

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
Regional Office No.

EXPLORATION PERMIT

Date _____
Exploration Permit No. _____
Permittee : _____
Address : _____

This Exploration Permit covering an area of _____
hectares situated in _____,
which metes and bounds are more particularly described as follows:

CORNER LATITUDE LONGITUDE

(Please refer to attached Annex A: Sketch Map marked as “EP- _____)

the pertinent application for which was filed in the Mines and Geosciences Bureau (Bureau) Regional Office No. _____ on _____ is hereby granted to _____ in accordance with Republic Act No. 7942, otherwise known as “The Philippine Mining Act of 1995,” and its Implementing Rules and Regulations promulgated thereunder: *Provided*, that areas with conflict, within ancestral lands/domains without the free and prior informed consent by the concerned Indigenous Peoples, within adequately stocked forests/proclaimed watershed forest reserves/critical watersheds, and/or classified under the National Integrated Protected Areas System are excluded therefrom, and subject to the following **Terms and Conditions**:

1. The right to explore shall be subject to valid, prior and existing rights of any party(ies) within the area;
2. This Permit shall be for the exclusive use and benefit of the Permittee and shall, under no circumstances, be used for purposes other than mineral exploration: *Provided*, That the exercise of the rights thereunder by another entity/party shall be subject to the prior approval of the Bureau Director;
3. The term of this Permit shall be for a period of two (2) years from date of issuance thereof, renewable for like periods but not to exceed a total term of four (4) years for

non-metallic mineral exploration or six (6) years for metallic mineral exploration: *Provided*, That no renewal of this Permit shall be allowed unless the Permittee has complied with the terms and conditions thereof and has not been found guilty of violation of any provision of the Mining Act and its Implementing Rules and Regulations: *Provided, further*, That in case of failure to file the declaration of mining project feasibility during the total term of four (4) years of this Permit for non-metallic minerals or six (6) years of the same Permit for metallic minerals, the Permittee may apply for further renewal of the Permit, which may be granted by the Secretary for another term of two (2) years for the very purpose of preparing or completing the feasibility studies, and filing of the declaration of mining project feasibility and the pertinent Mineral Agreement or Financial or Technical Assistance Agreement (FTAA) application. The complete and final exploration report shall be required in this renewal of the Permit: *Provided, furthermore*, That in case the Permit expires prior to the approval of the declaration of mining project feasibility and/or filing of the Mineral Agreement or FTAA application, the said Permit shall be deemed automatically extended until such time that the Mineral Agreement or FTAA application is approved;

4. The Permittee shall submit to the Regional Office concerned, copy furnished the Bureau Central Office, within thirty (30) calendar days after the end of each semester a report under oath of the Exploration Work Program's implementation and expenditures showing discrepancies/deviations, including the results of the survey, laboratory reports, geological reports/maps, subject to semi-annual inspection and verification by the Bureau Central Office/Regional Office concerned at the expense of the Permittee: *Provided*, that any expenditure in excess of the yearly budget of the approved Exploration Work Program may be carried forward and credited to the succeeding years covering the duration of the Permit;
5. The Permittee shall submit to the Regional Office concerned, copy furnished the Bureau Central Office, a status report on the compliance with the Environmental Work Program (EWP) within thirty (30) calendar days every end of six (6) months from the issuance of this Permit;
6. The Permittee shall annually relinquish at least 20% of the Permit Area during the first two (2) years of exploration and at least 10% of the remaining Permit Area annually during the renewed Exploration Period. However, if the Permit Area is less than five thousand (5,000) hectares, the Permittee need not relinquish any part thereof. In case of relinquishment, a separate geologic report shall be submitted to the Regional Office concerned, copy furnished the Bureau Central Office, with a detailed geologic report of the relinquished area accompanied by maps at a scale of 1:50,000 and results of analyses and corresponding expenditures, among others. The minimum exploration expenditures for the remaining area after relinquishment shall be based on the approved Exploration Work Program;
7. The Permittee shall submit to the Regional Office concerned, copy furnished the Bureau Central Office, a final report upon the expiration or relinquishment of the Permit or its conversion into Mineral Agreement or FTAA in a form and substance comparable to published reports of respected international organizations and shall incorporate all the findings in the Permit Area, including locations of samples, assays, chemical analyses and assessment of the mineral potential. Such report shall include complete detailed expenditures incurred in the conduct of exploration activities;
8. In case of diamond drilling, the Permittee shall, upon request of the Bureau Director/Regional Director concerned, submit to the Bureau Central Office/Regional Office concerned a quarter of the core samples which shall be deposited in the Bureau

