

Marcventures Mining and Development Corporation

A. COMPANY BACKGROUND INFORMATION

Detailed History of Mining Operation

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| June 19, 1992 | The Philippine Government, represented by the Secretary of the Department of Environment and Natural Resources (DENR), and Ventura Timber Corporation (Ventura) executed Mineral Production Sharing Agreement (MPSA) No. 016-93-XIII covering an area of 4,799 hectares located in the Municipalities of Cantilan, Carrascal and Madrid, Province of Surigao del Sur. |
| July 1, 1993 | The MPSA was approved by the President of the Philippines granting Ventura an initial mineral exploration permit of the contract area for two (2) years to undertake the required mineral exploration pursuant to an approved Two (2)-Year Exploration Work Program. |
| January 19, 1995 | A Deed of Assignment (DOA) involving MPSA No. 016-93-XIII was executed by and between Ventura and Marcventures Mining Development Corporation (MMDC). |
| January 24, 2008 | First renewal of exploration period was granted. |
| March 11, 2008 | The DOA executed by and between by Ventura and MMDC was approved by the DENR Secretary. |
| July 14, 2008 | A Memorandum of Agreement (MOA) was entered by and between MMDC represented by its Chairman, Mr. Mario G. Vijungco and the Tribal Community of the Panikian, Carrascal, Cabangahan, Cantilan and Bayugo. |
| November 13, 2008 | The Certificate of Compliance to the FPIC Process and Certification that the Community has given its Consent with Compliance Certificate Control No. CCRXIII-08-11-172 was issued to MMDC precondition to the Mineral production Sharing Agreement (MPSA No. 016-93-XIII). |
| December 22, 2008 | The Environmental Compliance Certificate of the Marcventures Mining and Development Corporation with Reference Code 0807-022-1093 for the proposed MMDC Carrascal Nickel Project covering an area of 120 hectares within approved MPSA. |
| March 24, 2009 | A Memorandum of Agreement (MOA) was entered by and between MMDC represented by its Chairman, Mr. Mario G. Vijungco and National Irrigation Administration (NIA) represented by its CAGARA Regional Director, Engr. Democratico Grana. |
| March 26, 2009 | Contingent Liability and Rehabilitation Fund (CLRF) Memorandum of Agreement (MOA) signing was held at the Oasis Beach Resort and |

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| | Restaurant, Carrascal, Surigao del Sur. |
| May 19, 2009 | An orientation-briefing for all Mine Rehabilitation Fund Committee (MRFC) and Multipartite Monitoring Team (MMT) members was conducted at Solar Lodge and Beach Resort. |
| May 29, 2009 | The first MRFC meeting was conducted at the MGB Region XIII Training Center, Surigao City. |
| | Five (5)-Year Social Development and Management Plan (SDMP) was approved with SDMP # 002-2009-02XIII. |
| | Annual Social Development and Management Plan was approved with ASDMP # 01-2009. |
| October 23, 2009 | Partial Declaration of Mining Project Feasibility (DMPF) was approved. |
| 3rd quarter 2010 | Mining operations started in the initial 120-hectare ECC area. |
| February 25, 2011 | Environmental Compliance Certificate No. ECC_R13-1101-0006 was issued by EMB CARAGA to MMDC for its causeway, pier yard and road project. |
| July 14, 2011 | Second renewal of exploration period was granted. |
| August 9-19, 2011 | First shipment of MMDC. |
| April 7, 2013 April 23, 2013 | Stop the mining operation at Cantilan area due to a barricade Amendment of ECC 0807-022-1093 was granted to MMDC which covers the whole 4,799 hectares of MPSA No. 016-93-XIII. The amendment also superseded the ECC-R13-1101-0006 issued by EMB CARAGA to MMDC for its causeway, pier yard and road project. The amended ECC permits MMDC to mine outside the initial 120 hectares. |
| May 1, 2013 | Company started its operation at Carrascal. |
| April 22, 2014 | The company was ordered to stop mining operation in the Carrascal portion of the contract area per letter from MGB Central Office dated April 22, 2014. |
| June 26, 2014 | MGB Central Office issued a letter allowing the company for the removal of any stockpiled of ore generated as a consequence of the conduct of the environmental mitigating measure. |
| August 6, 2014 | MGB lifted suspension of mining operations in Cantilan; suspension of mining operations in Carrascal remains in effect. |
| October 16, 2014 | MGB Central Office notified that an Order for the approval of the applied Declaration of Mining Feasibility (DMPF) was approved. |

September 17, 2015 Amendment of ECC 0807-022-1093 was granted to MMDC which superseded the previous approved production of 3M wmt to 5M wmt.

