

ANNEX "A"

**CORPORATE SECRETARY'S
CERTIFICATION**

REPUBLIC OF THE PHILIPPINES)
) S.S.

SECRETARY'S CERTIFICATE

I, VINCENT JOSEPH T. ENCARNACION, Filipino, of legal age, with office address at Unit 4, 2nd Floor, Topy Building 1, Economia Street, Bagumbayan, Quezon City, upon being sworn in accordance with law, depose and say that:

1. I am the duly elected Assistant Corporate Secretary of **SR METALS, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Unit 4, 2nd Floor, Topy Building 1, Economia Street, Bagumbayan, Quezon City.
2. A meeting of the Board of Directors of the Corporation was held on 26 November 2007.
3. At said meeting, a majority of the directors being present, the following resolutions were unanimously approved:

"RESOLVED, that the Corporation hereby designates and authorizes Mr. Miguel Alberto V. Gutierrez, President of the Corporation, as representative and signatory of the Corporation in connection with the Mineral Production Sharing Agreement ("MPSA") Application No. 000014-XIII filed with the Mines and Geosciences Bureau, in replacement of Mr. Edgar R. Erice, then President of the Corporation at the time of the filing of MPSA Application No. 000014-XIII;

RESOLVED, FURTHER, that the Corporation is hereby authorized to request from the Mines and Geosciences Bureau that henceforth, all records, documents, communications and correspondence relating to MPSA Application No. 000014-XIII, including the duly-approved MPSA, name, and be directed or coursed through Mr. Miguel Alberto V. Gutierrez as representative of the Corporation;

"RESOLVED, FURTHER, that Mr. Miguel Alberto V. Gutierrez be, as he is hereby, appointed, designated, and authorized to:

- a) *represent the Corporation before the Mines and Geosciences Bureau and other relevant government agency or office as applicant in MPSA Application No. 000014-XIII;*
- b) *sign or execute for and in behalf of the Corporation any and all agreements, contracts, applications, or instruments relative to the foregoing MPSA Application No. 000014-XIII; and*

c) execute, comply with, and submit or deliver any and all requirements of the Mines and Geosciences Bureau or other relevant government agency or office relative to MPSA Application No. 000014-XIII;

"RESOLVED, FINALLY, that that the authority herein granted to Mr. Miguel Alberto V. Gutierrez shall remain in full force and effect until revoked by a resolution passed by the Board and all acts lawfully done or performed by the said Mr. Miguel Alberto V. Gutierrez prior to such revocation shall be, and the same hereby are, ratified and confirmed."

IN WITNESS WHEREOF, I have hereunto set my hand this DEC 03 2007 day of December 2007 in Quezon City, Metro Manila.

V. Encarnacion
VINCENT JOSEPH T. ENCARNACION
Asst. Corporate Secretary

SUBSCRIBED AND SWORN TO before me this DEC 03 2007 day of December 2007, affiant exhibiting to me his Community Tax Certificate No. 08457207 issued on 16 January 2007 at San Juan, Metro Manila.

Doc. No. 60
Page No. 14
Book No. XXVI

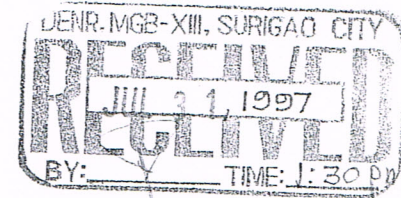
Series of 2007.

Renato R. Devera
ATTY. RENATO R. DEVERA
NOTARY PUBLIC
Until December 31, 2008
PTR No. 8451403
O.C. - 01/02/07
IBP No. 677393
MLA. IV - 11-30-06
BAR ROLL - 19289
TIN - 120-434-403

ANNEX "B"

**Location Map/Sketch Plan
on
1:50,000 scale NAMRIA Map**

Republic of the Philippines
 Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
 North Avenue, Diliman, Quezon City



**APPLICATION FOR
 MINERAL PRODUCTION SHARING AGREEMENT**

Application No. APSA-000014-XIII
 Applicant : SR METALS INC.
 Address : Unit 6 & 7 3rd floor Topy's Place Bldg. Economia Cor. Industria St. Bagumbayan, Quezon City

Business Phone/Fax Nos.: (632)638-8679, (632)633-8274 Fax No. : (632)637-6741

For Corporation, Partnership, Association or Cooperative:

<u>Name</u>	<u>Position</u>
<u>Edgar r. Erice</u>	<u>President</u>
<u>John Anthony V. Gutierrez</u>	<u>VP-Engineering</u>
<u>Patrick Angelo V. Gutierrez</u>	<u>VP-Finance</u>
<u>Miguel Alberto V. Gutierrez</u>	<u>VP-Administration</u>
<u>Antonio R. Dimabuyo</u>	<u>VP-Operations</u>
<u>Alejandro T. Basalio</u>	<u>VP-Logistics</u>

Capitalization:

Authorized	P	<u>40,000,000.00</u>
Subscribed	P	<u>10,000,000.00</u>
Paid-Up	P	<u>2,500,000.00</u>

Citizenship of Stockholders and Percentage of Holdings

<u>Nationality</u>	<u>Subscribed</u>	<u>Paid- Up</u>
Filipino	<u>100 %</u>	<u>25 %</u>
American	<u>xx %</u>	<u>xx %</u>
Canadian	<u>xx %</u>	<u>xx %</u>
Australian	<u>xx %</u>	<u>xx %</u>
Others, pls. specify _____	<u>xx %</u>	<u>xx %</u>

Mineral Commodity Applied Nickel, Cobalt and Iron

Area to be explored Five Hundred Ninety One (591.0) hectares

Location of Applied Area Barangays La Fraternidad, Binuangan and Sta. Ana all in the Municipality of Tubay, Agusan del Norte

(Please see attached technical description of the area,
 Attached as Annex "A" of this document)

In accordance with the provisions of the Philippine Mining Act of 1995 and DENR Administrative Order No. 96-40 otherwise known as the Revised Implementing Rules and Regulations promulgated thereunder, the undersigned, for and in behalf of SR Metals hereby applies for Mineral Production Sharing Agreement to extract and dispose Nickel, Iron and Cobalt subject to the following conditions:

1. The statements made in this application or made later in support thereof, shall be considered as conditions and essential parts of the Agreement that may be granted and any omission of facts which may alter, change, or affect substantially the

facts set forth in said statements shall be sufficient cause for the cancellation of the granted.

2. The applicant further binds itself to submit additional requirements should the Regional Director concerned deems necessary for purposes of determining his/her qualification for the grant of the permit applied for.
3. The application is filed for the exclusive use and benefit of the applicant and not either directly or indirectly for the benefit of any other person, corporation or partnership and the area is applied for the sole purpose of its development and operation, and not for speculation.
4. The foregoing statements are hereby certified to be true to the best of the applicant's knowledge and belief.
5. The application fee of Php 5,520.00 TA. had been paid under Official Receipt No. 2817891 dated July 31, 1997 at DENR-MGB, R.XIII, Km-2, Surigao City

I Edgar R. Erice, the person executing this application, being first sworn, depose and say: that I have read or have caused the foregoing application to be read to me, that I thoroughly understand the same; that each and every statement in said application is true and correct.


EDGAR R. ERICE

Applicant

TIN 155-863-249-000

ACKNOWLEDGEMENT

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

SUBSCRIBED AND SWORN to before me at the place aforesaid, on this 7 day of July, 2006. The affiant exhibited to me his/her Community Tax Certificate No. 200519717307 issued at Caloocan City on the 11th day of May, 2006.

Doc. No. 439
Book No. 88
Page No. 166
Series of 2006

[Signature]
EUSTACIO E. LANCIN
NOTARY PUBLIC
Until Dec. 31, 2008-Z, SC. 110.06
PTR No. 455105, SC. 110.06
IBP No. _____
ROLL NO. 24863
TIN NO. 117-394-517
03723, AMAT ST., SURIGAO CITY

INSTRUCTION

1. This application shall be accomplished in quintuplicate, two copies to be retained by the applicant, one copy to be retained by the MGB Regional Office and the remaining copies to be forwarded to the MGB Central Office.
2. All pertinent information required shall be given, inapplicable words cancelled and all blanks shall be filled up.
3. Application not accompanied with all the required documents shall not be accepted.

ANNEX "C"

**UTILIZATION/DEVELOPMENT
WORK PROGRAM**

THREE – YEAR WORK PROGRAM OF SR METALS INC.



TUBAY NICKEL PROJECT

Updated
November 2007

Prepared by



DENR – MINES AND GEOSCIENCES BUREAU	
RECORDS SECTION	
RECEIVED	
DATE:	<u>12/3/07</u>
TIME:	<u> </u>
BY:	<u>ED WB</u>
	<u>02-9883</u>

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1.0 CORPORATE SUMMARY

1.1 Project Name:

SR METALS INC. (SRMI)

1.2 Contact Persons:

MR.MIGUEL ALBERTO V. GUTIERREZ
President
SR Metals, Incorporated
Unit 4, 2nd Floor, Topy's Place Bldg.No.1
Bagumbayan, Quezon City

JIMWELL ORPILLA
Head- Legal/Tenement
CP # 0910-4953289

2.0 PROJECT DESCRIPTION

2.1 Project Details

2.1.1 Location

The SRMI Project is located at Sitio Bugnam, barangay La Fraternidad, Tubay, Agusan del Norte. On the northern portion of the project area are barangays Binuangan, Tagpangahoy and Tinigbasan.

The area is situated at the southern part of Malimono Ridge that girds the western limits of Surigao peninsula. It is bounded by the Butuan Bay (Mindanao Sea) to the west and the north to south draining Tubay River to the east. The project covers a total land area of 572.64 hectares of which the central part is consists of elevated plateaus and moderately undulating hills bordered by steep cliffs toward the western shoreline and cut by east-draining ephemeral streams. The whole area is mostly covered with shrubs and bushes dominated by wild ferns.

The central coordinates of the project area are 9^o 12' 00" latitude and 125^o 32' 00" longitude using UTM projections. Access to the area is either from Butuan City through a 30-minute trip by car or 1.5 hour land trip from Surigao City. Both cities can be reached from Manila through daily commercial flights.

2.1.2 Estimated Capital Cost

Exploration expenses for a three-year period is already integrated into the Estimated Capital Costs.

SR METALS INC.
Tubay Nickel Project
Tubay, Agusan del Norte



The estimated capital cost for the mine development, construction of infrastructures and exploration is approximately P273,126,502.00 and is summarized as follows;

Table 2.0, Breakdown of total capital expenditures

CAPEX	Amt	Contingency	Total
Land Acquisition	50,000,000	5,000,000	55,000,000
Mobilization	10,000,000	1,000,000	11,000,000
Demobilization	-	-	-
Road Construction	12,000,000	1,200,000	13,200,000
Causeway Construction	28,000,000	2,800,000	30,800,000
Settling Pond Construction	15,000,000	1,500,000	16,500,000
Infra (Civil Works)	10,000,000	1,000,000	11,000,000
Lab. Equipment	15,000,000	1,500,000	16,500,000
Office Equipment	7,500,000	750,000	8,250,000
Service Vehicles	25,000,000		25,000,000
Survey Equipment	2,800,000		2,800,000
ECC Acquisition	2,500,000		2,500,000
Subtotal			192,550,000
Working Capital (3 months Operating Cost)			
Stripping	45,638,889		45,638,889
Laboratory	2,394,000		2,394,000
Environmental Management	1,033,000		1,033,000
Labor	12,476,693		12,476,693
Office Supplies	10,033,920		10,033,920
Subtotal			71,576,502
Exploration	9,000,000		9,000,000
Total CAPEX			<u>273,126,502</u>

2.1.3 Minerals to be Produced

Nickel silicate ore

2.1.4 Present Status of the Project

The SRMI project is still in its development and construction stage. Among the primary activities that will be undertaken during the 3-year period are as follows:

- Construction and development of main haul roads and other road networks that will link to the different vital mine structures and facilities were initially undertaken during its previous operation. Mine facilities include causeway/pier, guesthouse, staff houses, mine office, clinic warehouse and assay laboratory. Mine structures comprise ore stockyards and beneficiation area, dumpsites, nursery area, settling ponds, drainage systems and sumps.
- Selection and commissioning of the owner's team and contractors

SR METALS INC.
Tubay Nickel Project
Tubay, Agusan del Norte



- Construction of support facilities in order to achieve a quality output in mining operation.
- Site preparation and development for additional waste dumps and topsoil dumps.
- Land clearing and topsoil removal
- Waste stripping

2.1.5 Description of the Mining Method

The mining method is dictated by the nature of occurrence, topography and location of the ore deposit. Contour Mining or open-pit mining was selected and adopted by SR Metals Inc. (SRMI) due to near surface location of the said deposit.

Fig. 1 shows the typical mining plan while Fig. 2 shows the corresponding cross section with details such as bench height, width, pit final slope, bench slope, pit bottom elevation and pit limit.

Table 2.1 shows the crude ore classification as adopted by SRMI as one of the foremost basis in establishing its resources, and which shall likewise be the guide throughout the project's mining operation.

Table 2.1. Ore Classification Scheme

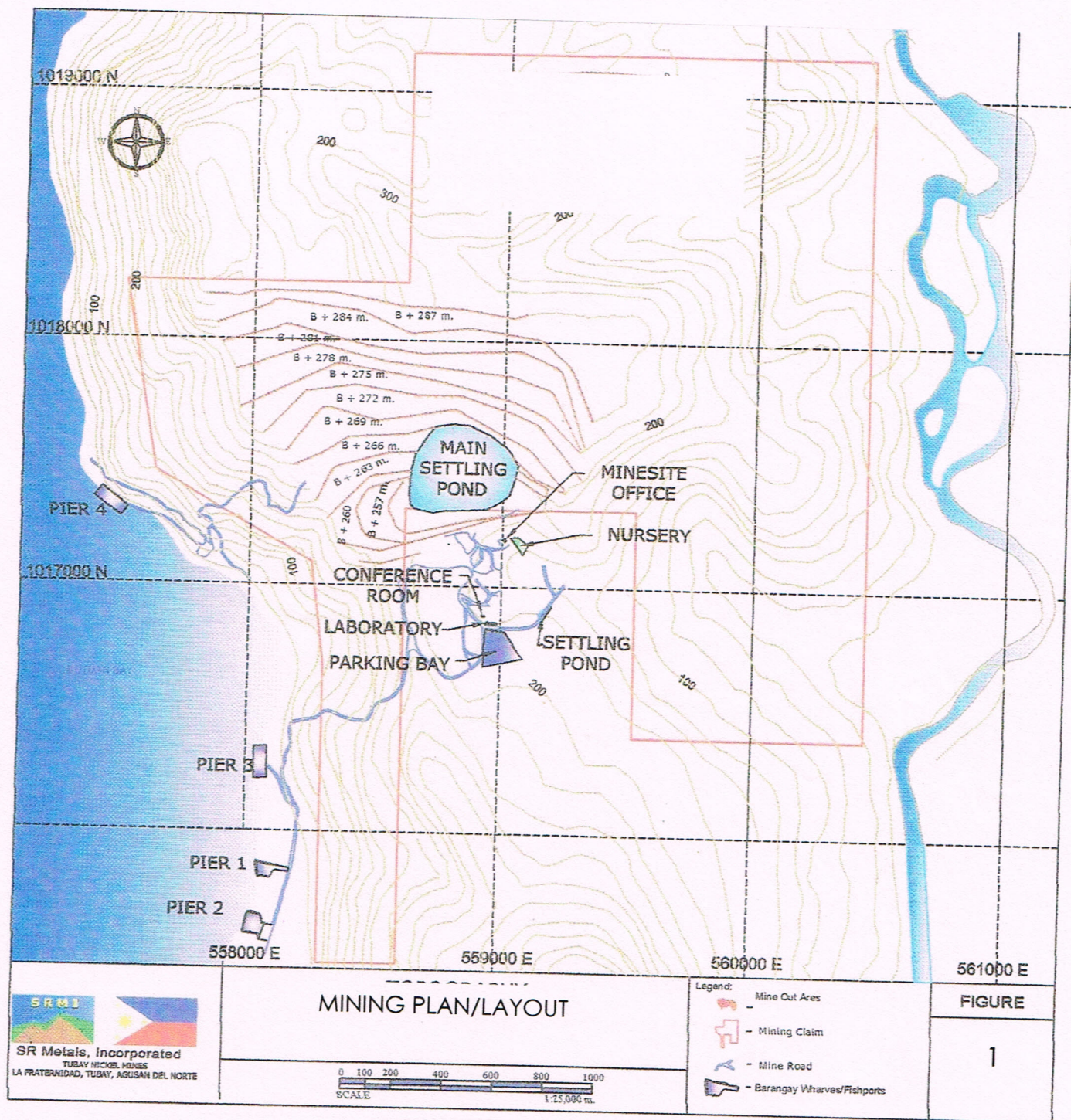
Ore Classification	%Ni	%Fe
Overburden	< 0.60	≥ 35.00
L1	0.60 – 0.89	≥ 25.00
L2	0.90 – 1.20	≥ 25.00
L3	1.21 – 1.50	≥ 25.00
L4	1.51 – 1.99	≥ 25.00
S1	0.60 – 0.89	<25.00
S2	0.90 – 1.20	<25.00
S3	1.21 – 1.50	<25.00
S4	1.51 – 1.99	<25.00
S5	≥ 2.00	<25.00
S6	≥ 2.00	<25.00

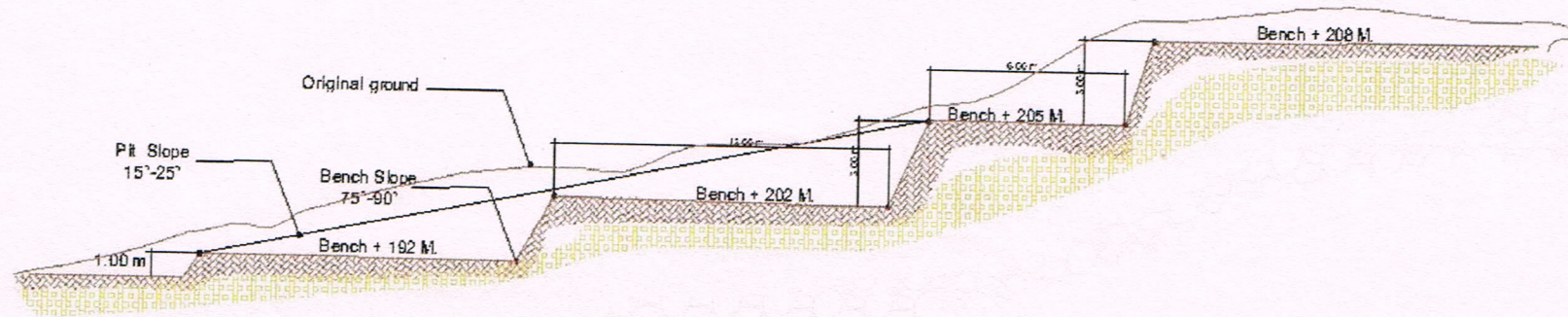
Basically Nickel Mining operation follows the sequence during the course of mining activity/operation.

- Clearing
- Overburden Stripping
- Soft Ore Mining
- Hard Ore Mining
- Beneficiation Operation
- Ore Hauling
- Ore Shipment loading / Marketing

SR METALS INC.
Tubay Nickel Project
Tubay, Agusan del Norte







Typical Section of the Mine pit design

Figure 2.0

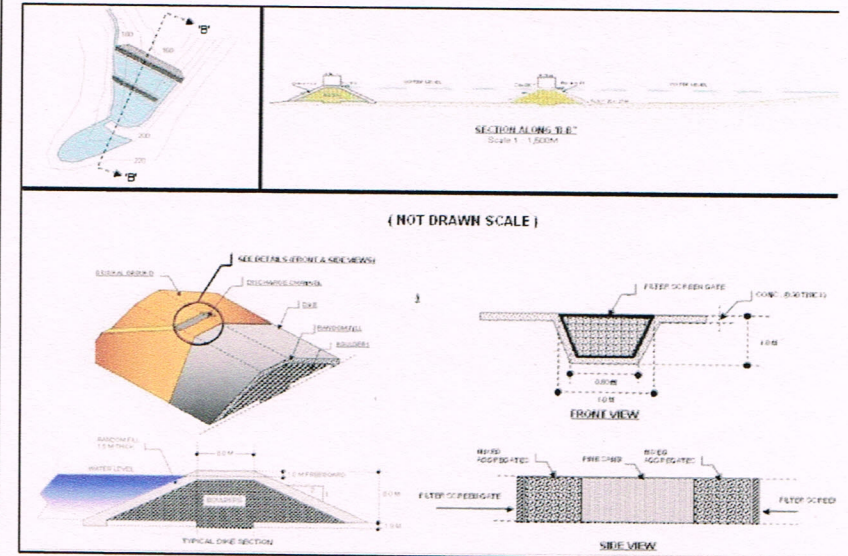
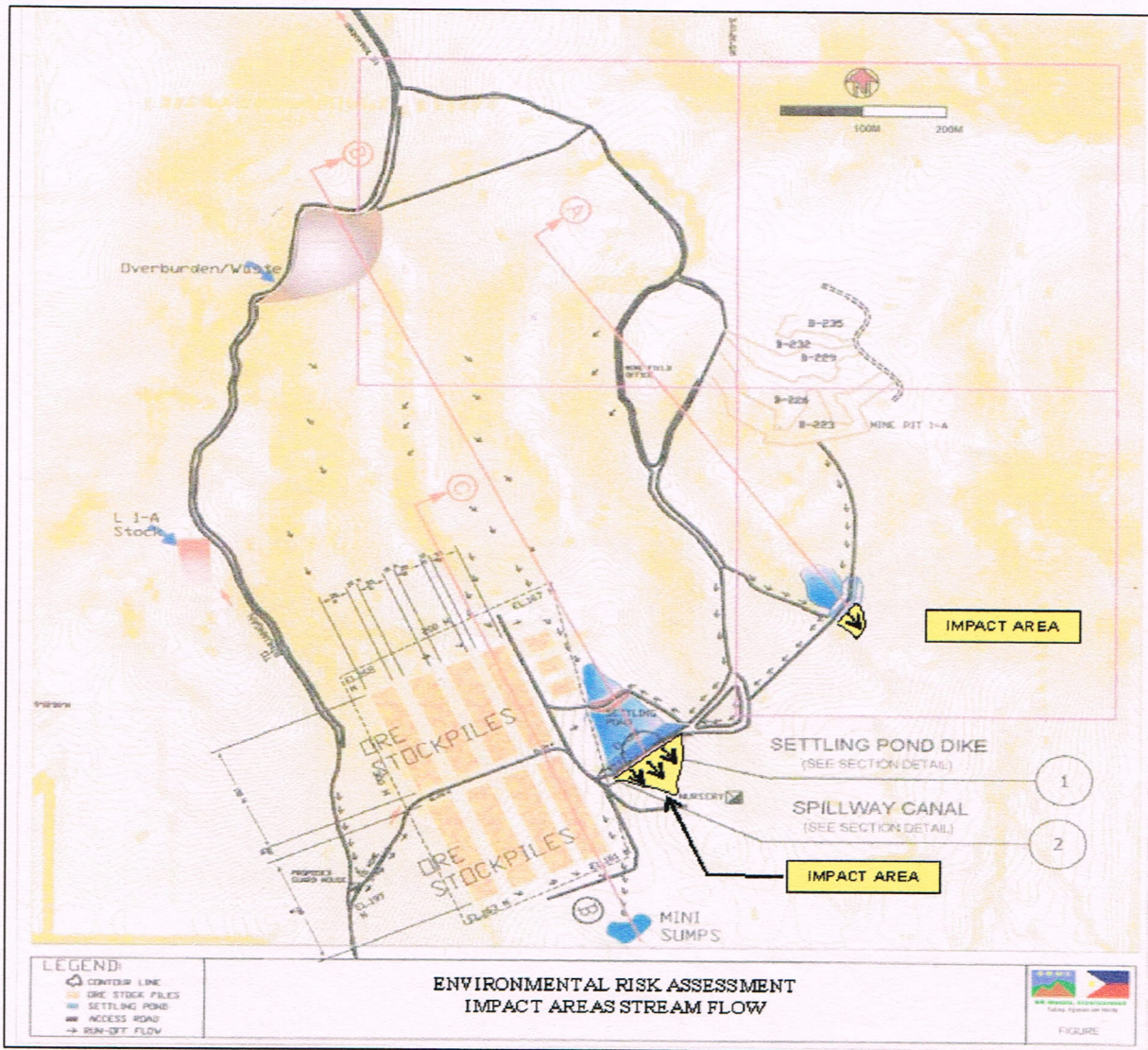


