse the reports/documents. The said transmittals shall be signed by the Vice President for Operations and/or the FSP Supervising Manager.

**9.3.4. Regulatory Agencies' Scheduled Inspection**

- a. The assigned Project Manager shall coordinate with concerned Regulatory Agency for the details of the inspection/monitoring, and communicate thru phone call for the details, within three (3) working days upon receipt of the letter regarding scheduled inspections/monitoring.
- b. The PMT shall participate in the inspection/monitoring. The PMT shall secure a Travel Order to be approved and signed by the President and CEO.
- c. The PMT shall submit a Post Activity Report to the FSP Supervising Manager. The FSP Supervising Manager shall endorse it to the President and CEO thru the PMD Manager and Vice President for Operations using FSP-Memo within five (5) working days after the project site inspection/field verification. All findings and recommendations cited during the exit conference must be included in the Post Activity Report.
- d. Once the President and CEO has noted/signed the Post Activity Report, the assigned Project Manager shall file it in its designated project folder. The assigned Project Manager shall note down all the finding and recommendations and his/her corresponding actions in the Project Monitoring Journal.
- e. The Supervising Manager shall monitor the progress of the agreements/action items as contained in the Post Activity Report, and act upon the comments and instructions of the PMD Manager, the Vice President for Operations, and/or the President and CEO, if any. The major matters to be monitored with the corresponding actions undertaken shall be recorded to the Project Monitoring Journal.

**9.4. Filing for Application of Environmental Compliance Certificate (ECC)**

- a. The PMT shall conduct the activities to secure the following requirements for the filing of ECC Application:
  - Environmental Impact Statement (EIS);
  - Proof of compatibility with the existing Land Use Plan, if necessary;
  - Proof of ownership or authority over the project site
  - Accountability Statements of the proponent and the EIS preparers
  - Photographs or plates of the project site, impact areas, and affected areas and communities
  - Duly Accomplished Project Environmental Monitoring and Audit Prioritization Scheme (PEMAPS) Questionnaire
  - Protected Area Management Board (PAMB) Clearance
  - Final Exploration Report;

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- Mining Feasibility Study Report (FS); and
  - Application for Mineral Agreement
- b. Once the requirements are complete, the Supervising Manager and/or assigned Project Manager shall prepare seven (7) copies of all the requirements, and file the ECC application to the Environmental Management Bureau Central Office, or shall communicate with the Environmental Consultant for the filing of ECC.
  - c. The Supervising Manager and/or assigned Project Manager shall follow-up and monitor the status of the ECC application and coordinate with the concerned EMB CO or with the Environmental Consultant through calls, texts, emails, and/or letters, as deemed necessary. All significant updates shall be recorded in the Project Monitoring Journal.
  - d. The assigned Project Manager shall participate in the evaluation of regulatory agencies pertaining to the DMPF application, as needed. The assigned Project Manager shall secure a Travel Order to be approved and signed by the President and CEO. The assigned Project Manager shall submit a Post Activity Report to the Supervising Manager. All findings and recommendations cited during the exit conference must be included in the Post Activity Report, and the relevant actions and updates shall be written in the Project Monitoring Journal.
  - e. The assigned Project Manager and/or assigned Environment Officer shall participate in the evaluation and/or field inspection of the Review Committee, as needed. The assigned Project Manager and/or assigned Environment Officer shall secure a Travel Order to be approved and signed by the President and CEO. The assigned Project Manager shall submit a Post Activity Report to the Supervising Manager. All findings and recommendations cited during the exit conference must be included in the Post Activity Report, and the relevant actions and updates shall be written in the Project Monitoring Journal.

