



MEMORANDUM No.2008-0406

The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: Philippine Mineral Reporting Code

To : **THE INVESTING PUBLIC**
 Subject : **PHILIPPINE MINERAL REPORTING CODE**
 Date : **August 22, 2008**

Attached is a copy of the Revised Philippine Mineral Reporting Code (“PMRC”) approved by the Securities and Exchange Commission (“SEC”) and duly signed by the authorized representatives of the SEC and PSE. The PMRC shall take effect immediately.

For your information and guidance.

(Original Signed)
ROY JOSEPH M. RAFOLS
COO / Head, Issuer Regulation Division

FID/CSD	Market Regulation Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	Office of the General Counsel
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City



Sir,
FYI
Take
care

MARKET REGULATION DEPARTMENT

19 August 2008

PHILIPPINE STOCK EXCHANGE
PSE Center
Exchange Road, Ortigas Center
Pasig City
Fax: 637-8803

Attention : *Atty. Roy Joseph M. Rafols, COO*

Gentlemen:

We are sending you herewith two (2) original copies each of the revised Philippine Mineral Reporting Code, each page of which bears my signature and the signatures of PSE President and CEO, Francisco Ed. Lim, and PSE General Counsel, Atty. Roel A. Refran.

Thank you very much.

Very truly yours,

VICENTE GRACIANO P. FELIZMENIO JR.
Officer-in-Charge

The Philippine Stock Exchange, Inc.
Office of the President
REGISTERED
AUG 20 2008

plg 8-21-08



August 7, 2008

SECURITIES AND EXCHANGE COMMISSION
Market Regulation Department
SEC Building, EDSA Greenhills
Mandaluyong City, Metro Manila

Attention: **V. GRACIANO P. FELIZMENIO, JR.**
OIC, Market Regulation Department

Re : **Philippine Mineral Reporting Code**

Gentlemen:

In response to your letter dated July 30, 2008 which the Exchange received on August 5, 2008, we transmit herewith four (4) copies of the revised Philippine Mineral Reporting Code ("PMRC").

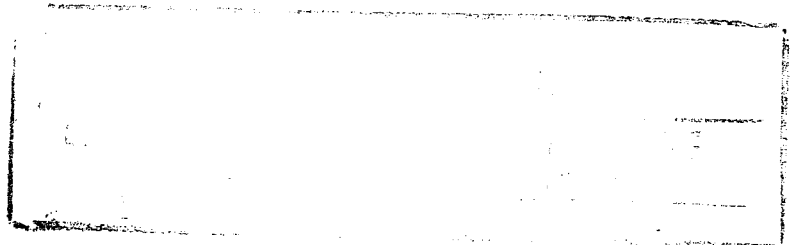
In addition and pursuant to SEC's directive, the copies of the PMRC have been duly signed by PSE President and CEO, Francisco Ed. Lim, and PSE General Counsel, Atty. Roel A. Refran.

We thank you for your continued support.

Very truly yours,


ROY JOSEPH M. RAFOLS
SVP & Chief Operating Officer

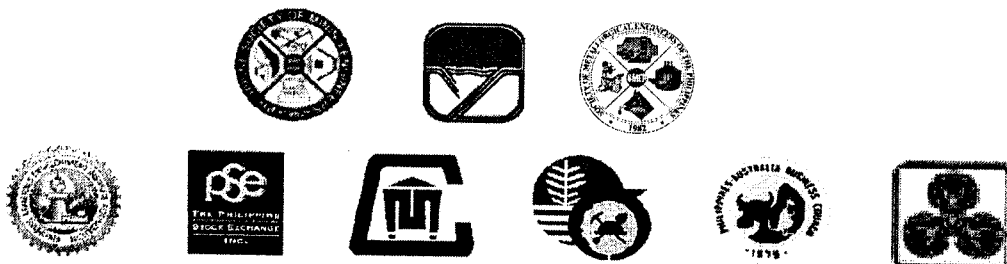
Cc: Francisco Ed. Lim
President and CEO



Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

The PMRC 2007 Edition

Prepared by the PMRC Committee composed of the Philippine Minerals Development Institute Foundation, Philippine Society of Mining Engineers, Geological Society of the Philippines, Society of Metallurgical Engineers of the Philippines, Mines and Geosciences Bureau, The Philippine Stock Exchange, Inc., Board of Investments, Chamber of Mines of the Philippines and the Philippine Australia Business Council



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Handwritten signature: *M. S. ...*
Date stamp: *7/1/07*

Foreword

1. The Philippine Mineral Reporting Code (PMRC), or the "Code", sets out minimum standards, recommendations and guidelines for Public Reporting in the Philippines of Exploration Results, Mineral Resources and Ore Reserves. The Code was formulated with the intent of setting minimum standards for public reporting that are compatible with global standards. The PMRC is modelled substantially on the wording of the JORC Code (2004) of Australasia and is also compatible with the international codes from Australia, South Africa, European Union, and Canada. It is consistent with the International Reporting Template (2006) established by the Committee for Mineral Reserves International Reporting Standard (CRIRSCO).

The PMRC is an initiative of the Philippine Minerals Development Institute Foundation (PMDIF) together with The Philippine Stock Exchange, Inc. (PSE), Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources, Chamber of Mines of the Philippines (COMP), Philippines-Australia Business Council (PABC) and the Board of Investments (BOI) of the Department of Trade and Industry. The formulation of the technical provisions of the code was undertaken by the Professional Regulation Commission's (PRC) accredited professional organizations of the minerals industry which are the Philippine Society of Mining Engineers (PSEM), Geological Society of the Philippines (GSP), Society of Metallurgical Engineers of the Philippines (SMEP) and chaired by the PMDIF.

The formulation of the PMRC was supported by the Australian Government through the Philippines-Australia Partnership for Economic Governance Reforms (PEGR), and the BOI.

I. Introduction

2. The important terms and their definitions are highlighted in **bold** text. The guidelines are placed after the respective Code clauses using *indented italics*. They are intended to provide assistance and guidance to readers. They do not form part of the Code, but should be considered persuasive when interpreting the Code. Indented italics are also used for Appendix 1 – '*Generic Terms and Equivalents*', and Table 1 – '*Checklist of Assessment and Reporting Criteria*' to make it clear that they are also part of the guidelines, and that the latter is not mandatory for reporting purposes.
3. The PMRC has been adopted by the PSEM, GSP and SMEP and is therefore binding on members of these professional organizations. It is adopted by the PSE as part of their listing and disclosure rules and MGB, as part of their regulatory and reportorial requirements. PMDIF, BOI, COMP and the PABC endorsed the PMRC as a standard that promotes ethical conduct in public reporting in the mining industry.

The PMRC requires the Competent Person(s), on whose work the Public Report of Exploration Results, Mineral Resources or Ore Reserves is based, to be named in the report. The report or attached statement must say that the person consents to the inclusion in the report of the matters based on their information in the form and context in which it appears, and must include the name of the person's firm or employer. Refer to Clause 8 of the Code.