FIGURE 3.0
3-YEAR WORK PROGRAM
DEVELOPMENT PLAN

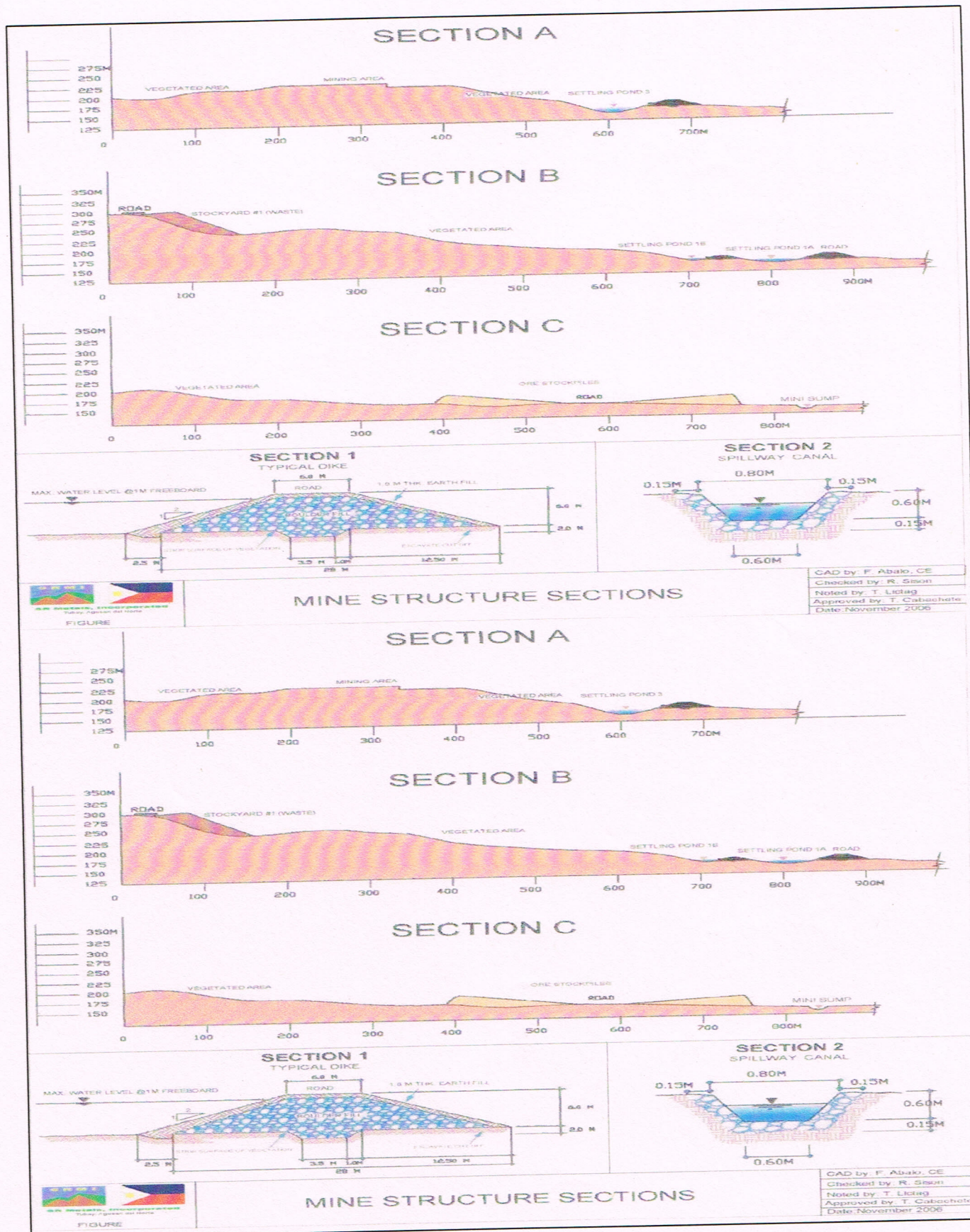


FIG. 4.0

MINING OPERATIONS

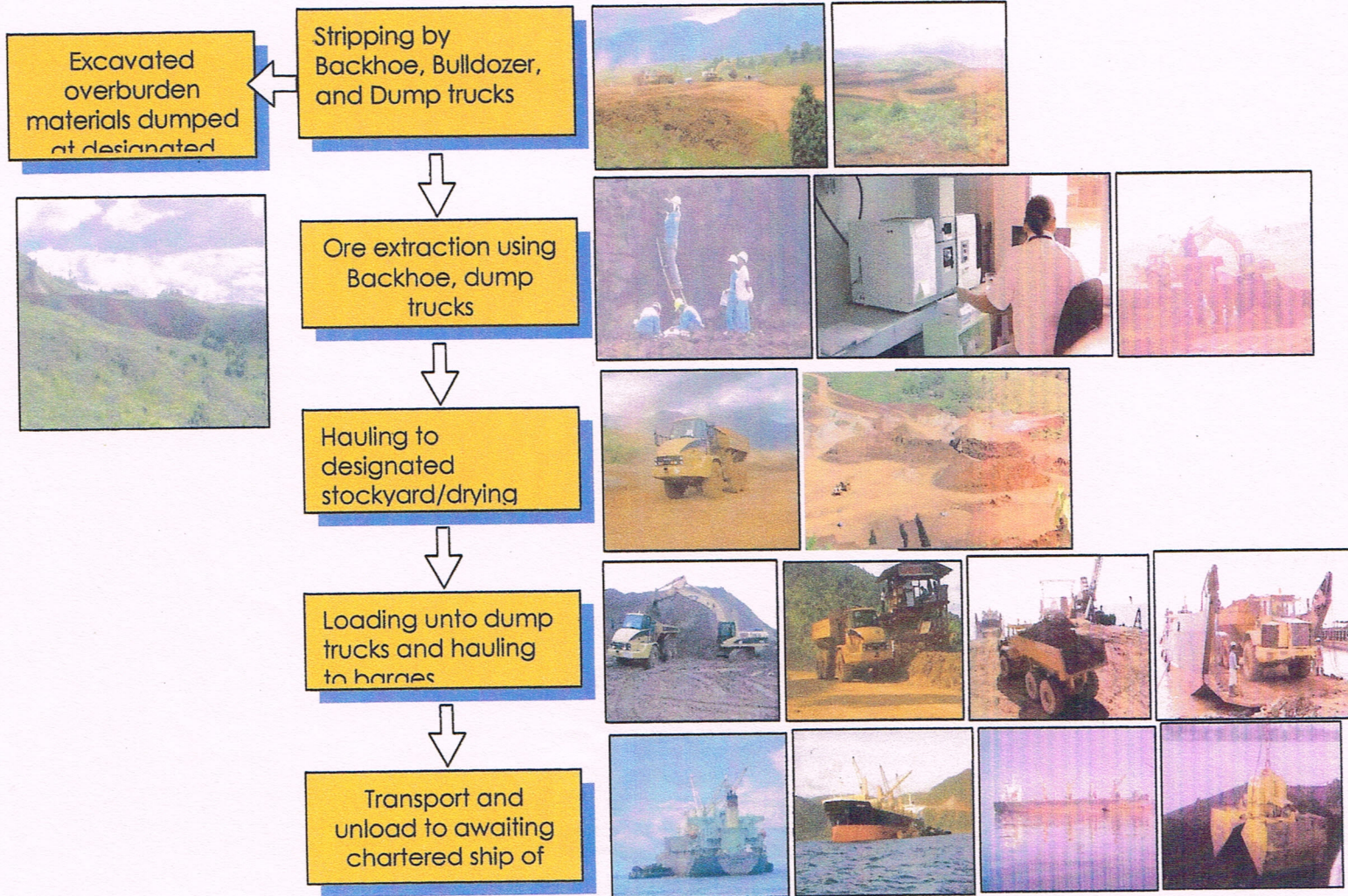
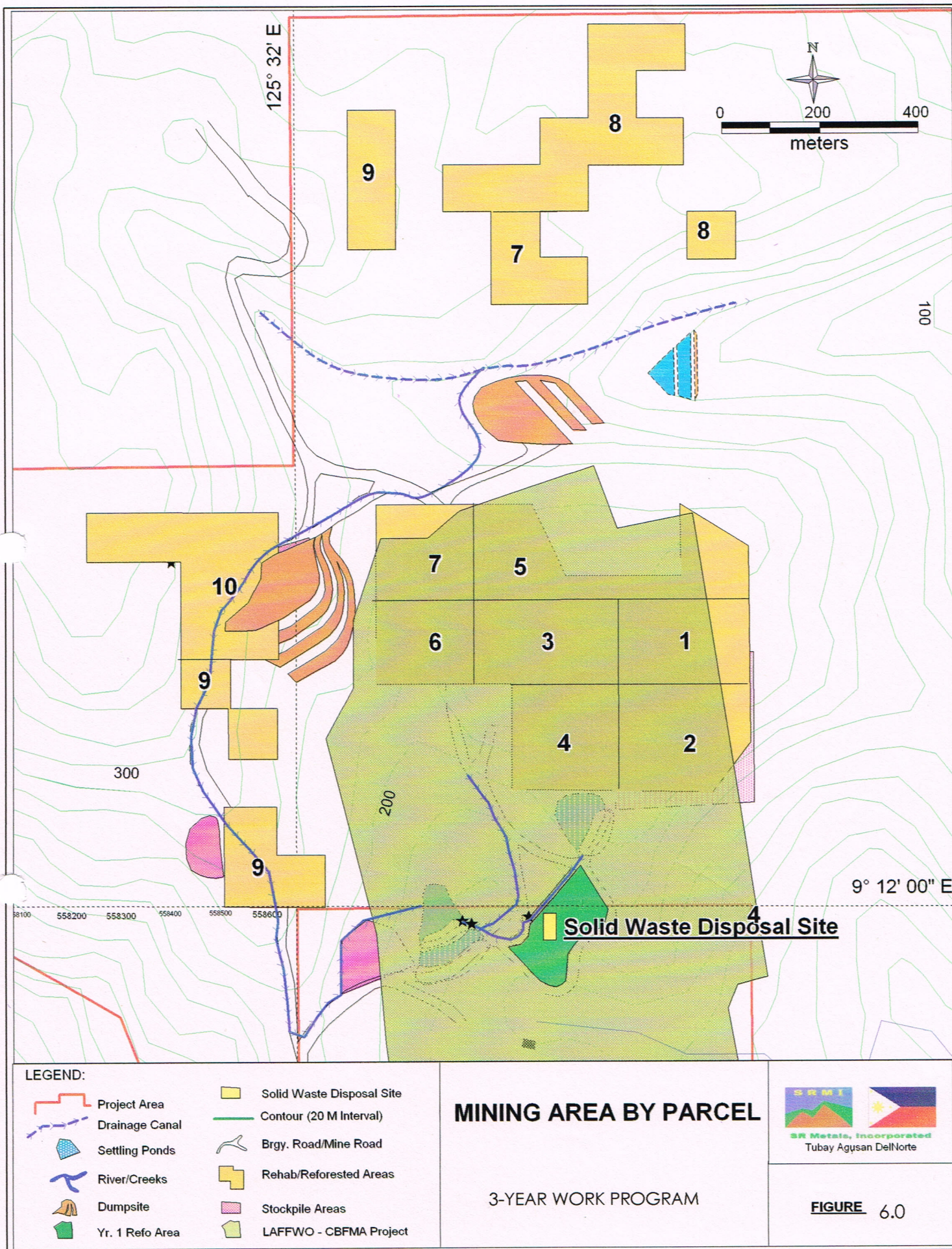
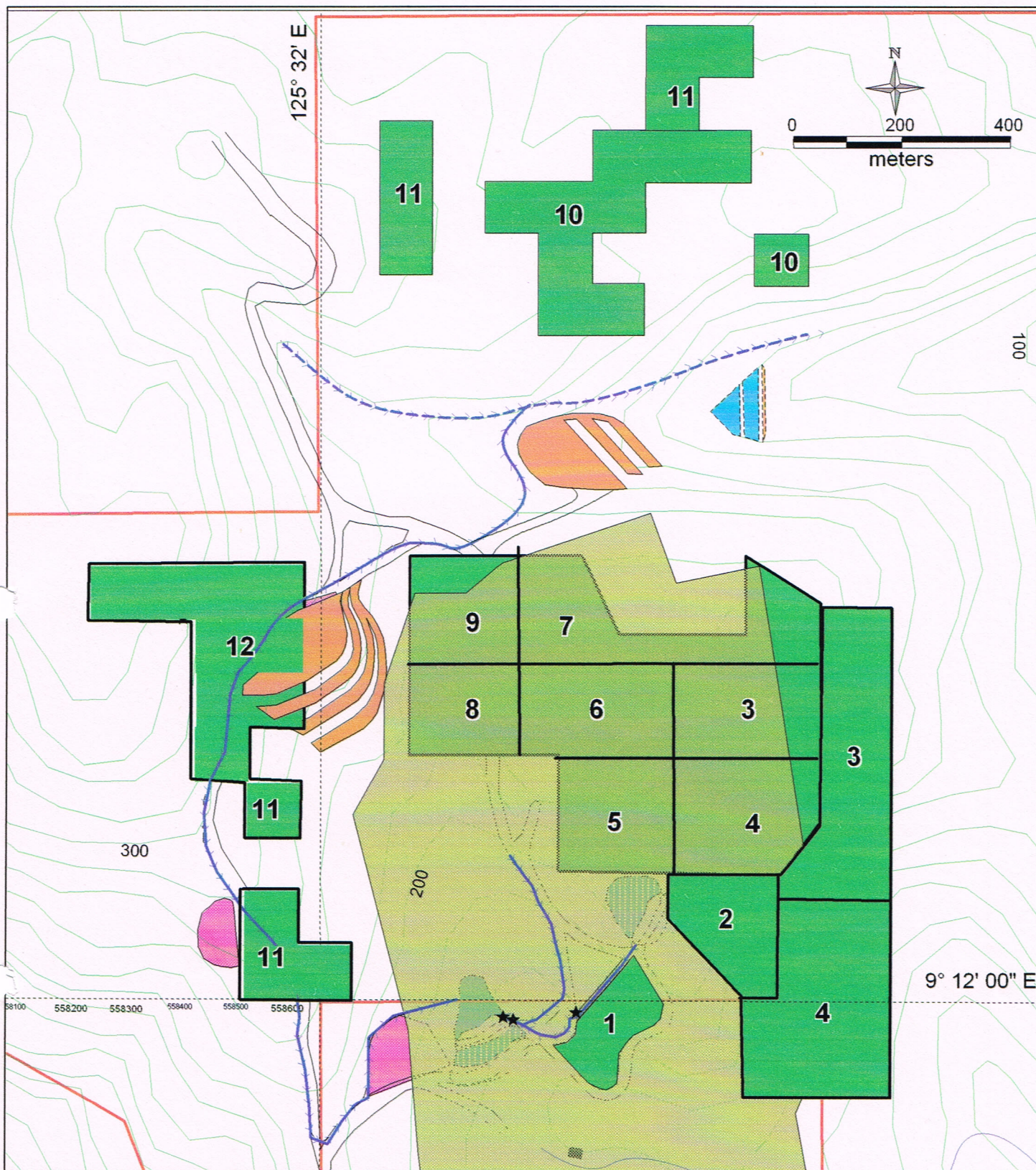













