

**REGISTERED**  
DATE 22 DEC 2019  
BY [Signature] TIME 3:45 p.m.

**PEOPLE'S SMALL-SCALE MINING CONTRACT NO. 2014-053**  
*(1st Renewal)*

This Renewal of **SMALL-SCALE MINING CONTRACT** (this "Contract") is made and entered into in Davao City, Philippines, this 22nd day of December, 2019 by and between:

The **REPUBLIC OF THE PHILIPPINES**, hereinafter referred to as the **GOVERNMENT**, represented in this Contract by the **Chairperson of the Provincial Mining Regulatory Board of Compostela Valley**, with office address at 2F EMB-MGB Bldg., 3<sup>rd</sup> Avenue corner V. Guzman Street, Barangay 27-C, Davao City;

-and-

**NABUNTURAN INTEGRATED MINERS DEVELOPMENT COOPERATIVE (NIMDC)**, duly organized and existing under the laws of the Republic of the Philippines, hereinafter referred to as the **CONTRACTOR**, with office address at **Purok 15, Sitio Inupuan, Barangay Mainit, Municipality of Nabunturan, Province of Compostela Valley**, represented in this Contract by its Manager/CEO, **JOSE A. ANAYO, JR.**, as authorized by its group (Please refer to Annex "A").

**WITNESSETH:**

**WHEREAS**, the 1987 Constitution of the Republic of the Philippines (the "constitution") provides in Article XII, Section 2 that all lands of the public domain, waters, minerals and other natural resources are owned by the state and that the exploration, development and utilization shall be under the full control and supervision of the state;

**WHEREAS**, Republic Act No. 7076, An act Creating a People's Small-Scale Mining Act of 1991, provides that the State shall promote, development, develop, protect and rationalized viable small-scale mining activities to generate mine employment opportunities and provide an equitable sharing of the nation mineral wealth and natural resources;

**WHEREAS**, pursuant to the said Act and the DENR Administrative Order No. 2015-03, its Revised Implementing Rules and Regulations, and Resolution No. 3, Series of 2016 was issued by the Provincial Mining Regulatory Board of Compostela Valley declaring certain area/s in Barangay Mainit, Municipality of Nabunturan, Province of Compostela Valley as People's Small-Scale Mining Area or *Minahang Bayan*;



its Implementing Rules and Regulations for the development and utilization of Gold ore and other associated minerals for commercial purposes of certain **Gold, Silver** deposits existing in the Contract Area hereinafter defined;

**WHEREAS, NABUNTURAN INTEGRATED MINERS DEVELOPMENT Cooperative (NIMDC)** has available capital, technical competence and skills necessary to carry out the Small-Scale Mining Operation;

**WHEREAS, NABUNTURAN INTEGRATED MINERS DEVELOPMENT Cooperative (NIMDC)** has complied with the terms and conditions stipulated in the Small-Scale Mining Contract;

**NOW, THEREFORE,** for and in consideration of the premises, the mutual covenants, terms and conditions hereinafter set forth, it is hereby stipulated and agreed as follows:

### SECTION I DEFINITIONS

- 1.1 All the Definitions of Terms as indicated in Section 4, Chapter II of DENR Administrative Order No. 2015-03 (Revised Implementing Rules and Regulations of Republic Act No. 7076, Otherwise Known as the "People's Small-Scale Mining Act of 1991") are hereby adopted in their full, complete and unabridged form and context for the purpose of this contract.

### SECTION II CONTRACT AREA

- 2.1 Size, Shape and Location of Contract Area. This Contract covers an area of Twenty (20) hectares, within the **People's Small-Scale Mining Area/Minahang Bayan** situated at **Purok 15, Sitio Inupuan, Barangay Mainit, Nabunturan, Compostela Valley** and delineated with the following technical description. (Please refer to Annexes "B" & "C").