**9.5. Filing of Declaration of Mining Project Feasibility (DMPF)**

- a. The PMT shall conduct the activities to secure the following requirements for the filing of the Declaration of Mining Project Feasibility (DMPF):
  - Sworn Declaration of Mining Project Feasibility (DMPF);
  - Secretary’s Certificate attesting to a Board Resolution as to the authority of the person who is filing the Declaration;
  - Mining Feasibility Study Report;
  - Three (3)-Year Work Program;
  - Application for **Order of Survey** or Approval of Survey Plan;
  - Environmental Compliance Certificate (ECC);
  - Environmental Protection and Enhancement Program (EPEP) and Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP);
  - Social Development and Management Program (SDMP);
  - Final Exploration Report;
  - Project approval/endorsement by the Sanggunian concerned;

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- Proof of technical competence to undertake the implementation of the activities under the Work Program in the form of (a) Bio-data and track record of mining operations and environmental management, and (b) Sworn statement/employment/contract/proof availed services of the technical person/s who will implement the Work Program;
- Proof of financial capability to undertake the implementation of the activities under the Work Program in the form of (a) Latest audited Financial Statement and Annual Report and (b) Credit Lines/Bank Guarantees/Deposits.
- Additional Requirement for approval of Mineral Agreement:
  - Duly certified **Certificate of Registration, Articles of Incorporation/Partnership/Association and By-Laws** issued by the Securities and Exchange Commission or authorized Government agency concerned, or Certification from the Bureau/Regional Office concerned that the said documents are duly registered in that Office;
  - **Location map/sketch plan** of the proposed contract area showing its geographic coordinates/meridional block(s) and boundaries in relation to major environmental features and other projects using a NAMRIA topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;
  - **Three-year Development/Utilization Work Program** (MGB Form No. 6-2) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist;
  - **Proof of technical competence**, including, among others, <sup>0</sup>curricula vitae and track records in mining operations and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Development/Utilization Work Program;
  - **Proof of financial capability** to undertake the activities pursuant to the Development/Utilization Work Program, such as latest audited **financial statement** and where applicable, **Annual Report** for the preceding year, **credit line(s), bank guarantee(s),** and/or similar **negotiable instruments;**
  - **Affidavit of Undertaking for corporation, partnership, association or cooperatives** (Annex A of DENR Memorandum Order No. 99-10) declaring:
    - The list of applications filed and the Mining Permit(s)/Contract(s) granted to the applicants, including the corresponding hectarage and location of the areas, disaggregated on a per province; and
    - The list of Applicant(s)/Contactor(s)/Permittee(s) in which more than seventy (70%) of the authorized capital stock is held by the stockholders of the applicant, including the corresponding hectarage, disaggregated in a per province basis.
  - **Mining Project Feasibility Study** (MGB Form No. 5-3);
  - **Complete and Final Exploration Report** pertaining to the area;

b. Once the requirements are complete, the Project Manager shall request for authorization to file the DMPF. The PMD Manager thru the Vice President for Operations shall request the President and CEO an authorization granting to the Supervising Manager and/or Project Manager for filing the DMPF to the concerned Mines and Geosciences Bureau Regional Office.

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- c. The Supervising Manager and/or assigned Project Manager shall prepare seven (7) copies of all the requirements, and file the DMPF to the concerned Mines and Geosciences Bureau Regional Office within thirty (30) working days upon the receipt of the Authorization Letter. The Supervising Manager and/or Project Manager shall secure a Travel Order to be approved and signed by the President and CEO.
- d. The Supervising Manager and/or assigned Project Manager shall follow-up and monitor the status of the DMPF application and coordinate with the concerned Mines and Geosciences Bureau Regional Office through calls, texts, emails, and/or letters, as deemed necessary. All significant updates shall be recorded in the Project Monitoring Journal.
- e. The assigned Project Manager shall participate in the evaluation of regulatory agencies pertaining to the DMPF application, as needed. The assigned Project Manager shall secure a Travel Order to be approved and signed by the President and CEO. The assigned Project Manager shall submit a Post Activity Report to the Supervising Manager. All findings and recommendations cited during the exit conference must be included in the Post Activity Report, and the relevant actions and updates shall be written in the Project Monitoring Journal.

**9.6. Filing for Application for Mineral Agreement**

- a. The PMT shall conduct the activities to secure the following requirements for the filing of the Mineral Production Sharing Agreement (MPSA) Application:
  - Accomplished MGB Form No. 06-1;
  - Duly certified Certificate of Registration, Articles of Incorporation/Partnership/Association and By-Laws issued by the Securities and Exchange Commission or authorized Government agency concerned, or Certification from the Bureau/Regional Office concerned that the said documents are duly registered in that Office; Mining Feasibility Study Report;
  - Location map/sketch plan of the proposed contract area showing its geographic coordinates/meridional block(s) and boundaries in relation to major environmental features and other projects using a NAMRIA topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;
  - Three-year Development/Utilization Work Program (MGB Form No. 6-2) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist;
  - Proof of technical competence, including, among others, curricula vitae and track records in mining operations and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Development/Utilization Work Program;
  - Proof of financial capability to undertake the activities pursuant to the Development/Utilization Work Program, such as latest audited financial statement and, where applicable, Annual Report for the preceding year, credit line(s), bank guarantee(s) and/or similar negotiable instruments;
  - Affidavit of Undertaking for corporation, partnership, association or cooperatives (Annex A of DENR Memorandum Order No. 99-10) declaring:

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Vice President for Operations

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1. The list of applications filed and the Mining Permit(s)/Contract(s) granted to the applicants, including the corresponding hectarage and location of the areas, disaggregated on a per province basis; and
  2. The list of other Applicant(s)/Contractor(s)/Permittee(s) in which more than seventy percent (70%) of the authorized capital stock is held by stockholders of the applicant, including the corresponding hectarage, disaggregated on a per province basis.
- Mining Project Feasibility Study (MGB Form No. 5-3); and
  - Complete and final exploration report pertaining to the area.

For holders of valid and existing mining lease contracts, operating agreements, Quarry Permits/licenses or unperfected mining/quarry claims, the following are additional requirements to the above requirements, whenever applicable:

- Certification from the Regional Office concerned that the mining/quarry claims are valid and subsisting;
- Appropriate environmental report on the rehabilitation of mined-out and/or mine waste/tailings-covered areas and anti-pollution measures undertaken during the mining operations;
- Environmental Compliance Certificate (ECC) for any new phase outside of the originally approved operation under the mining project;
- Mining Project Feasibility Study (MGB Form No. 5-3): Provided, that a Mineral Agreement applicant with existing mining operation may submit, in lieu of the Mining Project Feasibility Study, a Project Description and a detailed financial statement of its operations incorporating therein the social and environmental expenditures, taxes and fees paid (MGB Form No. 5-3A); and
- Approved survey plan of the mining area.

The following additional requirements shall be submitted after the acceptance of the application but prior to the issuance of the Mineral Agreement:

- Environmental Compliance Certificate (ECC);
- Environmental Protection and Enhancement Program (MGB Form No. 16-2);
- Certificate of Environmental Management and Community Relations Record (CEMCRR)/Certificate of Exemption;
- Approved survey plan; and
- Certification Precondition from the National Commission on Indigenous Peoples attesting that –
  - a. The proposed permit area does not overlap any ancestral land/domain claim in case of non-Indigenous People (IP) area; or
  - b. The Free and Prior Informed Consent (FPIC) has been issued by the Indigenous Cultural Community (ICC)/IP concerned.

- b. Once the requirements are complete, the Project Manager shall request for authorization to file the MPSA application. The PMD Manager thru the Vice President for Operations shall request the President and CEO an authorization granting to the Supervising Manager and/or Project Manager for filing the MPSA application to the concerned Mines and Geosciences Bureau Regional Office.

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- c. The Supervising Manager and/or assigned Project Manager shall prepare seven (7) copies of all the requirements, and file the MPSA application to the concerned Mines and Geosciences Bureau Regional Office within thirty (30) working days upon the receipt of the Authorization Letter. The Supervising Manager and/or Project Manager shall secure a Travel Order to be approved and signed by the President and CEO.
- d. The Supervising Manager and/or assigned Project Manager shall follow-up and monitor the status of the MPSA application and coordinate with the concerned Mines and Geosciences Bureau Regional Office through calls, texts, emails, and/or letters, as deemed necessary. All significant updates shall be recorded in the Project Monitoring Journal.
- e. The assigned Project Manager shall participate in the evaluation of regulatory agencies pertaining to the MPSA application, as needed. The assigned Project Manager shall secure a Travel Order to be approved and signed by the President and CEO. The assigned Project Manager shall submit a Post Activity Report to the Supervising Manager. All findings and recommendations cited during the exit conference must be included in the Post Activity Report, and the relevant actions and updates shall be written in the Project Monitoring Journal.