II. Scope

4. The main principles governing the operation and application of the PMRC are transparency, materiality and competence.
 - **Transparency** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and is not misled.

- **Materiality** requires that a Public Report contains all the relevant information which investors and their professional advisers would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Exploration Results, Mineral Resources or Ore Reserves being reported.
 - **Competence** requires that the Public Report be based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional code of ethics.
5. **Reference in the Code to a Public Report or Public Reporting is to a report or reporting on Exploration Results, Mineral Resources or Ore Reserves, prepared for the purpose of informing investors or potential investors and their advisers. This includes a report or reporting to satisfy regulatory requirements.**

The Code is a required minimum standard for Public Reporting. PMRC also recommends its adoption as a minimum standard for other reporting. Companies are encouraged to provide information in their Public Reports which is as comprehensive as possible.

Public Reports include, but are not limited to: company annual reports, quarterly reports and other reports to PSE, or as required by law. The Code applies to other publicly released company information in the form of postings on company web sites and briefings for shareholders, stockbrokers and investment analysts. The Code also applies to the following reports if they have been prepared for the purposes described in Clause 5: environmental statements; Information Memoranda; Expert Reports, and technical papers referring to Exploration Results, Mineral Resources or Ore Reserves.

For companies issuing concise annual reports, or other summary reports, inclusion of all material information relating to Exploration Results, Mineral Resources and Ore Reserves is recommended. In cases where summary information is presented, it should be clearly stated that it is a summary, with a reference attached giving the location of the Code-compliant Public Reports or Public Reporting on which the summary is based.

It is recognized that companies can be required to issue reports into more than one regulatory jurisdiction, with compliance standards that may differ from this Code. It is recommended that such reports include a statement alerting the reader to this situation. Where members of PSEM, GSP and SMEP are required to report in other jurisdictions, they are obliged to comply with the requirements of those jurisdictions.

The term 'regulatory requirements' as used in Clause 5 is not intended to cover reports provided to Government agencies for statutory purposes, where providing information to the investing public is not the primary intent. If such reports become available to the public, they would not normally be regarded as Public Reports under the PMRC (see also guidelines to Clauses 19 and 37).

Reference in the Code to 'documentation' is to internal company documents prepared as a basis for, or to support, a Public Report.

It is recognised that situations may arise where documentation prepared by Competent Persons for internal company or similar non-public purposes does not comply with the PMRC. In such situations, it is recommended that the documentation includes a prominent statement to this effect. This will make it less likely that non-complying documentation will be used to compile Public Reports, since Clause 8 requires Public Reports to fairly reflect Exploration Results, Mineral Resource and/or Ore Reserve estimates, and supporting documentation, prepared by a Competent Person.

While every effort has been made for the Code and Guidelines to cover most situations likely to be encountered in Public Reporting, there may be occasions when doubt exists as to the appropriate form of disclosure. On such occasions, users of the Code and those compiling reports to comply with the Code should be guided by its intent, which is to provide a minimum standard for Public Reporting, and to ensure that such reporting

contains all information which investors and their professional advisers would reasonably require, and reasonably expect to find in the report, for the purpose of arriving at a reasoned and balanced judgment regarding the Exploration Results, Mineral Resources or Ore Reserves being reported.

6. The Code is applicable to all solid minerals, including industrial minerals and coal, for which Public Reporting of Exploration Results, Mineral Resources and Ore Reserves is required by PSE.
7. PMRC recognises that further review of the Code and Guidelines will be required from time to time.

III. Competence and Responsibility

8. A Public Report concerning a company's Exploration Results, Mineral Resources or Ore Reserves is the responsibility of the company acting through its Board of Directors. Any such report must be based on, and fairly reflect the information and supporting documentation prepared by a Competent Person or Persons. A company issuing a Public Report shall disclose the name(s) of the Competent Person or Persons, state whether the Competent Person is a full-time employee of the company, and, if not, name the Competent Person's employer. The report shall be issued with the written consent of the Competent Person or Persons as to the form and context in which it appears.

Appropriate forms of compliance statements may be as follows (delete bullet points which do not apply):

- *If the required information is in the report:*
"The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by (insert name of Competent Person), who is a Member or Fellow of the PSEM, GSP or SMEP or a 'Recognised Overseas Professional Organization' ('ROPO') included in a list promulgated by the accredited professional organizations together with the PMDIF from time to time (select as appropriate and if a ROPO insert name of ROPO)": or
- *If the required information is included in an attached statement:*
"The information in the report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by (insert name of Competent Person), who is a Member or Fellow of PSEM, GSP and SMEP or a 'Recognised Overseas Professional Organization' ('ROPO') included in a list promulgated by the PSE from time to time (select as appropriate and if a ROPO insert name of ROPO)".
- *If the Competent Person is a full-time employee of the company:*
"(Insert name of Competent Person) is a full-time employee of the company".
- *If the Competent Person is not a full-time employee of the company:*
"(Insert name of Competent Person) is employed by (insert name of Competent Person's employer)".
- *For all reports:*
"(Insert name of Competent Person) has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he (or she) is undertaking to qualify as a Competent Person as defined in the 2007 Edition of PMRC for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. (Insert name of Competent Person) consents to

the inclusion in the report of the matters based on his (or her) information in the form and context in which it appears”.

9. Documentation detailing Exploration Results, Mineral Resource and Ore Reserve estimates, on which a Public Report on Exploration Results, Mineral Resources and Ore Reserves is based, must be prepared by, or under the direction of, and signed by, a Competent Person or Persons. The documentation must provide a fair representation of the Exploration Results, Mineral Resources or Ore Reserves being reported.
10. A ‘Competent Person’ is a person who is a duly-licensed professional and is an active Member or Fellow of PSEM, GSP or SMEP, duly accredited by the professional organization to which he/she belongs or of a ‘ROPO’ included in a list promulgated as the need arises. For purposes of the PMRC, a “ROPO” is defined as the Recognized Overseas Professional Organization. However, to qualify as a Competent Person, a ROPO member must comply with all applicable laws to practice his/her profession in the Philippines.

A ‘Competent Person’ must have a minimum of five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking.

If the Competent Person is preparing a report on Exploration Results, the relevant experience must be in exploration. If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent Person is estimating, or supervising the estimation of Ore Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Ore Reserves.

The key qualifier in the definition of a Competent Person is the word ‘relevant’. Determination of what constitutes relevant experience can be a difficult area and common sense has to be exercised. For example, in estimating Mineral Resources for vein gold mineralization, experience in a high-nugget, vein-type mineralization such as tin, uranium etc. will probably be relevant whereas experience in (say) massive base metal deposits may not be. As a second example, to qualify as a Competent Person in the estimation of Ore Reserves for alluvial gold deposits, considerable (probably at least five years) experience in the evaluation and economic extraction of this type of mineralization would be needed. This is due to the characteristics of gold in alluvial systems, the particle sizing of the host sediment, and the low grades involved. Experience with placer deposits containing minerals other than gold may not necessarily provide appropriate relevant experience.

