Evaluation and Development Agreement
Mineral Properties in Itogon District

This Agreement is dated as of 17 August 2006, and is executed by and between:

Itogon-Suyoc Resources, Inc., a corporation duly organized and existing under the laws of the Republic of the Philippines with address at No. 6 Industria Street, Bagumbayan, Quezon City, Metro Manila Philippines, herein represented by its President/Director, Ignacio R. Ortigas (“**ISRI**”);

and

Anvil Mining Limited ARBN 107 912 550, a corporation duly organized and existing under the laws of Australia with address at Level 2, 38 Richardson Street, West Perth, Western Australia, herein represented by its President & CEO/Director, William S. Turner and its Corporate Secretary, Lui Evangelista (“**Anvil**”).

The above hereinafter individually referred to as “Party” and collectively as “Parties.”

WHEREAS:

A. ISRI holds a number of Mining Claims in the Itogon District, Benguet Province in the Philippines, as follows:

1. Mineral Production Sharing Agreement denominated as APSA- 67 – CAR (“APSA-67”);

2. Exploration Permit denominated as EPA-31-CAR (“EPA-31”),

3. Mining Lease Contract denominated as MRD – 479 (“MRD – 479”); and,

4. Patented Claims denominated as Seasame (TCT No. T-53299), Taka (TCT No.T-5298), King (TCT No. T-53301), and Tabaan (TCT No. T-53300) (“Patented Claims”).

The Mining Claims are more particularly described in the attached table as Annexure I and indicated in the attached map as Annexure II.

B. Anvil is interested in carrying out exploration, evaluation and development activities within the Mining Claims and, if the results of the exploration and evaluation are acceptable to Anvil, acquiring in accordance with Philippine law an interest in the Mining Claims either in its name or through a Qualified Entity.

NOW THEREFORE, in consideration of the premises and the mutual covenants set out below, the Parties agree as follows:

1. Definitions and Interpretations

1.1 For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

1300 Level means the horizontal and/or lateral underground mine workings designated and developed by ISRI, also referred to as the Drainage Level. The reference point is located at the base of the Taka Shaft hoist with a mean elevation of 844.30 meters above sea level

Affiliate of any Party means a corporation which directly or indirectly controls, or is controlled by, that Party.

Allowable Costs has the meaning ascribed to it in Clause 8.2.

APSA means the application for an MPSA as defined in the Mining Law.

Confidential Information means all information and data relating to the Mining Claims which is obtained by either Party pursuant to or as a result of the implementation of this Agreement.

EPA means the application for Exploration Permit as defined under the Mining Law.

Initial Evaluation means the data compilation and initial evaluation activities to be conducted by Anvil under Clause 3. Initial Evaluation does not include drilling.

Initial Evaluation Period means the period during which Anvil will carry out the Initial Evaluation as defined in Clause 3.1.

DENR means the Department of Environmental and Natural Resources of the Philippines.

Detailed Evaluation means the detailed field work, including drilling, as the lead-up to carrying out a Feasibility Study.

Detailed Evaluation Period means the period during which Anvil will carry out the Detailed Evaluation work within the Mining Claims as defined in Clause 4.3.

Effective Date refers to the effective date of this Agreement which the Parties agree to be 16 August 2006

FTAA means Financial or Technical Assistance Agreement as defined under the Mining Law.

Feasibility Study means a study on developing the resources within the Mining Claims into a viable mining operation of a sufficient scope and quality required to approach international financing institutions to obtain financing mine development.

Feasibility Study Period means the period during which Anvil is carrying out a Feasibility Study in accordance with Clause 5.2.

Force Majeure has the meaning as defined in Clause 13.2.

GIS means Geographic Information Systems, a computer-based method of capturing, processing, storing and interpreting spatial data sets such as geological features, assays and other physical elements.

MGB refers to the Mines and Geosciences Bureau.

MPSA means Mineral Production Sharing Agreement as defined in the Mining Law.

Mine Development Period means the period during which Anvil will carry out a Mine Development in accordance with Clause 7.

Mining Claims means the mineral properties currently held by ISRI, as referred to in Clause 2.1 and listed under Annexure I, excluding any of such properties which Anvil from time to time elects to exclude from this Agreement.

Mining Law means the Philippine Mining Act of 1995, including its implementing rules and regulations.

NSR Royalty means the royalty payable by Anvil to ISRI under Clause 8.

Party means each of Anvil and ISRI and their respective successors and permitted assigns under this Agreement.

Patented Claims refers to both surface and mineral rights over a located mining claim/property granted to a patentee under the Philippine Bill of 1902.

Production Bonus Payment has the meaning ascribed to it in Clause 8.4.

Qualified Entity means any corporation, partnership or association, organized or authorized for the purpose of engaging in mining, with technical and financial capability to undertake mineral resources development and duly registered in accordance with Philippine law at least sixty percent (60%) of the capital of which is owned by citizens of the Philippines, and not more than forty percent (40%) is owned by Anvil.

Subsidiary of a Party means a corporation which is majority owned and controlled by that Party.