### SECTION III TERMS AND CONDITIONS OF SMALL-SCALE MINING CONTRACT

- 3.1 This Contract shall have a term of two (2) years, renewable for like periods for a maximum period of six (6) years, subject to verification by the Board as long as the contractor complies with the provisions set forth in R.A. No. 7076, and its Revised Implementing Rules and Regulations and this contract.
- 3.2 This Contract confers upon the small-scale mining Contractor the right to extract and dispose of the authorized minerals within the small-scale mining contract area: Provided, that the ore produced shall not exceed fifty thousand (50,000) metric tons annually and shall be processed in a custom mill;
- 3.3 This Contract shall be for the exclusive use of the Contractor and shall not be subcontracted, assigned or transferred unless there is a written approval by the Board.





- a. Conduct small-scale mining in accordance with the Two-year Work Program, PEIMP, ASHP and CDMP, duly approved by the Regional Office concerned, and the ECC;
  - b. Undertake extraction and/or breakage of materials without the use of explosives, blasting accessories, explosives ingredients and/or sophisticated and/or heavy equipment;
  - c. Not resort to hydraulicking or compressor mining at any stage of small-scale mining within the small-scale mining contract area;
  - d. Not use mercury in any phase of small-scale mining;
  - e. Confine small-scale mining to its small-scale mining contract area;
  - f. Abide by DAO No. 97-30, otherwise known as the "Small-Scale Mine Safety Rules and Regulations";
  - g. Comply with its obligations to the holder of a mining permit/contract, if applicable;
  - h. Sell its production outputs to the *Bangko Sentral ng Pilipinas* (BSP) or thru its authorized buying station(s)/agent(s), in the case of gold production;
  - i. Pay all taxes, royalties and/or government production share as provided by law at the time the small-scale mining contract is signed;
  - j. Comply with pertinent rules and regulations on environmental protection and conservation; and
  - k. Submit under oath at the end of each month a detailed production report and annual financial report to the Board.
- 3.5 The statements made in the application for this Contract and those made later in support thereof shall be considered as conditions and essential part of the contract and any misinterpretation contained therein shall be cause for its suspension or cancellation.

#### SECTION IV SUPERVISION

- 4.1 The Secretary through his representative shall exercise direct supervision and control over the programs and activities of the small-scale miners within the *Minahang Bayan*.

#### SECTION V TRANSPORT AND EXPORT OF MINERAL/MINERAL PRODUCTS

- 5.1 The transport of ores/minerals/mineral products and by-products from a *Minahang Bayan* shall be accompanied by an Ore Transport Permit issued by the Board.



REGISTERED COPY

PAGE 3 OF 25 PAGES

By: \_\_\_\_\_



**SECTION VI  
GOVERNING LAW**

6.1 This Contract and relation between the parties hereto shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

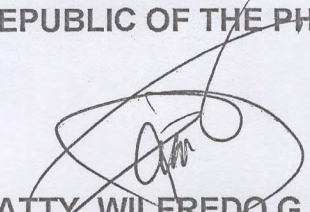
**SECTION VII  
AMMENDMENTS**

7.1 This Contract shall not be amended or modified in any respect except by mutual consent in writing of the herein parties.

**IN WITNESS WHEREOF**, the parties hereto have executed this Contract, as of the day and year first above written.

**THE REPUBLIC OF THE PHILIPPINES:**

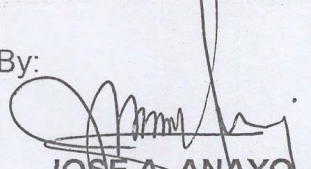
By:

  
**ATTY. WILFREDO G. MONCANO**  
MGB XI Regional Director/Chairperson  
PMRB, Province of Compostela Valley  
DENR MGB XI - MSD - 031  
ID NO.

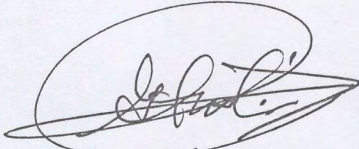
**THE SMALL-SCALE MINING CONTRACTOR:**

**NABUNTURAN INTEGRATED MINERS  
DEVELOPMENT COOPERATIVE:**

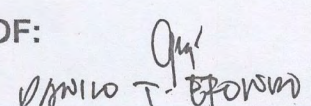
By:

  
**JOSE A. ANAYO, JR.**  
Manager/CEO  
LTD DRIVER'S LICENSE NO # L06-82-014734  
EXPIRY DATE : 2019 - 07 - 28

**SIGNED IN THE PRESENCE OF:**

  
GIL N. INDINO

(Name & Signature of Witness)

  
DANILO T. ESPINOZA

(Name & Signature of Witness)

**REGISTERED COPY**

PAGE 4 OF 5 PAGES



Republic of the Philippines)  
City of Davao ) s.s.

Before me, a Notary Public for and in the City of Davao, personally appeared Wilfredo G. Moncano with Driver's License No. LO2-00-14256 issued and valid until September 20, 2019 at the City of Davao, in his capacity as PMRB Chairperson of the Province of Compostela Valley/Regional Director/Acting Director of the Mines and Geosciences Bureau, and Jose A. Anayo, Jr., with Community Tax Certificate No. 31139759 issued on January 6, 2019 at Nabunturan, Compostela Valley, in his capacity as Manager/CEO of Nabunturan Integrated Miners Development Cooperative, both known to me to be the same persons who executed the foregoing instrument, a Small-Scale Mining Contract consisting of five (5) pages including this acknowledgement page, and acknowledged to me that the same is their voluntary acts and deeds.

IN WITNESS WHEREOF, I have hereunto set my hand and affix my notarial seal this DEC 22 2019 in Davao City.

Doc. No. 240  
Page No. 48  
Book No. LXV  
Series of 2019.



**ATTY. CESAR M. DUREZA**  
Notary Public SN 013-2015  
Until December 31, 2019  
PTR No. 6826126; 01-04-16 D.C.  
IBP No. 1021032; 01-04-16 D.C.  
Attorney's Roll No. 34512  
Rm. 6, 2nd Flr., Veterans Bldg., Monteverde St., Davao City

Republic of the Philippines  
Department of Environment and Natural Resources  
**MINES AND GEO-SCIENCES BUREAU**  
Region XI, Davao City

**CERTIFICATE OF REGISTRATION**

The filing fee therefor having been paid, the foregoing instrument was filed for record in this office at 3 o'clock and 45 minutes P. M. on the day of December 22 A.D. 20 19 and has been recorded in Book No. 1 of the records of Miscellaneous Documents of this Region, on Page No. 231, Document No. 2.

Filing fee, paid under Official Receipt No. 9403777-M dated December 22, 2019 in the amount of Php 1,020.00 T.A.

Atty. WILFREDO G. MONCANO  
Regional Director





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NOT FOR HIRE

















中国检验认证集团菲律宾有限公司

CCIC PHILIPPINES INC.

Address: Unit 18-A, 2nd Floor, 2000, E. Ortega Jr. Bld. Ortigas Center, Pasig

Tel: 0063(0)263110308 0063(0)2121457739

Fax: 0063(0)2121457739

正本

报告编号: S180049B

日期: 2018年05月22日

第1页,共1页

### LAB ASSAY REPORT

|                |                         |            |              |
|----------------|-------------------------|------------|--------------|
| CLIENT NAME    | MARIA THERESA V. CABAUG |            |              |
| COMMODITY      | IRON(Fe) ORE            |            |              |
| LOCATION       | DAVAO CITY              |            |              |
| RECEPTION DATE | /                       |            |              |
| SAMPLE SOURCE  | MARIA THERESA V. CABAUG | PACKAGE    | PLASTIC BAGS |
| AMOUNT         | 1                       | SHAPE      | /            |
| RECEIVED DATE  | 2018/05/17              | ASSAY DATE | 2018/05/22   |

### ASSAY RESULT

|              |             |  |
|--------------|-------------|--|
|              | ELEMENTS    |  |
| ORIGINAL No. | Iron (Fe) % |  |
| Iron(Fe) ORE | 63.13       |  |

\*\*\*END\*\*\*

NOTE: 本结果只对来样负责(This result is only responsible for the sample).