The key word ‘relevant’ also means that it is not always necessary for a person to have five years experience in each and every type of deposit in order to act as a Competent Person if that person has relevant experience in other deposit types. For example, a person with (say) 20 years experience in estimating Mineral Resources for a variety of metalliferous hard-rock deposit types may not require five years specific experience in (say) porphyry copper deposits in order to act as a Competent Person. Relevant experience in the other deposit types could count towards the required experience in relation to porphyry copper deposits.

In addition to experience in the style of mineralization, a Competent Person taking responsibility for the compilation of Exploration Results or Mineral Resource estimates should have sufficient experience in the sampling and analytical techniques relevant to the deposit under consideration to be aware of problems which could affect the reliability of data. Some appreciation of extraction and processing techniques applicable to that deposit type may also be important.

As a general guide, persons being called upon to act as Competent Persons should be clearly satisfied in their own minds that they could face their peers and demonstrate

competence in the commodity, type of deposit and situation under consideration. If doubt exists, the person should either seek opinions from appropriately experienced colleagues or should decline to act as a Competent Person.

Estimation of Mineral Resources may be a team effort (for example, involving one person or team collecting the data and another person or team preparing the estimate). Estimation of Ore Reserves is very commonly a team effort involving several technical disciplines. It is recommended that, where there is clear division of responsibility within a team, each Competent Person and his or her contribution should be identified, and responsibility accepted for that particular contribution. If only one Competent Person signs the Mineral Resource or Ore Reserve documentation, that person is responsible and accountable for the whole of the documentation under the Code. It is important in this situation that the Competent Person accepting overall responsibility for a Mineral Resource or Ore Reserve estimate and supporting documentation prepared in whole or in part by others, is satisfied that the work of the other contributors is acceptable.

Complaints made with respect to the professional work of a Competent Person will be dealt with under the disciplinary procedures of the professional organization to which the Competent Person belongs, and if necessary, elevated to the Professional Regulation Commission.

When a PSE listed company with overseas interests wishes to report overseas Exploration Results, Mineral Resource or Ore Reserve estimates prepared by a person who is not a member of PSEM, GSP, SMEP, or a ROPO, it is necessary for the company to nominate a Competent Person or Persons to take responsibility for the Exploration Results, Mineral Resource or Ore Reserve estimate. The Competent Person or Persons undertaking this activity should appreciate that they are accepting full responsibility for the estimate and supporting documentation under Stock Exchange listing rules and should not treat the procedure merely as a 'rubber-stamping' exercise.

IV. Reporting Terminology

11. Public Reports dealing with Exploration Results, Mineral Resources or Ore Reserves must only use the terms set out in Figure 1.

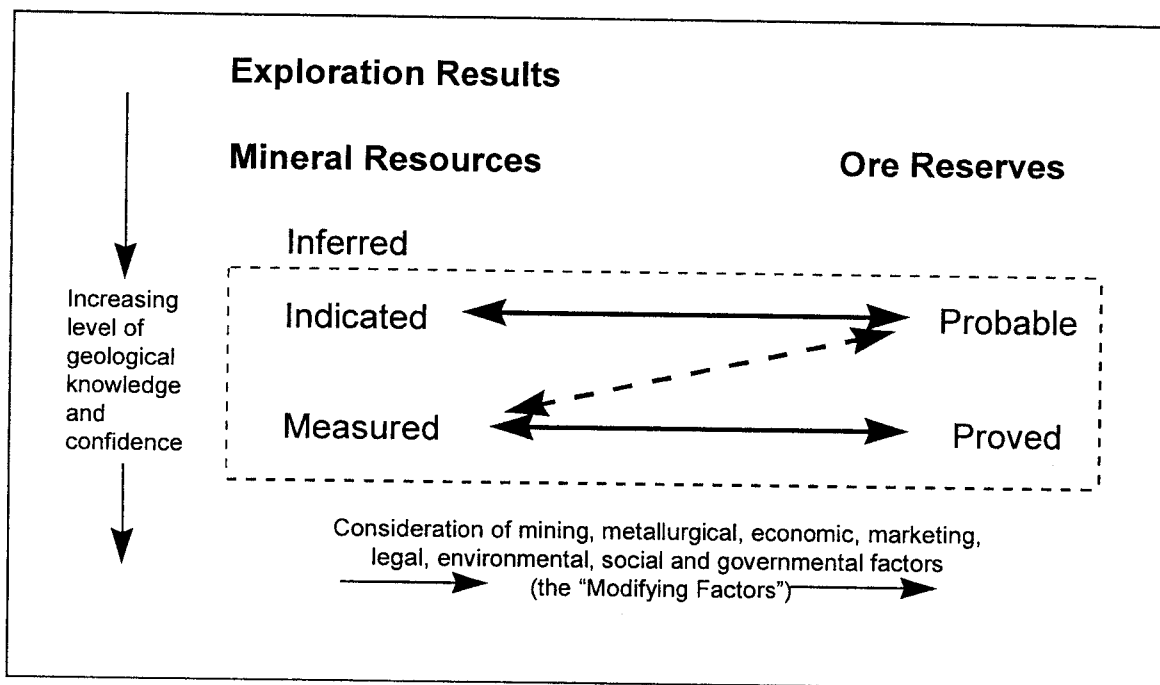
The term 'Modifying Factors' is defined to include mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations.

Figure 1 sets out the framework for classifying tonnage and grade estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation. Mineral Resources can be estimated mainly by a geologist on the basis of geoscientific information with some input from other disciplines. Ore Reserves, which are a modified sub-set of the Indicated and Measured Mineral Resources (shown within the dashed outline in Figure 1), require consideration of the Modifying Factors affecting extraction, and should in most instances be estimated with input from a range of disciplines.

Measured Mineral Resources may convert to either Proved Ore Reserves or Probable Ore Reserves. The Competent Person may convert Measured Mineral Resources to Probable Ore Reserves because of uncertainties associated with some or all of the Modifying Factors which are taken into account in the conversion from Mineral Resources to Ore Reserves. This relationship is shown by the broken arrow in Figure 1. Although the trend of the broken arrow includes a vertical component, it does not, in this instance, imply a reduction in the level of geological knowledge or confidence. In such a situation these Modifying Factors should be fully explained.

Refer also to the guidelines to Clause 31.