1.2 In this Agreement:

(a) A Mining Claim includes Patented Claims and any other mineral rights under the Mining Law, including an Exploration Permit, MPSA and applications therefor.

(b) A reference to any Mining Claim includes the "first Mining Claim" and any extension or renewal thereof and any new title or mineral right granted by way of conversion or replacement of the whole or part of the first Mining Claim or which is otherwise derived from the first Mining Claim.

(c) A reference to Anvil shall include a branch office of Anvil duly registered in the Philippines, or a corporation duly registered in the Philippines up to one hundred percent (100%) of the capital of which is owned by Anvil.

1.3 For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) **"this Agreement"** means this mining option agreement and all Schedules attached hereto;

(b) any reference in this Agreement to a designated **"Section," "Schedule,"** or other subdivision refers to the designated section, schedule, or other subdivision of this Agreement;

(c) the words **"herein"** and **"hereunder"** and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement;

(d) the word **"including,"** when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto but rather refers to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;

(e) any reference to a statute includes and, unless otherwise specified herein, is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulation;

(f) any reference to **"Party"** or **"Parties"** means ISRI or Anvil, or both, as the context requires;

(g) the headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement;

(h) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and vice versa; and

1.4 The following are the Annexures to this Agreement, and are incorporated into this Agreement by reference:

Annexure "I": Table listing the Mining Claims of ISRI

Annexure "II": Map of the Mining Claims of ISRI

1.5 Wherever any term or condition, expressed or implied, in any of the Schedules conflicts or is at variance with any term or conditions of this Agreement, the terms or conditions of this Agreement will prevail.

2. MINING CLAIMS AND RIGHTS GRANTED TO ANVIL UNDER THIS AGREEMENT

2.1 Mining Claims to which this Agreement applies

This Agreement applies to the Mining Claims and properties of ISRI in Itogon District, Benguet Province, as identified in recital A and listed in Annexure I of this Agreement.

2.2 Rights Granted to Anvil Under this Agreement

As defined under this Agreement, during its term, ISRI grants to Anvil the sole and exclusive right, by itself or through a Qualified Entity, to do the following:

(a) conduct an Initial Evaluation within the Initial Evaluation Period;

(b) carry out a Detailed Evaluation on any resource within the Mining Claims during the Detailed Evaluation Period;

(c) carry out a Feasibility Study on any resource within the Mining Claims during the Feasibility Study Period; and,

(d) develop one or more mines within the Mining Claims and carry out further exploration and evaluation within the Mining Claims.

2.3 Signing Bonus

For and in consideration of this Agreement, Anvil has paid ISRI, and ISRI hereby acknowledges that it has received in full, the amount of One Hundred Twenty Thousand US Dollars (US$120,000.00).

3. INITIAL EVALUATION OF THE MINING CLAIMS

3.1 Initial Evaluation Period

From the Effective Date of this Agreement, ISRI has granted to Anvil the sole and exclusive right to conduct by itself or through a Qualified Entity an Initial Evaluation of the Mining Claims wherein Anvil may complete a data compilation using a GIS system, carry out an evaluation of the data on the Mining Claims and complete appropriate due diligence, which shall include geological and geochemical, environmental and social issues, field work, so as to decide whether or not Anvil wishes to commence a Detailed Evaluation.

Within two (2) weeks after completion of the Initial Evaluation, Anvil shall furnish ISRI a complete report on all of its findings in the Mining Claims as a result of the Initial Evaluation.

3.2 Due Diligence Evaluation

During the Initial Evaluation Period, Anvil shall undertake validation, evaluation and due diligence work on the Mining Claims as follows:

(a) Anvil will seek to confirm the potential breccia resources reported by a previous company to be 10.5 million tonnes of ore grading of 3.5 g/t Au. This work will entail a review of all the compiled data.

(b) Anvil will seek to confirm the potential of the remaining, un-mined gold resources of the Frog vein.

(c) Anvil will review the data on any other potential gold resources on the Mining Claims including resources that may exist below the 1300 Level.

The manner in which Anvil may conduct these activities will be determined solely by Anvil.

4. DETAILED EVALUATION

4.1 Anvil's election whether to proceed with Detailed Evaluation

Within two (2) weeks after the end of the Initial Evaluation Period, Anvil shall by notice in writing to ISRI, advise whether it elects or declines to carry out a Detailed Evaluation on any resource within the Mining Claims. Failure to give such notice within this two (2) week period shall be deemed a waiver or abandonment of the right to carry out a Detailed Evaluation on the resources within the Mining Claims and a withdrawal from this Agreement.

4.2 Election not to proceed with Detailed Evaluation

If Anvil elects under Clause 4.1 not to carry out a Detailed Evaluation, then Anvil will withdraw from this Agreement. In the event of such withdrawal, Anvil will serve ISRI with a written notice of withdrawal and provide to ISRI a report of the results and findings of Anvil's Initial Evaluation of the Mining Claims within fourteen (14) days after the end of the Initial Evaluation Period, and Anvil will have no further obligations or liabilities to ISRI under this Agreement.