Fig. 5.0





LEGEND:

- | | | | |
|---|----------------|---|-------------------------|
|  | Project Area |  | Contour (20 M Interval) |
|  | Drainage Canal |  | Brgy. Road/Mine Road |
|  | Settling Ponds |  | Rehab/Reforested Areas |
|  | River/Creeks |  | Stockpile Areas |
|  | Dumpsite |  | LAFFWO - CBFMA Project |
|  | Municipality | | |

REFO. & REHAB'N MAP

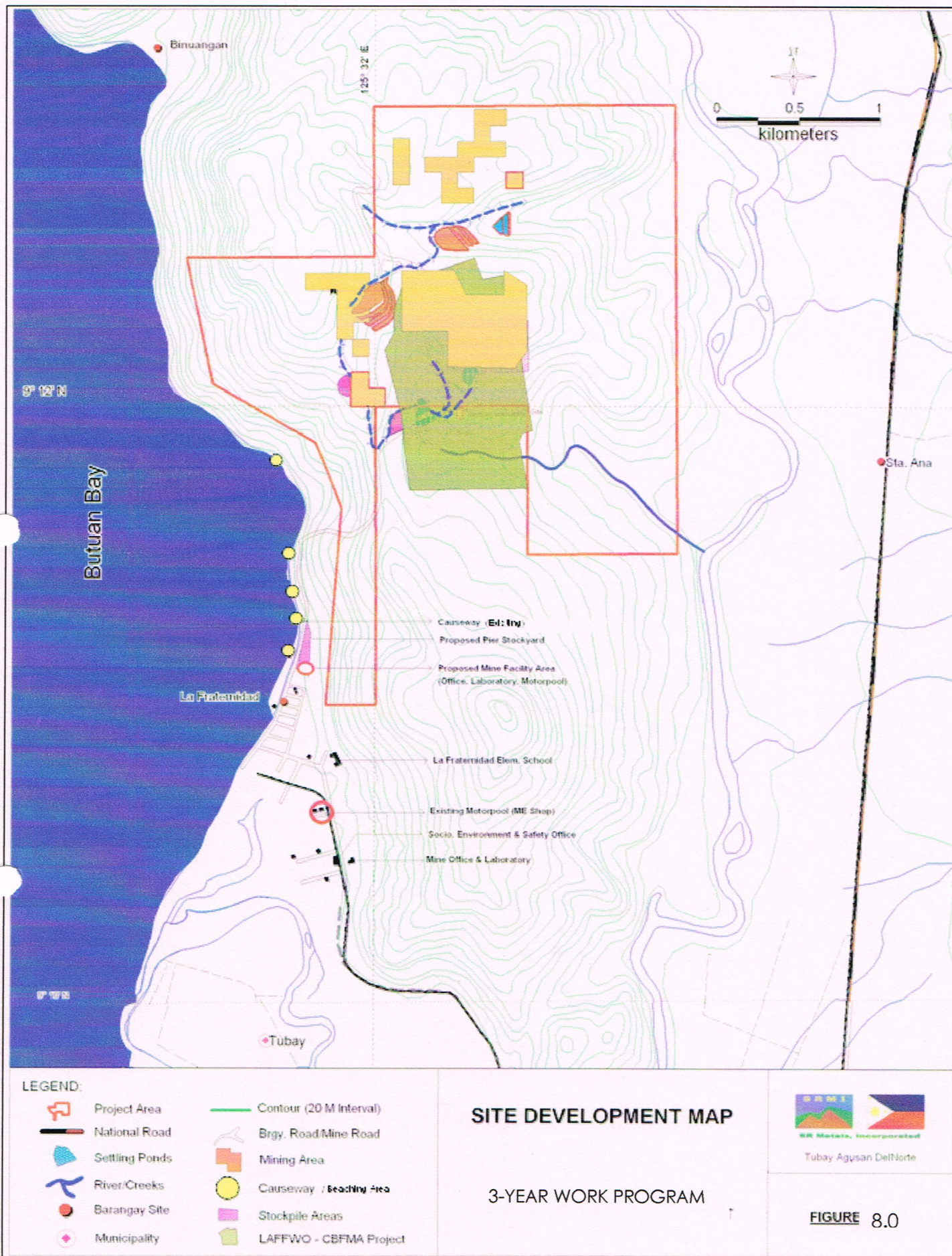
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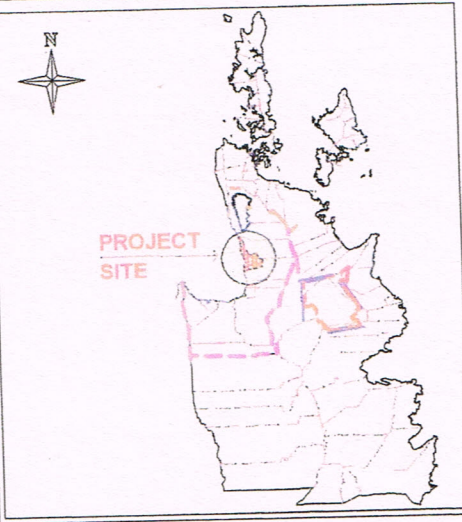
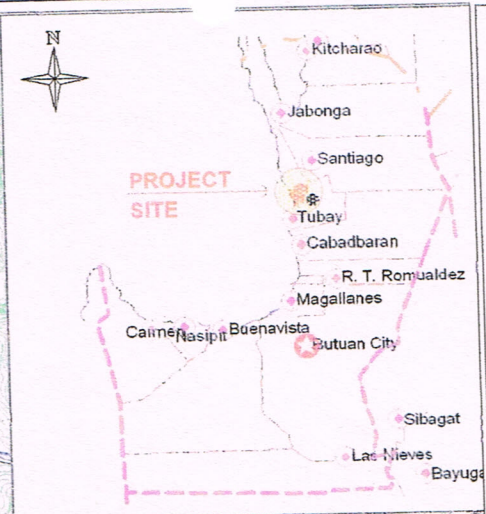
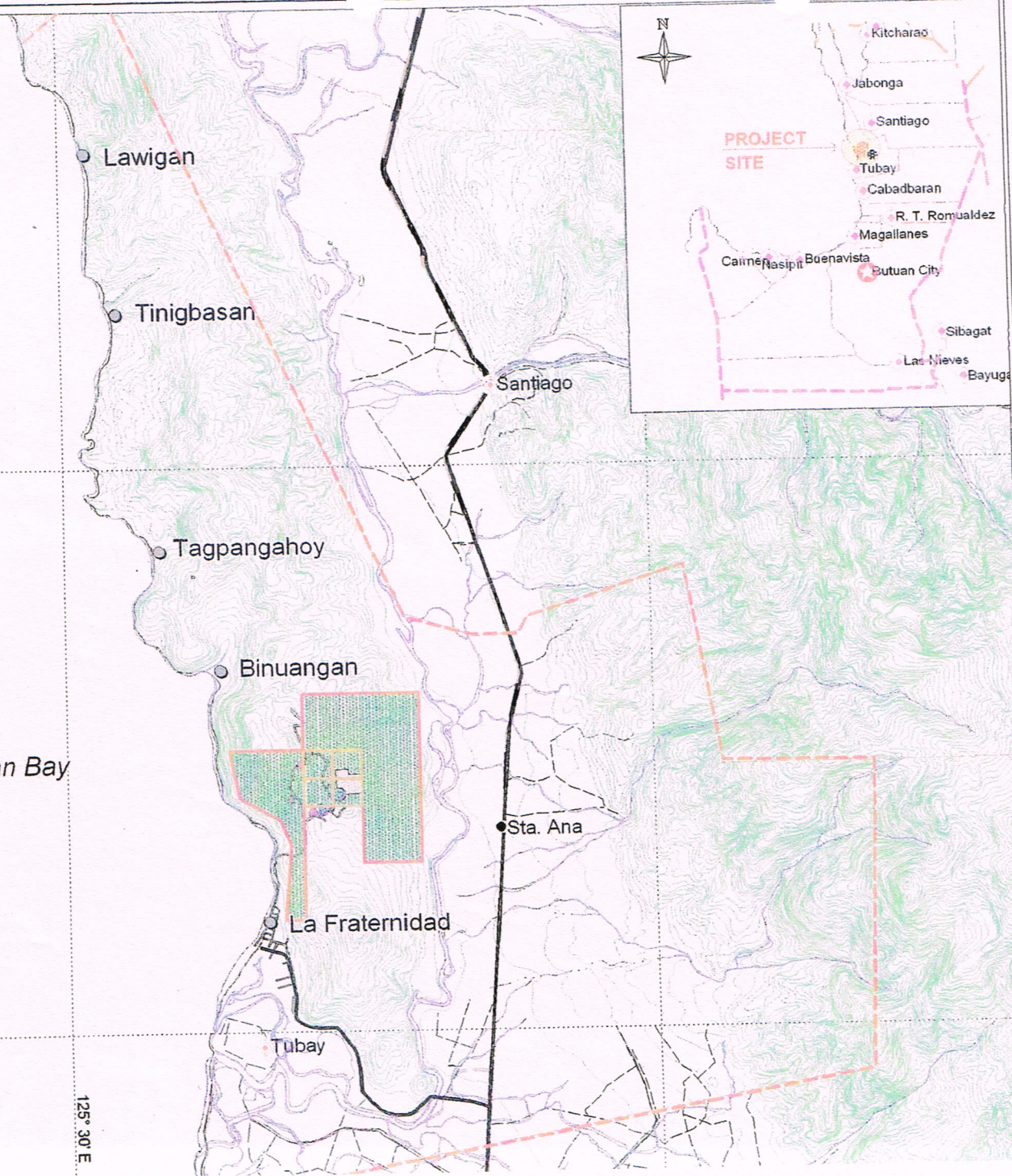
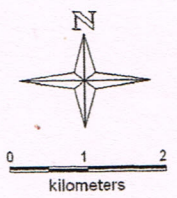
ENVIRONMENTAL IMPACT STATEMENT



