



Republic of the Philippines
Department of Environment and Natural Resources
MINES & GEOSCIENCES BUREAU
Regional Office No. IV-B (MIMAROPA)
7/F DENR By the Bay Bldg., 1515 Roxas Blvd., Ermita, Manila
Telefax: (632) 310-1369; e-mail: mines_4b@yahoo.com

28 May 2012

LEBACH MINING CORPORATION
7607 Guijo Street, San Antonio Village
Makati City

Attention: MR. ANTONIO G. MONTOJO, JR.
Executive Assistant to the Chairman

Dear Mr. Montojo:

This has reference to your letter dated 28 May 2012 regarding the Deed of Assignment by and between Lebach Mining Corporation and Chengde Mining Group, Inc. concerning Mineral Production Sharing Agreement denominated as MPSA No. 285-2009-IVB (Amd.) and application for Mineral Agreement denominated as AMA-IVB-74C, both situated in Brooke's Point, Palawan.

Please be informed that to date, while such Deed of Assignment was registered in this office on 17 January 2012, no letter-application and corresponding documentations for the transfer or assignment of the aforesaid mining tenements to Chengde Mining Group, Inc. were received by this office.

In this connection, please be advised that the application for transfer or assignment of the aforesaid mining tenements shall be accompanied by the following requirements:

For MPSA No. 285-2009-IVB (Amended):

- a. MGB-Registered Deed of Assignment (DOA) by and between the Contractor/Assignor and Assignee.
- b. Proof of payment of Transfer/Assignment Fee in the amount of ₱51,480.00 (₱20.00/hectare or a fraction thereof but not less than ₱50,000.00 pursuant to Sec. 1.1.6a of DAO 2005-08 which provides for new fees and charges for various services of the Mines and Geosciences Bureau.).
- c. Requirements for the Contractor/Assignor:
 - LM - c.1. MGB-registered Secretary's Certificate attesting to a Board Resolution as to the authority of the signatory to the DOA;
 - c.2. Certification by the Regional Office as to the Contractor's compliance with the terms and conditions of the MPSA.
- d. Requirements for the Assignee:
 - LM d.1. MGB-registered Secretary's Certificate attesting to a Board Resolution as to the authority of the signatory to the DOA;
 - d.2. Certificate of Environmental Management and Community Relations Record (CEMCRR) or Certificate of Exemption (COE);
 - LM d.3. SEC-certified Certificate of Registration, Articles of Incorporation/ Partnership/Association and By-Laws; or a Certification from MGB CO/RO concerned that such documents are duly registered in that Office (note: with minimum authorized capital of ₱10M and paid-up capital of ₱2.5M).
 - d.4. Proof of technical competence in the form of:
 - d.4.1. Bio-data and track records in mining operations/environmental management;
 - d.4.2. Sworn commitment of the technical person(s) who will undertake the implementation of the Work Programs or employment contract/proof of availed service(s).
 - d.5. Proof of financial capability:
 - d.5.1. Latest audited Financial Statements; - *alice 6/4/12*
 - d.5.2. Annual Report for the preceding year;
 - d.5.3. Credit lines/bank guarantees/deposits. - *Bob*
 - d.6. Affidavit of Undertaking (using MGB Form).

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CREATION AND IMPROVED QUALITY OF LIFE"**

For AMA-IVB-74C:

- LM
- LM
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- a. MGB-Registered Deed of Assignment (DOA) by and between the Contractor/Assignor and Assignee.
 - b. Proof of payment of Transfer/Assignment Fee in the amount of ₱25,000.00 (₱10.00/hectare or a fraction thereof but not less than ₱25,000.00 pursuant to Sec. 1.1.6b of DAO 2005-08.).
 - c. Requirements for the Contractor/Assignor:
 - c.1. MGB-registered Secretary's Certificate attesting to a Board Resolution as to the authority of the signatory to the DOA;
 - d. Requirements for the Assignee:
 - d.1. MGB-registered Secretary's Certificate attesting to a Board Resolution as to the authority of the signatory to the DOA;
 - d.2. Certificate of Environmental Management and Community Relations Record (CEMCRR) or Certificate of Exemption (COE);
 - d.3. SEC-certified Certificate of Registration, Articles of Incorporation/ Partnership/Association and By-Laws; or a Certification from MGB CO/RO concerned that such documents are duly registered in that Office (note: with minimum authorized capital of ₱10M and paid-up capital of ₱2.5M).
 - d.4. Proof of technical competence in the form of:
 - d.4.1. Bio-data and track records in mining operations/environmental management;
 - d.4.2. Sworn commitment of the technical person(s) who will undertake the implementation of the Work Programs or employment contract/proof of availed service(s).
 - d.5. Proof of financial capability:
 - d.5.1. Latest audited Financial Statements; - *alice 6/4/12*
 - d.5.2. Annual Report for the preceding year;
 - d.5.3. Credit lines/bank guarantees/deposits. *bob - 6/4/12*
 - d.6. Affidavit of Undertaking (using MGB Form).

Your prompt compliance shall expedite the processing of the transfer/assignment of the subject mining tenements.

Very truly yours,

By Authority of the Regional Director:

Mario A. Catarroja 5/30

MARIO A. CATARROJA
Supervising Science Research Specialist
OIC, Office of the Regional Director
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cc: CHENGDE MINING GROUP, INC.
7607 Guijo Street, San Antonio Village
Makati City

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