4.3 Election to proceed with Detailed Evaluation

If Anvil elects under Clause 4.1 to carry out Detailed Evaluation, then:

(a) Within fourteen (14) days after the date of its election to proceed with the Detailed Evaluation, Anvil will make a payment to ISRI of Two Million US Dollars (US$2,000,000.00).

(b) Anvil will proceed to carry out the Detailed Evaluation with a minimum exploration expenditure of Two Million US Dollars (US$2,000,000.00). The Detailed Evaluation will be of such detail and scope as is, in the reasonable opinion of Anvil, necessary to support a decision to commence a Feasibility Study.

(d) Within one (1) month from the date of its election to proceed with the Detailed Evaluation, Anvil will provide ISRI a copy of the work program to be undertaken during the Detailed Evaluation Period. In addition, during the Detailed Evaluation Period, Anvil shall submit progress reports on its findings and developments with respect to the work programs on a quarterly basis.

(e) Within two (2) weeks after completion of the Detailed Evaluation Period, Anvil shall furnish ISRI a complete report on all its findings in the Mining Claims of ISRI wherein it conducted its Detailed Evaluation.

(f) Anvil shall use its best efforts to complete the Detailed Evaluation within two (2) years after the date it elects to proceed with the Detailed Evaluation.

5. FEASIBILITY STUDY

5.1 Election to carry out Feasibility Study

Within fourteen (14) days after the completion of the Detailed Evaluation, Anvil will notify ISRI whether it elects or declines to proceed with a Feasibility Study. Failure to give such notice within this fourteen (14) day period shall be deemed a waiver and abandonment of the right to carry out a Feasibility Study on any resource within the Mining Claims, and withdrawal from this Agreement.

5.2 Feasibility Study

When Anvil gives notification under Clause 5.1 of its election to carry out a Feasibility Study, then:

(a) Anvil shall proceed to carry out a Feasibility Study which shall be in such detail and scope as is, in the reasonable opinion of Anvil, necessary to support a decision to develop the resource, having regard to the size of the proposed development. In addition, during the Feasibility Study Period, Anvil shall submit quarterly progress reports on its findings and activities.

(b) Within four (4) weeks after completion of the Feasibility Study Period, Anvil shall furnish ISRI a complete report on all its findings in the Mining Claims wherein it conducted its Feasibility Study.

(c) Once Anvil has completed the Feasibility Study, Anvil will provide a copy thereof to ISRI.

(d) Anvil shall use its best efforts to complete the Feasibility Study within two (2) years after the date of its election to carry out a Feasibility Study. However, if it is unable to complete a Feasibility Study within this period as a result of Force Majeure, then the Feasibility Study Period will be extended by a period equivalent to the duration of the Force Majeure.

6. RIGHTS AND OBLIGATIONS DURING INITIAL EVALUATION PERIOD, DETAILED EVALUATION PERIOD AND FEASIBILITY STUDY PERIOD.

6.1 ISRI to provide access and assistance

During the Initial Evaluation Period, the Detailed Evaluation Period and the Feasibility Study Period:

(a) Anvil will be given free and unencumbered access to the Mining Claims, and to all ISRI information, workings, mine and other technical establishments;

(b) ISRI mine staff will extend all possible assistance to Anvil personnel to allow for complete and thorough review of all underground workings and or complete surface access; and

(c) Anvil will also be free to seek information and data from parties who may earlier have evaluated the Mining Claims, and ISRI will provide a letter to Anvil confirming this.

6.2 Maintenance of the Mining Claims

During the Initial Evaluation Period, the Detailed Evaluation Period and the Feasibility Study Period:

(a) Both Parties will co-operate to maintain the Mining Claims in good standing and faithfully comply with applicable Philippine laws.

(b) ISRI will prepare and lodge reports on the Mining Claims which fall due for lodgment under the Mining Law before the MGB or the DENR. Anvil will provide all relevant information and assistance as may be reasonably required to prepare and lodge such reports.

(c) During the term of this Agreement, ISRI will pay all fees assessed upon the Mining Claims under the Mining Law, and Anvil will reimburse ISRI for such fees.

(d) ISRI and Anvil will both comply with relevant legal requirements and will not do any act whereby the Mining Claims may become liable to cancellation/revocation.

(e) All reasonable project expenses for security, real estate taxes and utilities, such as but not limited to electricity, gas, water and telephone, as they relate to the term of this Agreement, will be for the account of Anvil. Upon a decision to proceed to the Detailed Evaluation phase, Anvil will also meet the costs of a reasonable number of ISRI technical and operational personnel engaged in relation to the Mining Claims, as approved by Anvil. Anvil must reimburse ISRI for all expenses under this Clause 6.2 (e) within one (1) month from receipt of ISRI's monthly statement of expenses under this Clause 6.2 (e)."

(f) ISRI will not assign, encumber or otherwise deal with the Mining Claims in any manner except with the prior written approval of Anvil.

(g) ISRI hall have the right to enter, inspect and review operations conducted with the Mining Claims provided it gives reasonable notice of its intention to do so and does not interfere with the normal operations being undertaken by Anvil.

