



Republic of the Philippines
Department of Environment and Natural Resources
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13 February 2017

Mr. Eugene T. Mateo

President

TVI Resource Development Phils., Inc.
22nd Floor, Equitable PCI Bank Tower,
8751 Paseo de Roxas, Makati City

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BY: Ms. Jose 1012 H

Dear **Mr. Mateo**

This refers to the Mineral Production Sharing Agreement (MPSA) No. 086-97-IX that was granted to your company on November 20, 1997 covering the contract area of 4,779.0000 hectares situated in Diplahan, Zamboanga del Sur.

Our review of the said MPSA shows that the contract area is within a watershed, such that in case mining operation will be pursued therein, said operation, given its extractive and disruptive nature, is likely to cause impairment of the ecological functions of that watershed.

Section 2 of Republic Act No. 7942, The Philippine Mining Act of 1995, provides that "All mineral resources in public and private lands within the territory and exclusive economic zone of the Republic of the Philippines are owned by the State. It shall be the responsibility of the State to promote their rational exploration, development, utilization and conservation through the combined efforts of government and the private sector in order to enhance national growth *in a way that effectively safeguards the environment and protect the rights of affected communities.*" (emphasis supplied)

Further, Section 37 of Presidential Decree No. 705, the Revised Forestry Code of the Philippines, provides that "*All measures shall be taken to protect the forest resources from destruction, impairment and depletion.*" while Section 47 thereof provides that "xxx. Surface -mined areas shall be restored to as near its former natural configuration or as approved by the Director prior to its abandonment by the mining concern." (emphasis supplied)

Furthermore, Section 3 of Department Administrative Order No. 2010-21, the implementing guidelines of the Mining Act, provides that "*xxx the Department shall adhere to the principle of sustainable development which meets the needs of the present without compromising the ability of the future generations to meet their own needs, with the view of improving the total quality of life, both now and in the future. xxx.*"

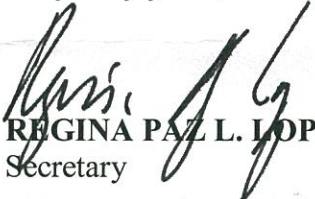
Finally, Section 8 of the said Act provides that "*The Department shall be the primary agency responsible for the conservation, management, development,*

and proper use of the State's mineral resources including those in reservations, watershed areas, and lands of the public domain. xxx."

In view thereof, you are hereby directed to show cause why MPSA No. 086-97-IX should not be cancelled pursuant to this Department's mandate and the specific provisions of the Mining Act and other existing applicable laws, and rules and regulations that protect watersheds and their ecological services.

Thank you.

Very truly yours,


REGINA PAZ L. LOPEZ
Secretary



c.c.: The Director
Mines and Geosciences Bureau
North Avenue, Diliman, Quezon City

