

January 18, 2005

**MEMORANDUM OF UNDERSTANDING ON MINING COOPERATION
BETWEEN THE DEPARTMENT OF TRADE AND INDUSTRY OF THE
REPUBLIC OF THE PHILIPPINES AND THE MINISTRY OF
COMMERCE OF THE PEOPLE'S REPUBLIC OF CHINA**

The Department of Trade and Industry of the Republic of the Philippines and the Ministry of Commerce of the People's Republic of China, (hereinafter referred to as "Parties")

Aiming to promote bilateral trade and economic relationship; Through friendly negotiation;

Have agreed as follows:

ARTICLE I

The Parties shall expand trade and investment cooperation in mining resources development in the spirit of equality, reciprocity and common development

ARTICLE II

The Parties shall encourage enterprises from both countries to carry out cooperation in exploration, development and infrastructure construction in the field of mining in the Philippines.

ARTICLE III

The Parties shall encourage their concerned authorities and agencies of their respective governments to provide the necessary facilitation to enterprises from both countries for smooth cooperation in the field of mining, as well as to assist them in strengthening contacts with the above-mentioned authorities.

ARTICLE IV

The Department of Trade and Industry of the Republic of the Philippines shall notify the Ministry of Commerce of the People's Republic of China of the relevant laws and regulations as well as information of planning, investment and construction of concerned projects. Both Parties will table proposals for cooperation and endeavor to seek solutions to problems that may arise during the process.

ARTICLE V

The Parties shall encourage enterprises from both countries to carry out cooperation in trade in minerals, conduct joint research on the variation and tendency between supply and demand in the market of concerned mineral products and provide direction for the cooperation between enterprises from both countries.

ARTICLE VI

The Parties shall support the establishment of strategic partnership between Chinese enterprises and Philippine enterprises to cooperate substantially in the field of the development of mineral resources.