(h) Whenever any of the Mining Claims, whether under lease or contract would expire, Anvil will. at its cost, prior to such expiration, assist ISRI convert said leases or contracts into an MPSA in the name of ISRI.

6.3 Withdrawal

If at any time prior to or at the end of the Initial Evaluation Period, the Detailed Evaluation Period or the Feasibility Study Period, Anvil decides that none of the resources in the Mining Claims are worthy of further evaluation, Anvil may withdraw from this Agreement by serving to ISRI a written notice together with a report of the results and findings on the Mining Claims. Before such withdrawal, Anvil must first complete any environmental remediation required by law (except for any pre-existing environmental obligations. for which responsibility rests with ISRI), the DENR and/or relevant local government units or authorities. Thereafter, Anvil will have no further rights, obligations or liabilities to ISRI.

6.4 Compliance with Philippine Law

In compliance with Philippine law, the Parties agree that some or all the rights and obligations of Anvil under this Agreement may be exercised by Anvil during the Initial Evaluation Period, the Detailed Evaluation Period and the Feasibility Study Period through a Qualified Entity. To this end, the Parties agree that Anvil may, by written notice to ISRI, assign some or all of Anvil's rights and obligations under this Agreement to a Qualified Entity. In this regard, ISRI expressly consents to such an assignment without need of any further action from ISRI.

6.5 Conversion to an FTAA

If the Feasibility Study justifies the investment for the development of the Mining Claims of at least Fifty Million US Dollars (US$50,000,000.00), ISRI shall apply immediately to convert the Mining Claims to an FTAA. ISRI may, at its option, execute a Special Power of Attorney in favor of Anvil or its nominee(s), authorizing the latter to execute the necessary application and documents for the conversion of the Mining Claims to an FTAA, for and on behalf of ISRI, and pursue said conversion until granted by the appropriate government authorities and the FTAA covering the Mining Claims is issued. ISRI shall, in addition, provide Anvil or its nominee with all the relevant and necessary documents to cause such conversion. The conversion shall be at the sole expense of Anvil.

7. MINE DEVELOPMENT

7.1 Anvil may elect to develop the mine through Anvil or a Qualified Entity

(a) Within three (3) months after the completion of the Feasibility Study, Anvil will notify ISRI in writing of Anvil's election to proceed with the development of a mine within the Mining Claims. The written notice to ISRI shall be accompanied by a development plan and program which shall include a schedule for each phase of the plan. Depending on whether the mining project qualifies for an FTAA, an MPSA or other mineral agreement, such development will proceed in accordance with Philippine law either through Anvil or a Qualified Entity. Anvil or a Qualified Entity shall use its best efforts to complete the mine development within two (2) years from the time of this election.

(b) To enable Anvil to secure debt funding for the development of the resources within the Mining Claims, Anvil may, by written notice, request ISRI to transfer the Mining Claims to Anvil or the Qualified Entity. As soon as practicable after such request, ISRI shall execute the necessary Deed of Assignment transferring full legal and beneficial interest over the Mining Claims to Anvil or the Qualified Entity subject to compliance with all the obligations of Anvil under this Agreement, including and particularly the obligation to pay the NSR Royalty and to meet the One-off Production Bonus Payment, and, a Special Power of Attorney to authorize Anvil, the Qualified Entity or their nominee(s) to execute any and all documents and do all things required, for and on behalf of ISRI, to effect the transfer thereof to Anvil or the Qualified Entity. In addition to the Special Power of Attorney, ISRI agrees to provide Anvil, the Qualified Entity or their nominee with all the relevant and necessary documents to effect such transfer. All reasonable expenses relating to such transfer shall be for sole account of Anvil or the Qualified Entity.

(c) Upon execution of all documents transferring all the Mining Claims in favour of Anvil or the Qualified Entity, Anvil or the Qualified Entity will pay ISRI Five Hundred Thousand US Dollars (US$500,000.00).

7.2 Anvil's obligation to develop

Following the transfer of the Mining Claims to Anvil or the Qualified Entity:

(a) Anvil or the Qualified Entity will proceed to develop a mine within the Mining Claims. Anvil or the Qualified Entity will carry out the development in accordance with good and internationally accepted mining industry practices. Anvil or the Qualified Entity will be solely responsible for funding the development costs and for raising the debt finance necessary to meet such development costs. Anvil or the Qualified Entity will keep ISRI informed as to the progress of the development through quarterly reports.

(b) Anvil or the Qualified Entity will proceed to develop other resources within the Mining Claims as and when it considers that the development is warranted, having regard to all relevant economic, technical, social and environmental factors.

(c) Anvil or the Qualified Entity will be solely responsible for funding further exploration, evaluation and appraisal activities within the Mining Claims. Anvil or the Qualified Entity will carry out such activities in accordance with good and internationally accepted mining industry practices. Anvil or the Qualified Entity will keep ISRI informed as to the progress of exploration and evaluation activities through quarterly reports.

(d) Anvil or the Qualified Entity will be solely responsible for meeting all costs, expenditures in relation to the Mining Claims, as they relate to the term of this Agreement including all royalties and government charges associated with the development of resources within the Mining Claims.

