

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THE SUBANEN COUNCIL OF ELDERS of Siocon, Zamboanga del Norte, an indigenous cultural community organized by the National Commission on Indigenous Peoples (NCIP) and existing under R.A. 8371 with address located at Sitio Canatuan, Brgy. Tabayo, Siocon Zamboanga del Norte, Philippines, herein represented by the MEMBERS OF THE COUNCIL OF ELDERS OF SIOCON, now and hereinafter referred to as the COUNCIL,

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SIOCON SUBANEN ASSOCIATION, INC. (SSAI), a non-stock corporation duly organized and existing under the laws of the Philippines, with address located at Sitio Canatuan, Brgy. Tabayo, Siocon, Zamboanga del Norte, Philippines, represented herein by its President, JUANITO T. TUMANGKIS, now and hereinafter referred to as the SSAI,

- and -

TVI RESOURCE DEVELOPMENT (PHILS.) INC., a stock corporation duly organized and existing under the laws of the Philippines, with office address located at W1903 B, Philippine Sock Exchange Center, Ortigas Commercial Center, Pasig City, Philippines, represented herein by its President, REYNALDO O. MAGPANTAY, now and hereinafter referred to as the company.

dm

WITNESSETH:

WHEREAS, the COUNCIL is the policy making body of the Subanen of Siocon Zamboanga del Norte, holder of a Certificate of Ancestral Domain Title (CADT) No. R9-510-05-03-000005 consisting of EIGHT THOUSAND TWO HUNDRED THIRTEEN (8,213) hectares of land situated in the Municipality of Siocon, Zamboanga del Norte;

WHEREAS, the SSAI is the organizer of the TRIBAL COUNCIL and its members of the Subanen located and found within Siocon, Zamboanga del Norte, being the claimants of the ancestral domain in Siocon, and now holders of the aforesaid Certificate of Ancestral Domain Title No. R9-510-05-03-000005 which the COUNCIL SETTING POLICIES thereon and SSAI administering the same for the common benefits of the Subanen Tribe;

WHEREAS, the COMPANY and the SUBANEN OF ZAMBOANGA DEL NORTE had in October 2001 entered into a Memorandum of Understanding (MOU) whereby both recognized and respected their rights over CADT area, undertook and perform their respective obligations and execute a Memorandum of Agreement (MOA) to provide the details and mechanics of the aforesaid MOU;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties have hereunto mutually agreed, and do hereby agree to be bound by the following terms and conditions, to wit:

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A. Davi

J. Infante

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Myntay

Reynaldo O. Magpantay

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ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1. In this agreement, including the recitals, unless the context otherwise requires, the following terms shall have their respective meanings set forth below:

COUNCIL means the **SUBANEN COUNCIL OF ELDERS OF SIOCON**, Zamboanga del Norte. It is the **Policy Making Body of the Subanen** located and found within Siocon, Zamboanga del Norte;

SSAI means **SIOCON SUBANEN ASSOCIATION, INC.**, who organized the **Tribal Council** and its **members of Subanen** located and found within Siocon, Zamboanga del Norte;

COMPANY means **TVI Resources Development (Phils.), Inc.**

CADT means **CERTIFICATE OF ANCESTRAL DOMAIN TITLE NO. R9-510-05-03-000005.**

ANCESTRAL DOMAIN means that 8,213 hectares covered by CADT.

MPSA NO. 054-96-XI issued to TVI Resource Development (Phils.) Inc. on October 23, 1996 by DENR;

MOU means **Memorandum of Understanding** of October 2001.

MOA means this **Memorandum of Agreement**

R.A. 8371 means **Indigenous Peoples Rights Act of 1997**

R.A. 7942 means the **Philippine Mining Act of 1995**

NCIP means **National Commission on Indigenous Peoples**

MGB means **Mines and GeoSciences Bureau**

DENR means **Department of Environment and Natural Resources**

CANATUAN MINING PROJECT means the mining project of the company or TVI in Canatuan, Brgy. Tabayo, Siocon Zamboanga del Norte covered by the MPSA.

I.P. means **Indigenous People or the Subanon**

E.P.A. means **Exploration Permit Application**

Section 2. Headings are to be ignored on construing this Agreement as they are inserted for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.

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MAIS

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ARTICLE II

COMMON OBJECTIVES

Section 1. This MOA is based on the MOU dated October 2001 executed by the Subanen of Zamboanga del Norte thru the Siocon Subanen Association, Inc. (SSAI) and the Mining Company whereof the parties set up their terms and conditions with respect to the nature and state of their bilateral relations, to maintain mutual respect of their rights and provide effective mechanisms so that both parties will receive full benefits of the rights and privileges granted to them under R.A. 8371, and R.A. 7942.