Figure 1. General relationship between Exploration Results, Mineral Resources and Ore Reserves



V. Reporting – General

12. Public Reports concerning a company's Exploration Results, Mineral Resources or Ore Reserves should include a description of the style and nature of the mineralization.
13. A company must disclose any relevant information concerning a mineral deposit that could materially influence the economic value of that deposit to the company. A company must promptly report any material changes in its Mineral Resources or Ore Reserves.
14. Companies must review and publicly report on their Mineral Resources and Ore Reserves at least annually.
15. Throughout the Code, if appropriate, 'quality' may be substituted for 'grade' and 'volume' may be substituted for 'tonnage'. (Refer to Appendix 1 – Table of Generic Terms and Equivalents).

VI. Reporting of Exploration Results

16. **Exploration Results include data, information and reports generated by exploration programmes that may be of use to investors and/or their financial advisers. The Exploration Results may or may not be part of a formal declaration of Mineral Resources or Ore Reserves.**

The reporting of such information is common in the early stages of exploration when the quantity of data available is generally not sufficient to allow any reasonable estimates of Mineral Resources as to typical quality and quantity.

If a company reports Exploration Results in relation to mineralisation not classified as a Mineral Resource or an Ore Reserve, then estimates of tonnages and average grade must not be assigned to the mineralization unless the situation is covered by Clause 18, and then only in strict accordance with the requirements of that clause.

Examples of Exploration Results include results of outcrop sampling, assays of drill hole intercepts, geochemical results and geophysical survey results.

17. Public Reports of Exploration Results must contain sufficient information to allow a considered and balanced judgment of their significance. Reports must include relevant information such as exploration context, type and method of sampling, sampling intervals and methods, relevant sample locations, distribution, dimensions and relative location of all relevant assay data, data aggregation methods, mining rights plus information on any of the other criteria listed in Table 1 that are material to an assessment.

Public Reports of Exploration Results must not be presented so as to unreasonably imply that potentially economic mineralization has been discovered.

If true widths of mineralization are not reported, an appropriate qualification must be included in the Public Report.

Where assay and analytical results are reported, they must be reported using one of the following methods, selected as the most appropriate by the Competent Person:

- either by listing all results, along with sample intervals (or size, in the case of bulk samples), or
- by reporting weighted average grades of mineralized zones, indicating clearly how the grades were calculated.

Reporting of selected information such as isolated assays, isolated drill holes, assays of panned concentrates or supergene enriched soils or surface samples, without placing them in proper context, is unacceptable.

Table 1 is a checklist and guideline to which those preparing reports on Exploration Results, Mineral Resources and Ore Reserves should refer. The checklist is not prescriptive and, as always, transparency, relevance and materiality are overriding principles which determine what information should be publicly reported.

18. It is recognized that it is common practice for a company to comment on and discuss its exploration in terms of target size and type. Any such information relating to exploration targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves. The terms Resource(s) or Reserve(s) must not be used in this context. Any statement referring to potential quantity and grade of the target must be expressed as ranges and must include (1) a detailed explanation of the basis for the statement, and (2) a proximate statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

VII. Reporting of Mineral Resources

19. A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence, sampling and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource. If the judgment as to 'eventual economic extraction' relies on untested practices or assumptions, this is a material matter which must be disclosed in a Public Report.

The Mineral Resource clause and guidelines take precedence over those for the Inferred, Indicated and Measured categories, in that estimates must first satisfy the criteria required for definition as a Mineral Resource before consideration is given to the criteria applicable to each category of Mineral Resource.

The term 'Mineral Resource' covers mineralization, including dumps and tailings, which has been identified and estimated through exploration and sampling and within which Ore Reserves may be defined by the consideration and application of the Modifying Factors.

The term 'reasonable prospects for eventual economic extraction' implies a judgment (albeit preliminary) by the Competent Person with respect to the technical and economic factors likely to influence the prospect of economic extraction, including the approximate mining parameters. In other words, a Mineral Resource is not an inventory of all mineralization drilled or sampled, regardless of cut-off grade, likely mining dimensions, location or continuity. It is a realistic inventory of mineralization which, under assumed and justifiable technical and economic conditions, might, in whole or in part, become economically extractable.

Where considered appropriate by the Competent Person, Mineral Resource estimates may include material below the selected cut-off grade to ensure that the Mineral Resources comprise bodies of mineralization of adequate size and continuity to properly consider the most appropriate approach to mining. Documentation of Mineral Resource estimates should clearly identify any diluting material included, and Public Reports should include commentary on the matter if considered material.

Any material assumptions made in determining the 'reasonable prospects for eventual economic extraction' should be clearly stated in the Public Report.

Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron ore, bauxite and other bulk minerals or commodities, it may be reasonable to envisage 'eventual economic extraction' as covering time periods in excess of 50 years. However for the majority of gold deposits, application of the concept would normally be restricted to perhaps 10 to 15 years, and frequently to much shorter periods of time.

Any adjustment made to the data for the purpose of making the Mineral Resource estimate, for example by cutting or factoring grades, should be clearly stated and described in the Public Report.

Certain reports (eg: inventory coal reports, exploration reports to government and other similar reports not intended primarily for providing information for investment purposes) may require full disclosure of all mineralization, including some material that does not have reasonable prospects for eventual economic extraction. Such estimates of mineralization would not qualify as Mineral Resources or Ore Reserves in terms of the PMRC (refer also to the guidelines to Clauses 5 and 37).

- 20. An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence, sampling and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.**

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource.

The Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data quantity and quality are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued and more detailed exploration and evaluation. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur.

Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning. For this reason, there is no direct link from an Inferred Resource to any category of Ore Reserves (see Figure 1).

Caution should be exercised if this category is considered in technical and economic studies.

- 21. An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.**

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource, but has a higher level of confidence than that applying to an Inferred Mineral Resource.

Mineralization may be classified as an Indicated Mineral Resource when the nature, quality, amount and distribution of data are such as to allow confident interpretation of the geological framework and to assume continuity of mineralization.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters, and to enable an evaluation of economic viability.

- 22. A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.**

Mineralization may be classified as a Measured Mineral Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of the Competent Person determining the Mineral Resource, that the tonnage and grade of the mineralization can be estimated to within close limits, and that any variation from the estimate would be unlikely to significantly affect potential economic viability.

This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters and to enable an evaluation of economic viability that has a greater degree of certainty than an evaluation based on an Indicated Mineral Resource.

23. The choice of the appropriate category of Mineral Resource depends upon the quantity, distribution and quality of data available and the level of confidence that attaches to those data. The appropriate Mineral Resource category must be determined by a Competent Person or Persons.

Mineral Resource classification is a matter for skilled judgment and Competent Persons should take into account those items in Table 1 which relate to confidence in Mineral Resource estimation.

In deciding between Measured Mineral Resources and Indicated Mineral Resources, Competent Persons may find it useful to consider, in addition to the phrases in the two definitions relating to geological and grade continuity in Clauses 21 and 22, the phrase in the guideline to the definition for Measured Mineral Resources: '... any variation from the estimate would be unlikely to significantly affect potential economic viability'.

