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| Project Name | Dinagat Chromite-Nickel Mining Project-Parcel 1 |
| Project Location and Primary Impact Barangays | Barangays Panamaon and Esperanza, Municipality of Loreto, Province of Dinagat Islands. |
| Proponent Name | AAM-PHIL Natural Resources Exploration and Development Corporation (AAM-PHIL for Brevity) |
| SEC Registration | CS200507076 |
| Main Office | 832 A. Arnaiz Avenue, Corner Edades Street, San Lorenzo Village Makati City |
| Field Office No. 1 | Zabala Compound, Sarvida Street, Surigao City |
| Field Office No. 2 | Barangay Panamaon, Municipality of Loreto, Province of Dinagat Islands |
| Contact Persons | Mr. Francis Albert S. Ngo – President Mr. Alfonso B. Gajol – Parcel 1 Resident Manager |
| Contact Numbers | 0949-8954609, 0906-2274007 |
| Mining Agreement | Joint Operating Agreement (JOA) with the Philippine Mining Development Corporation (PMDC) |
| Size of the Area | 636.00 Hectares |
| Issued ECC | 0608-009-2150 issued in May 8, 2007 |
| Current Ore Reserves | 1,867,230 Wet Metric Tons |
| New Ore Reserves | 13,200,000 Wet Metric Tons |

BACKGROUND INFORMATION

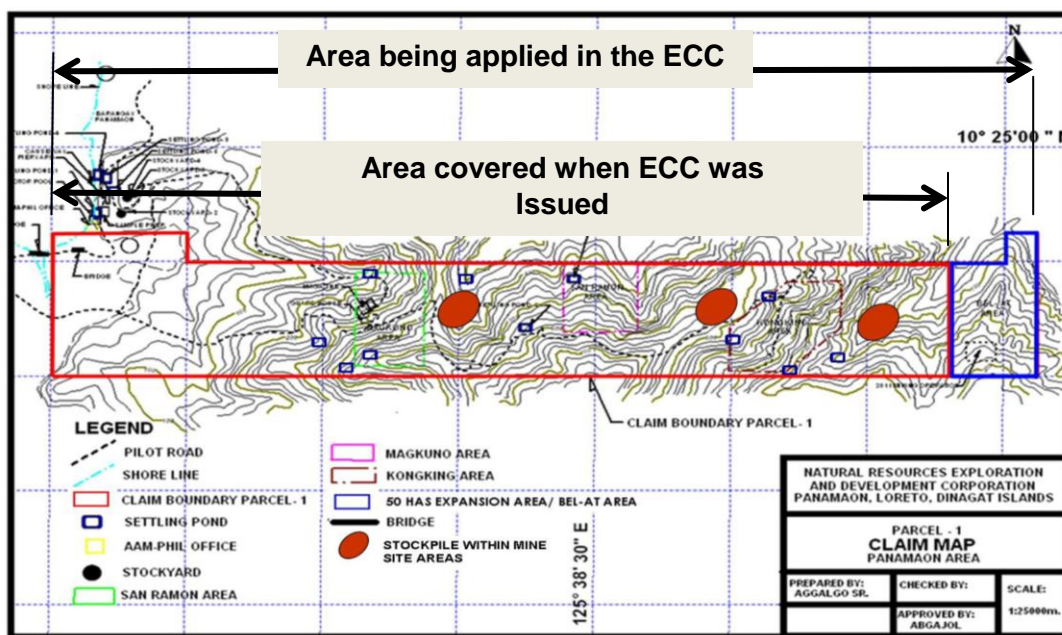
AAM-PHIL Natural Resources Exploration and Development Corporation (AAM-PHIL) is a corporation duly organized and registered under the Philippine's Securities and Exchange Commission that is engaged in mining and mineral exploration by virtue of a Joint Operating Agreement entered into by and between Philippine Mineral Development Corporation (PMDC)-formerly NRMDC of the Department of Environment and Natural Resources (DENR). The agreement came into perfection in December 25, 2005 after a "public bidding process" by DENR of the same year. In the 25-year agreement, the Parcel 1 of the Surigao Mineral Reservation is being assigned to AAM-PHIL covering an area of 636 hectares.

Parcel 1 is one of the many tenurial properties of PMDC in Dinagat Islands prior to the enactment of the Philippine Mining Act of 1995. Being located within the Surigao Mineral Reservation, PMDC as "marketing arm" of the Department of Environment and Natural Resources (DENR) is tasked in the disposition/utilization of those mineral properties through public bidding.

In May 8, 2008, AAM-PHIL was issued with an Environmental Compliance Certificate (ECC) - Code Number 0608-009-2150 for mining the annual production of nickel and chromite ore of 300,000 metric tons and 50,000 metric tons respectively. Following thereat, the Mines Geosciences Bureau (MGB) issued certificate for the Declaration of Mine Project Feasibility (DMPF) in September 21, 2011 for the project to officially start its operations.

Just as development of the four (4) mining areas (Magkuno, San Ramon, Kongking and Bel-at) within Parcel 1 were fully undertaken, the Environmental Management Bureau (EMB) issued a Cease-and-Desist Order (CDO) in April 21, 2012 for the non-compliance of pertinent conditionalities in the ECC being issued.

In May 4, 2012, the EMB lifted the CDO only to be clarified that some 55 hectares particularly the Bel-at Area of the eastern edge of Parcel 1 is not covered by the ECC due to insufficient background information required in the ECC conditions. In effect, AAM-PHIL prompted to temporarily suspend its operations by submitting the MGB Region 13 a Care and Maintenance Program (CMP) and at the same time conducted exploration drilling. Please figure below to indicate the ECC coverage.



Integrating the results of exploration drilling and the compliance of pertinent ECC conditions that caused the issuance of the CDO, AAMPHIL filed for an Environmental Performance Report Management Plan before the EMB in ____ 2016.

In June __, 2016, the Department of Environment and Natural Resources (DENR) through Atty. Jonas R. Leones issued the amended ECC to AAMPHIL's Dinagat Chromite-Nickel Mining Project Expansion -Parcel 1 in Brgys. Esperanza and Panamaon, Loreto, Dinaga Islands.

This document therefore is aimed at presenting the highlights of the expansion project without prejudice to the existing mining method and environmental practices employed by AAMPHIL since the issuance of ECC and DMPF in 2008 and 2011 respectively.

| Table __ HISTORY OF THE MINING CLAIM | |
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| Jan. 18, 2006 | PMDC (formerly NRMDC) entered into a Joint Operating Agreement (JOA) with United Philippine and China Mining Corporation (UPCMC) to conduct two (2)-year exploration over Parcel 1 located within Surigao Mineral Reservation. The JOA is enforced for 25 years and renewable for another 25 years. |
| January 24, 2006 | Through a Deed of Assignment, UPCMCM assigned, ceded and transferred all its rights, interests and obligations for the exploration, development and utilization of Parcel 1 to AAMPHIL. The deed of assignment was approved by PMDC |
| June 5, 2007 | AAMPHIL and PMDC signed an Operating Agreement granting the former the exclusive right to occupy, possess, explore, develop, utilize, mine, and extract mineral deposits found within the mining claim. It also authorize AAMPHIL to sign, execute and deliver, for and behalf of PMDC the approved MPSA including the Environmental Compliance Certificate (ECC) and other related documents, instruments as may be required by National Government, concerned local government including DENR. |

Note:Permits issued to the company such as Permit To Operate (PTO) and Water Discharge Permit (WDP) are now in renewal process.

Photos showing the active mine pit at kongking area of AAM-PHIL Parcel 1 area

