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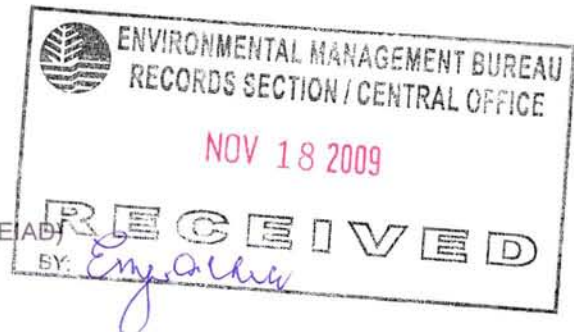


18 November 2009

HON. JULIAN D. AMADOR
Director, EMB

Through: ENGR. CESAR CIADOR, Jr.
OIC-Chief
Environmental Impact Assessment Division (EIAD)

SUBJECT: EIARC Report, Proposed Mindoro Nickel Project



Dear **Director Amador**:

Greetings!

Herewith I am submitting a brief Review Committee Report for the proposed Mindoro Nickel Project.

Please accept my apologies for the late submission. My schedule during the past 1.5 months went berserk: (1) the aftermath of the series of tropical cyclones affecting Metro Manila; (2) the heavy task for me being the current Director of IESM in time when the first semester ended in October (final exams, grades, etc.) and subsequent enrolment period (October-November), and; (3) fieldwork and holidays. All these prevented me from submitting this Report much earlier.

I trust though that with the minutes of the final EIARC meeting having been duly submitted on time (with inputs from the Chair and other EIARC members), the final recommendation of the Review Committee has been clear and already known.

With our final recommendation, we in the Committee also understand that we are just a recommendatory body, and thus, must yield to higher authorities for further actions you may deem appropriate. I have been made aware that an ECC has been granted, and thus this Report may already be moot and academic. Nevertheless, I suppose this Report must be filed for the record, and for whatever purpose this may serve.

On behalf of the Review Committee, I express my gratitude for giving us the opportunity to be part of this process.

Thank you.

Sincerely,


RENE N. ROLLON, PhD
Associate Professor / IESM Director

Chair, EIARC for the Proposed Mindoro Nickel Project

Proposed Mindoro Nickel Project

1. The Review Team

EIARC Members

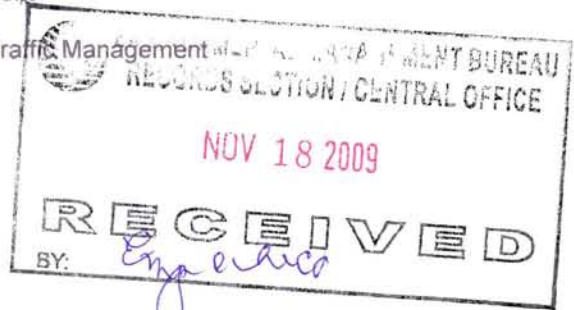
Dr. Rene N. Rollon – Chair / Marine Ecology
Dr. Mary Ann P. Botengan – Socio-cultural Environment
Prof. Elena Ragrario – Terrestrial Ecology
Engr. Francis Aldrine A. Uy – Air Environment and Traffic Management
Engr. Paulo Noni T. Tidalgo -
Engr. Glenn Marcelo C. Noble -
Atty. Ramiro Osorio – Legal Aspects

Resource Person

Engr. David L. Pagalilauan – MGB Representative

EMB Case Handlers

For. Verna P. Vidal - Case Handler
Engr. Louie Sioson - Co-Case Handler



2. Brief Project Description

With INTEX RESOURCES PHILIPPINES, INC. (IRPI) and Lichel Technologies, Inc. (LTI) as proponent and preparer respectively, the Mindoro Nickel Project (MNP) would extract and process nickel laterite ore into nickel and cobalt, with other facilities attendant to the operation, management of processed residue, rehabilitation and decommissioning. This project would last for about 20 years, with tonnage throughput targeted at 4.84 Mdt annually, with ramp-up of 45% and 90% for the 1st and 2nd year respectively. From the 3rd to the 20th year, 9.68 Mt of limonite and saprolite would be produced annually. This proposed project would include the following six (6) main components:

1. A mine site, consisted of two (2) approved Mineral Production Sharing Agreement (MPSA Numbers 167-2000-IVB and 277-2009-IVB) and two (2) MPSA Applications (AMA Numbers IVB-97 and IVB-101). Altogether, these tenements have a total land area of 11,216.6 hectares. The project would have an annual mine pit area of 100-150 hectares;
2. An ore transport route of about 43 km (overland cable conveyor) from the mine site to the processing plant site at Pola;
3. A processing plant (2-stage processing plant with a total projected annual production rate of 75,500 t nickel and 3,700 t cobalt commencing on the 3rd year) with energy generation component (80 MW capacity and grid connection);
4. A port facility (with capacity for a range of bulk ships up to handymax size [60,000 DWT] and barges up to 10,000 DWT) and other infrastructures (stock pile areas, offices, shops, etc.);
5. A 200-ha residue storage facility (RSF: with a capacity range of 145-183 Mm³, which would be built in stages to be located in a valley in Barangay Buhay na Tubig, Pola), and;
6. A housing/township area (indicative design not yet provided).

The processing plant (item 3) and port facility (item 4) would have a total area of about 100 hectares to be located in Pola, Oriental Mindoro.

3. Site Visit, Public Consultations, Technical Scoping, and Public Hearings

3.1 Site visit and Public Consultation(s)

On 20 October 2008, the members of the Review Team were invited to attend the public consultation for this proposed project in Barangay Cerveza, Victoria, Oriental Mindoro. Just when this meeting was about to be concluded, a cease order from the Provincial Governor was served, citing the 25-year mining moratorium ordinance of the Province. Eventually, the meeting had to be aborted although the major issues surrounding the proposed project had already been raised. In view of such cease order, the Review Team also postponed the subsequent site visits, and technical scoping until issues/conflicts in connection with the mining moratorium ordinance would have been clarified. However, the preparers/consultants informally consulted with their EIARC-member counterparts on some technical aspects of the project. No further public consultations were conducted, although

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several small-group meetings (see also draft EIS and its multi-volume attachments) were carried out by IRPI and/or LTI, also in connection with the socio-economic baseline surveys.

3.2 Technical Scoping

Responding to the advice from EMB, the technical scoping was conducted on 10 February 2009 at EMB Head Office, EIA Division.

3.3 Public Hearing(s)

On 14 May 2009, a public hearing on this proposed project was scheduled in Pola, Oriental Mindoro. This effort suffered the same fate as that of the public consultation meeting in Victoria, and had to be aborted as well. Later, another public consultation on the proposed project was scheduled in Mamburao, Occidental Mindoro. This meeting proceeded and properly concluded, although during the EIARC deliberations, technical issues were raised as to whether Mamburao (being far beyond the direct and indirect impact area; and thus, also stakeholder issues) could pass as a site for such a meeting, and whether such meeting could pass as a public hearing in view of the publication requirement which was not met. No further public hearing efforts were conducted, with the proponents and preparers arguing that, with the circumstances surrounding this project, the public hearing requirement has been complied with.

4. Technical Review

On various invitations from EMB, the Review Committee evaluated the EIS submitted by IRPI/LTI. A total of four (4) review meetings were conducted, the first 3 requiring additional information (AI) to address inadequacies in form and substance of the draft EIS. The details of such AIs and the corresponding Replies and Revisions to the draft EIS may be obtained from EMB. Despite the long discussions (the minutes of these EIARC meetings [often lasting from 1000-1600H] may also be obtained from EMB) and the number of meetings exceeding the regular maximum of three (3), the following items remained as major concerns and serious during the final (4th) EIARC meeting when requiring further AI was no longer possible:

1. Four (i.e., the 43-km conveyor, the 100-ha processing plant, the 200-ha RSF and housing/township) of the 6 components of this mining project still had no baseline information particularly on terrestrial flora and fauna. Considering the uniqueness of Mindoro Island in its biogeographic status, the Review Committee believes that approving a mining project with such inadequacies, would be highly irresponsible. For the housing/township, no information on indicative design and hectarage has been provided as well;
2. Overall, the delineation of impact areas (more so of the indirect impact areas) has been poor. Although some adjacent areas (e.g. Sablayan, Calapan, Naujan lake, etc.) might not really be among the indirect impacts areas, the justification(s) of such should have been very clear. Discussion on the hydrology relevant to the project should have been thorough, and;
3. Overall, the integration among modules has been very poor, making inference of possible major impacts vague and extremely difficult to evaluate.

5. Final Recommendation

After a thorough deliberation during the final (4th) EIARC meeting on 23 September 2009, the 7-member Review Committee voted 4-3 to recommend ECC DENIAL.

FOR THE EIARC:


RENE N. ROLLON, PhD
EIARC CHAIR, Proposed Mindoro Nickel Project