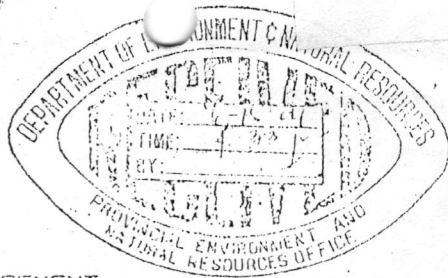


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002-90



MINERAL PRODUCTION SHARING AGREEMENT

No. 002-90-X

This MINERAL PRODUCTION SHARING AGREEMENT (this "Agreement") is made and entered into in Quezon City, Metro-Manila, Philippines, this 15th day of May, 1990, by and between:

THE REPUBLIC OF THE PHILIPPINES, represented by Secretary FULGENCIO S. FACTORAN, JR. of the Department of Environment and Natural Resources, with Offices at the Department of Environment and Natural Resources Building, Visayas Avenue, Diliman, Quezon City, Metro-Manila (the "Government")

- a n d -

J. L. B. ENTERPRISES, INC., a corporation duly organized and existing under the laws of the Republic of the Philippines, with offices at JLB Building, Ronquillo cor. P. Gomez Streets, Quiapo, Manila, being represented in this act by its President, JOSE L. BAUTISTA (the "Contractor")

W I T N E S S E T H :

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; and

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

WHEREAS, by Executive Order No. 279 issued on July 25, 1987, the Secretary of the Department of Environment and Natural Resources is authorized to enter into production sharing agreement in furtherance of the objectives of the Government and the Constitution to bolster the national economy through systematic development and exploitation of mineral lands; and

*[Handwritten signatures and initials]*