January 18, 2017

**Hon. Jayvee Tyron Uy**  
Provincial Governor  
Provincial Capitol, Brgy. Cabidianan,  
Nabunturan, Compostela Valley

MGB XI- Davao City  
RELEASED  
Records & Releasing Unit

Doc. No.: 2017-01-0017

Date: 01\_18\_2017

By: Receiving Personnel

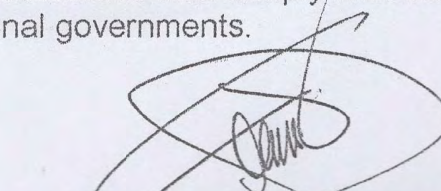
**Thru: Mr. Eugene Alaba**  
Provincial ENRO  
Comval Province

Sir:

This has reference to the request of Nabunturan Integrated Miners Development Cooperative (NIMDC) for the possible processing of their Ore Transport Permit (OTP) and Mineral Ore Export Permit (MOEP) in the PMRB considering that the renewal of the Small Scale Mining Contract (SSMC) of NIMDC was conditionally approved during the last PMRB Meeting in December 2016 under SSMC 2014-053 First Renewal, subject to the complete submission of a few lacking documents.

While there are still gray areas and doubts in the Issuance / Renewal of the SSMC under the current guideline of DAO 2015-03, which DAO has some provisions that were objected to as contained in the position paper of the PMRB of Comval and forwarded to the DENR Secretary, since the lacking documents that were noted during the evaluation of the application for renewal based on DAO 2015-03 were already complied with, the PMRB Secretariat may proceed with the processing of the requested OTP and MOEP of Nabunturan Integrated Miners Development Cooperative (NIMDC) using the guidelines they are familiar with, for signature and approval of the Governor.

The PMRB of Comval will always strive to foster a business-friendly environment in its area of jurisdiction and we should support businesses that comply with the policies and rules and regulations of both local and national governments.

  
**ATTY. WILFREDO G. MONCANO**  
Acting Director  
Chair, ComVal PMRB



**MINERAL ORE EXPORT PERMIT**

|   |   |   |
|---|---|---|
| Permit Number                           | : | MOEP-2013   |
| Applicant                               | : | Nabunturan Integrated Miners Development Coop.  |
| Date of Filed                           | : | 17-Apr-13   |
| Issued to                               | : | (Contractor/Permit Holder/Trader/retailer/mining Rfght Holder)                        |
| Mining Tenement                         | : | MIGUEL BAGAIPO, SR./NIMDC<br>denominated as _ SSMC-CV-2012-002                        |
| Date Granted                            | : | October 4, 2012   |
| Expiry Date                             | : | October 4, 2014   |
| location/Source                         | : | Brgy. Inupoan.Mainit, Nabunturan, COmVal Prov.  |
| Commodity                               | : | Iron Ore  |
| Specifications                          | : | 46%   |
|   |   | (Ave. grade/metal content/Sp. Gr./Moisture Content, etc.)                             |
| Volume/Tonnage                          |   |   |
| Applied for (Mt./M3)                    | : | 1,000 tons-500 cu. M  |
| Sold to                                 | : | Binhai Harbor Group HK Ltd.<br>C1-Rm. 1708 Nan Fung Tower,173 Des Voeux Rd., Hongkong |
| Destination                             | : | Hongkong  |
| Mode of Transport                       | : | shipping  |
| Transport Registry No.                  | : |   |
| Port Location                           | : | Sasa wharf, Davao City  |
| Estimated Gross Value<br>of Commodity   | : | 2,100,000.00  |
| Estimated Excise Tax/<br>Extraction Fee | : | 24,600.00<br>210,000.00   |

Approved:

  
**ARTURO T. UY**  
 Governor



5-29-13



BY: \_\_\_\_\_  
DATE: 11/24/13

# For ORE TRANSPORT PERMIT

OTP #/00 -2013- / /50

NABUNTURAN INTEGRATED MINERS DEVELOPMENT COOPERATIVE

(Name of Permittee)

2. OPERATOR: NIMDC rep. by Miguel Bagaipo- Purok 15, Mainit, Nabunturan, Comval  
(Name and Address of Company)

3. BUYER / CONSIGNEE: BINHAI HARBOR PORT GROUP HK LTD.  
C-1-RM1708 Nan Fung Tower, 173 Des Voeux Rd. Hongkong  
(Name and Address of Company)

4. COMMODITY: Iron Ore  
(Mineral / Mineral Products / Tailings)

5. TONNAGE OR VOLUME: 20 tons = 10 cu. M  
(Metric Tons / Cu. Meters)

6. VALUE (Pesos): 42,000.00

7. SOURCE / ORIGIN: Inupoan, Mainit, Nabunturan, Comval Prov.  
(Barangay, Municipality and Province)

DESTINATION: Maco Port/Sasa Port, Davao City

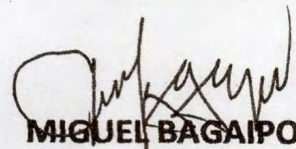
OTP ISN VALID UP TO: JUN 08 2013

In compliance to the PMRB policy / guidelines on Ore Transport Permit dated October 23, 1998

Processing/Permit Fee/ O.R. No. : P10,200.00-4568276

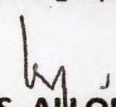
BIR Excise tax O.R. No. : 01125395

Conforme:

  
**MIGUEL BAGAIPO**

Permittee or Authorize Representative

Recommending Approval:

  
**VIRGILIA S. AILONOS**  
Provincial Administrator  
Vice-Chairperson - PMRB  
ComVal Province

Approved:

  
**ARTURO T. UY**  
Governor

received:

11/24/2013





# DAVAO ANALYTICAL LABORATORIES, INC.

McArthur Highway, Corner Union Avenue, Matina, Davao City

Telefax No (082) 297-3278 E-mail: dalinc\_03@yahoo.com

## TEST REPORT

CLIENT: MMV/MPPC

CONTROL NO: 15-0059  
DATE RECEIVED: 06 Feb -15  
DATE ANALYZED: 06-11 Feb -15  
DATE REPORTED: 11 Feb -15

### SAMPLE INFORMATION

Sample Name: Ore (02)  
Description: Ore  
Packaging: Packed in a plastic cellophane

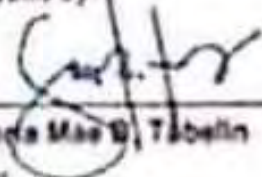
| Lab. Ref No.          | Description | PARAMETER           |
|-----------------------|-------------|---------------------|
|                       |             | Iron<br>%           |
| M <sub>1</sub> -15-60 | Lumpy A     | 61.0                |
| Method                |             | Wet Digestion - AAS |
| ** Nothing Follows ** |             |                     |

Remarks: 1. Results shown based on sample(s) submitted to DALINC unless otherwise indicated. The Laboratory does not guarantee that the sample(s) were representative of the whole bulk from where it was/were drawn.

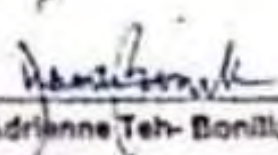
2. Method(s) used were in accordance with P. Tindal Perkin Elmer Atomic Absorption Application.

3. This test report may not be reproduced unless in full.

Analyzed by:

  
Victoria Mae B. Tabelin  
Analyst

Certified by:

  
June Ann Adrienne Teh-Bonilla  
Laboratory Supervisor  
PRC No. 0010762