8. NSR ROYALTY AND PRODUCTION PAYMENT

8.1 NSR Royalty

In respect of any mineral or resource which will be produced within the Mining Claims:

(a) Anvil or the Qualified Entity will pay to ISRI an NSR Royalty on all gold, silver, copper and any other mineral production derived from the Mining Claims calculated in each case as a percentage of the Net Smelter Return derived by Anvil or the Qualified Entity.

(b) In the case of gold production:

i. The level of NSR Royalty will depend on the Selling Price of gold, as follows:

Selling Price of Gold (US$/ounce)	NSR Royalty payable (as a % of Net Smelter Return)
<US$300/oz.	1.5%

Selling Price of Gold (US$/ounce)	NSR Royalty payable (as a % of Net Smelter Return)
US$300 – US$400	2.0%
>US$400 – US$500	2.5%
>US$500 – US$600	3.0%
>US$600	5.0%

ii. For the purposes of paragraph (b)(i), the Selling Price of gold for any quarter will be the weighted average price (in US$ per ounce) realized by Anvil or the Qualified Entity from gold sales during that quarter.

(c) For any silver production derived from the Mining Claims, the NSR Royalty will be calculated at the rate of 2.5% of the Net Smelter Return attributable to the silver production.

i. For the purposes of paragraph (c), the Selling Price of silver for any quarter will be weighted average price (in US$ per ounce) realized by Anvil or the Qualified Entity from silver sales during that quarter.

(d) For copper and any other mineral production derived by Anvil or the Qualified Entity from the Mining Claims, NSR Royalty will be calculated at the rate of 3% of the Net Smelter Return attributable to the copper and any other mineral production.

i. For the purposes of paragraph (d), the Selling Price of copper and other minerals for any quarter will be the weighted average price (in US$ per pound) realized from copper and other mineral sales during that quarter.

8.2 Net Smelter Returns

For the purpose of calculating:

(a) The NSR Royalty for any quarter will be the gross value of all minerals produced from the Mining Claims and sold to a smelter/refinery less Allowable Costs during that quarter.

(b) The Allowable Costs for any quarter will comprise all costs, expenses and liabilities incurred in connection with the following:

i. Freight, shipping, insurance, handling, storage and testing of dore bullion, metal or concentrates from the Mining Claims; and

ii. Smelting, refining and other treatment charges.

8.3 Quarterly calculation and payment of NSR Royalty

(a) The NSR Royalty will be calculated and paid on a quarterly basis and within thirty (30) days after the end of each quarter following commencement of commercial production from the Mining Claims.

(b) Anvil or the Qualified Entity shall forward to ISRI a statement of the NSR Royalty payable together with a reasonable explanation (including insurance, shipping and net smelter return documents and invoices) as to how the NSR Royalty was calculated. The statement will be accompanied by payment of the NSR Royalty due.

8.4 One-off Production Bonus Payment

In addition to the NSR Royalty, Anvil or the Qualified Entity will pay ISRI a One-off Production Bonus Payment equal to One Million Two Hundred and Fifty Thousand US Dollars (US$1,250,000.00) once two hundred thousand (200,000) ounces of gold are produced from the Mining Claims.

8.5 Anvil may jointly develop with others

ISRI acknowledges that Anvil or the Qualified Entity is at liberty to develop any resources within the Mining Claims jointly with the owners of adjacent gold properties, and as part of a joint development. For that purpose, Anvil or the Qualified Entity may enter into joint venture agreements or other agreements with the owners of adjacent gold properties. All parties to the joint development of any resources within the Mining Claims shall agree in writing to be bound by this Agreement including ISRI's right or entitlement to a NSR Royalty and a One-off Production Bonus Payment on that share of production from the joint development as is attributable to the Mining Claims.

9. WARRANTIES

9.1 ISRI Warranties

ISRI warrants to Anvil as follows:

(a) ISRI is the registered holder and sole beneficial owner of the Mining Claims.

(b) The Mining Claims are free from any mortgage, charge, lien, royalty, production payment or other encumbrance or third party interest.

(c) The Mining Claims are in good standing and in full force and effect, and are not liable to cancellation or forfeiture for any reason.

(d) All payments and works required in respect of the Mining Claims have been paid and done.

(e) All previous activities on the Mining Claims have been carried out in compliance with the Mining Law and all other applicable laws. There are no outstanding obligations in relation to such activities. There are no outstanding environmental, social or land access issues in relation to the Mining Claim areas which may affect the ability to develop the Mining Claims.

9.2 Costs for Prior Activities

Prior to Anvil's election to proceed with the Detailed Evaluation, ISRI will be responsible for any remediation or other costs resulting from activities on the Mining Claims prior to the date of this Agreement, but only if such obligations are of a substantial nature and cannot be reasonably accommodated within the scope of Anvil's own environmental and social management plans.