B. PANORAMIC PHOTOGRAPH

None

C. PERMITS AND CLEARANCES

| Date Issued | Permits/ Clearance | Status (Date of Expiry) |
|--------------------|--|---|
| July 1, 1993 | MPSA (MPSA No. | June 2018 |
| December 22, 2008 | ECC for initial Mining area of 120 hectares (016-93-XIII) | - |
| February 25, 2011 | ECC for Proposed Causeway, Pieryard and Road Project (ECC No. R13-1101-0006) | - |
| April 23, 2013 | Amended of ECC 0807-022-1093 for whole 4,799 hectares of MPSA and superseded the ECC No. R13-1101-0006 and increase of production from 600,000 WMT – 3,000,000 WMT | - |
| September 17, 2015 | Amendment of ECC 0807-022-1093 which superseded the previous approved production of 3M wmt to 5M wmt. | - |
| January 13, 2016 | Special Tree Cutting and Earth-balling Permit for 104 hectares | - |
| June 10, 2015 | Special Tree Cutting and Earth-balling Permit for 34 hectares | - |
| July 8, 2009 | Special Tree Cutting and Earth-balling Permit for 30 hectares | - |
| August 6, 2010 | DENR ID No. 16-68-0052 | |
| February 26, 2015 | 2013-WDP-L-1368-181 | Awaiting for the approval for 5 year permit |
| February 26, 2015 | 2013-WDP-L-1368-182 | |
| February 26, 2015 | 2013-WDP-L-1368-183 | |
| February 26, 2015 | 2013-WDP-L-1368-184 | |
| February 26, 2015 | 2013-WDP-L-1368-185 | |
| February 26, 2015 | 2012-WDP-L-1368-186 | |
| February 26, 2015 | 2013-WDP-L-1368-187 | |
| February 26, 2015 | 2013-WDP-L-1368-188 | |
| February 26, 2015 | 2013-WDP-L-1368-190 | |
| September 21, 2015 | 2015-WDP-I-1368-184 | |
| September 10, 2014 | CCO-14-0001Hg | |
| December 16, 2013 | CCO-PCB-13-13-0011 | |
| December 4, 2013 | 2013-POA-E-1368-340 | December 4, 2018 |
| December 4, 2013 | 2013-POA-E-1368-339 | December 2018 |
| May 6, 2016 | 2016-POA-E-1368-074 | December 6, 2021 |

D. ENVIRONMENTAL PERFORMANCE

| Date | Activity | Summary of Findings |
|------------------------|--|---|
| February and July 2010 | Seasonal Baseline Sedimentation flux study conducted by: Isabelo Abellon, Hydrologist | The sediment value obtained upstream of the mine area decreases as it reached the upstream of the NIA intake. This is because of the presence of a wide flood plain where sediment can be possibly deposited when the flow passes the natural constriction of the watershed approximately 3 kilometers upstream of the intake |
| August 2011 | Monitoring of sediment flux/transport of water supply sources for irrigation conducted by by: Isabelo Abellon Hydrologist | Results of the study would indicate that concentration of sediments varies across the width of the river. This is because of the different values or variability of velocity in every sub-section |
| May 2014 | Marine Assessment conducted by GAIA South | All sites considered for this study showed live coral cover to be very poor (0-20%) to fair (40-60%). For this study, the increasing distance from the pier served as a proxy for rate of sedimentation. |

E. NOTICE OF VIOLATION

- Refer to above Company history

F. OTHER ENVIRONMENTAL ACTIVITIES/ENDEAVOR UNDERTAKEN

| Date | Activity | Area |
|-------------|--|-----------------------------------|
| 2012 | NGP- Planting | 45 hectares |
| 2013 | NGP- Planting | 39.77 hectares |
| 2014 | NGP- Planting | 8.97 hectares |
| 2012 | Adopt-A-River Program - River Clean-up - Construction of Rock filter | 1 kilometer 300 meters |
| 2013 | Adopt-A-River Program - River Clean-up - Mangrove Planting | 1 kilometer 9,000 propogules |
| 2014 | Adopt-A-River Program - River Clean-up - Mangrove Planting | 1.5 kilometer 3,000 propagules |
| 2015 | Adopt-A-River Program - River Clean-up - Mangrove Planting | 2 kilometers 11,000 propagules |