



Republic of the Philippines
Department of Environment and Natural Resources
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FEB 24 2005

MEMORANDUM

TO : THE REGIONAL EXECUTIVE DIRECTOR
DENR-Cordillera Administrative Region, Bagulo City

ATTN : The Regional Director
MGB CAR, Diego Silang St., Bagulo City

FROM : THE UNDERSECRETARY
Mining and Legal Services

SUBJECT : **AREA CLEARANCE OF THE MINERAL PRODUCTION
SHARING AGREEMENT APPLICATION OF PAN ASIA
EXPLORATION SERVICES, INC. (PAESI)**

This has reference to the appeal for Area Clearance of Pan Asia Exploration Services, Inc. (PAESI) in its application for Mineral Production Sharing Agreement (MPSA) covering a total area of 164-hectare located in Danglay, Ampucao, Benguet.

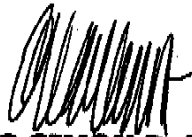
After a thorough evaluation of its appeal and the ocular inspection of the applied area, and in view of the recommendations of the team that conducted the inspection of subject area, an Area Clearance is hereby granted to the application for MPSA of Pan Asia, subject to the following terms and conditions:

1. That the activities shall be in accordance with its approved Work Program and shall adhere to strict environmental protection of international standards;
2. That close monitoring by concerned DENR field offices (MGB-CAR, PENRO-Benguet) shall be implemented. Permanent representatives of the said offices may be assigned during the implementation of its approved work program, for which appropriate fees, per diems and traveling expenses shall be shouldered by Pan Asia;

3. Pan Asia shall conduct intensive educational campaigns and regular public consultations prior to and during the implementation of its work program, for which reports shall be submitted to the Office of the Undersecretary for Mining and legal Affairs;
4. That no tree cutting and other extractive activities, road construction, or other earth moving activities shall be allowed in order to protect inhabiting wildlife during its exploration period. Road rehabilitation may be undertaken by Pan Asia only upon securing of appropriate permits from concerned government agencies;
5. That the exclusion of the areas covered by the Lower Agno Watershed, existing mining rights and other areas closed to mining applications from the PMP/AEP shall be implemented; and
6. That the activities shall be in accordance with the provisions of DENR Administrative Order No. 96-40, the "Revised Implementing Rules and Regulations of the Philippine Mining Act of 1995," and other applicable laws, rules and regulations.

This clearance is issued in consonance with the provisions of Memorandum Order No. 2005-05 dated February 23, 2005 mandating the Undersecretary for Mining and Legal Affairs to act on the appeal covering the denial of area clearance of mining applications.

For immediate action.



ATTY. DEINRADO SIMON D. DIMALIBOT

/denrcar - PAESI