#### 9.7. Conduct of Project Management Committee (ManCom) Meeting

- a. The PMT, acting as the Technical Working Group of the Project Management Committee (ManCom) shall consolidate matter/s for approval and/or notation by the Project ManCom.
- b. The PMT shall inform the ManCom Secretary for the request for meeting, and provide him/her the proposed agenda, together with the attachments, for approval by the Chairperson of the Project ManCom. The ManCom Secretary shall issue a Notice of Meeting for the details of the meeting.
- c. After the ManCom meeting, the PMT shall note down the all recommendations and his/her corresponding actions in the Project Monitoring Journal, and report the actions on the next Project ManCom meeting. The ManCom Secretary shall draft the Minutes of the Meeting.
- d. The Supervising Manager shall monitor the progress of the agreements/action items as contained in the Minutes of Meeting, and act upon the comments and instructions of the ManCom, if any. The major matters to be monitored with the corresponding actions undertaken shall be recorded to the Project Monitoring Journal.

#### 9.8. Monitoring of the Implementation of Activities

- a. The Supervising Manager shall hold monthly meetings with PMT. For the conduct of project site inspection/field verification, upon approval by the Vice President for Operations, the Supervising Manager shall secure a Travel Order to be approved and signed by the President and CEO.

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- b. The assigned Technical Personnel shall prepare the Minutes of the Meeting for the monthly meeting.
- c. For the project site inspection/field verification, the Supervising Manager shall prepare a Post Activity Report.

**9.9. Payment of Occupation Fees**

- a. Upon receipt of the copy of the EP, the PMT Assistant shall send a letter to the concerned MGB Regional Office within five (5) working days requesting for the issuance of an Order of Payment of occupation fee; said letter shall be signed by the President and CEO and/or Vice President for Operations.
- b. Upon receipt of the Order of Payment from the concerned MGB RO, the PMT Assistant shall forward a copy to the FSP within three (3) working days for payment.
- c. Within thirty (30) calendar days from the receipt of the Order of Payment, the PMT Assistant shall communicate through phone call or email for the submission of a copy of the Official Receipt/s from the LGU/s as proof of their payment of occupation fee/s.
- d. Upon receipt of the proof of payment, the PMT Assistant shall record the details of the same in the Project Monitoring Database.

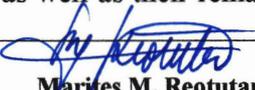
**9.10. Securing ISO-14001 Certification**

- a. Upon receipt of the Memorandum Order approving the DMPF, the PMT shall start with the ISO-14001 Certification process.
- b. Upon receipt of the copy of Certification for ISO-14001, the assigned Project Manager shall prepare a letter furnishing MGB CO a copy of the Certification; said letter shall be signed by the President and CEO and/or Vice President for Operations.
- e. The payment of occupation fees shall be done annually throughout the duration of the contract. The request of Order of Payment shall be sent to MGB RO not less than thirty (30) calendar days from the Anniversary Date of the issuance of the EP.

**10.0 RECORDS AND DOCUMENTATION**

**10.1. Project Monitoring Database**

In addition to the records produced by the transactions, correspondences, etc. in the course of the processes and provisions stated in this procedure, PMD Assistant shall keep a database of the Projects which shall be accessible to the Technical Personnel. The Database shall serve as a ready reference for any action/activity done by the Technical Personnel on a particular date, as well as their remarks and other information that the Technical Personnel's deem to

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be important/critical to their projects. Intended to be referred to on a regular basis (e.g. daily, weekly), the Project Monitoring Database shall enable the Technical Personnel to review the last actions taken on the projects, and what further steps need to be done.

## 10.2. Records

The following is the list of the types of records which shall be produced in the course of this procedure.