In deciding between Indicated Mineral Resources and Inferred Mineral Resources, Competent Persons may wish to take into account, in addition to the phrases in the two definitions in Clauses 20 and 21 relating to geological and grade continuity, the guideline in the definition for Indicated Mineral Resources: 'Confidence in the estimate is sufficient to allow the application of technical and economic parameters and to enable an evaluation of economic viability', which contrasts with the guideline in the definition for Inferred Mineral Resources: 'Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning.' and 'Caution should be exercised if this category is considered in technical and economic studies'.

The Competent Person should take into consideration issues regarding the style of mineralization and cut-off grade when assessing geological and grade continuity.

Cut-off grades chosen for the estimation should be realistic in relation to the style of mineralization.

24. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. Reporting of tonnage and grade figures should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures and, in the case of Inferred Mineral Resources, by qualification with terms such as 'approximately'.

In most situations, rounding to the second significant figure should be sufficient. For example 10,863,000 tonnes at 8.23 per cent should be stated as 11 million tonnes at 8.2 per cent. There will be occasions, however, where rounding to the first significant figure may be necessary in order to convey properly the uncertainties in estimation. This would usually be the case with Inferred Mineral Resources.

To emphasize the imprecise nature of a Mineral Resource estimate, the final result should always be referred to as an estimate not a calculation.

Competent Persons are encouraged, where appropriate, to discuss the relative accuracy and/or confidence of the Mineral Resource estimates. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnage or volume. Where a statement on the relative accuracy and/or confidence is not possible, a qualitative discussion of the uncertainties should be provided (refer to Table 1).

25. Public Reports of Mineral Resources must specify one or more of the categories of 'Inferred', 'Indicated' and 'Measured'. Categories must not be reported in a combined form unless details for the individual categories are also provided. Mineral Resources must not be reported in terms of contained metal or mineral content unless corresponding tonnages and grades are also presented. Mineral Resources must not be aggregated with Ore Reserves.

Public Reporting of tonnages and grades outside the categories covered by the Code is not permitted unless the situation is covered by Clause 18, and then only in strict accordance with the requirements of that clause.

Estimates of tonnage and grade outside of the categories covered by the Code may be useful for a company in its internal calculations and evaluation processes, but their inclusion in Public Reports could cause confusion.

26. Table 1 provides, in a summary form, a list of the main criteria which should be considered when preparing reports on Exploration Results, Mineral Resources and Ore Reserves. These criteria need not be discussed in a Public Report unless they materially affect estimation or classification of the Mineral Resources.

Where Mineral Resources being reported are predominantly in the Inferred category, and significant proportions of the estimate are based on extrapolation beyond data points, the public report must describe the nature and degree of extrapolation. The report must also describe the reason for the assumed continuity, discuss sample type and sample spacing and other relevant items as listed in Table 1.

It is not necessary, when publicly reporting, to comment on each item in Table 1, but it is essential to discuss any matters which might materially affect the reader's understanding or interpretation of the results or estimates being reported. This is particularly important where inadequate or uncertain data affect the reliability of, or confidence in, a statement of Exploration Results or an estimate of Mineral Resources or Ore Reserves; for example, poor sample recovery, poor repeatability of assay or laboratory results, limited information on bulk densities etc.

If there is doubt about what should be reported, it is better to err on the side of providing too much information rather than too little.

Uncertainties in any of the criteria listed in Table 1 that could lead to under- or over-statement of resources should be disclosed.

Mineral Resource estimates are sometimes reported after adjustment from reconciliation with production data. Such an adjustment should be clearly stated in a Public Report of Mineral Resources and the nature of the adjustment or modification described including the basis of selecting the cut-off grades that were utilized.

27. The words 'ore' and 'reserves' must not be used in describing Mineral Resource estimates as the terms imply technical feasibility and economic viability and are only appropriate when all relevant Modifying Factors have been considered. Reports and statements should continue to refer to the appropriate category or categories of Mineral Resources (Inferred, Indicated, or Measured) until technical feasibility and economic viability have been established. If re-evaluation indicates that the Ore Reserves are no longer viable, the Ore Reserves must be reclassified as Mineral Resources or removed from Mineral Resource/Ore Reserve statements.

It is not intended that re-classification from Ore Reserves to Mineral Resources or vice versa should be applied as a result of changes expected to be of a short term or temporary nature, or where company management has made a deliberate decision to operate on a non-economic basis. Examples of such situations might be commodity price fluctuations expected to be of short duration, mine emergency of a non-permanent nature, transport strike etc.

VIII. Reporting of Ore Reserves

28. An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may

occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. In the case of integrated mining operations, the pre-feasibility study will have determined an ore treatment plan that is technically and commercially viable and from which the mineral recovery factors are estimated. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

In reporting Ore Reserves, information on estimated mineral processing recovery factors is very important, and should always be included in Public Reports.

Ore Reserves are those portions of Mineral Resources which, after the application of the modifying factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a viable project.

Ore Reserves are reported as inclusive of marginally economic material and diluting material delivered for treatment or dispatched from the mine without treatment.

The term 'economically mineable' implies that extraction of the Ore Reserve has been demonstrated to be viable under reasonable financial assumptions. What constitutes the term 'realistically assumed' will vary with the type of deposit, the level of study that has been carried out and the financial criteria of the individual company. For this reason, there can be no fixed definition for the term 'economically mineable'.

In order to achieve the required level of confidence in the Modifying Factors, appropriate studies will have been carried out prior to determination of the Ore Reserves. The studies will have determined a mine plan that is technically achievable and economically viable and from which the Ore Reserves can be derived. It may not be necessary for these studies to be at the level of a final feasibility study.

The term 'Ore Reserve' need not necessarily signify that extraction facilities are in place or operative, or that all necessary approvals or sales contracts have been received. It does signify that there are reasonable expectations of such approvals or contracts. The Competent Person should consider the materiality of any unresolved matter that is dependent on a third party on which extraction is contingent.

If there is doubt about what should be reported, it is better to err on the side of providing too much information rather than too little.

Any adjustment made to the data for the purpose of making the Ore Reserve estimate, for example by cutting or factoring grades, should be clearly stated and described in the Public Report.

Where companies prefer to use the term 'Mineral Reserves' in their Public Reports, they should state clearly that this is being used with the same meaning as 'Ore Reserves', defined in this Code.

PMRC prefers the term 'Ore Reserve' because it assists in maintaining a clear distinction between a 'Mineral Resource' and an 'Ore Reserve'.

29. A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments to a minimum of pre-feasibility study have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.

30. A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments to a minimum of pre-feasibility study have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Proved Ore Reserve represents the highest confidence category of reserve estimate. The style of mineralization or other factors could mean that Proved Ore Reserves are not achievable in some deposits.

