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FINANCIAL OR TECHNICAL ASSISTANCE AGREEMENT

This FINANCIAL OR TECHNICAL ASSISTANCE AGREEMENT (this "Agreement") is made and entered into in Quezon City, Metro Manila, Philippines, this 20th day of June, 1994, by and between:

THE REPUBLIC OF THE PHILIPPINES, represented in this act by the Office of the President at Malacanang Palace, Manila (the "GOVERNMENT");

- and -

ARIMCO MINING CORPORATION, a corporation duly organized and existing under the laws of the Philippines, with offices at Ground Floor, Smith Bell Building, 2294 Pasong Tamo Extension, Makati, Metro Manila and represented in this act by its President, MR. BRYCE ROXBURGH, as authorized by its Board under Annex "A" which forms an integral part hereof (the "CONTRACTOR").

W I T N E S S E T H :

WHEREAS, the mining claims included within the Exploration Contract Area are mining claims registered under Presidential Decree No. 463 (P.D. 463) before the 1987 Constitution, over which the CONTRACTOR has derived certain rights, together with certain other rights in the surrounding areas, through a Memorandum of Agreement dated November 19, 1990 and registered with the Region 2 Office of the Department of Environment and Natural Resources, Tuguegarao on June 3, 1991 and Addendum dated March 9, 1991, registered with the Region 2 Office of the Department of Environment and Natural Resources, Tuguegarao on April 23, 1991, and are attached hereto as Annexes E and F respectively;

✓ 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, coal, petroleum, and other natural resources are owned by the State, and that the exploration, development, and utilization of natural resources 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 co-production, joint venture, or production sharing agreements with

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Filipino citizens, or corporations or associations at least sixty per centum of whose capital is owned by such citizens;

WHEREAS, the Constitution further provides that the President may enter into agreement with foreign-owned corporations involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils according to the general terms and conditions provided by law, based on real contributions to the economic growth and general welfare of the country;

WHEREAS, by Executive Order No. 279 issued on July 25, 1987, the Secretary of the Department of Environment and Natural Resources is authorized to accept, consider and evaluate proposals for contracts or agreements involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, which, upon appropriate recommendation of the Secretary, the President may execute with the foreign proponent;

WHEREAS, DENR Administrative Order No. 63, Series of 1991 provides for the Guidelines for the Acceptance, Consideration and Evaluation of Financial or Technical Assistance Agreement Proposals;

WHEREAS, CONTRACTOR is owned and controlled by Climax Mining Ltd., a publicly listed Australian mining company and its related corporations under Australian laws which have exploration teams responsible for numerous successful discoveries of gold copper orebodies in various parts of the world;

WHEREAS, CONTRACTOR is willing and able to finance the high risk exploration of certain mining claims and areas located in remote places within the provinces of Nueva Viscaya and Quirino on the basis that the rewards for mining any possible ores located in the Exploration Contract Area hereinafter defined will be shared with the GOVERNMENT according to the terms and conditions of either this Agreement or the mineral production sharing agreement which will be entered into by the CONTRACTOR with the GOVERNMENT;

WHEREAS, CONTRACTOR is bound to comply with all of its obligations under the Memorandum of Agreement dated November 19, 1990 and the Addendum dated March 9, 1991;

WHEREAS, the claims and areas covered in the Exploration Contract Area include P.D. 463 mining claims which are covered by declarations of location, mining claims which have been surveyed and mining claims over which mining lease applications have been filed and which have been duly published and without any adverse claims having been lodged, together with certain public lands where mineral rights are owned by the GOVERNMENT;

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