Tubay Agusan Del Norte

FIGURE 7.0



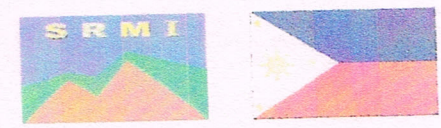


LEGEND:

- Project Site
- Municipal Boundary
- National Road
- Contour (20 M Interval)
- River/Creeks
- Baranggay Site
- Municipality

**Figure 9.0
LOCATION MAP**

3-YEARWORK
PROGRAM



SR Metals, Incorporated
Tubay, Agusan del Norte

2.1.5.1 Land Clearing

Land clearing activities are planned ahead for the proper sequence of mining operation. This includes timber recovery, chipping/mulching of undergrowth, removal of all growth, stumps, roots and all-organic matters. The topsoil and other materials will be dumped to the designated topsoil dumps for future use during rehabilitation activities.

2.1.5.2 Overburden Stripping

Waste stripping involves removal of overburden material below the nominal cut-off grade. Waste materials will be hauled and dumped to designated waste dumps.

After removing the overburden material below the nominal cut-off grade, all benches at three (3) meters bench height will be sampled by channel (vertical) sampling method with an interval of 3 to 5 meters per sampling point. Samples are placed and labeled in bags, and shall be sent to laboratory for analysis. With the laboratory results, face sampling stakes shall be coded with ribbons of which the corresponding color shall be based on the grade classification of SRMI, which will serve as guide for the (segregators) hydraulic excavator operator in the excavation and segregation process.

2.1.5.3 Ore Mining

The main purpose of stripping activities is to expose the ore. Once the ore is already exposed mining activities will then follow. The pit design includes volume of overburden and mineable ore, access road, drainage, stripping and mining limits.

Maps of the pit design are always made available as guide for the supervisor / pit engineers. Channel samples shall be taken vertically from the bench face five (5)-meter interval and its assay result shall be posted on grade control stakes to serve as guide to loader operators in material segregation. Extracted materials are classified as follows with their corresponding horn signal for proper and appropriate segregation at the stockpile area:

Table 2.2. Ore classification and corresponding horn signal

Ore Class	% Ni Range	% Fe Range	Horn Signal
Laterite	< 0.90	≥ 20.0	One Short
LGHO – A	≥ 1.70 – <20.00	<8.00	Five Short & One Long
LGHO – B	<1.70	<8.00	Four Short & One Long
LGSO – A	≥ 1.70 – <2.00	≥ 8.00 – <20.00	Three Short & One Long
LGSO – B	≥ 0.90 – <1.70	≥ 8.00 – <20.00	Two Short & One Long
LGSO – C	<0.90 – >=8.00	<20.00	One Short & One Long
LO – A	≥ 1.70 – <2.00	≥ 20.00	Three Long
LO – B	≥ 0.90 – <1.70	≥ 20.00	Two Long

SHO - A	≥ 2.50	<8.00	Nine Short
SHO - B	≥ 2.30 - <2.50	<8.00	Eight Short
SHO - C	≥ 2.20 - <2.30	<8.00	Seven Short
SHO - D	≥ 2.00 - <2.20	<8.00	Six Short
SSO - A	≥ 2.50	≥ 8.00	Five Short
SSO - B	≥ 2.30 - <2.50	≥ 8.00	Four Short
SSO - C	≥ 2.20 - <2.30	≥ 8.00	Three Short
SSO - D	≥ 2.00 - <2.20	≥ 8.00	Two Short

No bench shall be excavated/ advanced without the assay guide. The working bench is excavated / advanced in slices of three (3) meters only. Each material classification shall be excavated and loaded to dumptrucks separately. The loader operator or segregator should take extra care in digging so as to avoid material mixing. Dig by excavating first from the top of the bench downwards.

The segregator should sound the corresponding horn signal after finishing each truckload to guide the driver to the material classification of its load. The driver is required to respond by sounding back same horn signal to signify his full reception of the message.

2.1.5.4 Pre-stockpiling and Stockpiling

Extracted ore (limonite & saprolite) is hauled and piled to the stockyard according to grade classification. Saprolite ore is pre-stockpiled and sampled for upgrading. After analyses, pre-stockpiled ores shall be hauled and piled at their designated stockyards according to their re-classification.

In order to satisfy/maintain the ore classification, pre-stockpiling activities shall be employed. Ore loaded in the dump trucks from mine shall be sampled systematically using JIS 125R scoop. Based on the initial bench laboratory grade analysis, the ores will be pre-stockpiled. The sample shall be taken at the center-top heap load of the dump box (a sampling standard shall be provided for these sampling activities).

The standard sampling interval and sample size for each pre-pile shall be as follows.

Table 2.3. Truck sampling procedure

Ore Class	Sampling Interval and Sample Size
Laterite/waste	5 Truckloads per increment and 10 increments/sample
Low Grade Ore	3 Truckloads per increment and 10 increments/sample
Limonite Ore	2 Truckloads per increment and 10 increments/sample
Saprolite Ore	2 Truckloads per increment and 10 increments/sample

The sample shall be collected in a sack. A plastic lining is required for samples that need moisture analysis. Truck count, ore class, type of sample, and other relevant information shall be recorded in standard check sheet provided. Proper

tagging of samples and provision of stake / marker to the pre-stockpiled materials should be carried-out strictly.

In preserving the quality of stockpiled ore, canvas sheets (tarpaulin sheet) shall be utilized to cover the ore piles especially during rainy days. This is done to maintain the desired moisture content of the ore (normally at 35%) and prevent siltation that may result to contamination other stockpiled ores.

Likewise, environmental precautions shall be responsibly implemented. The port perimeter where ore piles are placed is lined with mixed aggregate materials barrier (buffer-berm) to prevent discoloration of sea-water that may result to further siltation at the shoreline. Surface elevation of the causeway is likewise tilted at the flank diverting run-offs away from the seaside toward the sump provided onshore.

With regards to the dust problem that may occur during loading activity, regular water spraying as well as road maintenance activities like road-grading and compaction are implemented at the vicinity of the wharf to mitigate excessive dust generation. Dust that may be generated from the stockpiled material itself will be less to minimal in occurrence since moisture content of the material to be stockpiled shall be kept as to the buyers' specification which is not more than 35% moisture content.

2.1.5.5 Beneficiation

After the analyses of the pre-stockpiled ores have been completed, reclassification shall be implemented by transferring each pile to its designated area.

The saprolite ore will undergo beneficiation, which is simply the separation of hard ore boulders from the soft ore materials. The process takes place by gravity method achieved by rolling the material from the embankment (10-15 meters high). Soft ore materials are left behind at the slope while the hard ore materials roll down at the toe of the embankment. Subsequently, such materials will be reclaimed by wheel loaders for manual breaking or for feed to mobile crusher. Again, reclassification shall be implemented.

2.1.5.6 Ore Hauling

Beneficiated ore products (hard & soft ore) will be hauled to pieryard situated near the causeway and stockpiled according to their material classification. Ore stockpiles are covered by, tarpaulin canvas sheets to prevent them from getting wet.

In order to have a reliable ore quality all beneficiated ore products hauled to Pieryard shall undergo sampling which be the final basis for the mixing / blending in order to meet or satisfy the shipping requirement specifications.

2.1.5.7 Shiploading

Beneficiated ore stockpile from the pier yard will be loaded to dump trucks using Track Excavators or Wheel Loaders. Again, truck sampling shall be undertaken from a sampling stand before the ore is loaded into the Landing Craft Transport (LCT). By using JIS 125R scoop, sampling is done every other truck. One lot is equivalent to two hundred forty (240) truckloads.

During the loading of the LCT's the wheel loader will regularly trim and crown the ore pile in order to accommodate the next incoming dump truck to unload. From the causeway, the loaded LCT's will retreat seaward to the foreign Cargo Vessel anchored offshore (about two-hundred (200) meter distance from the shoreline). After ship siding, the LCT's will start unloading through the vessel's clamshell and finally loading the same in its hatches. The duration to load and unload the LCT is estimated to take from 5 – 6 hrs. and it will take 7 – 8 days and 10 – 12 days to complete the shipment of 42,000 WMT and 60,000 WMT of Nickel Ore, respectively.