31. The choice of the appropriate category of Ore Reserve is determined primarily by the relevant level of confidence in the Mineral Resource and after considering any uncertainties in the Modifying Factors. Allocation of the appropriate category must be made by a Competent Person or Persons.

The Code provides for a direct two-way relationship between Indicated Mineral Resources and Probable Ore Reserves and between Measured Mineral Resources and Proved Ore Reserves. In other words, the level of geological confidence for Probable Ore Reserves is similar to that required for the determination of Indicated Mineral Resources, and the level of geological confidence for Proved Ore Reserves is similar to that required for the determination of Measured Mineral Resources.

The Code also provides for a two-way relationship between Measured Mineral Resources and Probable Ore Reserves. This is to cover a situation where uncertainties associated with any of the Modifying Factors considered when converting Mineral Resources to Ore Reserves may result in there being a lower degree of confidence in the Ore Reserves than in the corresponding Mineral Resources. Such a conversion would not imply a reduction in the level of geological knowledge or confidence.

A Probable Ore Reserve derived from a Measured Mineral Resource may be converted to a Proved Ore Reserve if the uncertainties in the Modifying Factors are removed. No amount of confidence in the Modifying Factors for conversion of a Mineral Resource to an Ore Reserve can override the upper level of confidence that exists in the Mineral Resource. Under no circumstances can an Indicated Mineral Resource be converted directly to a Proved Ore Reserve (see Figure 1).

Application of the category of Proved Ore Reserve implies the highest degree of confidence in the estimate, with consequent expectations in the minds of the readers of the report. These expectations should be borne in mind when categorising a Mineral Resource as Measured.

Refer also to the guidelines in Clause 23 regarding classification of Mineral Resources.

32. Ore Reserve estimates are not precise calculations. Reporting of tonnage and grade figures should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures. Refer also to Clause 24.

To emphasise the imprecise nature of an Ore Reserve, the final result should always be referred to as an estimate not a calculation.

Competent Persons are encouraged, where appropriate, to discuss the relative accuracy and/or confidence of the Ore Reserve estimates. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnage or volume. Where a statement of the relative accuracy and/or confidence is not possible, a qualitative discussion of the uncertainties should be provided (refer to Table 1).

33. Public Reports of Ore Reserves must specify one or other or both of the categories of 'Proved' and 'Probable.' Reports must not contain combined Proved and Probable Ore Reserve figures unless the relevant figures for each of the categories are also provided. Reports must not present metal or mineral content figures unless corresponding tonnage and grade figures are also given.

Public Reporting of tonnage and grade outside the categories covered by the Code is not permitted unless the situation is covered by Clause 18, and then only in strict accordance with the requirements of that clause.

Estimates of tonnage and grade outside of the categories covered by the Code may be useful for a company in its internal calculations and evaluation processes, but their inclusion in Public Reports could cause confusion.

Ore Reserves may incorporate material (dilution) which is not part of the original Mineral Resource. It is essential that this fundamental difference between Mineral Resources and Ore Reserves is borne in mind and caution exercised if attempting to draw conclusions from a comparison of the two.

When revised Ore Reserve and Mineral Resource statements are publicly reported they should be accompanied by reconciliation with previous statements. A detailed account of differences between the figures is not essential, but sufficient comment should be made to enable significant changes to be understood by the reader.

34. In situations where figures for both Mineral Resources and Ore Reserves are reported, a statement must be included in the report which clearly indicates whether the Mineral Resources are inclusive of, or additional to, the Ore Reserves.

Ore Reserve estimates must not be aggregated with Mineral Resource estimates to report a single combined figure.

In some situations there are reasons for reporting Mineral Resources inclusive of Ore Reserves and in other situations for reporting Mineral Resources additional to Ore Reserves. It must be made clear which form of reporting has been adopted. Appropriate forms of clarifying statements may be:

'The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.'

or

'The Measured and Indicated Mineral Resources are additional to the Ore Reserves.'

In the former case, if any Measured and Indicated Mineral Resources have not been modified to produce Ore Reserves for economic or other reasons, the relevant details of these unmodified Mineral Resources should be included in the report. This is to assist the reader of the report in making a judgment on the likelihood of the unmodified Measured and Indicated Mineral Resources eventually being converted to Ore Reserves.

Inferred Mineral Resources are by definition always additional to Ore Reserves.

For reasons stated in the guidelines to Clause 33 and in this paragraph, the reported Ore Reserve figures must not be aggregated with the reported Mineral Resource figures. The resulting total is misleading and is capable of being misunderstood or of being misused to give a false impression of a company's prospects.

35. Table 1 provides, in a summary form, a list of the criteria which should be considered when preparing reports on Exploration Results, Mineral Resources and Ore Reserves. These criteria need not be discussed in a Public Report unless they materially affect estimation or

classification of the Ore Reserves. Changes in economic or political factors alone may be the basis for significant changes in Ore Reserves and should be reported accordingly.

Ore Reserve estimates are sometimes reported after adjustment from reconciliation with production data. Such adjustments should be clearly stated in a Public Report of Ore Reserves and the nature of the adjustment or modification described.

IX. Reporting of Mineralized Fill, Remnants, Pillars, Low Grade Mineralization, Stockpiles, Dumps and Tailings

36. The Code applies to the reporting of all potentially economic mineralized material. This can include mineralized fill, remnants, pillars, low grade mineralization, stockpiles, dumps and tailings (remnant materials) where there are reasonable prospects for eventual economic extraction in the case of Mineral Resources, and where extraction is reasonably justifiable in the case of Ore Reserves. Unless otherwise stated, all other clauses of the Code (including Figure 1) apply.

Any mineralized material as described in this clause can be considered to be similar to in situ mineralization for the purposes of reporting Mineral Resources and Ore Reserves. Judgments about the mineability of such mineralized material should be made by professionals with relevant experience.

If there are no reasonable prospects for the eventual economic extraction of all or part of the mineralized material as described in this clause, then this material cannot be classified as either Mineral Resources or Ore Reserves. If some portion of the mineralized material is currently sub-economic, but there is a reasonable expectation that it will become economic, then this material may be classified as a Mineral Resource. If technical and economic studies to a minimum of a pre-feasibility study have demonstrated that economic extraction could reasonably be justified under realistically assumed conditions, then the material may be classified as an Ore Reserve.

The above guidelines apply equally to low grade in situ mineralization, sometimes referred to as 'mineralized waste' or 'marginal grade material', and often intended for stockpiling and treatment towards the end of mine life. For clarity of understanding, it is recommended that tonnage and grade estimates of such material be itemized separately in Public Reports, although they may be aggregated with total Mineral Resource and Ore Reserve figures.

Stockpiles are defined to include both surface and underground stockpiles, including broken ore in stopes, and can include ore currently in the ore storage system. Mineralized material in the course of being processed (including leaching), if reported, should be reported separately.