10. EXCLUSION OF MINING CLAIMS FROM THIS AGREEMENT

10.1 Exclusion of Mining Claims

(a) If at any time prior to or at the end of the Initial Evaluation Period, the Detailed Evaluation Period or the Feasibility Study Period, Anvil decides that any one or more of the Mining Claims or portions thereof is not worthy of further evaluation, Anvil may exclude any such Mining Claims from the scope of this Agreement, by giving written notice to ISRI and provided further accessibility to said excluded Mining Claim or portion thereof is assured by Anvil through the use of its road network. Mining Claims or portions thereof that are not reasonably accessible or whose accessibility is disallowed shall not be subject of the exclusion as contemplated herein.

(b) The excluded Mining Claims or parts thereof will no longer be subject to this Agreement, and Anvil or the Qualified Entity will have no further rights, obligations or liabilities to ISRI in relation to the excluded Mining Claims, except for the confidentiality obligation provided in Clause 12.1 of this Agreement.

(c) After the transfer of the legal title to the Mining Claims to Anvil or the Qualified Entity, Anvil or the Qualified Entity will not relinquish any of the Mining Claims without first offering such Mining Claims back to ISRI. If ISRI elects to take back the specified Mining Claims, then Anvil or the Qualified Entity will transfer legal title to the specified Mining Claims back to ISRI for no consideration and for the account of Anvil or the Qualified Entity. In addition, Anvil or the Qualified Entity will provide ISRI all files, data and information in its possession relating to the specified Mining Claims.

11.0 ASSIGNMENT/TRANSFER

11.1 Assignment

(a) Except as provided in Clauses 6.4, 7.1 and 11.1(b), Anvil may not assign or transfer any part of its interest under this Agreement without the written consent of ISRI. Consent will not be unreasonably withheld where the proposed assignee can demonstrate it is financially sound and technically competent to perform the obligations of Anvil.

(b) The assignment to the Qualified Entity does not require ISRI's prior written consent and ISRI expressly hereby agree to such assignment. Anvil may assign, transfer or sell a portion or all of its interests under this Agreement to a third party without ISRI's prior written consent, provided Anvil compensates ISRI according to Clause 11.2 of this Agreement.

11.2 Transfer

ISRI has entered and accepted the terms of this Agreement in consideration of the representations of Anvil that it is technically and financially capable of complying with its obligations, particularly that of undertaking a mine development should its detailed evaluation work warrant the same.

Nevertheless, Anvil is entitled to assign any part of its rights, interests and obligations under this Agreement to a Subsidiary or other entity in which it has directly and/or indirectly at least a sixty-seven percent (67%) interest provided that such Subsidiary or other entity shall assume all such rights and interests of, and comply with all obligations pertaining to Anvil under this Agreement.

Anvil shall guarantee that the Subsidiary or other entity to which it has assigned any part of its rights and interests shall comply with all its obligations under this Agreement including and particularly the obligation to pay the NSR Royalty and to meet the One-off Production Bonus Payment. In addition, Anvil will submit to ISRI a written undertaking from the intended assignee to observe, perform and be bound by all the provisions of this Agreement, including the obligation to pay the NSR Royalty and to meet the one-off Production Bonus Payment as and when it becomes payable.

However, if for any reason Anvil assigns any part of its equity interest under this Agreement (either through endorsement, transfer or sale, or indirectly through a dilution of its equity in the subsidiary or other entity), such that Anvil's equity interest, falls below sixty-seven percent (67%), then Anvil will pay ISRI a Transfer Bonus calculated as:

$$\frac{67\% - \text{Anvil's equity \% as reduced}}{67\%} \quad \text{X} \quad \text{US\$2,000,000}$$

At Anvil's option, the Transfer Bonus is payable in legal tender or its equivalent in equity of Anvil, Anvil's subsidiary or other entity in which Anvil has an equity interest; provided that such subsidiary or other entity is listed in a stock exchange.

The Transfer Bonus Clause will remain in effect until such time that the One-off Production Bonus has been paid or eight (8) years from the Effective Date, whichever comes first.

11.3 Deed of Covenant

Without limiting any other restrictions on assignment under this Agreement, an assignment of an interest under this Agreement will not be effective until the intended assignee has secured the prior written approval of the non-assigning Party and has entered into a deed of covenant with the non-assigning Party to comply with and be bound by the terms of this Agreement in place of the assigning Party. Such approval and completion of related documentation shall not be unreasonably withheld.

12. CONFIDENTIALITY

12.1 Confidentiality Obligations

For the term of this Agreement, particularly during the Initial Evaluation Period, Detailed Evaluation Period, Feasibility Study Period and the Mine Development Period, each Party will be subject to confidentiality obligations in respect of all Confidential Information on the Mining Claims. As such, each Party will:

(a) keep the information strictly confidential and will not cause the disclosure of the information to any third person except as permitted under this Agreement; and

(b) limit, so far as reasonably possible, the number of its employees who have access to the information, and will initiate, establish and maintain an effective system for the safe custody and protection of the information in its possession and the possession of its employee(s) requiring access to the same.

Anvil's obligation of confidentiality shall survive the termination of this Agreement or the exclusion of any Mining Claims for a term of three (3) years from the date of termination of this Agreement or the exclusion of the Mining Claims.

12.2 Permitted disclosures

Anvil will be entitled to disclose confidential information:

(a) to any Affiliate which agrees in writing with the disclosing Party to be bound by the confidentiality obligations of the disclosing Party;

(b) as required by law or by the listing rules of any stock exchange on which its shares or that of its Affiliates are listed;

(c) to any of the persons mentioned below whose legitimate interests reasonably require disclosure and who have first agreed in writing with the disclosing Party to be bound by the confidential obligations of the disclosing Party:

   i. any financier or prospective financier;

   ii. any professional adviser, which term includes legal adviser;

   iii. any bona fide assignee or prospective assignee and with prior written notice to ISRI.

12.3 Public announcements

If any Party proposes to make a public announcement in relation to this Agreement or any matter arising under this Agreement, the Parties will use all reasonable endeavours to agree on the wording and timing of release of the public announcement but only up until the time that the properties are assigned / transferred to Anvil.

13. FORCE MAJEURE

13.1 Obligations suspended

If, during the Initial Evaluation Period, the Detailed Evaluation Period or the Feasibility Study Period, Anvil or the Qualified Entity is unable to perform any obligation under this Agreement as a result of Force Majeure, then that obligation will be suspended by a period that is reasonable having regard to the effects of the Force Majeure, and the time-frame under this Agreement for completing that obligation will be extended accordingly.

13.2 Scope of Force Majeure

Force Majeure means any event or circumstance beyond the reasonable control of Anvil or the Qualified Entity, and not resulting from the default of Anvil or the Qualified Entity. Force Majeure includes fire, hostilities, war (whether or not declared), blockade, civil unrest, strikes, riots, insurrection, acts of terrorism, quarantine restriction, land access restrictions which are formal or informal, reported epidemics, storms, floods, earthquakes and accidents.

14. DEFAULT

14.1 Default prior to Mine Development

If Anvil or the Qualified Entity fails to comply with its obligations during the Initial Evaluation Period, Detailed Evaluation Period or Feasibility Period, then the following provisions shall apply:

(a) ISRI is required to give Anvil or the Qualified Entity a written notice specifying the default and requiring Anvil or the Qualified Entity to rectify the default.

(b) In case of a failure to pay money due under this Agreement, Anvil or the Qualified Entity must rectify the default within fourteen (14) days after receipt of ISRI's notice.

(c) In case of a failure to perform any obligation other than payment of money, Anvil or the Qualified Entity will have three (3) months within which to rectify the default.

(d) If Anvil or the Qualified Entity fails to rectify the default within any of the aforementioned periods, it shall be cause for termination and forfeiture of all mining rights it has acquired under this Agreement.

14.2 Default of commercial production within ten years

While ISRI acknowledges that Anvil will be on a best effort/endeavour basis to try to complete the Detailed Evaluation, Feasibility Study and mine development within the specified timeframes, Anvil recognizes that the commercial production of ore from the Mining Claims is of the essence of this Agreement. As such, should Anvil or the Qualified Entity not place into commercial production the Mining Claims within ten (10) years from the Effective Date, for reasons other than Force Majeure, ISRI shall have the option to terminate this Agreement after one (1) month from service of written notice.

15. GENERAL

15.1 Dispute Resolution

In the event of any disagreement between the Parties in respect of any of the provisions of this Agreement, then such disagreement, if not resolved between the Parties within thirty (30) days of written notice from one party to the other that a disagreement exists, shall be referred to arbitration in Singapore, which arbitration shall be conducted in accordance with the Arbitration Rules of the Philippines, except as modified pursuant to this clause. The results of such arbitration proceedings shall be binding on the Parties, their successors and assigns. The judgment upon any award may be entered in any court having jurisdiction thereof.

The Arbiter/Arbitration Board may be asked by the parties, in their respective pleadings, to determine, in its decision/resolution, whether the prevailing party is entitled to a reimbursement/award for attorney's fees, cost of suit and other litigation expenses and the amounts thereof, if any. The silence of the decision/resolution of the Arbiter/Arbitration Board on this issue of reimbursement/award for attorney's fees, etc. shall mean that neither party is entitled to their claim therefor.

The rights and obligations of the Parties shall remain in full force and effect pending the enforcement of any award in any arbitration proceeding pursuant to this clause. The arbitration shall be conducted in the English language and the award rendered in Singapore. Any foreign language documents presented at such arbitration shall be accompanied by an English translation thereof.

15.2 Governing Law

This Agreement will be construed and in all respects governed by the laws of Philippines.

15.3 Notices

All notices, payments and other required communications and deliveries to the Parties hereto will be in writing, and will be addressed to the Parties as follows or at such other address as the Parties may specify from time to time:

If to ISRI:

Attention:	Mr. Ignacio Ortigas
Fax:	+63- 2 – 631-32-03
Email:	sagitro@info.com.ph
	iro@ortigas.com.ph
Postal Address:	Itogon-Suyoc Resources, Inc.
	No. 6 Industria Street
	Bagumbayan, Quezon City
	Metro Manila Philippines

If to Anvil:

Attention:	Mr. Bill Turner
Fax:	+61-89481-4800
Tel:	+61-89481-4700
Email:	billt@anvilmining.com
Postal Address:	Anvil Mining Limited
	Level 2, 38 Richardson Street
	West Perth, Western Australia

Notices must be delivered, sent by telecopier or emailed to the party to which notice is to be given. If notice is sent by telecopier or is delivered, it will be deemed to have been given and received at the time of delivery. If notice is emailed, it will be deemed to have been given and received on the date the email has been read, as established by a confirmation of reading delivered to the sender.

