



Intex Resources ASA  
Munkedamsveien 45 A  
0250 Oslo  
Norway  
NO 976 094 875 MVA  
Phone: +47 23 11 33 44  
Fax: +47 23 11 33 45  
[www.intexresources.com](http://www.intexresources.com)

10 November 2009

Dear Ms. Bauer,

In reference to your email dated 5 November 2009, I would like to thank you for the opportunity for Intex Resources to respond to the two links in your message.

Intex Resources complies 100% with the national laws and regulations of the Philippines. All of our activities at Mindoro are by law carefully monitored by the Philippine Government through the National Commission on Indigenous Peoples (NCIP), and the Department of Environment and Natural Resources (DENR), who ensure that our activities comply with the Indigenous Peoples Rights Act and the Philippine Mining Act.

All of Intex's actions are guided by the legal opinions rendered by the appropriate Philippine national government agencies in the executive branch, all of which have consistently established the supremacy of national laws and policies over local ordinances. The most recent legal opinion comes from the Office of the President of the Philippines, dated 31 March 2009, and it states that "in line with the national policy to continually promote responsible mining in the country, the MDC (Mineral Development Council) wishes to reiterate the full implementation of the Mining Act, and that local ordinances/resolutions cannot supersede R.A. 7942 and other national laws". Please see the attached copy of this letter.

Best regards,

Intex Resources ASA

A handwritten signature in blue ink, appearing to read "A. Båsen".

Andrea Båsen  
VP Corporate Development & IR

/Attachment

**Office of the President**  
**of the Philippines**  
**Malacanan**

**MINERALS DEVELOPMENT COUNCIL**

**MEMORANDUM FROM THE EXECUTIVE DIRECTOR**

**TO :** ALL CONCERNED REGIONAL EXECUTIVE DIRECTORS, DENR  
Chairman, Regional Minerals Development Council (RMDC)

**SUBJECT :** CLARIFYING THE POSITION OF THE MDC ON LGU-  
IMPOSED MORATORIUM ON MINING

**DATE :** 31 March 2009

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The Minerals Development Council (MDC) would like to clarify its position in response to local (LGU) ordinances/resolutions imposing moratorium on mining, so that its members, especially the mining companies, are guided accordingly.

Pursuant to Sections 8 and 9 of Republic Act No. 7942, otherwise known as "The Philippine Mining Act of 1996," the DENR is the primary agency responsible for the conservation, management, development, and proper use of the State's mineral resources. The enforcement of R.A. 7942 on large-scale mining is retained with the National Government and is not within the ordinance-making power of the *Sangguniang Panlalawigan*;

The DOJ Opinion No. 8, s. 2005 states that the "freedom to exercise contrary views does not mean that local governments may actually enact ordinances that go against laws duly enacted by Congress such as R.A. No. 7942." The LGU ordinances and resolutions cannot undo the legislations promulgated by Congress;

Sec. 17 of R.A. 7160, otherwise known as "An Act Providing for a Local Government Code of 1991," provides that the enforcement of forestry laws, pollution control law, small-scale mining law, and other laws on the protection of the environment, shall be "Pursuant to national policies and subject to supervision, control and review of the DENR."

Therefore, in line with the national policy to continually promote responsible mining in the country, the MDC wishes to reiterate the full implementation of the Mining Act, and that local ordinances/resolutions cannot supersede R.A. 7942 and other national laws.

For information and guidance.

Usec.  RAMON J.P. PAJE

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**MINERALS DEVELOPMENT COUNCIL**

Office of the Executive Director: 2<sup>nd</sup> Floor DENR Building, Visayas Avenue, Diliman, Quezon City, Philippines 1101

Telephone Number: (+83 2) 926-2628; Fax Number: (+83 2) 926-4708

MDC Secretariat: 2<sup>nd</sup> Floor Palolab Building, Mines and Geosciences Bureau, North Avenue, Diliman, Quezon City

Telefax Number: (+83 2) 920-9123; E-mail Address: mdc@philnao@yahoo.com.ph