MOA

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each party represents and warrants to the other that:

Section 1. It has full and legitimate and corporate powers to enter into and perform its respective obligations under this agreement and that all necessary authorities, consents and approvals have been obtained by the party responsible therefore; and

Section 2. The execution, delivery and performance of this agreement do not and will not violate any order, law or regulation of any governmental authority, bureau, agency or of any court of law and should any such inadvertent violation occur, the parties agreed that such violation shall be remedied;

Section 3. The **SUBANEN COUNCIL OF ELDERS OF SIOCON, ZAMBOANGA DEL NORTE** hereby designates, constitutes and through this **Memorandum of Agreement** appoints **Siocon Subanen Association, Inc. (SSAI)** as when required as its Attorney-in-Fact, with full power of substitution, for and on its behalf, as well as its successors-in-interest, assigns and administrators to do and perform all acts and deeds to spearhead the protection and administration of the CADT area, and to authorize to collect, receive and deposit in the bank of its choice any royalty and proceeds of any undertaking, and withdraw the same in accordance with rules and guidelines that may be adopted by them to the exclusion of the company;

SSAI

Section 4. The council and SSAI warrant that the royalty payments already made to them as indicated in the invoice for that applicable period shall release any obligation on the part of the company from any other future claims of back payments of royalty by any group or members of the Subanen, and shall further warrant to take full responsibility in resolving of such claims to the full and complete exclusion of the company;

ARTICLE IV

FURTHER ASSURANCES

Section 1. Each party shall when necessary take steps to complete the

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provisions of this agreement, and as a priority matter, to remedy all issues that may surface in the future to maintain good investment climate in the mining project of the company.

ARTICLE V

RESPONSIBILITIES AND OBLIGATIONS

The Company

Art 10

Section 1. It honors its commitments to pay royalty to the Subanen equivalent to a minimum of one (1) percent (1%) of the gross output of its Canatuan mining project covered by its MPSA within the CADT, less allowable deductions under the mining act. Payment thereof shall be made directly to Siocon Subanen Association, Inc. on monthly or periodic basis based on official gold production report submitted to the **Mines and Geo-Sciences Bureau (MGB)**. The disposition of said royalty shall be the sole discretion of the Council and the SSAI, and the company has absolutely no right to interfere therefrom. Said royalty percentage maybe reasonably adjusted upward on their mutual agreement. It further commits to provide the Council and SSAI its true and accurate production report every month but not later than 15 days succeeding its report to the MGB;

Section 2. It honors its commitment to give priority to qualified IPs or Subanen in its employment program. For this purpose, the council recommends only qualified IPs as required and the company exercises its discretion to hire;

Section 3. It shall provide one (1) vocational building for the IPs and the community at a site sufficient enough in area which shall be available, when required, for expansion in the future, to be designated by the latter where the IPs will be trained on vocational, agricultural and other relevant courses;

Section 4. Likewise, it shall provide additional school buildings to augment existing facilities provided by the Department of Education at the CADT area where IP children are enrolled.

Section 5. It reiterates as agreed on July 11, 2003 meeting that the company will put in Php 100,000.00 as assistance for the preparation of Ancestral Domain Sustainable Development and Protection Plan (ADSDPP);

Adm.

The Council And SSAI

Section 1. They reiterate their recognition and respect over the existing and prior mining rights of the company involving 508 hectares. It further guarantees free and unlimited access for exploration within its adjacent areas covered with MPSA and EP applications;

Section 2. They hereby warrant that they shall exert all their efforts so that the company can conduct its mining operation within the CADT area peacefully and free from harassment, undue interference and the like; and shall advise its members and the employees of the company rules and regulations;

A. Davi

Quinto

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Marty

Benjamin Tumanghi

Lando

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Section 3. It shall prepare and adopt its Ancestral Domain Sustainable Development and Protection Plan (ADSDPP) as it agreed to utilize the assistance of the company the amount of Php 100,000.00 as mentioned above.

ARTICLE VI

SEVERABILITY

Section 1. This MOA shall supersede the MOU as any implementation of the terms and conditions shall be in accordance with this **Memorandum of Agreement**.

ARTICLE VII

ADDITIONAL CLAUSES

Section 1. The parties acknowledge that additional clauses will be incorporated within this agreement to meet the national standards and that overtime supplemental agreement maybe negotiated to maintain the same.

ARTICLE VIII

COMMON PROVISIONS

Section 1. ALL parties hereby agree to faithfully comply with all the terms and conditions, and this MOA shall take effect immediately upon execution hereof and shall remain in full force and effect until it shall subsequently be revoked, amended or modified and in accordance with Art. VII above and upon mutual consent of the parties;

Section 2. ALL parties hereby agree that at least once (1) a month their representatives shall meet to present, discuss, remedy and agree all issues or disputes affecting them.

ARTICLE IX

GOVERNING LAW

Section 1. This agreement is governed by and to be construed in accordance with R.A. 8371, and its Implementing Rules and Regulations, R.A. 7942 and its implementing rules and regulations and all the relevant laws of the Republic of the Philippines.