Central Office/Regional Office Core Library concerned for safekeeping and reference;

9. The exploration activities shall be carried out in a manner that will, at all times, safeguard the environment;
10. If the Permittee applies for a Mineral Agreement or FTAA over the Permit Area, the Exploration Period under the Exploration Permit shall be considered as the Exploration Period of the Mineral Agreement or FTAA that may be issued;
11. The Permittee shall allow the Department Secretary and Bureau Director/Regional Director concerned or their duly authorized representative/s to annually monitor and/or audit its performance, and shall not deny access to the Permit Area for said purposes;
12. This Permit may be suspended by the Bureau Director in cases of *force majeure* as defined in the Act;
13. The Regional Director concerned may, at any time, cancel this Permit for violation of the provisions of the Mining Act and its Implementing Rules and Regulations or the terms and conditions of this Permit;
14. The Permittee shall strictly secure a written consent from any surface owners, occupant/s and/or concessionaire/s within the Permit Area prior to entry or conduct of any form of exploration activities therein;
15. The Permittee shall furnish a copy of the approved EWP to the Sangguniang Panlalawigan concerned;
16. The Permittee shall annually submit a copy of its Securities and Exchange Commission-received General Information Sheet;
17. The Permittee shall formally inform the Bureau of any change of its office address. Failure to do so shall be construed that all communications sent to its present office address are duly served;
18. The Permittee may surrender this Permit or exercise the priority right to apply for a Mineral Agreement or FTAA over the Permit Area, which application shall be granted if the Permittee meets the necessary qualifications and the terms and conditions of any such agreement;
19. This Permit excludes commercial extraction and/or construction of infrastructures designed for mining development or mining production;
20. This Permit does not grant beneficial ownership of the minerals to the Permittee;
21. The Permittee shall assume all the exploration risks and shall not be entitled to reimbursement of its expenses;
22. The Permittee shall comply with the minimum ground expenditures during the term of this Permit, as follows:

| <u>Year</u> | <u>Pesos/Hectare</u> |
|-------------|----------------------|
| 1 | 500 |
| 2 | 500 |

In case the minimum ground expenditure for the first year is not met for justifiable reasons as determined by the Regional Office concerned, the unexpended amount may be spent on the following year of this Permit. However, if the minimum ground expenditures for the entire term of this Permit are not met, the unexpended amount shall be paid by the Permittee and shall accrue to the Bureau to be used for mining operations in Mineral Reservations or to other purposes as may be determined by the Bureau. The failure of the Permittee to pay the said amount within the prescribed period shall be a ground for the denial of any of its mining application(s) filed in the Bureau/Regional Offices concerned; and

- 23. This Permit shall be subject to review by the Department Secretary.

Regional Director

I hereby accept the terms and conditions of this Permit as above stated.

Permittee
TIN: _____

By:

President

Signed in the presence of:

(Signature over Printed Name)

(Signature over Printed Name)

ACKNOWLEDGEMENT

Republic of the Philippines _____)
Province of _____) s.s.
City/Municipality of _____)

BEFORE ME personally appeared, _____ with Community Tax Certificate No. _____ issued on _____ at _____, in his/her capacity as Regional Director of the Mines and Geosciences Bureau Regional Office No. _____ and _____, with Community Tax Certificate No. _____ issued on _____ at _____, in his/her capacity as _____ of _____ both known to me and to me known to be the same persons who executed the foregoing instrument consisting of ____ () pages, including this acknowledgement page, and acknowledged to me that the same is their voluntary act and deeds.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, this _____ day of _____.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of _____