All efforts should be done so as not to expose the ore to rain while ship loading operation is going on. Necessary canvas sheet for covering the ore inside the LCT should be made available and ready to use in case of inclement weather. In case of heavy downpour, ship loading operation shall be suspended.

The mine surveyor shall be the company's representative in determining the final weight of cargo loaded by applying the internationally accepted draft survey procedures. In case both the company's and vessel's representatives cannot decide on a common draft survey result, a private surveyor will be hired to act as an umpire.

2.1.6 Process Plant

SRMI Project has no processing plant. The nickel silicate ore is directly shipped to the foreign vessel.

2.2 Mineral Reserves

2.2.1 Mineable Reserves

The calculation of ore reserve is undertaken based on the data gathered from 200-meter, 100-meter and 50-meter grid drill holes conducted by ARDEX Drilling Contractor. Drill holes location and assays are subsequently then plotted and interpreted in cross

SR METALS INC.
Tubay Nickel Project
Tubay, Agusan del Norte



sections. Volume of the ore is computed half way influence from each drill hole and reflecting the grade at 1 meter interval (Bank Cubic Meter, BCM). The computed ore tonnage is obtained by taking into consideration its Specific Gravity and the soil swell factor of the deposit at **1.12** and **1.35** loose cubic meter (LCM) respectively. Corresponding assay of the established tonnage is computed by combining the grade (weighted average) within three (3) meters depth. Ore resources, being blocked were categorized as **Inferred** and **Measured**. **Inferred ore resource** refers to ore blocks having a drill holes with grid interval ranging from 100 to 200 meters. **Measured ore resource** on the hand, refers to the drill holes with grid interval ranging from 50 to 25 meters. Tonnage computed is in-situ.

Table 2.4, shows the crude ore classification adopted by SRMI as one of the foremost basis in establishing its resources and which shall likewise be the guide throughout the project's mining operation.

Table 2.4: Ore Classification Scheme

Ore Classification	%Ni	%Fe
Overburden	<0.60	>=40.00
L1	0.60 – 0.89	>=45.00
L2	0.90 – 1.20	>=45.00
L3	1.21 – 1.50	>=20.00
L4	1.51 – 1.99	>=20.00
S1	0.60 – 0.89	<45.00
S2	0.90 – 1.20	<45.00
S3	1.21 – 1.50	<20.00
S4	1.51 – 1.99	<20.00
S5	>=2.00	>=20.00
S6	>=2.00	<20.00

Basing from the above resource, various economic factors and parameters were likewise taken into considerations in the estimation of ore resource which shall be utilized as basis in the Feasibility Study of SRMI to wit:

- Prevailing Metal Price of Nickel basing from China Market at \$17/MT for 0.90 - 1.10 %Ni which rapidly increased up to \$21/MT at present
- Mine operating cost consisting of ore, waste stripping cost and Rehandling cost
- Marketing and Over-all Overhead Cost
- Taxes & Govt. Obligations
- Bench height at 3 meters interval
- Minimum bench width at 5 meters

Basing from the drill holes, partial and updated Ore Resource are estimated as follows; **Measured Ore Resources** at 5,879,758 WMT with an average assay of 1.08% Ni and 26.57% Fe, **Inferred Ore Resource** is about 9,049,998 WMT at 0.98% Ni and 26.12% Fe as shown in the tables below:

Table 2.5: Measured Ore Resource

Block	Material	WMT	%Ni	%Fe
A	Waste	2,822,284	0.45	44.76
	Ore	5,879,758	1.08	26.57
	Total	8,702,042	0.88	32.47

Table 2.6: Inferred Ore Resource

Block	Material	WMT	% Ni	% Fe
B	Waste	911,916	0.43	43.83
	Laterite	1,065,120	0.86	43.00
	LIMO A			
	LIMO B	107,520	1.30	31.47
	LGSO A	459,200	1.43	16.70
	LGSO B	257,600	1.12	16.88
	HGSO	56,000	1.96	12.59
	Total Ore	1,945,440	1.08	31.82
	Ore&Waste	2,857,356	0.87	35.65
C	Waste	958,973	0.46	24.08
	Laterite	1,206,628	0.85	43.47
	LIMO A	0		
	LIMO B	373,968	1.37	34.75
	LGSO A	1,440,849	1.45	14.10
	LGSO B	1,979,824	0.92	11.58
	HGSO	232,400	2.09	11.78
	Total Ore	5,233,669	1.13	21.29
	Ore&Waste	6,192,642	1.03	21.73

Table 2.7, Combined Inferred Ore Resources

Material	Block	WMT	% Ni	% Fe
Total Ore	Block-B	1,945,440	1.08	31.82
	Block-C	5,233,669	1.13	21.29
	Total	7,179,109	1.12	24.15
Total Ore&Waste	Block-B	2,857,356	0.87	35.65
	Block-C	6,192,642	1.03	21.73
	Total	9,049,998	0.98	26.12

2.2.2 Average Grade of Ore for each Mineral Commodity

Table 2.8, shows the average grade for Ni and Fe considering both **measured** and **inferred** ore resources are the following;

Table 2.8: Average Assay

Resource	WMT	%Ni	%Fe
Measured	5,879,758	1.08	26.57
Inferred	9,049,998	0.98	26.12
Total/Avg	14,929,756	1.02	26.30

2.2.3 Cut-off Grade

The cut-off grades used in the reporting of the reserves are based on the ore classification scheme as shown in *Table 2.4*.

1.0

The life of the mine can be calculated by the formula:

Total Ore Reserves : 12,003,344 WMT

Ave. Annual Production : 1,200,000 WMT

Mine Life = Mineable Ore Reserve (WMT) ÷ Annual production (WMT)
= 10 years

However, the area has a potential for additional ore reserve within the existing mineral claim. **Annex-A** describes the estimated work development schedule and mine life.

2.3 Access/Transportation

2.3.1 Road

The project area is located about 40 kms northeast of Butuan City. It is accessible via the concrete national highway that links Butuan City and Surigao City in the north. Total driving time from Butuan City is about 30 minutes and is about 1.5 hours from Surigao City.

2.3.2 Air Access

The project area could be reached through two (2) direct commercial flights from Manila served by Philippine Airlines and Cebu Pacific. Alternatively, there is now a new Manila-Surigao City direct flight by Asian Spirit.

2.3.3 Shipping

There is a direct 36-hour travel by inter-island passenger vessel from Manila to Nasipit. On the other hand, there is also a direct inter-island shipping vessel from Manila to Surigao City scheduled once a week through WG&A Superferry and Sulpicio Lines.

2.4 Utilities

2.4.1 Power Supply Requirements and Alternatives

Sources of imported materials like spare parts will be sourced in nearby cities with minor items coming from Manila. Requisition will be made as the need arises

SR METALS INC.
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by means of indent orders through trading partners or local suppliers. The supplier for fuel, oil, and lubricants is either Petron or Shell.

The local electric cooperative would supply electricity in the mine site, that will be backed up by a movable 75 kva generator set powered by diesel engine. This can adequately supply power for office lightings, copier machine, computers, air conditioners, AAS and other equipment in the Assay Laboratory.

2.4.2 Water Supply Requirements and Alternatives

The existing communal water supply system from the spring sources at the site will be rehabilitated. Drilling or digging of deep wells will explore potential underground water resources.

2.5 Mining Equipment

2.5.1 List of Equipment Needed

In the construction and development stage, SRMI will lease all mining equipment from qualified contractor(s) to save on capital costs. The said equipment will be particularly utilized in the construction of vital mine-structures and support facilities.

Parameters for Computation

1 Year	= 365 Days
	= 52 Sundays
	= 12 National Holidays
	= 2 Local Holidays
	= 164 Rainy Days (estimated)
Total No. of Working Days	= 135 Days (Estimated)
Working Hours Per Day	= 12 hrs. (8 hrs. reg., 4 hrs. OT)
Equipment Efficiency	= 70 %
Specific Gravity (Soft Ore)	= 1.11
Specific Gravity (Hard Ore)	= 1.46
DT Capacity	= 10.0 cu. m.

Hauling Distance

Stripping	= 1.00 km.
Mining	= 1.00 km.
Beneficiation - Stkyrd	= 0.20 km.
Stkyrd - Pieryard	= 20.00 km

Ave. Truck Speed

Loaded	= 15.0 kms./hr.
Empty	= 20.0 kms./hr.

Bucket Capacity

Backhoe	= 1.20 cu.m./bucket
Truck Loader	= 2.10 cu. m/bucket
Wheel Loader	= 3.00 cu. m/bucket
Bulldozer	= 1.75 cu. m/push

Production Equipment Capacity:

Production Equipment	Capacity
Wheel Loader (WL)	211.8 cu.m./hr.
Track Excavator (TX)	83.0 cu.m./hr.
Track Loader (TL)	100.0 cu.m./hr.
Crawler Tractors (CT)	108.0 cu.m./hr.
Dumptruck (DT)	25 tonner
Stripping	53.20 cu.m./hr.
Mining	42.00 cu.m./hr.
Beneficiation	42.00 cu.m./hr.
Ore Transportation	42.00 cu.m./hr.

Number of Production Equipment Required:

$Production\ per\ Day = (No.\ of\ Equipment\ Required) \times (Equipment\ Capacity) \times (Working\ Hours) \times (Equipment\ Efficiency)$

$No.\ of\ Eqpt.\ Required = Production\ per\ Day \div (Eqpt.\ Capacity) \times (Working\ Hrs.) \times (Eqpt.\ Efficiency)$

List of Equipment Needed per Activity:

* Water Truck

Summary of Equipment Needed:

Activity/Operation	CT	Comp	RG	DT	ADT	TX	TL	WL	SV
Stripping	1				4	1			
Mining	1		1		11	2			
Beneficiation				5				1	
Ore Trans to Pier	2			15		2			
Shiploading				6				2	
Road Construction	1	1	1						
Env'l & Other Activity				*4		1			
Service Vehicle									22
Total	5	1	2	30	11	6	1	3	22

* Water Truck

Summary of Equipment Needed:

Equipment Type	No. of Units
Conventional DT, (10 cu.m. capacity)	
Articulated DT (25T, CAT, VOLVO)	30**
Hydraulic Excavator, (Cat 300 Series: 1.2 cu.m.)	15**
Hydraulic Excavator, (TL, Caterpillar, Cat 973, cap:2.1 cu.m.)	6**
Crawler Tractor, (CT, Caterpillar, Cat D7H, w/angle blades,ripper)	1**
Wheel Loader, (WL, Komatsu, A 470-3A)	5**
Road Grader, (RG, GD 511A-D)	3**
Service Vehicle (KIA, Strada, DELICA)	2**
Fuel Lorry(FL, 12 Kiloliter cap)	22*
Water Truck, (WT, 12 Kiloliter cap)	1**
Pump Boat (PB, 2 tons cap)	4**
	1*

LEGEND:

- * Purchased
- ** Leased

2.6 Workforce Information

2.6.1 Total Operational Workforce

During normal operation, manpower will be maintained consisting of at least 567 employees. Out of this requirement, majority will come locally from the direct impact areas or neighboring communities of Tubay, Agusan del Norte. Distribution of manpower per department will be as follows:

Table 2.8. Estimated Total Workforce

Department	Staff	R&F	Total
Mining Dept.	22	111	133
Mine Eng'g/Geology Dept	13	23	36
Heavy Equipment Dept	7	180	187
Construction & Services Dept	7	18	25
Administration Dept	9	46	55
Socio-Environment, Sanitary & Health Dept.	6	16	22
Quality Control/Assay Lab	4	75	79
Office of the Resident Manager	1	1	2
Safety Dept	4	24	28
Total	73	494	567

2.6.2 Organizational Chart

Please see Annex-A

SR METALS INC.
Tubay Nickel Project
Tubay, Agusan del Norte



2.6.3 Housing Option

The company will construct its own housing facilities at the proposed site (see Figure 10) for its managers, supervisors and staffs including qualified residents/employees from Purok 7, La Fraternidad which is scheduled to be vacated as the area will become a stockpile yard.

2.7 Development Program

2.7.1 State of Development

The feasibility study had been submitted to DENR-MGB Central Office for approval.

2.7.2 Description of Planned Activities

The major planned of activities for the three (3) - year period are as follows:
(Refer to Annex-A)

Year 1

- Site preparation and construction of Campsites and office facilities
- Construction of additional settling ponds and sumps
- Finalize contract agreements involving development works
- Relocation of some residents of Brgy. La Fraternidad and other affected barangays
- Construction of spillways and dirty water drains
- Organizing of Owner's team
- Clearing and removal of topsoil
- Continue waste stripping at the mining area
- Construction and development of road networks that will link to vital mine facilities and structures

Year 2

- Finish construction of campsites and office buildings and other facilities.
- Environmental protection structure maintenance
- Continuous waste stripping at the mining area
- Continuous grade control development drilling
- Continuous ore mining and stockpiling
- Continuous ore shipment

Year 3

- Environmental protection structure maintenance
- Continuous waste stripping at the established mining area
- Continuous ore mining and stockpiling
- Continuous ore shipment

2.7.3 General Development Plan

Areas for development sites, mine structures and mine facilities are shown in Fig. 7

2.7.4 Schedule and Estimated Cost Per Annum

Please refer to Annex-C

2.7.5 GANTT CHART

Please see schedule of project implementation in Annex-A

2.8 Production Schedule

Please refer to Annex-C

3.0 COMMUNITY DEVELOPMENT PROGRAMS and ESTIMATED TOTAL COSTS

The Social Development and Management Program of SRMI will be anchored on the framework of sustainable development for the affected mining communities. The following strategies will be adopted to implement the social development program:

- Prioritize residents of impact areas for both direct and indirect employment
- Assist in providing basic social services such as water facilities, road improvement and maintenance
- Organize community residents and introduce livelihood projects
- Provide training to qualified host community residents. These training programs may include equipment operation, driving and other skills development training.

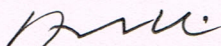
Through its Social Development and Management Program (SDMP), the company will continue to provide community development programs in consonance with DAO 96-40 and its Revised Implementing Rules and Regulation. Once the Project commences, it will generate economic opportunities

for the community. Community Development Costs will be allotted from the 1% Direct Mining and Milling Cost (DMMC) as provided in DAO 2000-99 (Refer to III-5.0 of Annex C). Additional budget will be set by the company whenever necessary on top of the 1% DMMC.

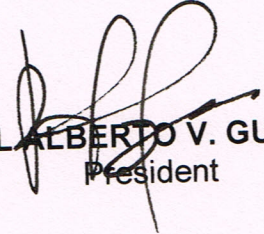
4.0 ENVIRONMENTAL PROTECTION AND MANAGEMENT COST ESTIMATES (TO INCLUDE MINE SAFETY AND HEALTH)

A total of ₱ 27,260,438.00 is needed for Environmental Protection and Mine Safety. (Refer to III-4.0 of Annex-C)

Prepared by:


ABELARDO P. MAGPALI
Registered Mining Engineer
PRC License No. **01213**
PTR No. : **2190603**
Place of Issue : **Surigao City**
Date : **June 25, 2007**

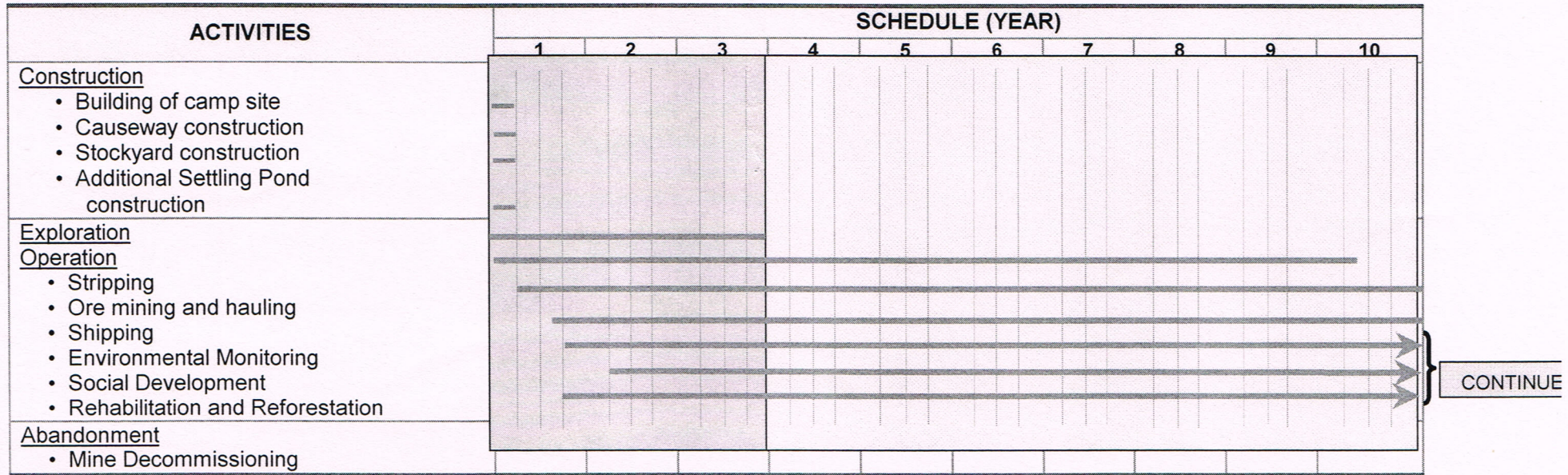
Noted by :


MIGUEL ALBERTO V. GUTIERREZ
President

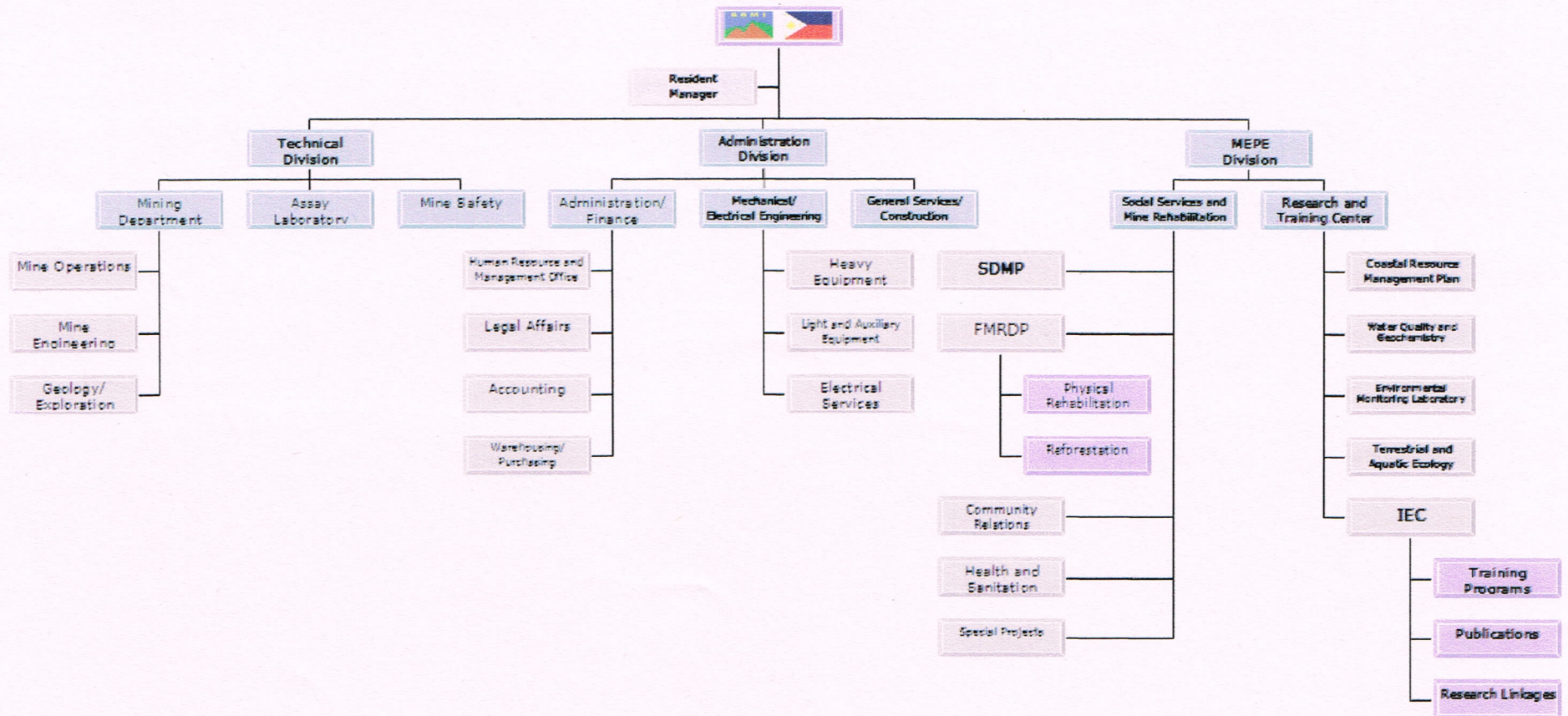
PRODUCTION PLAN

PARTICULARS	TOTAL	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
		0	1	2	3	4	5	6	7	8
		Working days	0	200	200	200				
MINE PRODUCTION (WMT)										
• Laterite/Overburden	1,836,000		612000.00	612000.00	612000.00					
• Ore										
(0.7 - 0.89%Ni)	1,200,000		400,000	400,000	400,000					
(0.90 - 1.19 %Ni)	600,000		200,000	200,000	200,000					
(1.20 - 1.40 %Ni)	600,000		200,000	200,000	200,000					
(1.41 - 1.60%Ni)	1,200,000		400,000	400,000	400,000					
Subtotal	3,600,000		1,200,000	1,200,000	1,200,000	-	-	-	-	-
Total Material	5,436,000		1,812,000	1,812,000	1,812,000	-	-	-	-	-
• Waste to Ore Ratio	0.51		0.51	0.51	0.51	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
• MTPD	27,180		9,060	9,060	9,060	-	-	-	-	-

GANTT CHART SCHEDULE OF PROJECT IMPLEMENTATION

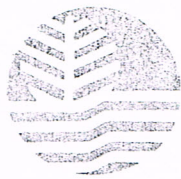


SR METALS ORGANIZATIONAL CHART



ANNEX "D"

**ENVIRONMENTAL COMPLIANCE
CERTIFICATE**



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City 1110
Tel. Nos.: (632) 929-66-26 to 29 • (632) 929-65-52
929-66-20 • 929-66-33 to 35
929-70-41 to 43

FEB 27 2007

Ref. 0611-013-2140

Miguel Alberto V. Gutierrez
President
SR METALS, INC.
Unit 4, 2nd Floor, Topy's Place Building 1
Bagumbayan Quezon City

Dear Mr. Gutierrez:

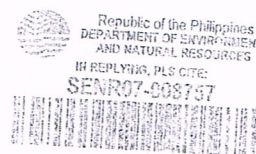
This refers to the Environmental Compliance Certificate (ECC) application for your proposed **Nickel-Cobalt Mining Project (Large-Scale Operation)** located at **Barangays La Fraternidad, Binuangan, and Sta. Ana, Tubay, Agusan del Norte.**


After satisfying the requirements in the said application and upon recommendation of the Environmental Management Bureau (EMB), this Department has decided to grant an ECC to the abovementioned project.