IN WITNESS WHEREOF, thru their respective representatives have hereunto affixed below this 18th day of November 2003 in Sitio Canatuan, Brgy. Tabayo, Siocon, Zamboanga del Norte, Philippines.

Luzon

N. Davi

Centina

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Prof. Tamarang

11/19

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For the Subanen Council of Elders of Siocon

NAMES

SIGNATURES

1. Juanito T. Tumangkis
2. DANILO B. PASON
3. Andres Ansani
4. ANTONIO LIRIGALA
5. Suzana Davi
6. CELESTINO GUINREKOR
7. Pancho Tumangkis Jr.
8. ALITO D. DANDANA
9. MIGUEL SAPIAN
10. Vicente Shiragoy
11. Lumuwag Lumakil
12. ALBERTO MAIS
13. Ansani Ampanan
14. Alfredo Limbang
15. JUANITO PANGILISAN
16. LYDIA DANDANA
17. DANILO TUMANGKIS
18. ERNULFO COMISAS
19. _____
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For Siocon Subanen Associates, Inc. (SSAI) thru its President

NAME

SIGNATURE

1. JUANITO T. TUMANGKIS

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Vertical handwritten notes on the left margin, including names like 'Suzana Davi', 'Alfredo Limbang', and 'Pancho Tumangkis Jr.' written vertically.

For TVI Resources Development (Phils.) Inc. thru its President

NAME

SIGNATURE

1. REYNALDO O. MAGPANTAY

[Signature]

Signed in the Presence of:

[Signature]
RAMIL B. MUNDO
ENGR. II MGB-RO-IXZC

[Signature]
PONCIANO M. AGAYAN
TRIPAL AFFAIR ASST-II
MUP

[Signature]

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
Siicon, Zamboanga del Norte)S.S.

Before me, a Notary Public for and in the *Province* of
Siicon, Zamboanga del Norte personally appeared the following persons, to wit:

NAME	CTC NO.	Date of Issuance	Place of Issue
1. <u>Juanito T. Tumangkis</u>	<u>17175488</u>	<u>10/30/03</u>	<u>Canatuan, Tabayo, Siicon, ZN</u>
2. <u>Ampanan Ansani</u>	<u>17154616</u>	<u>03/08/03</u>	<u>Canatuan, Tabayo, Siicon, ZN</u>
3. <u>Alberto Mais</u>	<u>14160038</u>	<u>07/15/03</u>	<u>Canatuan, Tabayo, Siicon</u>
4. <u>Vicente Guinagay</u>	<u>4199012</u>	<u>10/28/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
5. <u>Alito Bandana</u>	<u>09153838</u>	<u>11/03/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
6. <u>Alfredo Limbang</u>	<u>1417118</u>	<u>06/13/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
7. <u>Pando T. Tumangkis</u>	<u>171531517</u>	<u>02/14/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
8. <u>Miguel Japián</u>	<u>09843045</u>	<u>01/0/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
9. <u>Celestino Guinagay</u>	<u>09154396</u>	<u>03/28/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
10. <u>Jasana Bawi</u>	<u>20496395</u>	<u>06/03/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
11. <u>Antonio Cingala</u>	<u>09154338</u>	<u>01/15/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
12. <u>Danielo Basom</u>	<u>09153965</u>	<u>01/15/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
14. <u>Lypdia Bandana</u>	<u>20496990</u>	<u>07/03/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
15. <u>Andres Ansani</u>	<u>20496929</u>	<u>06/03/03</u>	<u>Canatuan, Tabayo, Siicon</u>
16. <u>Danielo Tumangkis</u>	<u>09157348</u>	<u>01/15/03</u>	<u>Canatuan, Tabayo, Siicon</u>
17. <u>Juanito Pangilisan</u>	<u>1883-7401</u>	<u>02/19/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
18. <u>Lumias Lumahil</u>	<u>09163940</u>	<u>02/14/03</u>	<u>Canatuan, Tabayo, Siicon ZDN.</u>
19. _____	_____	_____	_____
20. _____	_____	_____	_____

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- 31. JUANITO T. TUMANGKIS _____
- 32. REY MAGPANTAY _____

All known to me to be the same persons who executed the foregoing Memorandum of Agreement, and they all acknowledged to me that the same is their free and voluntary act and deed.

This Memorandum of Agreement consisting of eight (8) pages including this page where the acknowledgement is written is duly signed by the parties and their instrumental witnesses on and every page thereof.

WITNESS MY HAND AND SEAL this 18th day of November 2003, in San Juan, Zamboanga, Philippines.

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 Series of 2003

Kenneth Rosal
KENNETH P. ROSAL
NOTARY PUBLIC
UNTIL 31 DEC. 2003
IBP NO. 564424, 1/10/03
PTR NO. 4489740, 1/09/03

Antonio S. Davi (signature)
Camilo (signature)
Edmundo (signature)
Juanito T. Tumangkis (signature)
Rey Magpantay (signature)

MAG

Edmundo

(signature)