	Record Type	Reference	Origin/Author	Recipient/s	Retention Period
1	Certificate of Analysis	Section 4.0	MGB CO, Private Laboratory	PMDC	5 years
2	Declaration of Mining Project Feasibility Study	Section 7.7	Partner/Operator	MGB, PMDC	Permanent
3	Environmental Compliance Certificate (ECC)	Section 7.7	MGB	Partner/Operator, PMDC	Permanent
4	Environmental Impact Statement (EIS)	Section 7.7.1	Partner/Operator	MGB, PMDC	Permanent
5	Exploration Work Program (ExWP)	Section 7.4	Partner/Operator	MGB, PMDC	3 years
6	Final Exploration Report	Section 7.7	Partner/Operator	MGB, PMDC	Permanent
7	Mineral Ore Export Permit (MOEP)	Section 7.7	MGB	Partner/Operator, PMDC	5 years
8	Ore Transport Permit (OTP)	Section 7.7	MGB	Partner/Operator, PMDC	5 years
9	Order of Payment	Section 7.3.3	MGB	Partner/Operator	Permanent
10	Correspondences	Section 7.0	Partner/Operator	PMDC	5 years
11	Correspondences (PMDC)	Section 7.0	PMDC	Partner/Operator	5 years
12	Official Receipt	Section 7.3.4	LGU, Partner/Operator	PMDC	Permanent
13	Official Receipt (PMDC)	Section 7.9.2	PMDC - FAD	Partner/Operator	Permanent
14	Environmental Work Program (EWP)	Section 7.4.7	Partner/Operator	MGB, PMDC	3 years
15	Community Development Program (CDP)	Section 7.4.7	Partner/Operator	MGB, PMDC	3 years
16	Certification on Conduct of IEC	Section 7.5	LGU	PMDC	Permanent
17	Attendance on IEC Activity	Section 7.5	IEC Participants	PMDC	Permanent
18	Memoranda	Section 7.6	PMDC	Partner/Operator, PMDC	Permanent
19	Post-Visit Reports	Section 7.6.3 Section 7.8.2	PMDC	PMDC	5 years
20	Project Monitoring Report	Section 7.6.3	Field Coordinator	PMDC	Permanent
21	Minutes of Meetings	Section 7.6.4 Section 7.8.3	PMDC, Partner/Operator	PMDC	5 years
22	Requirements for filing of DMPF	Section 7.7.2	Partner/Operator	MGB, PMDC	5 years
23	Annual Reports	Section 7.6.2 Section 7.7.2 Section 7.8.1	Partner/Operator	MGB, PMDC	3 years
24	Quarterly Reports	Section 7.6.2 Section 7.8.1	Partner/Operator	MGB, PMDC	3 years
25	Annual Presentation	Section 7.8.3	Partner/Operator	PMDC	3 years

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	Record Type	Reference	Origin/Author	Recipient/s	Retention Period
26	Action Item/s	Section 7.8.3	Partner/Operator	PMDC	5 years
27	Reports on Shipment Operations	Section 7.8.4	Partner/Operator	PMDC	5 years
28	Reference Price Index	Section 7.9	PMDC - PMPC	Partner/Operator	5 years
29	Shipment Documents	Section 7.9	Partner/Operator	PMDC	5 years
30	Production Report	Section 7.9	Partner/Operator	PMDC	5 years
31	Sales Invoice/Sales Agreement	Section 7.9	Partner/Operator	PMDC	5 years
32	Draft Survey Report	Section 7.9	Partner/Operator	PMDC	5 years
33	Chiefmate's Report	Section 7.9	Partner/Operator	PMDC	5 years
34	BSP Assay Report	Section 7.9	Partner/Operator	PMDC	5 years
35	Verification of Shipment	Section 7.9	MGB	PMDC	5 years
36	Billing Statement	Section 7.9	PMDC - FAD	Partner/Operator	10 years
37	Post-Collection Report	Section 7.9	PMDC - FAD	PMDC	10 years

## 11.0 REFERENCES

1. Joint Operating Agreement
2. Mineral Production Sharing Agreement
3. R. A. 7942 – “Philippine Mining Act of 1995”
4. DENR Administrative Order No. 37, Series of 1996 – “Revising DENR Administrative Order No. 21, Series of 1992, to Further Strengthen the Implementation of the Environmental Impact Statement (EIS) System”
5. DENR Administrative Order No. 2005-07, April 14, 2006 – “Amendments to Chapter XVIII of DENR Order No.96-40, as Amended, Providing for the Establishment of a Final Mine Rehabilitation and Decommissioning Fund”.
6. DENR Administrative Order No. 2010-13: Amendments to Sct.16 on Ancestral Lands and Chapter XIV on Development of Mining Communities, Science and Mining Technology of DENR AO-96-40
7. DENR Administrative Order No. 2010-21: Implementing Rules and Regulations of RA 7942 – Philippine Mining Act of 1995

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