Either party hereto may at any time and from time to time notify the other party in writing of a change of address and the new address to which a notice will be given thereafter until further change.

15.4 Entire Agreement

This Agreement constitutes the entire agreement between ISRI and Anvil and will supersede and replace any other agreement or arrangement, whether oral or in writing, previously existing between the Parties with respect to the subject matter of this Agreement.

15.5 Consent or Waiver

No consent or waiver, express or implied, by either party hereto in respect of any breach or default by the other party in the performance by such other party of its obligations under this Agreement will be deemed or construed to be a consent to or a waiver of any other breach or default.

15.6 Further Assurances

The Parties will promptly execute, or cause to be executed, all bills of sale, transfers, documents, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent and purpose of this Agreement or to record wherever appropriate the respective interests from time to time of the Parties hereto in and to the Mining Claims.

15.7 Severability

If any provision of this Agreement is or will become illegal, unenforceable or invalid for any reason whatsoever, such illegal, unenforceable or invalid provisions will be severable from the remainder of this Agreement and will not affect the legality, enforceability or validity of the remaining provisions of this Agreement.

15.8 Enurement

This Agreement will enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

15.9 Exclusivity

ISRI agrees that the rights granted to Anvil under this Agreement are exclusively granted to Anvil or its assignee during the period of this Agreement, and that ISRI will not enter into any negotiation or agreement relating to the Mining Claims.

15.10 Amendments

This Agreement may only be amended in writing with the mutual consent of all Parties.

15.11 Stamp duty

Anvil will pay all stamp duty charged in respect of this Agreement and the transactions contemplated by the Agreement.

15.12 Counterparts

This Agreement may be executed in any number of counterparts and by facsimile transmission with the same effect as if all Parties hereto had signed the same document. All counterparts will be construed together and constitute one and the same agreement.

15.13 Compliance with Philippine Law

Notwithstanding the foregoing, it is understood and agreed that this Agreement shall comply with all applicable laws and regulations in force in the Philippines as of Effective Date.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement in counterparts on the dates indicated after their signatures

By:

ITOGON-SUYOC RESOURCES, INC.
Represented by its President/Director:

Ignacio R. Ortigas

Date : 15 February 2007

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

BEFORE ME, a Notary Public in and for PASIG, Metro Manila, on this 15th day of February 2007, personally appeared, Mr. Ignacio R. Ortigas, with Community Tax Certificate No. 21839984 dated FEB. 8, 2007 issued at PASIG, who is known to me and to me known to be the same person who executed the foregoing Evaluation and Development Agreement – Mineral Properties in Itogon District, consisting of 22 pages including the acknowledgement, and acknowledged to me that the same is his free and voluntary act and deed, and that of Itogon-Suyoc Resources, Inc.

WITNESS MY HAND AND SEAL on the date and place first above written.

Notary Public

FAYE CHRISTINE M. PAREDES
NOTARY PUBLIC
FOR AND IN THE CITY OF PASIG, METRO MANILA
UNTIL DECEMBER 31, 2007
PTR NO. 3645203; 1/5/07; PASIG CITY
IBP NO. 694920; 12/20/05; RIZAL CHAPTER
ROLL NO. 45878/APPOINTMENT NO. 112(2006-2007)
4F BENPRES BLDG.
EXCHANGE ROAD, PASIG CITY

Doc. No. 281 :
Page No. 58 :
Book No. I :
Series of 2007.

By:

ANVIL MINING LIMITED
Represented by its President & CEO/Director:

William S. Turner

Date:

SIGNED IN THE PRESENCE OF:

A C K N O W L E D G M E N T

IAN BARRIE MURIE
16 Emerald Terrace
West Perth Western Australia
General Public Notary

Annexure I.

Itogon-Suyoc Resources, Inc. Mining Claims

ITOGON TENEMENTS				
1. Tenement No.	MRD – 479	Patented Claims	APSA-0067-CAR	EPA-0031-CAR
2. Date Filed	October 12, 1978	-	August 25, 1997	June 17, 1997
3. Date Granted	September 29, 1987	-	-	-
4. Area	581.55 Hectares	35.26 Hectares	317.22 Hectares	1,962. Hectares
5. Expiry Date	September. 29, 2012	None	-	-
6. Renewal Requirement	Operation Resumption	-	-	-
7. Comments/Remarks	Claims with Lease Contract and Environmental Compliance Certificate (ECC) Granted	Real Estate Property with land titles	Approval Pending	Approval Pending

Note:

MPSA – Mineral Production Sharing Agreement
APSA – Application for Mineral Production Agreement
EPA – Exploration Permit Application

Annexure II.
Map of Itogon Mining Claims