X. Reporting of Coal Resources and Reserves

37. Clauses 37 to 39 of the Code address matters that relate specifically to the Public Reporting of Coal Resources and Reserves. Unless otherwise stated, Clauses 1 to 36 of this Code (including Figure 1) apply. Table 1, as part of the guidelines, should be considered persuasive when reporting on Coal Resources and Reserves.

For purposes of Public Reporting, the requirements for coal are generally similar to those for other commodities with the replacement of terms such as 'mineral' by 'coal' and 'grade' by 'quality'.

Other industry guidelines on the estimation and reporting of coal resources and reserves may be useful but will under no circumstances override the provisions and intention of the Code for public reporting.

Because of its impact on planning and land use, governments may require estimates of inventory coal that are not constrained by short to medium term economic considerations. The PMRC does not cover such estimates. Refer also to the guidelines in Clauses 5 and 19.

38. The terms 'Mineral Resource(s)' and 'Ore Reserve(s)', and the subdivisions of these as defined above, apply also to coal reporting, but if preferred by the reporting company, the terms 'Coal Resource(s)' and 'Coal Reserve(s)' and the appropriate subdivisions may be substituted.
39. 'Marketable Coal Reserves', representing beneficiated or otherwise enhanced coal product where modifications due to mining, dilution and processing have been considered, may be publicly reported in conjunction with, but not instead of, reports of Ore (Coal) Reserves. The basis of the predicted yield to achieve Marketable Coal Reserves should be stated.

XI. Reporting of Industrial Minerals Exploration Results, Mineral Resources and Ore Reserves

40. Industrial minerals are covered by the PMRC if these meet the criteria set out in Clauses 5 and 6 of the Code. For the purpose of the PMRC, industrial minerals can be considered to cover commodities such as kaolin, phosphate, limestone, talc, etc.

When reporting information and estimates for industrial minerals, the key principles and purpose of the PMRC apply and should be borne in mind. Assays may not always be relevant, and other quality criteria may be more applicable. If criteria such as deleterious minerals or physical properties are of more relevance than the composition of the bulk mineral itself, then they should be reported accordingly.

The factors underpinning the estimation of Mineral Resources and Ore Reserves for industrial minerals are the same as those for other deposit types covered by the PMRC. It may be necessary, prior to the reporting of a Mineral Resource or Ore Reserve, to take particular account of certain key characteristics or qualities such as likely product specifications, proximity to markets and general product marketability.

For some industrial minerals, it is common practice to report the saleable product rather than the 'as-mined' product, which is traditionally regarded as the Ore Reserve. PMRC's preference is that, if the saleable product is reported, it should be in conjunction with, not instead of, reporting of the Ore Reserve. However, it is recognized that commercial sensitivities may not always permit this preferred style of reporting. It is important that, in all situations where the saleable product is reported, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

Some industrial mineral deposits may be capable of yielding products suitable for more than one application and/or specification. If considered material by the reporting company, such multiple products should be quantified either separately or as a percentage of the bulk deposit.

Table 1

Checklist of Assessment and Reporting Criteria

Table 1 is a checklist and guideline which those preparing reports on Exploration Results, Mineral Resources and Ore Reserves should use as a reference. The checklist is not prescriptive and, as always, relevance and materiality are overriding principles that determine what information should be publicly reported. It is, however, important to report any matters that might materially affect a reader's understanding or interpretation of the results or estimates being reported. This is particularly important where inadequate or uncertain data affect the reliability of, or confidence in, a statement of Exploration Results or an estimate of Mineral Resources or Ore Reserves.

The order and grouping of criteria in Table 1 reflects the normal systematic approach to exploration and evaluation. Criteria in the first group 'Sampling techniques and data' apply to all succeeding groups. In the remainder of the table, criteria listed in preceding groups would often apply to succeeding groups and should be considered when estimating and reporting.

Criteria	Explanation
Sampling techniques and data <i>(criteria in this group apply to all succeeding groups)</i>	
Sampling techniques.	<ul style="list-style-type: none"> ▪ Nature and quality of sampling (eg. cut channels, random chips etc.) and measures taken to ensure representative nature of samples.
Drilling techniques.	<ul style="list-style-type: none"> ▪ Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).
Drill sample recovery.	<ul style="list-style-type: none"> ▪ Whether core and chip sample recoveries have been properly recorded and results assessed. ▪ Measures taken to maximize sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.
Logging.	<ul style="list-style-type: none"> ▪ Whether core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.
Sub-sampling techniques and sample preparation.	<ul style="list-style-type: none"> ▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split etc. and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximize representative nature of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected. ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> ▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.
Verification of sampling and assaying	<ul style="list-style-type: none"> ▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes.

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Criteria	Explanation
Location of data points.	<ul style="list-style-type: none"> ▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Quality and adequacy of topographic control.
Data spacing and distribution.	<ul style="list-style-type: none"> ▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.
Orientation of data in relation to geological structure.	<ul style="list-style-type: none"> ▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.
Audits or reviews.	<ul style="list-style-type: none"> ▪ The results of any audits or reviews of sampling techniques and data.
Reporting of Exploration Results (criteria listed in the preceding group apply also to this group)	
Mining Rights and land tenure status.	<ul style="list-style-type: none"> ▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, Indigenous Peoples interests, historical sites, protected areas and reservations. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.
Exploration done by other parties.	<ul style="list-style-type: none"> ▪ Acknowledgment and appraisal of exploration by other parties.
Geology.	<ul style="list-style-type: none"> ▪ Deposit type, geological setting and style of mineralization.
Data aggregation methods.	<ul style="list-style-type: none"> ▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.
Relationship between mineralization widths and intercept lengths.	<ul style="list-style-type: none"> ▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ▪ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (eg. 'downhole length, true width not known').
Diagrams.	<ul style="list-style-type: none"> ▪ Where possible, maps and sections (with scales) and tabulations of intercepts should be included for any material discovery being reported if such diagrams significantly clarify the report.
Balanced reporting.	<ul style="list-style-type: none"> ▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.
Other substantive exploration data.	<ul style="list-style-type: none"> ▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.
Further work.	<ul style="list-style-type: none"> ▪ The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).

Estimation and Reporting of Mineral Resources

(criteria listed in the first group, and where relevant in the second group, apply also to this group)

<i>Database integrity.</i>	<ul style="list-style-type: none"> ▪ Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. ▪ Data validation procedures used.
<i>Geological interpretation.</i>	<ul style="list-style-type: none"> ▪ Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. ▪ Nature of the data used and of any assumptions made. ▪ The effect, if any, of alternative interpretations on Mineral Resource estimation. ▪ The use of geology in guiding and controlling Mineral Resource estimation. ▪ The factors affecting continuity both of grade and geology.
<i>Dimensions.</i>	<ul style="list-style-type: none"> ▪ The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.
<i>Estimation and modelling techniques.</i>	<ul style="list-style-type: none"> ▪ The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points and the nature and degree of extrapolation. Interpolation means estimation which is supported by surrounding sample data. Extrapolation means estimation which extends beyond the spatial limits of the sample data. ▪ The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. ▪ The assumptions made regarding recovery of by-products. ▪ Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulfur for acid mine drainage characterisation). ▪ In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. ▪ Any assumptions behind modelling of selective mining units. ▪ Any assumptions about correlation between variables. ▪ The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.
<i>Moisture.</i>	<ul style="list-style-type: none"> ▪ Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.
<i>Cut-off parameters.</i>	<ul style="list-style-type: none"> ▪ The basis of the adopted cut-off grade(s) or quality parameters applied.
<i>Mining factors or assumptions.</i>	<ul style="list-style-type: none"> ▪ Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be reported.
<i>Metallurgical factors or assumptions.</i>	<ul style="list-style-type: none"> ▪ The basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be reported.
<i>Bulk density.</i>	<ul style="list-style-type: none"> ▪ Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.
<i>Classification.</i>	<ul style="list-style-type: none"> ▪ The basis for the classification of the Mineral Resources into varying confidence categories. ▪ Whether appropriate account has been taken of all relevant factors. i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data. ▪ Whether the result appropriately reflects the Competent Person(s)' view of the deposit.
<i>Audits or reviews.</i>	<ul style="list-style-type: none"> ▪ The results of any audits or reviews of Mineral Resource estimates.

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Criteria	Explanation
<i>Discussion of relative accuracy/confidence.</i>	<ul style="list-style-type: none"> ▪ <i>Where appropriate a statement of the relative accuracy and/or confidence in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> ▪ <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> ▪ <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>
Estimation and Reporting of Ore Reserves <i>(criteria listed in the first group, and where relevant in other preceding groups, apply also to this group)</i>	
<i>Mineral Resource estimate for conversion to Ore Reserves.</i>	<ul style="list-style-type: none"> ▪ <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> ▪ <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>
<i>Study status.</i>	<ul style="list-style-type: none"> ▪ <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> ▪ <i>The Code does not require that a final feasibility study has been undertaken to convert Mineral Resources to Ore Reserves, but it does require that appropriate pre-feasibility studies will have been undertaken that will have determined a mine plan that is technically achievable and economically viable, and that all Modifying Factors have been considered.</i>
<i>Cut-off parameters.</i>	<ul style="list-style-type: none"> ▪ <i>The basis of the cut-off grade(s) or quality parameters applied.</i>
<i>Mining factors or assumptions.</i>	<ul style="list-style-type: none"> ▪ <i>The method and assumptions used to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> ▪ <i>The choice of, the nature and the appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> ▪ <i>The assumptions made regarding geotechnical parameters (eg. pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i> ▪ <i>The major assumptions made and Mineral Resource model used for pit optimization (if appropriate).</i> ▪ <i>The mining dilution factors, mining recovery factors, and minimum mining widths used.</i> ▪ <i>The infrastructure requirements of the selected mining methods.</i>
<i>Metallurgical factors or assumptions.</i>	<ul style="list-style-type: none"> ▪ <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> ▪ <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> ▪ <i>The nature, amount and representativeness of metallurgical testwork undertaken and the metallurgical recovery factors applied.</i> ▪ <i>Any assumptions or allowances made for deleterious elements.</i> ▪ <i>The existence of any bulk sample or pilot scale testwork and the degree to which such samples are representative of the orebody as a whole.</i>
<i>Cost and revenue factors.</i>	<ul style="list-style-type: none"> ▪ <i>The derivation of, or assumptions made, regarding projected capital and operating costs.</i> ▪ <i>The assumptions made regarding revenue including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, etc.</i> ▪ <i>The allowances made for royalties payable, both Government and private.</i>
<i>Market assessment.</i>	<ul style="list-style-type: none"> ▪ <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> ▪ <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> ▪ <i>Price and volume forecasts and the basis for these forecasts.</i> ▪ <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>

Criteria	Explanation
<i>Other.</i>	<ul style="list-style-type: none"> ▪ <i>The effect, if any, of natural risk, infrastructure, environmental, legal, marketing, social or governmental factors on the likely viability of a project and/or on the estimation and classification of the Ore Reserves.</i> ▪ <i>The status of titles and approvals critical to the viability of the project, such as mining leases, discharge permits, government and statutory approvals.</i>
<i>Classification.</i>	<ul style="list-style-type: none"> ▪ <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> ▪ <i>Whether the result appropriately reflects the Competent Person(s)' view of the deposit.</i> ▪ <i>The proportion of Probable Ore Reserves which have been derived from Measured Mineral Resources (if any).</i>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> ▪ <i>The results of any audits or reviews of Ore Reserve Estimates</i>
<i>Discussion of relative accuracy/ confidence.</i>	<ul style="list-style-type: none"> ▪ <i>Where appropriate a statement of the relative accuracy and/or confidence in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> ▪ <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> ▪ <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>

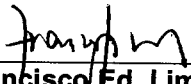
Appendix 1

Generic Terms and Equivalents

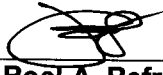
Throughout the Code, certain words are used in a general sense when a more specific meaning might be attached to them by particular commodity groups within the industry. In order to avoid unnecessary duplication, a non-exclusive list of generic terms is tabulated below together with other terms that may be regarded as synonymous for the purposes of this document.

Generic Term	Synonyms and similar terms	Intended generalised meaning
Tonnage	Quantity, Volume	An expression of the amount of material of interest irrespective of the units of measurement (which should be stated when figures are reported).
Grade	Quality, Assay, Analysis (Value)	Any physical or chemical measurement of the characteristics of the material of interest in samples or product. The units of measurement should be stated when figures are reported.
Metallurgy	Processing, Beneficiation, Preparation, Concentration	Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.
Recovery	Yield	The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.
Mineralisation	Type of deposit, orebody, style of mineralisation.	Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of deposit, mode of occurrence, genesis or composition.
Ore Reserves	Mineral Reserves	'Ore Reserves' is preferred under the Code but 'Mineral Reserves' is in common use in other countries and is generally accepted. Other descriptors can be used to clarify the meaning e.g. coal reserves, kaolin reserves etc.
Cut-off grade	Product specifications	The lowest grade, or quality, of mineralized material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define acceptable product specifications.
Pre-feasibility		A level of study where confidence in modifying factors ranges from 20% to 30% margin of error. It has a higher level of confidence than scoping study which requires only conceptual information but has a lower level of confidence than definitive feasibility study which is based on more detailed information.

THE PHILIPPINE STOCK EXCHANGE, INC.



Francisco Ed. Lim
President and CEO



Roel A. Refran
VP and General Counsel

SECURITIES AND EXCHANGE COMMISSION



Vicente Graciano P. Felizmenio, Jr.
OIC, Market Regulation Department



