

**MINERAL PRODUCTION SHARING AGREEMENT**

No. 210-2005-VII

This **MINERAL PRODUCTION SHARING AGREEMENT** is made and entered into in Quezon City, Philippines, this \_\_\_\_\_ day of APR 28 2005 by and between:

**THE REPUBLIC OF THE PHILIPPINES**, herein referred to as the **GOVERNMENT**, represented in this act by the Secretary of the Department of Environment and Natural Resources, with offices at the Department of Environment and Natural Resources Building, Visayas Avenue, Diliman, Quezon City

and

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION, HEIRS OF JOSE P. VELEZ, HEIRS OF MANUEL CUENCO, ANTONIO V. CUENCO AND JON RAMON ABOITIZ**, hereinafter collectively referred to as the **CONTRACTOR**, represented herein by **ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office at the 6<sup>TH</sup> Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City and represented in this act by its President, **ALFREDO C. RAMOS**, as authorized by its Board of Directors (please refer to ANNEX "A")

**WITNESSETH :**

WHEREAS, the 1987 Constitution of the Republic of the Philippines provides in Article XII, Section 2 thereof that all lands of the public domain, waters, minerals, coal, petroleum and other natural resources are owned by the State and that their exploration, development and utilization shall be under the full control and supervision of the State;

WHEREAS, the Constitution further provides that the State may directly undertake such activities, or it may enter into a Co-Production, Joint Venture, or Mineral Production Sharing Agreement with Filipino citizens, or cooperatives, partnerships, corporations or associations at least sixty per centum of whose capitalization is owned by such citizens;

WHEREAS, pursuant to Republic Act No. 7942, otherwise known as "The Philippine Mining Act of 1995," which took effect on 09 April 1995, the Secretary of the Department of Environment and Natural Resources is authorized to enter into Mineral Production Sharing Agreements in furtherance of the objectives of the Government and the Constitution to bolster the national economy through sustainable and systematic development and utilization of mineral lands;

WHEREAS, Atlas Consolidated Mining and Development Corporation (ACMDC), Heirs of Jose P. Velez, Heirs of Manuel Cuenco, Antonio V. Cuenco and Jon Ramon Aboitiz are the lessees of Mining/Lode Lease Contracts issued under previous laws;

*[Handwritten mark]*

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WHEREAS, ACMDC is the representative of the other lessees mentioned above in filing and securing approval of mining applications over the leased areas;

WHEREAS, on June 19, 1998, ACMDC filed an application for Mineral Production Sharing Agreement for itself and as representative of the same lessees above covering the areas subject of the Mining/Lode Lease Contracts, in the Mines and Geosciences Bureau Regional Office No. VII;

WHEREAS, the Contractor has access to all the financing, technical competence, technology and environmental management skills required to promptly and effectively carry out the objectives of this Agreement;

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

## SECTION I

### SCOPE

- 1.1. This Agreement is a Mineral Production Sharing Agreement entered into pursuant to the provisions of the Act and its implementing rules and regulations. The primary purpose of this Agreement is to provide for the sustainable development and commercial utilization of copper, gold and other associated mineral deposits existing within the Contract Area, with all necessary services, technology and financing to be furnished or arranged by the Contractor in accordance with the provisions of this Agreement. The Contractor shall not, by virtue of this Agreement, acquire any title over the Contract/Mining Area without prejudice to the acquisition by the Contractor of the land/surface rights through any mode of acquisition provided for by law.
- 1.2. The Contractor shall undertake and execute, for and on behalf of the Government, sustainable mining operations in accordance with the provisions of this Agreement, and is hereby constituted and appointed, for the purpose of this Agreement, as the exclusive entity to conduct mining operations in the Contract Area. Provided, That any working agreement entered into by and between ACMDC and the Heirs of Jose P. Velez, Heirs of Manuel Cuenco, Antonio V. Cuenco and Jon Ramon Aboitiz involving the Contract Area, which terms and conditions are contrary hereto, shall be their exclusive and sole responsibility.
- 1.3. During the term of this Agreement, the total value of production and sale of minerals derived from the mining operations contemplated herein shall be accounted for and divided between the Government and the Contractor in accordance with Section VI hereof.

## SECTION II

### DEFINITIONS

As used in this Agreement, the following words and terms, whether singular or plural, shall have the following respective meaning:

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