With the issuance of this ECC, you are expected to implement the measures presented in the Environmental Impact Statement (EIS) and the Environmental Management Plan (EMP) intended to protect/enhance the environment and mitigate the project's adverse impacts on the environment and on the community's health and welfare. Environmental considerations shall be incorporated in all phases and aspects of the Project. This office will also be conducting periodic and on-the-spot monitoring to ensure your compliance with conditions cited in the attached document. Further, any expansion or modification of the currently approved operations will be subjected to the Environmental Impact Assessment requirements.

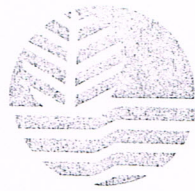
Please be guided accordingly.

Very truly yours,




ANGELO T. REYES
Secretary

Let's Go Green!



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City 1116
Tel. Nos.: (632) 929-66-26 to 29 • (632) 929-65-52
929-66-20 • 929-66-33 to 35
929-70-41 to 43

ENVIRONMENTAL COMPLIANCE CERTIFICATE

(Issued under Presidential Decree 1586)

ECC Reference No. 0611-013-2140

THIS IS TO CERTIFY THAT THE PROPONENT, **SR METALS, INC.**, as represented by *Miguel Alberto V. Gutierrez* in his capacity as President, is hereby granted this Environmental Compliance Certificate (ECC) for the *Nickel-Cobalt Mining Project (Large-Scale Operations)*, located at *Brgys. La Fraternidad, Binuangan, and Sta. Ana, Tubay, Agusan del Norte* by the Department of Environment and Natural Resources (DENR), through the Environmental Management Bureau.

SUBJECT ONLY to the conditions and restrictions set-out in this Certificate and the attached document labeled as Attachment A.

This certification is issued for the *Nickel-Cobalt Mining Project (Large-Scale Operations)*, with the following details:

PROJECT DESCRIPTION

The proposed *Nickel-Cobalt Mining Project (Large Scale Operations)* covers a total land area of 572.64 hectares located at *Brgys. La Fraternidad, Binuangan, and Sta. Ana, Tubay, Agusan del Norte*.

The project includes/covers:

Nickel - cobalt mining operations comprising 572.64 hectares of Mineral Production Sharing Agreement (MPSA) proposal of SR Metals, Inc. denominated as APSA (XIII)-00014 in *Brgys. La Fraternidad, Binuangan, and Sta. Ana, Tubay, Agusan del Norte* at maximum production rate of 800,000- 1,500,000 MT of Nickel-Cobalt ore per year.

Specifically, it covers mining development; operation; maintenance and rehabilitation works; and construction and operation of mine structures and support facilities such as: stockyards; dumpsites; haul roads; settling ponds; Office Building including Assay Laboratory; Motorpool/Mechanical Shop with fuel and water depot; bunkhouses, nursery, recreational facility; port facility; and drainage system.

This certification is issued in compliance to the requirements of Presidential Decree No. 1586, in accordance to Department Administrative Order No. 2003-30. The Bureau, however, is not precluded from reevaluating, adding, removing, and correcting any deficiencies or errors that may be found after issuance of this certificate.


Issued at _____ this FEB 27 2007 day of _____, 2007.

Recommending Approval:

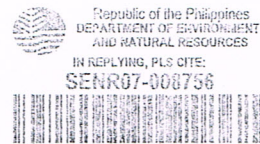


DR. ELY ANTHONY R. OUANO
OIC Director

Approved by:



ANGELO T. REYES
Secretary



SWORN STATEMENT OF OWNER

Under the provisions of Presidential Decree 1586, I HEREBY CERTIFY that the information provided to the Department of Environment and Natural Resources pertaining to this project are true and correct to the best of my personal knowledge and based on the records in my possession.

Signature

TIN _____

Subscribed and sworn to before me this _____ day of _____, 2006, the above-named affiant taking oath presenting Community Tax Certificate No. _____ issued on _____ 2007 at _____

Signature of Administering Officer

I. CONDITIONS

ENVIRONMENTAL MANAGEMENT

The proponent shall strictly implement commitments, mitigating measures and monitoring requirements, especially those contained in the Environmental Impact Statement (EIS) particularly in the Environmental Management and Monitoring Plans to minimize any adverse impact of the project to the environment throughout the project implementation including the following mitigating, enhancement, and rehabilitating measures:

1. The proponent shall implement a dust control system along the road system from the mine site to the pier site to suppress the ambient suspended particulate matters generated by the movement of heavy equipment, service vehicles and hauling trucks.
2. The proponent shall observe good vegetative practices and sound soil management throughout the project implementation. Particularly, the proponent shall strictly effect stabilization and erosion control of the affected side slopes of the roads and nearby gullies, creeks and river within the project site, as well as those of the silt ponds/traps;
3. The Proponent shall conduct a continuous Information and Education Campaign (IEC) to the stakeholders as a way of informing the affected communities of the company's activities, impacts and risks associated with the project activities, and Environmental Management Programs that may positively and adversely affect them. The IEC shall also include communication of the risk or hazards of drinking or utilizing water with high levels of fecal coliforms and high concentration of heavy metals. The IEC shall be undertaken throughout the lifetime of the mine.

GENERAL CONDITIONS

Further administrative conditions for the grant of this certificate shall be strictly complied:

4. The proponent shall comply with the environmental management and protection requirements of the pertinent provisions of the Philippine Mining Act of 1995 (R.A. No. 7942) and its implementing rules and regulations (D.A.O. No. 96-40, as amended), as well as the Memorandum of Agreement (MOA) between the EMB and MGB executed on April 16, 1998. These include, among others:
 - 4.1 Submission of Environmental Protection and Enhancement Program (EPEP), with the Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP) integrated thereto shall be submitted thru the MGB for approval of CLRF Steering Committee. The plan shall also include measures so as not to destroy any of the springs located within or near its mining premises;
 - 4.2 Setting up of a Contingent Liability and Rehabilitation Fund (CLRF) and Environmental Trust Fund (ETF). The CLRF shall consist of the Mine Rehabilitation Fund (MRF), the Mine Waste and Tailings Fees (MWTF), and the Final Mine Rehabilitation and Decommissioning Fund (FMRDF);

- 4.3 Organization of Mine Environmental Protection and Enhancement Office (MEPEO), which shall submit to EMB (CO and Region XIII) monitoring reports on environmental compliance of the proponent as well as with the EMMoPs. The MEPEO shall also monitor the actual project impacts vis-à-vis the predicted impacts and management measures in the EIS, as such, baseline data on air, water quality and biological diversity for critical parameters shall be established as the bases for monitoring of impacts of air, water and biological impacts;
- 4.4 Establishment of an MRF Committee and its monitoring arm, Multipartite Monitoring Team. A DOH representative (or of its local counterpart) shall be included as member in the MMT. All necessary monitoring instruments (e.g., high-volume sampler, noise meter, water quality checker, piezometer, etc.) in order to ensure efficient and regular monitoring by the MEPEO and MMT shall be made available by the proponent during conduct of monitoring activities;
- 4.5 Implementation of Social Development and Management Program (SDMP). The program, which shall be submitted to MGB Region XIII for approval prior to project implementation, shall include program to assist local government unit in developing alternative water resources for the municipality of Tubay. The bases of approval by MGB shall consider all the recommendations in the EIS review. In case of lost of assets or access to assets/livelihood due to the need to relocate, affected individuals/families should be properly indemnified (prior to project implementation) with an amount that will restore their standard of living to pre relocation state; and
- 4.6 Designation of a Community Relations Officer (CRO).

II. RESTRICTIONS

The proponent should adhere to the following restrictions:

5. The extraction method of the nickel-cobalt ore deposits within the mining area shall be contour mining with no on-site processing and blasting involved; and
6. In case of transfer of ownership of the project, operating agreements or deed of assignment, these same conditions and restrictions shall apply and the transferee shall be required to notify the EMB within fifteen (15) days.

Non-compliance with any of the provisions of this certificate shall be a sufficient cause for the cancellation or suspension of this certificate and/or imposition of a fine in an amount not to exceed Fifty Thousand Pesos (50,000.00) for every violation thereof.

OR No. : 6830065
Processing Fee : PhP 6,000.00

Date: Nov. 27, 2006

PROJECT ASSESSMENT PLANNING TOOL

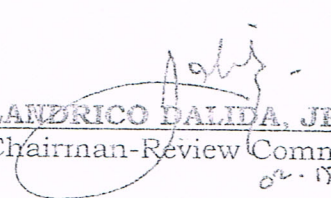
For the assistance of the Proponents and government agencies concerned in the management of the project and for better coordination in mitigation on the impact of the project on its surrounding areas and to the environment.

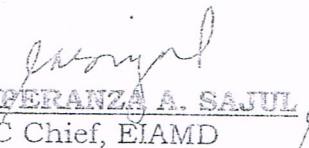
By way of recommendation, the following have been taken notice of by the undersigned Review Committee and are forwarding these recommendations to the parties and authorities concerned for proper appreciation and action.


RECOMMENDATIONS	Permitting, Approving, and Monitoring Agencies
ENVIRONMENTAL PLANNING RECOMMENDATIONS FOR THE PROPONENT TO COMPLY WITH OR IMPLEMENT	
1. Use the overburden as: soil cover on mined out areas for rehabilitation and/or landscaping in general; or stockpile it on designated suitable areas and stabilized by vegetation of appropriate species to protect it from erosion. Research is encouraged in using local appropriate species that can be used for rehabilitation purposes to approximate the original vegetation cover to have a successful rehabilitation of the area.	LGU /MGB
2. Comply with the regulation/occupational health and safety standards for all mining activities and provide personal protective equipment for the workers	MGB
3. Appropriately design the overburden stockyard taking into account the design factors such as stability, maximum slope, multiple benching, maximum bench height, minimum width of berm and geohazards report recommendation, including the provision for erosion control.	MGB
4. Provide proper storm drainage canal, concrete culverts, and other flood control measures and channel the run-off, silt-laden, rain water to the siltation pond prior to its discharge to the nearby receiving water bodies. Conduct regular desilting of siltation ponds to maintain their impounding and settling capacities and efficiencies. The recovered silts shall be disposed off properly to prevent them from being flushed into the river system during rainy season.	MGB /City/Municipalities Engineers Office
5. In coordination with local government unit and NWRB, formulate program in developing alternative water supply for the municipality of Tubay.	LGU and NWRB
6. Plan and implement the transfer of its Heavy Equipment Maintenance (Motor Pool) from the dense population to the less dense populated area to protect the residents from noise pollution nuisance and vehicular hazards.	LGU
7. Approval of the 572.64 hectares of Mineral	MGB and LGU

RECOMMENDATIONS	Permitting, Approving, and Monitoring Agencies
<p>Production Sharing Agreement (MPSA) proposal as well as the Mine rehabilitation Plan should consider the 100 hectares - CBFM area awarded to La Fraternidad Fisherfolks Farmers Women's Organization (LAFFWO) and the ordinance of the Municipality of Tubay declaring the whole jurisdiction as Bird Sanctuary and the Development Plan of the Municipality declaring the area as Tubay Tourism Estate.</p>	

For dissemination and proper action of the parties concerned.


LANDRICO DALIDA, JR.
 Chairman-Review Committee
 02-17-04


ESPERANZA A. SAJUL
 OIC Chief, EIAMD


DR. ELY ANTHONY R. OUANO
 OIC Director