

CONTRACT OF LEASE

Contract Ref No.: xxx

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease is entered into this _____ at Homonhon Island,
Guiuan, Eastern Samar, Philippines, by and between-

Barangay Casuguran, a barangay (local government unit) duly organized and existing under the laws of the Republic of the Philippines, with office address at Brgy. Casuguran, Homonhon Island, Guiuan, Eastern Samar, represented by its Barangay Captain, Hon. Reynaldo Colandog (hereinafter referred to as the LESSOR).

And,

Global Min-Met Resources Inc. (GMMRI), a company duly organized and existing under the laws of the Republic of the Philippines, with office address at Brgy. Casuguran, Homonhon Island, Guiuan, Eastern Samar, represented by _____ (hereinafter referred to as the LESSEE);

WITNESSETH: THAT

WHEREAS, the LESSOR is the owner and administrator of the barangay road (Leased Area, **Annex A:Map?**) located at Brgy. Casuguran, Homonhon Island, Guiuan, Eastern Samar;

WHEREAS, the LESSEE has an Operating Agreement over a mining property covered by Mineral Production Sharing Agreement (MPSA) No: 292-2009-VIII-Amended A, located in Barangay Casuguran, Homonhon Island, Guiuan, Eastern Samar.

WHEREAS, the LESSEE is a company that requested to lease the above mentioned Leased Area for the utilization of hauling of ore and other hauling activities;

NOW, THEREFORE, the LESSEE and the LESSOR have agreed to enter into a lease contract, for and in consideration of the mutual covenants and agreements herein contained as follows:

1. Lease Period

The Lease shall be for a period of five (5) years commencing from date of execution of this Contract ("Lease Period").

2. Monthly Rental & Payment

The rental for the Leased Area shall be the amount of **xxxx PESOS (PHPxxx)** per month payable before **the first day of every month**.

3. Security Deposit

Upon execution of this Contract, the LESSEE shall tender to the LESSOR a deposit equivalent to twelve (12) months rental, the deposit shall be interest-free. The Security Deposit shall be applied towards the rental payments for the final year of the lease term.

4. The LESSOR represents and warrants to the LESSEE the following:

- 4.1. The LESSOR represents and warrants that they shall not terminate the lease agreement for any reason and shall ensure the effective performance of the contract;
- 4.2. Should the LESSOR wish to enter the Leased Area during the lease term, they must obtain the LESSEE's prior written consent, thereby ensuring the LESSEE's right to use and manage the Leased Area during the lease term;
- 4.3. Upon the LESSEE's request for proof of the LESSEE's right to use and manage the Leased Area during the lease term, the LESSOR shall cooperate and provide the necessary documentation.

5. The LESSEE represents and warrants to the LESSOR the following:

- 5.1. The LESSOR shall be responsible for the maintenance of the roads and other infrastructure within the Leased Area, including but not limited to routine road maintenance, drainage canal maintenance, and settling pond maintenance.;
- 5.2. The LESSEE must obtain the LESSOR's prior written consent for any road widening or significant modifications within the Leased Area;
- 5.3. During the lease term, the LESSEE shall oversee and secure their own property within the Leased Area. The LESSOR shall bear no liability for any loss or damage arising from the LESSEE's inadequate supervision;
- 5.4. Given that the LESSOR leases the area primarily for the purpose of transporting ore to the port, the LESSOR shall manage vehicle and pedestrian traffic within the Leased Area to minimize and prevent safety incidents.

6. Breach of Contract

- 6.1. In the event of breach of this Contract by the LESSEE, the LESSOR has the right to forfeit the Security Deposit.
- 6.2. In the event of breach of this Contract by the LESSOR:
 - 6.2.1. The LESSOR shall refund to the LESSEE an amount equal to twice the Security Deposit as penalty;
 - 6.2.2. If the aforementioned amount is insufficient to fully compensate the LESSEE for losses incurred due to the LESSOR's breach of contract, the LESSEE shall have the right to claim additional compensation from the LESSOR. Such compensation shall cover all losses resulting from the breach, including but not limited to operational costs, equipment rental fees, contractor service fees, personnel wages, barge fees, vessel demurrage charges, vessel deadfreight charges, penalties, and liquidated damages arising from the violation of sales contracts.

7. This Contract shall take effect immediately upon its execution.

IN WITNESS WHEREOF the parties have hereunto set their hands and seal this
at Homonhon Island, Philippines.

BARANGAY CASUGURAN
Lessor

Barangay Captain, Hon. Reynaldo Colandog

GLOBAL MIN-MET RESOURCES, INC.
Lessee

Authorized Representative

SIGNED IN THE PRESENCE OF:
