MEMORANDUM No.2008-0406

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer Systems Update
_____	Membership Rules	_____	Administrative Matters
_____	Listing Rules	X	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

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
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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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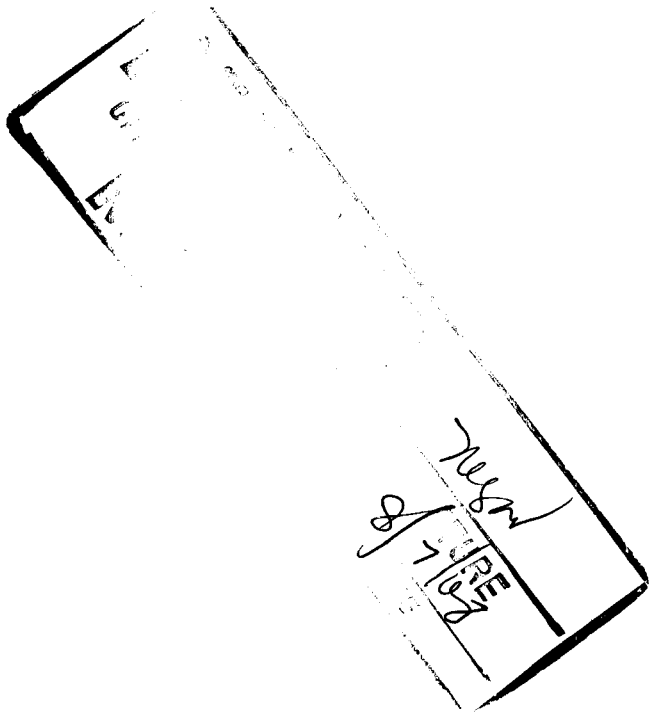


Foreword

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.

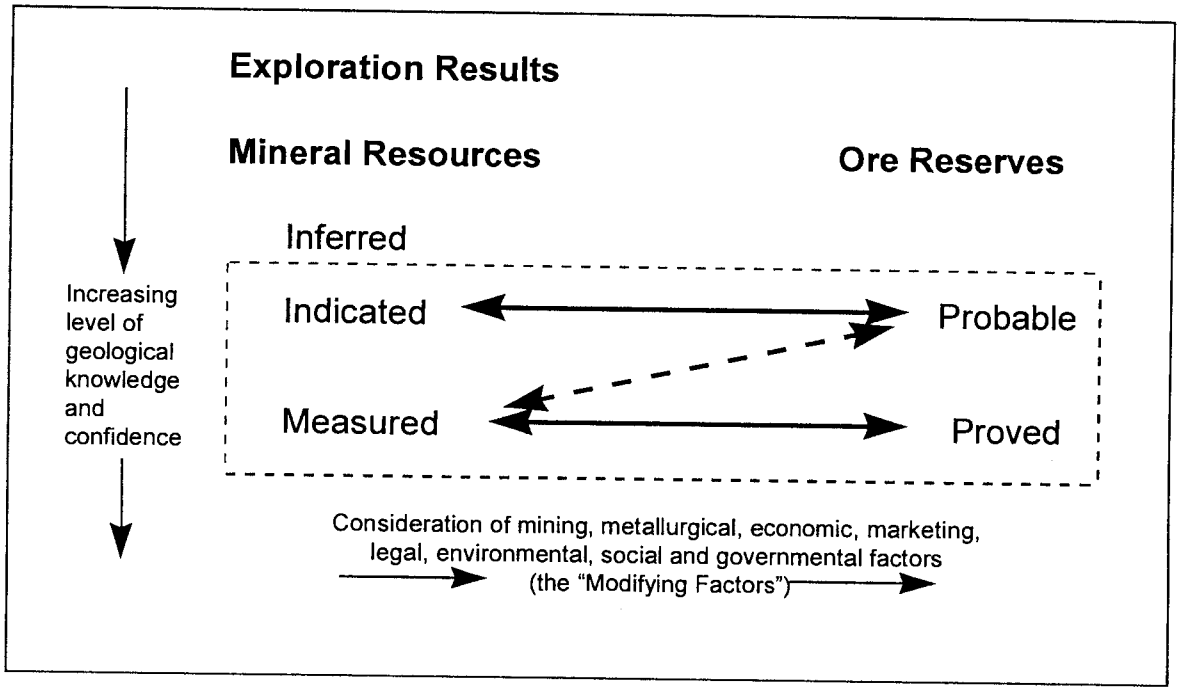
The term 'Modifying Factors' is defined to include mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations.

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.

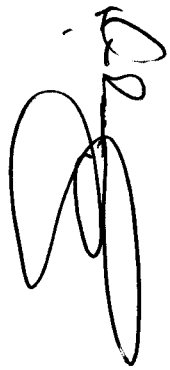
    Cut-off grades chosen for the estimation should be realistic in relation to the style of mineralization.

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.

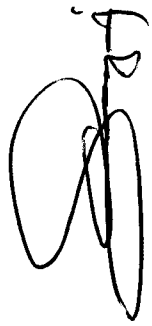
Table 1
Checklist of Assessment and Reporting Criteria

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 *(criteria in this group apply to all succeeding groups)*	
Sampling techniques.	▪ *Nature and quality of sampling (eg. cut channels, random chips etc.) and measures taken to ensure representative nature of samples.*
Drilling techniques.	▪ *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.	▪ *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.	▪ *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.	▪ *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	▪ *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	▪ *The verification of significant intersections by either independent or alternative company personnel.* ▪ *The use of twinned holes.*

Criteria	Explanation
Location of data points.	▪ *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.	▪ *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.	▪ *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.	▪ *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.	▪ *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.	▪ *Acknowledgment and appraisal of exploration by other parties.*
Geology.	▪ *Deposit type, geological setting and style of mineralization.*
Data aggregation methods.	▪ *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.	▪ *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.	▪ *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.	▪ *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.	▪ *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.	▪ *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)*	
Database integrity.	▪ *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.*
Geological interpretation.	▪ *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.*
Dimensions.	▪ *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.*
Estimation and modelling techniques.	▪ *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.*
Moisture.	▪ *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*
Cut-off parameters.	▪ *The basis of the adopted cut-off grade(s) or quality parameters applied.*
Mining factors or assumptions.	▪ *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.*
Metallurgical factors or assumptions.	▪ *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.*
Bulk density.	▪ *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.*
Classification.	▪ *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.*
Audits or reviews.	▪ *The results of any audits or reviews of Mineral Resource estimates.*

Criteria	Explanation
Discussion of relative accuracy/ confidence.	▪ *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.* ▪ *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.* ▪ *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*
Estimation and Reporting of Ore Reserves *(criteria listed in the first group, and where relevant in other preceding groups, apply also to this group)*	
Mineral Resource estimate for conversion to Ore Reserves.	▪ *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* ▪ *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*
Study status.	▪ *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* ▪ *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.*
Cut-off parameters.	▪ *The basis of the cut-off grade(s) or quality parameters applied.*
Mining factors or assumptions.	▪ *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).* ▪ *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.* ▪ *The assumptions made regarding geotechnical parameters (eg. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* ▪ *The major assumptions made and Mineral Resource model used for pit optimization (if appropriate).* ▪ *The mining dilution factors, mining recovery factors, and minimum mining widths used.* ▪ *The infrastructure requirements of the selected mining methods.*
Metallurgical factors or assumptions.	▪ *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* ▪ *Whether the metallurgical process is well-tested technology or novel in nature.* ▪ *The nature, amount and representativeness of metallurgical testwork undertaken and the metallurgical recovery factors applied.* ▪ *Any assumptions or allowances made for deleterious elements.* ▪ *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.*
Cost and revenue factors.	▪ *The derivation of, or assumptions made, regarding projected capital and operating costs.* ▪ *The assumptions made regarding revenue including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, etc.* ▪ *The allowances made for royalties payable, both Government and private.*
Market assessment.	▪ *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* ▪ *A customer and competitor analysis along with the identification of likely market windows for the product.* ▪ *Price and volume forecasts and the basis for these forecasts.* ▪ *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*

Criteria	Explanation
Other.	▪ *The effect, if any, of natural risk, infrastructure, environmental, legal, marketing, social or govemmental factors on the likely viability of a project and/or on the estimation and classification of the Ore Reserves.* ▪ *The status of titles and approvals critical to the viability of the project, such as mining leases, discharge permits, govemment and statutory approvals.*
Classification.	▪ *The basis for the classification of the Ore Reserves into varying confidence categories.* ▪ *Whether the result appropriately reflects the Competent Person(s)' view of the deposit.* ▪ *The proportion of Probable Ore Reserves which have been derived from Measured Mineral Resources (if any).*
Audits or reviews	▪ *The results of any audits or reviews of Ore Reserve Estimates*
Discussion of relative accuracy/ confidence.	▪ *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.* ▪ *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.* ▪ *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*

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

MEMORANDUM No.2010-0501

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer Systems Update
_____	Membership Rules	_____	Administrative Matters
_____	Listing Rules	X	Others: **Philippine Mineral Reporting Code**

To : **THE INVESTING PUBLIC AND TRADING PARTICIPANTS**

Subject : **IMPLEMENTING RULES AND REGULATIONS OF THE PHILIPPINE MINERAL REPORTING CODE**

Date : **October 27, 2010**

Please be informed that in a letter dated October 21, 2010, the Securities and Exchange Commission provided the Exchange a copy of the approved Implementing Rules and Regulations ("IRR") of the Philippine Mineral Reporting Code.

Attached herewith is the official copy of the IRR and its annexes.

For your information and guidance.

VAL ANTONIO B. SUAREZ
President & CEO

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
SECURITIES AND EXCHANGE COMMISSION
SEC Bldg. EDSA, East Greenhills, Mandaluyong City

MARKET REGULATION DEPARTMENT

October 21, 2010

PHILIPPINE STOCK EXCHANGE INC.
PSE Plaza
Ayala Triangle
Makati City
Fax: 891-4100

Attention: Atty. Joselito Banaag, General Counsel

Gentlemen:

Attached are two (2) copies of the approved ***PSE Implementing Rules and Regulations of the Philippine Mineral Reporting Code***, bearing the signatures of PSE representatives and countersigned by the Director, Market Regulation Department, SEC.

Very truly yours,

JOSE P. AQUINO
Director

THE PHILIPPINE STOCK EXCHANGE, INC.

IMPLEMENTING RULES AND REGULATIONS OF THE PHILIPPINE MINERAL REPORTING CODE

1.0 FOREWORD

The Philippine Mineral Reporting Code ("PMRC" or the "Code") dated July 1, 2007 sets minimum standards and guidelines for Public Reports of Exploration Results, Mineral Resources, Ore Reserves, and Metallurgical assessments and design related to mining in the Philippines. The Code is compatible with international standards. The formulation of the PMRC relied on the international codes from Australia, particularly the JORC Code (2004) of Australia, South Africa, European Union, Canada and the International Reporting Template (2006) by the Committee for Mineral Reserves International Reporting Standard (CRIRSCO).

The Implementing Rules and Regulations of the PMRC ("IRR") by The Philippine Stock Exchange, Inc. ("PSE" or the "Exchange") is based on the Code. Should the Code be amended, the PSE will update the IRR correspondingly.

The IRR provides listed mining and exploration companies and those applying to list in the Exchange with implementing guidelines and pro-forma outlines for complying with the reporting standards provided in the Code. The IRR aims to protect the investors by requiring full disclosure of material information, including economic viability of the property of the covered companies and prohibiting the disclosure of misleading information. The IRR adopts the PMRC principles of materiality, transparency and competence.

2.0 APPLICABILITY

The PMRC and its IRR shall apply to the following listed companies and those applying to list in the Exchange:

2.1. Companies whose primary purpose is to engage in mining, mineral development, or exploration activities;
2.2. Companies classified under the mining sector;
2.3. Companies who regularly engage in mining or exploration activities;
2.4. Companies with an equity or participating interest in companies or partnerships regularly engaged in mining or exploration activities, the value of which is at least ten percent (10%) of the book value of the listed company; or
2.5. Such other companies as may be determined by the Exchange to ensure full, fair and accurate disclosures of material information.

3.0 GLOSSARY OF TERMS AND ACRONYMS

3.1. **Accredited Professional Organizations (APOs)** refer to professional organizations in the mining, geosciences and metallurgical fields, accredited by the Professional Regulation Commission (PRC) consisting of the Geological Society of the Philippines (GSP), Philippine Society of Mining Engineers (PSEM), and Society of Metallurgical Engineers of the Philippines (SMEP).

3.2. **Beneficial Ownership of Securities** means any person considered as a "beneficial owner" under Securities Regulation Code (SRC) Rule 3 on the Definition of Terms Used in the Rules and Regulations.

3.3. **Competent Person (CP)** is a person who is a duly-licensed professional and is an active Member or Fellow of PSEM, GSP or SMEP, duly accredited as a CP by the professional organization to which he/she belongs, or of a Recognized Overseas Professional Organization (ROPO) included in a list promulgated as the need arises, subject to the professional laws supervised by the PRC. The accreditation of ROPOs is the responsibility of the APOs where reciprocal arrangements are considered. He/she must have a minimum of five (5) years experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which that person is undertaking.

3.4. **Cut-off Grade** is the lowest grade of a contained element or metal which will make its recovery from the Mineral Resource economic. The Cut-off Grade is calculated from realistically estimated relevant costs of its production, which includes mining, ore beneficiation, processing, management, environmental mitigation, social development, royalty, etc., and its reasonably assumed market price. It may also refer to the lower limit of grade values that delineate the mineralization or Mineral Resource.

3.5. **Data Validation** is a process of establishing integrity of verified data for use in the current assessment. It is essential that previous data intended to be used in the current Mineral Resource and/or Ore Reserves estimation are validated through a field check sampling program of a scale that would demonstrate that the data could be reliably used.

3.6. **Data Verification** is a process of confirming that the data used were generated with "best practice procedures", accurately transcribed from the reference and is suitable to be used. It is essential that original data are checked and that their integrity and credibility are demonstrated.

3.7. **Disclosure** is any, Public Report, structured or unstructured report submitted to the Exchange in accordance with the Revised Disclosure Rules. Disclosures include, but are not limited to, reports, announcements, notices, letters, press releases and such other documents containing material information.

3.8. **Exploration Results** are the data, information, interpretation, synthesis obtained from Mineral Exploration, or 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.

3.9. **Feasibility Study** is a project study to determine the economic viability of mining a mineral deposit or group of deposits. The two stages of a Feasibility Study are:

3.9.1 **Pre-Feasibility Study (or Preliminary Feasibility Study)** is the assessment of the Indicated and/or Measured Mineral Resources to determine if it can be considered as an Ore Reserve that can be mined at a profit by taking into consideration relevant parameters such as: (a) realistically estimated costs of mining; ore beneficiation; other relevant engineering activities; management including legal, environmental and social matters to produce the desired element/mineral, and (b) taxes/fees as well as (c) its realistically assumed market price. The accuracy of the Pre-Feasibility study is ±30 percent.

3.9.2 **Final Feasibility Study** is the detailed assessment to ascertain the technical reliability and economic viability of a mining project covering the Ore Reserve verified by the Preliminary Feasibility Study to come up with a sound investment decision and realistic financing plan. The Final Feasibility Study mainly consists of detailed audit of all geological, engineering, and the other relevant parameters considered in the Preliminary Feasibility Study.

3.10. **Historical Estimate** refers to an estimate of Mineral Resources or Ore Reserves declared or reported prior to the PMRC on July 1, 2007.

3.11. **IRR** means the Implementing Rules and Regulations of the PMRC by the PSE.

3.12. **Issuer** is a company listed or applying to list in the PSE.

3.13. **Metal Equivalents** are used by companies to report polymetallic contents of mineral deposits outlined during exploration and converted in terms of a single equivalent grade of one major metal in the deposit.

3.14. **Mineral Exploration** means searching or prospecting for Mineral Resources by geological, geochemical and/or geophysical surveys, remote sensing, test pitting, trenching, drilling, subsurface sampling and other related means for the purpose of determining their existence, quantity and quality. The usual stages of Mineral Exploration are:

3.14.1 **Phase I. Prospecting and Preliminary Exploration** is an initial exploration activity. The main activities consist of rapid reconnaissance geologic mapping and widely spaced geochemical sampling of stream sediments, soils and rocks and remote sensing and airborne geophysical surveys, at times. The objectives are to locate surface and near-surface indications of mineralization and to obtain initial data on the general geology of the exploration area, characteristics of the minerals of interest and range of concentration of the contained elements.

3.14.2 **Phase II. Exploration** is follow-up work done after Prospecting and Preliminary Exploration (Phase I). The main activities consist of geologic mapping and geochemical sampling at widely spaced observation and sampling points, including ground geophysical survey in selected places,

as well as limited trenching/pitting and/or drilling. The objective is to verify the existence of significant mineralization and initially delineate the lateral extent and depth of the mineral deposit, as well as roughly estimate its quantity (tonnage) and quality (grade). The desired target is **Inferred Mineral Resource**.

3.14.3 **Phase III. Semi-detailed Exploration** is conducted to delineate the area and depth extent of the mineralization. The main activities consist of geologic mapping and geochemical sampling at closely spaced observation and sampling points, soil grid sampling, and closely spaced drilling in the delineated mineralized areas. Other specialized exploration techniques are also applied such as geophysics. The objective is to be able to estimate the volume, tonnage and grade with **reasonable level of confidence**. The desired target is **Indicated Mineral Resource**.

3.14.4 **Phase IV. Detailed Exploration** is conducted to delineate **with a high level of confidence** the volume, tonnage and grade of the mineral deposit. The main activities consist of detailed geologic mapping and geochemical sampling at closer spaced and adequate observation points, and additional extensive/intensive drilling in the highly mineralized areas. The desired target is **Measured Mineral Resource**.

3.15 **Mineral Resource** refers to the 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 and sampling. Mineral Resources are subdivided in the order of increasing geological confidence, into Inferred, Indicated and Measured categories.

3.15.1 **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. *(Section VII, Clause 20, PMRC)*

3.15.2 **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. *(Section VII, Clause 21, PMRC)*

3.15.3 **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. *(Section VII, Clause 22, PMRC)*

3.16 **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 Preliminary 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 Preliminary 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 the order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. *(Section VIII, Clause 28, PMRC)*

3.16.1 **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 Preliminary 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. *(Section VIII, Clause 29, PMRC)*

3.16.2 **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. *(Section VIII, Clause 30, PMRC)*

3.17 **Potential and Targets** are tonnage and grade statements, from Mineral Exploration data, that have not been geologically and/or physically delineated to be included in the resource categories of PMRC.

3.18 **Public Reports**[1] include, but are not limited to, company annual reports, quarterly reports and other reports to PSE, or as required by law. It also applies to other publicly released company information in the form of postings on company web sites and briefing to shareholders, stockbrokers and investment analysts.

3.19 **Technical Report** is a Public Report on Exploration Results, Mineral Resources or Ore Reserves, prepared by a CP or CPs and compliant with the PMRC.

4.0 DISCLOSURES

4.1 All Disclosures of geological, mining, metallurgical and related technical information made by the Issuer on the mineral project or property and material to the Issuer must be based upon the information prepared by or under the supervision of a PMRC-Competent Person(s). The following information must be submitted to the Exchange whenever a Disclosure is made:

4.1.1 The name, address and occupation/profession of the CP.

4.1.2 Validity of the CP accreditation – certificate issued by the APO, Valid CP Registration (APO).

4.1.3 The relationship of the CP to the Issuer (e.g. corporate position, consultant), and the number of shares (and/or options, warrants) that a CP beneficially owns, if any, in the Issuer's shares certified by the Issuer's Corporate Secretary.

4.1.4 The CP must also disclose other relationships with the Issuer, such as but not limited to:

a. being a holder of tenement rights which is the subject of the Disclosure
b. landlord-lessee relationship of land and/or infrastructure which has bearing on the Disclosure

4.1.5 The title and date of the Technical Report on which the Disclosure is based

4.1.6 Consent of the CP

a. The CP must provide his consent to the public filing of the Technical Report, and to extract from, or a summary of, the Technical Report in the written Disclosure being filed in the context that it was reported.
b. The CP should state that he has carefully reviewed the written Disclosure being filed, press releases and including management analysis; that it fairly and accurately represents the information

[1] PMRC Section 5

embodied in the Technical Report; and that at the time of the report, to the best of the CP's knowledge, all technical information that is required to make the report not misleading has been included.

4.2 Disclosures should include Data Verification and Data Validation. The following information must be included:

4.2.1 A statement whether a CP has verified and validated the data disclosed which includes any, but not limited to, the following:
a. sampling data
b. sample handling
c. analytical data
d. quality assurance and quality control data
e. opinions supporting the technical information in the Disclosure

4.2.2 Description of how the data was verified and any limitations on the verification process.

4.2.3 Explanation of any failure to verify the data.

4.3 Disclosure of Exploration Results, Mineral Resources and Ore Reserves

4.3.1 Exploration Results

a. Disclosure of exploration results should be reported by a CP Geologist.
b. Disclosures of geological, mining and related technical information in writing on exploration results material to the Issuer must include the information that are based on the checklist on Sampling Techniques and Data, and Reporting Exploration Results in Table 1 of the PMRC.

4.3.2 Mineral Resources and Ore Reserves

a. Disclosures of Mineral Resources should be reported on by a CP Geologist.
b. Disclosures of Ore Reserves should be reported on by a CP Mining Engineer.
c. Disclosures on metallurgy which is part of the Feasibility Study of a mineral project should be reported on by a CP Metallurgical Engineer.
d. The Issuer should report Mineral Resources and Ore Reserves separately. The Issuer shall report which Mineral Resource and Ore Reserve categories are included in the total Mineral Resources and Ore Reserves disclosed.
e. The Issuer must not include Inferred Mineral Resources in the other categories of Mineral Resources in disclosing total Mineral Resource for the Pre-Feasibility Study or Final Feasibility Study. Inferred Mineral Resources may be included in the list of resources but should be labeled as such.

f. Each category of the Mineral Resources and Ore Reserves disclosed must be reported with the corresponding tonnage and grade.
g. The Cut-off Grades used for estimating Mineral Resources and Ore Reserves must be disclosed.
h. A Pre-Feasibility or Final Feasibility Study is required in declaring Ore Reserves.
i. Disclosures of geological, mining, metallurgical and related technical information in writing on Mineral Resources and Ore Reserves material to the Issuer must include the information that are compliant to the checklist on Estimation and Reporting of Mineral Resources, and, Estimation and Reporting Ore Reserves in Table 1 of the PMRC.

4.3.3 "Potential" or "Target" is an indication of the presence of a mineral deposit not suitable to be classified as part of the Mineral Resources disclosed. The Issuer must disclose that the potential grade and quantity of the resource is non-PMRC compliant as it is conceptual in nature and that there has been insufficient exploration to define Mineral Resources. The Issuer should disclose that it is uncertain if further exploration will result in the delineation of the deposit as a Mineral Resource. The Issuer must state the basis on which the disclosed potential quantity and grade has been determined.

4.4 Prohibited Disclosures

4.4.1 If tonnage, grade or quality of a mineral or contained metal of a deposit is not categorized according to the PMRC Mineral Resources and Ore Reserve categories

4.4.2 Economic studies that includes Inferred Mineral Resources

4.4.3 Historical Estimate which is not adequately subjected to Data Verification and Data Validation. Such Historical Estimate should not be used in current Mineral Resource or Ore Reserve estimates. However, the Issuer may disclose Historical Estimate:

a. as part of previous work done in the property,
b. if the source and date of the Historical Estimate are identified,
c. if comments on the relevance, integrity and reliability of the Historical Estimate are provided, and
d. if Issuer states the Mineral Resources and Ore Reserve categories originally used and if they are different from the PMRC categories

4.4.4 Disclosures of economic value of Mineral Resources and Ore Reserves without a Feasibility Study

4.4.5 Disclosures of Mineral Resources, Ore Reserves and economic value at a Cut-off Grade of zero

4.4.6 Unqualified "Metal Equivalents" Disclosures. However, Metal Equivalents may be disclosed provided the following are included in the Disclosure:

a. The assay of each metal is included in the Metal Equivalent disclosure
b. The assumed commodity prices used in arriving at the Metal Equivalent grade
c. The assumed mining and metallurgical recoveries for all metals and their bases
d. A clear statement that all the elements included in the Metal Equivalent grade calculation have a reasonable potential to be recovered
e. The calculation formula for arriving at the Metal Equivalent grade

5.0 TECHNICAL REPORT

5.1 Events requiring a Technical Report:

5.1.1 Exploration Companies

a. Application for initial listing in the Exchange
b. Any capital-raising activity conducted in the Exchange, such as Initial Public Offering, Follow-on Offering and Stock Rights Offering
c. When reporting Mineral Resources and/or Ore Reserves for the first time
d. When there is a 100 percent increase or 50 percent drop in the Mineral Resources (Indicated and/or Measured) and/or Ore Reserves of the Issuer.

5.1.2 Companies at Development Stage

a. Application for initial listing in the Exchange
b. Any capital-raising activity conducted in the Exchange, such as Initial Public Offering, Follow-on Offering and Stock Rights Offering
c. When reporting Mineral Resources and/or Ore Reserves for the first time
d. Submission of a Final Feasibility Study

5.1.3 Operating Mines

a. Application for initial listing in the Exchange
b. Any capital-raising activity conducted in the Exchange, such as Initial Public Offering, Follow-on Offering and Stock Rights Offering
c. When reporting Mineral Resources and/or Ore Reserves for the first time
d. When there is a 100 percent increase or 50 percent drop in the Mineral Resources and/or Ore Reserves of the Issuer from the most recent Technical Report prepared by a CP.

5.2 General requirements for Technical Report

5.2.1 It should follow the report outline format as detailed in Annex I and II of this IRR.

5.2.2 It must be prepared in accordance with the PMRC and this IRR.

5.2.3 It must be prepared or supervised by a CP/s who is/are accredited by the relevant APO: GSP, PSEM or SMEP.

5.2.4 The CP(s) shall assume full responsibility for the Technical Report he/she/they has/have prepared or prepared under his/her/their supervision.

5.3 Author of a Technical Report

5.3.1 The Technical Report must be prepared by or under the supervision of one or more CPs.

5.3.2 Basic qualifications of a CP:

a. PRC-licensed professional (geologist, mining engineer or metallurgical engineer)
b. Member of good standing of his/her respective professional society (GSP, PSEM or SMEP)
c. Has relevant experience of at least five (5) years on the type of mineralization and technical scope being considered[2]
d. Duly accredited as a CP by the proper professional society (GSP, PSEM or SMEP)
e. Validity of the PRC license, membership with the APOs, and CP accreditation must be current/updated

5.3.3 If a specialist professional who is not a CP is engaged to cover certain facets of the preparation of the report, the supervising CP should take responsibility for the work of the said professional.

5.3.4 The Technical Report must be signed by each of the CPs. The date of the Technical Report must be stated.

5.3.5 The Technical Report must be prepared by the CP-in-charge or under his/her direct supervision as follows:

a. Exploration Results and/or Mineral Resources should be prepared by a CP Geologist;
b. Ore Reserves should be prepared by a CP Mining Engineer;
c. Data on metallurgy should be prepared by a CP Metallurgist.

[2] PMRC Section 10

5.4 Preparation of a Technical Report

5.4.1 A Technical Report must be prepared on the basis of all available data relevant and material to the Disclosure that it supports.

5.4.2 Before an Issuer files a Technical Report, the Issuer must have the CP, or a professional under the CP's supervision, complete a current inspection of the property that is the subject of the Technical Report.

5.4.3 The Issuer must diligently keep records of verifiable data such as assay and other analytical certificates, drill core splits, sample rejects, drill core logs and other information referenced in the Technical Report or used as a basis for the Technical Report.

5.5 Certificates and consents of CPs for Technical Reports

5.5.1 When filing a Technical Report, the Issuer must file certificates of each CP responsible for preparing or supervising the preparation of the Technical Report, and must be signed and dated by the CP(s).

5.5.2 The CP should prepare a certificate which must state the following:

a. Name, address and occupation of the CP
b. CP accreditation must be valid at the time of certification is filed.
c. Title and date of the Technical Report to which the certificate applies
d. That at the time of the report, to the best of the CPs knowledge, all technical information that is required to make the report not misleading has been included
e. Which part of the report was prepared by each CP
f. The relationship of the CP to the Issuer and the CP must declare any Beneficial Ownership of Securities, if any, in the Issuer

5.5.3 When filing a Technical Report with the Exchange, the Issuer must file a statement indicating the scope of work of each of the CPs responsible for preparing or supervising the preparation of each portion of the Technical Report, dated and signed by the CP(s).

5.5.4 The CP must provide his consent to the public filing of the Technical Report, extracts there from, or a summary of, the Technical Report in the written Disclosure being filed and in the context that it was reported.

5.5.5 The CP should state that he has carefully reviewed the written Disclosure being filed and that it fairly and accurately represents the information embodied in the Technical Report the CP has prepared or supervised that supports the Disclosure.

5.6 Technical Report format

5.6.1 The Technical Report provides a summary of geological, mining and related technical information on Mineral Exploration, development and

production activities on a mineral property that is material to the Issuer. TR–FORM 1 to 3, in ANNEX II set out specific guidelines for the preparation and contents of the Technical Reports.

5.6.2 The CP preparing the Technical Report should follow the headings listed in TR–FORM 1 to 3, in ANNEX II and may create sub-headings, if required. If unique or infrequently used technical terms are required, clear and concise explanations must be included. Headings and subheadings that are not applicable may be omitted.

5.6.3 No Disclosure need be given in respect of inapplicable items and, unless otherwise required by the TR-Forms, negative answers to items may be omitted. Disclosure included under one heading is not required to be repeated under another heading.

6.0 PENALTIES

The penalties under the Revised Disclosure Rules shall apply to violations of the PMRC and the IRR.

THE PHILIPPINE STOCK EXCHANGE, INC.

VAL ANTONIO B. SUAREZ
President & CEO

JOSELITO V. BANAAG
General Counsel and
OIC, Issuer Regulation Division

SECURITIES AND EXCHANGE COMMISSION

JOSE P. AQUINO
Director
Market Regulation Department

ANNEX I

Philippine Mineral Reporting Code

A copy of the Philippine Mineral Reporting Code is available for downloading at the PSE website (www.pse.com.ph).

ANNEX II

GUIDELINES IN THE PREPARATION OF TECHNICAL REPORTS

These guidelines are intended to provide the form and content of the Technical Report required by PSE to comply with the PMRC. It is also a checklist of topics considered important in the assessment of exploration and mining projects. Some topics may not be relevant to the type of deposit being considered. Likewise there may also be topics or features of the project that may be relevant and should be included and which is not listed here. It is the responsibility of the CP or CPs to decide on the relevant topics to be included. The aim is to provide a concise and accurate account of the project. TR-Form 01 provides the format for exploration and/or Mineral Resources reports, TR-Form 2, for economic assessment and Ore Reserve estimation, and TR-Form 03, for metallurgical engineering study and assessment on a mineral deposit.

TR-FORM 01	**OUTLINE OF TECHNICAL REPORT FOR EXPLORATION RESULTS AND MINERAL RESOURCES**
TR-FORM 02	**OUTLINE OF REPORT FOR ORE RESERVE ESTIMATION AND FESEABILITY STUDY**
TR-FORM 03	**OUTLINE OF REPORT FOR A METALLURGICAL ENGINEERING STUDY AND ASSESSMENT ON A MINERAL DEPOSIT**

TR-FORM 01

OUTLINE OF TECHNICAL REPORT FOR EXPLORATION RESULTS AND MINERAL RESOURCES

1.0 TITLE PAGE

- 1.1 Title of the Report
- 1.2 Include Location of the Project and Mining Rights Coverage (in the title)
- 1.3 Include Location of Project (in the title)
- 1.4 Name and professional designation of each of the CPs
- 1.5 Effective date of the Report

2.0 CERTIFICATES AND CONSENTS OF CPs FOR TECHNICAL REPORTS

- 2.1 Certificates and Consents of CPs for Technical Reports
- 2.2 Scope of Work of each CP involved
- 2.3 Reliance on Other Experts indicating therein objective, nature and coverage
- 2.4 Signatures of CP

3.0 EXECUTIVE SUMMARY

4.0 TABLE OF CONTENTS

- 4.1 Listing of the contents of the report
- 4.2 Listing of Figures and Tables
- 4.3 Listing of photographs if applicable
- 4.4 Listing of attachments or appendices

5.0 INTRODUCTION

- 5.1 Who commissioned the report preparation and to whom it should be submitted
- 5.2 Purpose for which the report was prepared
- 5.2 Scope of Work or Terms of Reference
- 5.3 Duration of the preparation, including field visits and verification
- 5.4 Members of the Technical Report preparation team
- 5.5 Host company representative
- 5.6 Compliance of report with PMRC

6.0 RELIANCE ON OTHER EXPERTS OR CPs

- 6.1 If a CP relied on the report, opinion, statement of a legal or another expert, who is not a CP on matters pertaining to the mineral project, the CP may include a disclaimer of responsibility on such information incorporated in the Technical Report.

7.0 TENEMENT AND MINERAL RIGHTS

7.1 Description of mineral rights

- 7.1.1 Location of area, Barangay, Municipality, Province
- 7.1.2 Coordinate locations as per MGB
- 7.1.3 Number of claims and hectares covered by EP/MPSA/FTAA mode of agreement
- 7.1.4 Type of permit or agreement with government

7.2 History of mineral rights
7.3 Current owners of mineral rights
7.4 Validity of current mineral rights (state date of validity of rights at the date of reporting)
7.5 Agreements with respect to mineral rights.
7.6 In order to make clear the net revenue that may be derived from the project, include the following:

- 7.6.1 Royalties, taxes, advances and similar payments paid or to be paid by the company to the mineral rights holder, joint venture partner(s), government, indigenous people, local government, and others
- 7.6.2 Receivables and payable sums to the company and mineral rights holder.

8.0 GEOGRAPHIC FEATURES

8.1 Location and accessibility
8.2 Topography, physiography, drainage and vegetation
8.3 Climate, population
8.4 Land Use
8.5 Socio Economic Environment
8.6 Environmental features

9.0 PREVIOUS WORK

9.1 History of previous work
9.2 Briefly describe essential work done by previous workers
9.3 Conclusions of each of the previous workers

10.0 HISTORY OF PRODUCTION

10.1 Production history of district and area, if any
10.2 Which areas were mined within the subject tenement area
10.3 General description of mining, ore beneficiation, concentrate, mineral product market
10.4 Tonnage mined and sold

11.0 REGIONAL AND DISTRICT GEOLOGY

11.1 Regional Geologic Setting

11.2 Stratigraphy
11.3 Structural Geology
11.4 Mineralization location(s) and general description
11.5 Historical Geology

12.0 MINERAL PROPERTY GEOLOGY

12.1 Geological work undertaken by the company in the property, to include scale of mapping and laboratory tests undertaken for the samples
12.2 Rock types and their geological relationships
12.3 Description of various geological structures and their trends

13.0 MINERALIZATION IN THE MINERAL PROPERTY

13.1 Overview of the mineralization (as per reference reports)
13.2 Type of mineralization as mapped
13.3 Style of mineralization
13.4 Wall rock alteration, paragenesis
13.5 Geological structures
13.6 Localization of the deposit
13.7 Length, width, depth of mineralization
13.8 Element grade levels and patterns
13.9 Development of "ore shoots"
13.10 Continuity of mineralization

14.0 EXPLORATION

14.1 Geological work (by Issuer)

- 14.1.1 Geological data generated from mapping and surface sampling
- 14.1.2 Geological map and sections
- 14.1.3 Sample location map

14.2 Surface sampling (Refer to PMRC Table 1)

- 14.2.1 Outcrop sampling (grab or measured)
- 14.2.2 Trench sampling (measured vertical, horizontal, etc)
- 14.2.3 Test pit sampling (measured vertical, horizontal, etc)

14.3 Drilling and sampling (Refer to PMRC Table 1)

- 14.3.1 Describe type of drilling program (DDH, RC drilling, auger, etc)
- 14.3.2 Drill site spacing, depth of drilling
- 14.3.3 Describe Core logging, (lithological, core recovery, specific gravity, geotechnical, etc)
- 14.3.4 Drill sample method and interval (regular interval or composite)
- 14.3.5 Drill core photographs

14.4 Exploration Geochemistry (by Issuer or previous work)

14.4.1 Describe geochemical survey type: drainage, soil, rock, vegetation, bogs, etc.
14.4.2 Describe sampling and analytical methods employed
14.4.3 Define background, threshold and anomaly levels for the elements determined
14.4.4 Apply synthesis and interpretive techniques (for single and multi element) to bring out significant geochemical features related to mineralization.
14.4.5 Describe geochemical anomalies detected
14.4.6 Relate geochemical findings to geology and mineralization.

14.5 Applied Geophysics (by Issuer or previous work)

14.5.1 Describe geophysical method used and objective of the survey
14.5.2 Describe the whether a geophysical contractor, independent consultant or an in-house staff was engaged in the conduct of the geophysical survey
14.5.3 Describe equipment used, its limitations and the survey parameters adopted
14.5.4 Describe how it was carried out (design of stations with respect to mineralization trends).
14.5.5 Describe interpretive tools used
14.5.6 Discuss essential results with respect to the objective

14.6 Sample Preparation, Analyses and Security

14.6.1 Security and Chain of Custody of Samples
14.6.2 Preparation and assay facility (in-house, contracted or commercial)
14.6.3 Sample preparation (description)
14.6.4 Analytical methods used (describe types of methods employed and effective grade range)
14.6.5 Quality Assurance /Quality Control of sample preparation and analysis (demonstrate with data, the precision and accuracy of analytical determinations from internal and external control standards, and check assays)
14.6.6 Statement of the CP on the quality of sample security, preparation and analysis

15.0 MINERAL RESOURCES ESTIMATE

15.1 Mineral Resource Database used in the estimation of resources
15.2 Integrity of exploration and Mineral Resources database
15.3 Data Verification and Validation (limitations)
15.4 Cut-off Grades used in the estimations
15.5 Mineral Resource estimation method used

15.6 Mineral Resource categories used (PMRC/JORC)
15.6 Mineral Resources estimates

16.0 INTERPRETATION AND CONCLUSIONS

16.1 Synthesis of all the data
16.2 Discuss the adequacy of data, overall data integrity and areas of uncertainty.
16.3 Overall conclusions by the CP
16.4 The CP must discuss whether the completed project met the objectives set forth.

17.0 RECOMMENDATIONS

17.1 Based on the Summary and Conclusions, a series of recommendations are made to guide management on the course of action to take. Be it positive or negative, the CP should ascertain that there is adequate reason for such recommendations.

18.0 REFERENCES

18.1 List of references used, whether published or unpublished

19.0 APPENDICES

19.1 List of tables
19.2 List of figures
19.3 List of photographs
19.4 Relevant Database used
19.5 Other relevant data

TR-FORM 2

OUTLINE OF REPORT FOR ECONOMIC ASSESSMENT AND ORE RESERVE ESTIMATION

1.0 TITLE PAGE

- 1.1 Title of the Report
- 1.2 Include Location of Project (in the title)
- 1.3 Name and professional designation of each of the CPs
- 1.4 Effective date of the Report

2.0 CERTIFICATES AND CONSENTS OF CPs FOR TECHNICAL REPORTS

3.0 EXECUTIVE SUMMARY

4.0 TABLE OF CONTENTS

5.0 INTRODUCTION

6.0 RELIANCE ON OTHER EXPERTS OR CPs

7.0 TENEMENT AND MINERAL RIGHTS

8.0 GEOGRAPHIC FEATURES

9.0 PREVIOUS WORK

10.0 HISTORY OF PRODUCTION

11.0 REGIONAL AND DISTRICT GEOLOGY[1]

12.0 MINERAL PROPERTY GEOLOGY

13.0 MINERALIZATION

14.0 EXPLORATION

15.0 QA/QC OF DATA USED

16.0 DECLARED MINERAL RESOURCES

17.0 ECONOMIC ASSESSMENT OF THE MINING PROJECT

[1] Sections 11 to 16 will be obtained/copied from a CP Geologist Report that will be attached in the Appendix of the CP Mining Engineer's Report.

17.1 Description of Mineral Resources estimates used as basis for conversion to Ore Reserves[2]
17.2 Type and Level of Feasibility Study
17.3 Brief Description of the Project

- 17.3.1 Planned mining and processing operations
- 17.3.2 Mining Method and capacity
- 17.3.3 Processing Method and capacity
- 17.3.4 Ore to be Mined / Product to be produced
- 17.3.5 Prospective Markets or Buyers
- 17.3.6 Estimated Mine Life
- 17.3.7 Total Project Cost/Financing
- 17.3.8 Production Cost / Production Schedule

17.4 Marketing Aspects

- 17.4.1 World Supply and Demand Situation
- 17.4.2 Prospective Markets or Buyers
- 17.4.3 Product Specifications
- 17.4.4 Price and Volume Forecasts
- 17.4.5 Sales Contract

17.5 Technical Aspects

17.5.1 Mining Plans

a. Mining method
b. Mine Design/Mining Parameters/Geotechnical Parameters
c. Mining Recovery, Dilution and Losses
d. Planned Capacity/Production Schedule/Estimated Life of mine
e. Working Schedule
f. List of Mining Equipment and Auxiliary Machinery/Mine Infrastructure
g. Mine Development Plans and Schedule

17.5.2 Processing Plans[3]

a. Metallurgical Test Works Results
b. Metallurgical Process Flowsheet/Process Plant Design
c. Materials Balance
d. Plant Capacity/Production Schedule
e. Plant Working Schedule
f. Product Specification

[2] A report on the Mineral Resource prepared by a CP Geologist used in the estimation of Ore Reserves.

[3] Metallurgical aspects of the Feasibility Studies should be undertaken by a CP Metallurgical Engineer. The relevant report will be integrated in the CP Mining Engineer's Report and also attached in the Appendix.

g. Tailings Specification
h. Tailings Dam Siting
i. List of Mill Machineries and Auxiliary Equipment
j. Mill Plant Layout

17.5.3 Mine Support Services

a. Power Source / Power Generation Plant
b. Mechanical Shop
c. Assay Laboratory
d. Industrial Water Supply
e. Availability of Alternative Sources of Mine Support Services

17.5.4 Environmental Protection and Management Plan

a. Environmental Impacts
b. Environmental Mitigating Measures
c. Environmental Infrastructures
d. Mine Closure Plan

17.5.5 Mine Safety and Health Plan

17.6 Financial Aspects

17.6.1 Total Project Cost Estimates and Assumptions

a. Engineering Study Cost
b. Exploration/Development Cost
c. Pre-Operating Overhead
d. Capital Equipment and Machinery
e. Allied Mine Facilities and Infrastructures
f. Environmental Equipment and Facilities
g. Interest During Construction
h. Working Capital
i. Contingencies

17.6.2 List of Capital Equipment and Works
17.6.3 Financial Plans/Sources of Funds
17.6.4 Production Cost Estimates and Assumptions

a. Mining Cost
b. Milling Cost
c. Marketing Cost
d. Mine Overhead Cost
e. Environmental Cost
f. Community Development Cost
g. Excise Tax
h. Head Office Overhead Cost
i. Royalty, if any

17.6.5 Government Financial Incentives, if any

a. BOI
b. PEZA

17.6.6 Basis of Revenue Calculation

a. Metallurgical Recovery
b. Selling Price
c. Exchange Rate
d. Smelters/Freight/Treatment Charges
e. Bonuses and Penalties
f. Percentage of LME Price Payable

17.6.7 Pro-forma Financial Statements

a. Balance Sheet
b. Profit and Loss
c. Cash Flow

17.6.8 Financial Analyses

a. Break Even Analysis
b. Sensitivity Analyses
c. Profitability Analyses (ROI, IRR, NPV, Payback Period)

17.7 Economic Aspects

17.7.1 Employment/management

a. Number, Nationality, Position and Annual Payroll
b. List of Key Personnel and their Qualification
c. Personnel Policies re Pay Scale
d. Table of Organization
e. Availability of Technical and Skilled Labor
f. Township/Housing

17.7.2 Community Development Plan
17.7.3 Socio-economic Contributions

17.8 Project Schedule

17.8.1 EPCM Contract
17.8.2 Construction Schedule

18.0 ORE RESERVES ESTIMATES

18.1 Database Used
18.2 Integrity of Database
18.3 Data Verification and Validation (limitations)

18.4 Ore Reserve Estimation Method Used
18.5 Ore Reserve Estimations

18.5.1 Ore Specific Gravity / Density
18.5.2 Mining Plans / Mining Recovery / Dilution Factor / Mining Losses
18.5.3 Relevant Production Costs considered
18.5.4 Basis of Revenue Calculation
18.5.5 Cut-off Grade Determination

18.6 Ore Reserve Classification Used
18.7 Ore Reserves Estimates

19.0 INTERPRETATION AND CONCLUSIONS

19.1 Synthesis of all the data
19.2 Discuss the adequacy of data, overall data integrity and areas of uncertainty.
19.3 Overall conclusions by the CP
19.4 The CP must discuss whether the completed project met the objectives set forth.

20.0 RECOMMENDATIONS

20.1 Based on the Summary and Conclusions, a series of recommendations are made to guide management on the course of action to take. Be it positive or negative, there must be adequate reason for such recommendations.

21.0 REFERENCES

21.1 List of references used, whether published or unpublished

TR-FORM 3

OUTLINE OF REPORT FOR A METALLURGICAL ENGINEERING STUDY AND ASSESSMENT ON A MINERAL DEPOSIT

This Annex provides the guidelines and template for the form and content of the Technical Report for metallurgical engineering studies and assessments conducted on mineral deposits during its mining life cycle, e.g., from discovery, exploration, assessment, mine and mill design, development, production and, through to its closure. The report prepared following this guideline is intended primarily to support the reporting of Exploration Results, Mineral Resources, and Ore Reserves as stipulated under the PMRC. The template, however, may also be used for stand-alone reports or for parts of more extensive studies like a conceptual study, a Preliminary Feasibility Study, or, a Final Feasibility Study for a mine project. Depending on the type/stage of the study, the report template may be adopted in whole or bullet points may be added or deleted as maybe necessary and applicable.

The preparation of the report following this guideline shall be undertaken by a CP accredited under the PMRC. In cases where the preparation of the report requires the involvement of other experts, who are either CPs or not, the preparation of the said report shall always be under the supervision of a CP. Reports following this guideline and signed off by an expert and licensed metallurgical engineers other than by an appropriate CP may not be used for the purposes of the PMRC.

1.0 TITLE PAGE

- 1.1 Title of the Report
- 1.2 Date and Revision Number of the Report
- 1.3 Official Issuance List of the Report

2.0 ROLES AND RESPONSIBILITIES

3.0 CERTIFICATES AND CONSENTS OF CPS FOR TECHNICAL REPORTS

- 3.1 Certificates and Consents of CPs for Technical Reports
- 3.2 Scope of Work of each CP involved
- 3.3 Reliance on Other Experts indicating therein objective, nature and coverage
- 3.4 Signatures of CP

4.0 TABLE OF CONTENTS

- 4.1 Listing of the contents of the report
- 4.2 Listing of Figures and Tables
- 4.3 Listing of Attachments, Appendices, exhibits, photographs, etc.

5.0 EXECUTIVE SUMMARY

Indicate the salient point of the study and assessment and the major results, conclusions and recommendations included therein.

6.0 INTRODUCTION

This section provides treatment of the following:

- 6.1 Who commissioned the report preparation and to whom it should be submitted
- 6.2 Purpose for which the report is prepared
- 6.3 Scope of Work or Terms of Reference
- 6.4 Duration of the Preparation, including field visits and verification
- 6.5 Members of the Technical Report preparation team
- 6.6 Host company representatives
- 6.7 Compliance of the report with the PMRC
- 6.8 Deliverables of the project

7.0 PROJECT LOCATION AND LOCAL INFRASTRUCTURES

This section provides a general description of the location, geography and site characteristics of the mineral property and/or the project location and other infrastructures thereon which may impact on the eventual flow sheet development. Such characteristics may include terrain, rainfall, and presence of water sources, among others. Reference should be made to works of CP-Geologist/CP-Mining.

8.0 CURRENT PROJECT STATUS OR STATE OF DEVELOPMENT

This section defines the current state of the development of the mineral property. The statements in this section may be generalized and is important that exploration and Mineral Resources report and/or Ore Reserve reports prepared by a CP Geologist/CP Mining from which the statements are derived should be cited.

- 8.1 Mining Rights and Project Approvals
- 8.2 Geology and Mineral Resources
- 8.3 Mining and Ore Reserves

9.0 MINERAL PROCESSING AND METALLURGICAL TEST WORKS

- 9.1 Introduction
- 9.2 Sampling and Sample Collection Program

  This shall include discussions on the origin of samples, type and nature of samples at every stage, samples collection procedures, protection of the samples from elements and natural aging of samples.

- 9.3 Mineralogical Characterization Studies

Studies of Minerals present, degrees of liberation and interlocking, extent of dissemination, size distribution of economic minerals and amount of alteration that may impact on amenability to treatment and recovery

9.4 Mineral and Metallurgical Test Program and Procedures

This section comprises descriptions of the test programs and references to procedures performed on the ore samples to obtain the desired test results as provided below.

9.5 Metallurgical Test Results and the Determination of Recoveries, Product Specifications, and Flow Process

Test results including those from the successful and unsuccessful tests may be included as the latter may be as meaningful as some of the good ones. The results of tests should be described and summary of those used as basis for the estimations of Mineral Resources as may be applicable in each of the categories under PMRC should be provided.

9.6 Development of Process Response Models

After completion of the testing program, models should be developed to predict ore response to different operating conditions like feed grade-recovery relationship, grind-recovery, and concentrate quality–ore type. These models will be useful for mine planning, production forecasting and financial modeling purposes.

10.0 SELECTION OF PROCESS ROUTES AND TECHNOLOGIES

10.1 Design Bases and Assumptions

Depending on the stage of the mining life cycle, the design of the metallurgical treatment of the mineral resource may be significantly based on technical assumptions and not on the results of actual tests performed on the ore samples. As the mining life progresses, the design bases should become more firm and accuracy of designs should improve. These design bases and assumptions should be explicitly stated in this section of the report.

10.2 Proposed Flow-sheets and Process Routes

Alternative flow sheets and process routes studied should be described providing thereof as much details as practicable.

10.3 Material and Energy Balance

This section should provide material and energy balances for each of the major process routes being considered for the treatment and processing of the ore resource.

11.0 PROCESS PLANT DESIGN, COST ESTIMATES AND IMPLEMENTATION SCHEDULE

This section describes the process routes being considered, the final design bases, plant layout, equipment listing, product and by-product specifications, the CAPEX and OPEX, the required infrastructures, among others. This section should be consistent with the overall mine life cycle including the actual mine design and development, among others.

11.1 Key Design Parameters
11.2 Plant Capacity and Production Schedule
11.3 Plant Layout and Operations Description
11.4 Product and by-product specifications
11.5 List of Capital Equipment and Works
11.6 Plant Infrastructures

This section describes the required infrastructures needed to support the continued and successful mill operations as proposed.

11.7 Capital Cost Estimates

The accuracy of the estimates should be consistent with the stage of the study and should be stated thereon.

11.8 Operating Cost Estimates

The operating cost estimates largely depend on the stage of the project and the tests conducted on the Mineral Resource.

11.9 Specifications, Standards and Codes

The CP shall specify the standards used in the report in reference to metallurgical engineering, materials, equipment, test procedures, environment, among others. The standards used may be Philippine or international, such as those of the United States, Australia, Canada, World Bank and ISO standards

12.0 OTHER PROJECT ELEMENT CONSIDERATIONS

Other important components and elements of the study not within the scope of the metallurgical study should be referred to in this section including, among others, environmental protection and management plan, social development plan, etc. and should be treated, together with the rest of the elements in a total systems approach. Other elements of the study should include water and water quality management plan and air quality management plan – this may be grouped in environmental protection but it should be specified explicitly as these two areas are very contentious issues.

13.0 PROJECT FINANCIAL PROJECTIONS AND ECONOMIC ANALYSIS

The economic and financial analysis of the project should be treated in this section whether it is part of the bigger mine and mill development study or a stand-alone study for the mill project.

14.0 CONCLUSIONS AND RECOMMENDATIONS

This should include a brief summary of the practical results of the study which will significantly impact on the overall mine and mill development project.

15.0 APPENDICES AND ANNEXES

This section should comprise the detailed test results, related information, more detailed treatment that those presented above.

MEMO FOR BROKERS NO. 220-2005

The Philippine Stock Exchange, Inc.

____	Disclosures	____	Stockholders' Meeting	Others:	Interpretation of
____	Dividend Notice	____	SEC / Gov't Issuance		Listing Rules
____	Stock Rights Notice	____	Transfer Agent's Notice		

Date : **September 8, 2005**
Subject : **Interpretation of the Listing Rules for Mining Companies**

Please be informed that in the meeting of the Board of Directors of the Exchange held on August 10, 2005, the Board approved the attached interpretation of the Listing Rules for processing the IPO application of mining companies.

For your information and guidance.

(Original Signed)
JURISITA M. QUINTOS
Senior Vice-President

ANNEX "A"

INTERPRETATION OF LISTING RULES FOR MINING COMPANIES

POLICY FRAMEWORK

The government's policy agenda, as contained in the Mineral Action Plan ("MAP") for the National Policy Agenda On Revitalizing Mining In The Philippines (Executive Order No. 270), is to revitalize the mining industry with the cooperation and support of all government agencies and private institutions.

One of the issues raised in the MAP is the restricted opportunity for mining exploration companies to be listed in the Exchange. The action plan of the Government to address the said concern is to liberalize listing of mining exploration companies in the Exchange. The lead institutions to address this issue are the SEC and the PSE.

The Exchange is cognizant of the high potentials of the mining industry. Thus, we are supportive of the government's thrust to develop the mining sector, particularly in helping mining companies to obtain capital through public offerings. At the same time, we recognize the paramount need to protect the investing public, noting the highly risky and speculative nature of mining operations. Consequently, the Exchange, pursuant to the disclosure-based policy under the SRC, shall ensure the full, fair, timely and accurate disclosure of all material information from mining companies listed in the Exchange

INTERPRETATION OF LISTING RULES FOR MINING COMPANIES

The Exchange adopts a liberal interpretation of the Listing Rules, specifically on the matter of compliance with the Operating History and Track Record requirements by an applicant mining company.

A mining company applying to list in the Exchange shall still comply with the Suitability Rule and the General Requirements for Initial Listing under the Revised Listing Rules of the Exchange.

Applicant-mining companies whose current activities consist solely of exploration and who may not meet the **Operating History and Track Record** requirement under the Admission for Listing may submit the following documentary requirements which shall be deemed **compliance** with the Operating History and Track Record requirement of the Exchange:

DOCUMENTARY REQUIREMENTS FOR MINING COMPANIES
1. **Certification from Mines and Geosciences Bureau ("MGB")** – The application for listing shall be supported by a certification from the MGB attesting that its mineral claims or rights as of the date of application are still valid; that they are being developed in accordance with the approved Work Program; and that the applicant has been complying

DOCUMENTARY REQUIREMENTS FOR MINING COMPANIES	
	with the reporting requirements of the MGB.
2.	**Geological Report on Mineral Resource and Reserve** – An applicant company must submit a report containing information regarding its mineral resource and/or reserve prepared and signed by a Competent Person, **jointly validated by the MGB Director or his duly appointed representative and a Philippine Professional Regulations Commission ("PRC") Accredited Professional Organization.** For purposes of this requirement, a Competent Person is a duly licensed Geologist and/or Mining Engineer duly accredited by a Professional Organization and the MGB as possessing the necessary competence in estimating mineral resources and reserve or the type of deposit being considered. If mineral resources and reserves are measured using foreign Mineral Resource and Reserves Standards the said report shall, at all times, be submitted to the MGB and the Accredited Professional Organization for validation prior to submission to the Exchange.
3.	Certified true copies of Exploration Permits, Mineral Agreements (Mineral Production-Sharing Agreement, Joint Venture Agreement, or Co-Production Agreement), Financial or Technical Assistance Agreement (FTAA) and Mining Project Feasibility, whichever is applicable.
4.	A Mines and Geosciences Bureau - approved Exploration/Construction/Utilization Work Program duly prepared and signed by a licensed Mining Engineer, Geologist or Metallurgical Engineer, whichever is applicable.
5.	**Quality of Management and Technical Competence of Applicant** - Proof of quality of management and of technical competence shall be submitted by the applicant showing, among others, the bio-data of the key management and technical personnel to undertake the activities indicating their professional experience in the field.
6.	**Working Capital and Financial Resources**- Proof of adequate working capital to carry on the approved work program, and appropriateness of capital structure.

PSE **MEMORANDUM** **CN_2021-0056**

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Trading
- ☐ Disclosure
- ☐ Listing
- ☐ Public Advisory
- ☐ Administrative/Technology Matters
- ☑ Others: **Effectivity of the 2020 PMRC**

TO : **THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

SUBJECT : **EFFECTIVITY OF THE 2020 PHILIPPINE MINERAL REPORTING CODE (2020 PMRC)**

DATE : **November 4, 2021**

Please be informed that in a letter dated September 13, 2021, the Securities and Exchange Commission ("SEC") informed the Exchange that on September 2, 2021, the SEC En Banc approved the 2020 Philippine Mineral Reporting Code ("2020 PMRC"), subject to compliance with certain requirements.

In view of the Exchange's compliance with SEC's requirements on September 20, 2021, the 2020 PMRC shall take effect immediately. However, listed companies are given a two (2) -year transitory period from September 20, 2021, during which they shall have the option to continue abiding by the 2007 PMRC standards or shifting to the 2020 PMRC. Please be advised that the use of both 2007 PMRC and 2020 PMRC standards is not allowed. If, at any point during the transitory period, a company adopts the 2020 PMRC standards, it can no longer revert to the use of the 2007 PMRC standards.

The 2020 PMRC, which was modelled substantially after the 2019 International Reporting Template of the Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") and the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves of the Australasian Joint Ore Reserves Committee ("JORC"), aligns the 2007 PMRC with current international reporting standards.

A copy of the 2020 PMRC is attached hereto as Annex "A".

Also attached as Annex "B" is a colored copy of the 2020 PMRC, showing the revisions made from the 2007 PMRC.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 8876-4888 E-mail Address: investing@pse.com.ph

Annex “A”

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

The PMRC

2020 Edition

Prepared by the PMRC Committee composed of the Philippine Society of Mining Engineers, Geological Society of the Philippines, Society of Metallurgical Engineers of the Philippines, The Philippine Stock Exchange, Inc., Chamber of Mines of the Philippines, Philippine Mining and Exploration Association, the Philippines-Australia Business Council, and Philippine Chamber of Coal Mines, and supported by the Mines and Geosciences Bureau

CONTENTS

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 Mineral Reserves. The Code was formulated to set minimum standards for Public Reporting that are compatible with global standards.

   The PMRC 2020 Edition is an upgrade of the PMRC 2007 Edition and modeled substantially after the International Reporting Template (2019) of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) and the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code) 2012 of the Australasian Joint Ore Reserves Committee (JORC). In adopting the CRIRSCO Template 2019's sixteen (16) Standard Definitions, the PMRC 2020 Edition is compatible with the international reporting codes of the CRIRSCO's members which are National Reporting Organizations (NROs) such as the Australasia (JORC), Canada (CIM), Chile (National Committee), Europe (PERC), South Africa (SAMCODES), and USA (SME). The Standard Definitions in this Code are:

   The PMRC 2020 Edition is an initiative of the Philippine Mineral Reporting Code Committee (PMRCC) established on November 22, 2018 by the professional representative organizations of the minerals industry which are the Philippine

Society of Mining Engineers (PSEM), the Geological Society of the Philippines (GSP), and the Society of Metallurgical Engineers of the Philippines (SMEP) together with minerals industry-related organizations and bodies such as The Philippine Stock Exchange, Inc. (PSE), the Chamber of Mines of the Philippines (COMP), the Philippine Mining and Exploration Association (PMEA), the Philippines-Australia Business Council (PABC), and the Philippine Chamber of Coal Mines (PHILCOAL). The formulation of the technical provisions of the Code was undertaken by PSEM, GSP, and SMEP. The formulation of the Code was also supported by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR).

I. Introduction

2. In this PMRC 2020 Edition, important terms and their definitions are provided as numbered clauses in **bold** typeface. The definitions are a core element of the Code. Other mandatory elements of the Code, in normal typeface and as numbered clauses, are similarly identified, both in the Code and its Appendices. The guidelines and further interpretation of the definitions and mandatory clauses are placed after the respective Code Clauses in indented *italic* typeface and clearly identified. Guidelines are not part of the Code, but are intended to provide assistance and guidance to readers and should be considered persuasive when interpreting the Code. Indented italics are also used in the Appendices and Tables to make it clear that they are also part of the guidelines.

3. The PMRC has been adopted by the PSEM, GSP and SMEP and is therefore binding on members of these professional organizations. It is endorsed by the Securities and Exchange Commission (SEC), MGB, COMP, PMEA, PABC, and PHILCOAL as a standard that promotes ethical conduct in Public Reporting in the minerals industry. The Code has also been adopted by and included in the PSE's Consolidated Listing and Disclosure Rules since 2008, and as part of the regulatory and reportorial requirements of MGB since 2010.

   Under the PSE's Consolidated Listing and Disclosure Rules, a Public Report must be prepared in accordance with the Code if it includes a statement on Exploration Results, Exploration Targets, Mineral Resources or Mineral Reserves. The incorporation of the Code imposes certain specific requirements on mining or exploration companies reporting to the PSE. However, a number of other issues may remain outside the PMRC associated with Public Reports that are addressed specifically within the PSE's Consolidated Listing and Disclosure Rules.

   As such, it is strongly recommended that users of the Code familiarize themselves with the PSE's Consolidated Listing and Disclosure Rules, as may be amended or supplemented, and the regulatory and reportorial requirements of the MGB that relate to the Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves.

II. Scope

4. The PMRC 2020 Edition applies to all solid mineral raw materials for which Public Reporting of Exploration Results, Mineral Resources, and Mineral Reserves is required by any relevant regulatory authority.

A Mineral is any substance, extracted for value, occurring naturally in or on the Earth, in or under water or in tailings, residues or stockpiles, having been formed by or subjected to a geological process but excludes water, oil and gas.

The definition of Mineral is broad, and therefore the Code is applicable to a diverse range of commodities for which Public Reporting of Exploration Results, Mineral Resources, and Mineral Reserves is required by a relevant regulatory authority, including but not limited to:

- metalliferous minerals,
- mineralized fill, remnants, pillars, low grade mineralization, stockpiles, dumps, and tailings (remnant materials) (Appendix 5),
- coal (Appendix 6),
- industrial minerals, cement feed materials, and construction raw materials (Appendix 7),
- dimension stone, ornamental and decorative stone (Appendix 8), and
- other mineral raw materials.

5. The 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, so as to understand the report and not to be misled by this information or by omission of material information that is known to the Accredited Competent Person (ACP).**

   - **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 judgment regarding the Exploration Results, Mineral Resources or Mineral Reserves being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion.**

   - **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 (the ACP).**

   Transparency and Materiality are guiding principles of the Code, and the ACP must provide explanatory commentary on the material assumptions underlying the declaration of Exploration Results, Mineral Resources or Mineral Reserves.

   In particular, the ACP must consider that the benchmark of Materiality is that which includes all aspects relating to the Exploration Results, Mineral Resources or Mineral Reserves that investors or their advisers would reasonably expect to see explicit comment on from the ACP. The ACP must not remain silent on any material aspect for which the presence or absence of comment could affect the public perception or value of the mineral occurrence.

6. **Public Reports are reports prepared for the purpose of informing investors or potential investors and their advisers on Exploration Results, Mineral Resources or Mineral Reserves. These include but are not limited to annual and quarterly company reports, media releases, information memoranda,**

technical papers, website postings, public presentations, and corporate disclosures required to be submitted to both the SEC and PSE, including disclosures of any material fact or event that occurs which would reasonably be expected to affect investors' or potential investors' decision in relation to the company's securities.

These Public Reports shall be submitted to both the SEC and PSE in accordance with SEC rules and PSE's Consolidated Listing and Disclosure Rules, as may be amended or supplemented, and pursuant to the basic principles of full, fair, timely and accurate disclosure of material information, or other regulatory authorities as required by law.

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 that is as comprehensive as possible.

The Code applies to other publicly-released company information in the form of postings on company websites 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 this Clause: including but not limited to environmental statements, information memoranda, expert reports, and technical papers referring to Exploration Results, Mineral Resources or Mineral Reserves.

For companies issuing annual reports, or other periodic summary reports, all material information relating to Exploration Results, Mineral Resources, and Mineral Reserves should be included. The annual report, or other relevant report, should disclose, among others, any change or deviation in the estimation of the Mineral Resources and/or Mineral Reserves, or explicitly warrant and confirm that no material change in such estimates occurred during mineral exploration and/or mining, as the case may be.

In cases where summary information is presented, the Public Report must clearly state that the information is a summary, and a reference must be provided, giving the source and location of the Code-compliant Public Reports or Public Reporting on which the summary is based.

The Public Report must include sufficient context and cautionary language to allow a reasonable investor to understand the nature, importance, and limitations of the data, interpretations, and conclusions summarized in the report.

It is recognized that companies can be required to issue reports in 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.

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

It is recognized that situations may arise where documentation prepared by an ACP 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 10 requires Public Reports to fairly reflect Exploration Results, Mineral Resource, and/or Mineral Reserve estimates, and supporting documentation, prepared by an ACP.

While every effort has been made within the Code and Guidelines (including Table 1) 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 Mineral Reserves being reported.

Estimation of Mineral Resources and Mineral Reserves is inherently subject to some level of uncertainty and inaccuracy. Considerable skill and experience may be needed to interpret pieces of information, such as geological maps and analytical results based on samples that commonly only represent a small part of a mineral deposit. The uncertainty in the estimates should be discussed in the documentation and, where material, in Public Reports, and reflected in the appropriate choice of Mineral Resource and Mineral Reserve categories.

A Public Report should be adequately supported by legible text, figures, tables, sections, and maps to demonstrate competence by conveying material information in a transparent manner. Figures of any type should contain appropriate explanatory information in the form of titles and/or captions, and legends.

The PMRC is a Code for Public Reporting, not a Code that regulates the manner in which an ACP estimates Mineral Resources or Mineral Reserves. The term 'PMRC compliant' therefore refers to the manner of reporting, not to the estimates. Use of the words 'PMRC compliant' should be interpreted to mean: 'Reported in accordance with PMRC and estimated (or based on documentation prepared) by an ACP as defined by PMRC.

7. Table 1 provides, in a summary form, a list of the criteria which must be considered by the ACP when preparing a Public Report on Exploration Results, Mineral Resources or Mineral Reserves.

   In the context of complying with the principles of the Code, comments relating to the items in the relevant sections of Table 1 should be provided on an 'if not, why not' basis within the ACP's documentation. Additionally, comment related to the relevant sections of Table 1 must be complied on an 'if not, why not' basis within Public Reporting for projects material to the company when reporting Exploration Results, Mineral Resources or Mineral Reserves for the first time. Table 1 also applies to instances where these items have materially changed from when these were last Publicly Reported. Reporting on an 'if not, why not' basis ensures that it is clear to an investor whether items have been considered and deemed of low consequence or are not yet addressed or resolved.

   For the purpose of the PMRC, the phrase 'if not, why not' means that each item in the relevant section of Table 1 of the Code must be discussed and if it is not discussed, then the ACP must explain why it has been omitted from the documentation.

8. The Code does not cover valuation or appraisal from a business perspective. It provides for the description of Exploration Results and estimates of Mineral Resources and Mineral Reserves that may be used by others to prepare subsequent valuations or appraisals.

9. PMRC recognizes that further review of the Code and Guidelines will be required from time to time.

III. Competence and Responsibility

10. A Public Report concerning a company's Exploration Results, Exploration Targets, Mineral Resources or Mineral 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 or under the direction of and signed by an ACP or ACPs. A company issuing a Public Report shall disclose all relevant information, including any updates on prior Public Reports, to the ACP(s) on an 'if not, why not' basis as required under this PMRC 2020 Edition. Furthermore, the company shall disclose the name(s) of the ACP(s), state whether the ACP is a full-time employee of the company, and, if not, name the ACP's employer. The report shall be issued with the prior written consent of the ACP as to the form and context in which it appears and should be duly signed by the ACP for it to be a valid report or disclosure.

    The company shall promptly and accurately communicate to the ACP any material information concerning the company or the company's Exploration Targets, Exploration Results, Mineral Resources, Mineral Reserves, and other matters covered by the PMRC 2020 Edition. Based on the material information received, the ACP shall assess whether there is a need to update or amend any Public Report previously made, and update or amend such Public Report as may be necessary.

    Any potential for a conflict of interest by the ACP or a related party of the ACP must be disclosed in accordance with the Transparency principle. Any other relationship of the ACP with the company making the report must also be disclosed in the Public Report. The report must be issued with the prior written consent of the ACP as to the form and context in which it appears.

    Where a company is re-issuing information previously issued with the written consent of the ACP, it must state the original report name, the name(s) of the ACP(s) responsible for the original report, and state the date, reference, and the location of the original public report for public access. In these circumstances, the company is not required to obtain the ACP's prior written consent as to the form and context in which the information appears, provided:

    - The company confirms in the subsequent public presentation that it is not aware of any new information or data that materially affects the information included in the relevant market announcement. In the case of estimates of Mineral Resources or Mineral Reserves, the company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

    - The company confirms that the form and context in which the ACP's findings

are presented have not been materially modified. Note that for the subsequent public presentation, it is the responsibility of the company acting through its Board of Directors to ensure the form and context have not been materially altered.

The relaxation of the requirement to obtain the ACP's prior written consent does not apply to the requirements for annual reporting of Mineral Resources and Mineral Reserves contained in Clause 18.

All such public disclosures should be specifically reviewed by the company to ensure that the form and context in which the ACP's findings are presented have not been materially modified, and to ensure that the previously issued Exploration Results, Mineral Resources or Mineral Reserves remain valid in the light of any more recently-acquired data.

Examples of appropriate forms of compliance statements are provided in Appendix 3.

In order to assist ACP(s) and companies to comply with these requirements, an ACP's Consent Form has been devised that incorporates the requirements of the Code. The ACP's Consent Form is provided in Appendix 4.

The completion of a consent form, whether in the format provided or in an equivalent form, is recommended as good practice and provides readily available evidence that the required prior consent has been obtained.

The ACP's Consent Form(s), or other evidence of the ACP's prior written consent, should be retained by the company and the ACP to ensure that the written consent can be promptly provided, if required.

11. Documentation detailing Exploration Results, Mineral Resource, and Mineral Reserve estimates, on which a Public Report on Exploration Results, Mineral Resources, and Mineral Reserves is based, must be prepared by, or under the direction of, and signed by an ACP or ACPs. The documentation must provide a fair representation of the Exploration Results, Mineral Resources or Mineral Reserves being reported.

12. **An 'Accredited Competent Person' (ACP) is a minerals industry professional who is a Member or Fellow of PSEM, GSP and/or SMEP, duly accredited as an ACP by the professional organization to which he/she belongs, or of a 'Recognized Professional Organization' (RPO), as included in a list promulgated by PSEM, GSP, and SMEP through the PMRCC, as the need arises, subject to applicable laws and regulations. These professional organizations have enforceable disciplinary processes including the powers to suspend or expel a member**.

An ACP must have a minimum of five years relevant experience in the style of mineralization or type of mineral deposit under consideration and to the activity which that person is undertaking.

If the ACP is preparing a report on Exploration Results, the relevant experience must be in mineral exploration. If the ACP 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 ACP is estimating or supervising the estimation of Mineral Reserves, the relevant experience must be in the estimation, assessment,

evaluation, and economic extraction of Mineral Reserves.

The key qualifier in the definition of an ACP 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 an ACP in the estimation of Mineral 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 mineral deposit in order to act as an ACP if that person has relevant experience in other mineral 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 an ACP. Relevant experience in the other mineral deposit types could count towards the required experience in relation to porphyry copper deposits.

In addition to experience in the style of mineralization, an ACP taking responsibility for the compilation of Exploration Results and/or Mineral Resource estimates should have sufficient experience in the sampling and analytical techniques relevant to the mineral 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 mineral deposit type may also be important.

13. The ACP(s) must provide explanatory comment on the material assumptions underlying the declaration of Exploration Results, Mineral Resources or Mineral Reserves. In particular, the ACP(s), when considering Materiality as defined in Clause 5, must include explicit comments on all aspects that an investor or their advisers would reasonably expect to be provided. This would include, but not be limited to, any aspect that would influence the public perception or value of the subject matter. The ACP(s) must be satisfied that:

- their work has not been unduly influenced by the organization, company or person commissioning the report or a report that may become a Public Report,
- all assumptions are documented, and
- adequate disclosure is made of all material aspects that an informed reader may require to make a reasonable and balanced judgment thereof.

As a general guide, persons being called upon to act as ACPs should be clearly satisfied in their minds that they could face their peers and demonstrate competence in the commodity, type of mineral deposit, and situation under consideration. If doubt exists, the person should either seek opinions from appropriately experienced colleagues or should decline to act as an ACP.

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 Mineral 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 ACP and his or her contribution should be identified, and responsibility accepted for that particular contribution. If only one ACP signs the Mineral Resource or Mineral 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 ACP accepting overall responsibility for a Mineral Resource or Mineral 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 an ACP will be dealt with under the disciplinary procedures of the professional representative organization or RPO to which the ACP belongs, and if necessary, elevated to the Professional Regulation Commission (PRC).

When a PSE-listed company with overseas interests wishes to report overseas Exploration Results, Mineral Resource or Mineral Reserve estimates prepared by a person who is not a member of PSEM, GSP, SMEP, or a RPO, it is necessary for the company to nominate an ACP(s) to take responsibility for the Exploration Results, Mineral Resource or Mineral Reserve estimate. The ACP(s) undertaking this activity should appreciate that they are accepting full responsibility for the estimate and supporting documentation under the PSE's Consolidated Listing and Disclosure Rules, as may be amended or supplemented, and should not treat the procedure merely as a 'rubber-stamping' exercise.

IV. Reporting Terminology

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

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

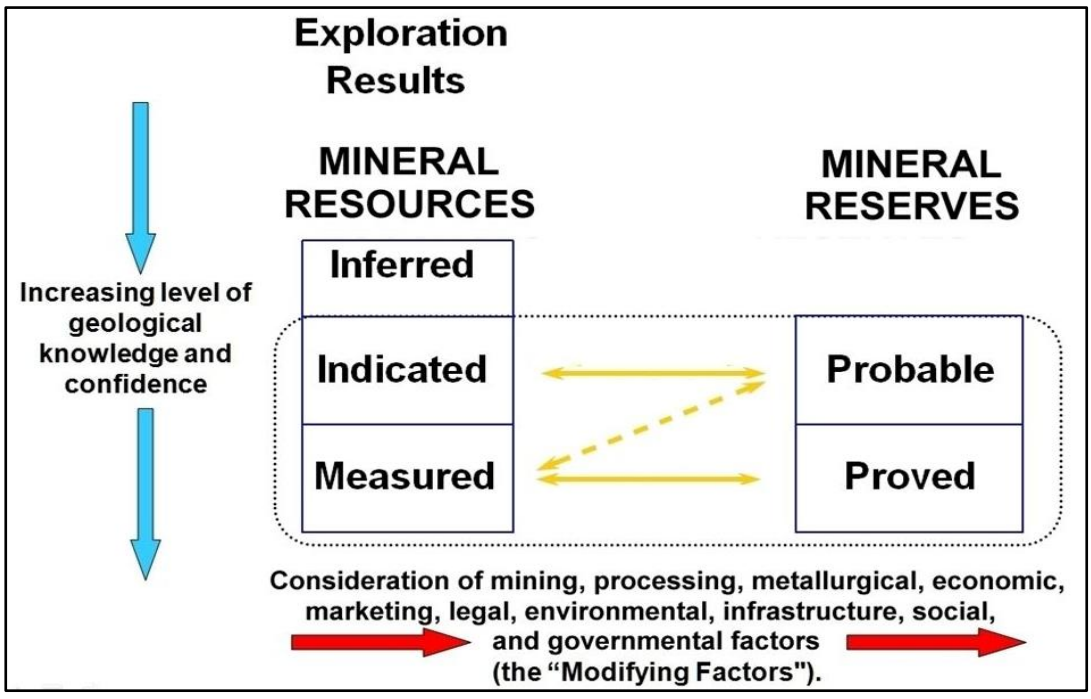


Figure 1 sets out the framework for classifying tonnage (or volume) and grade (or quality) estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation. Mineral Resources can be estimated mainly by a geologist on the basis of geoscientific information with some input from other disciplines. Mineral 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.

15. '**Modifying Factors' are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.**

    Measured Mineral Resources may be converted to either Proved Mineral Reserves or Probable Mineral Reserves. The ACP may convert Measured Mineral Resources to Probable Mineral 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 Mineral 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 35.

V. Reporting General

16. Public Reports concerning a company's Exploration Results, Mineral Resources or Mineral Reserves should include a description of the style and nature of the mineralization.

17. A company must disclose any relevant information concerning Exploration Results, Mineral Resources or Mineral Reserves that could materially influence the economic value of those Exploration Results, Mineral Resources or Mineral Reserves to the company. A company must promptly report any material changes in its Mineral Resources or Mineral Reserves.

18. Companies must review and publicly report on their Mineral Resources and Mineral Reserves annually. The annual review date must be nominated by the company in its Public Reports of Mineral Resources and Mineral Reserves and the effective date of each Mineral Resource and Mineral Reserve statement must be shown. The company must discuss any material changes to previously-reported Mineral Resources and Mineral Reserves at the time of publishing updated Mineral Resources and Mineral Reserves.

19. Throughout the Code, if appropriate, 'quality' may be substituted for 'grade' and 'volume' may be substituted for 'tonnage'. (Refer to Appendix 1 – Generic Terms and Equivalents).

VI. Reporting of Exploration Targets

20. An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnage and a range of grade (or quality), relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource.

It is recognized that it is a common practice for a company to comment on and discuss its exploration strategy in terms of target size and type. Any such information relating to an Exploration Target must not be expressed in a way that could be confused as an estimate of Mineral Resources or Mineral Reserves. The terms Mineral Resource or Mineral Reserve must not be used in this context. In any statement referring to potential quantity and grade of the Exploration Target, these must both be expressed as ranges and must include:

- a detailed explanation of the basis for the statement of an Exploration Target, must specifically discuss the geological setting, the exploration strategy, and exploration activity already completed and the presence of or lack of the following attributes:
    - mineralized outcrops and assays,
    - surface geochemical sampling results,
    - surface and subsurface geophysical survey results, and
    - drill holes, test pits, and underground workings.
- a clarification statement within the same paragraph as the first reference of the Exploration Target in the Public Report, stating that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration data to estimate a Mineral Resource and that it is uncertain if further exploration work will result in the estimation of a Mineral Resource.

Given the level of uncertainty surrounding the supporting data, an Exploration Target tonnage and grade must not be reported as a ‘headline statement’ in a Public Report.

If a Public Report includes an Exploration Target, the proposed exploration activities designed to test the validity of the Exploration Target must be detailed and the timeframe within which those activities are expected to be completed must be specified.

If an Exploration Target is shown pictorially (for instance, as cross section or maps) or with a graph, it must be accompanied by text that meets the requirements above.

A Public Report that includes an Exploration Target must be accompanied by an ACP’s statement taking responsibility for the form and context in which the Exploration Target appears.

All disclosures of an Exploration Target must clarify whether the Exploration Target is based on actual Exploration Results or on proposed exploration programs. Where the Exploration Target statement includes information relating to ranges of tonnages and grades, these must be represented as approximations. The explanatory text must include a description of the process used to determine

the grade and tonnage ranges used to describe the Exploration Target.

For an Exploration Target based on Exploration Results, a summary of the relevant exploration data available and the nature of the results should also be stated, including a disclosure of the current drill hole or sampling spacing and relevant plans or sections. In any subsequent upgraded or modified statements on the Exploration Targets, the ACP should discuss any material changes to potential scale or quality arising from completed exploration activities.

VII. Reporting of Exploration Results

21. Exploration Results include data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Mineral 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.

If a company reports Exploration Results in relation to mineralization not classified as a Mineral Resource or a Mineral Reserve, then estimates of tonnages and average grade must not be assigned to the mineralization unless the situation is covered by Clause 20, 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.

22. 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, methods of analysis, data aggregation methods, land tenure status plus information on any of the other criteria listed in Table 1 which 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 ACP:

- 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.

Clear diagrams and maps designed to represent the geological context must be included in the report. These must include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.

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.

While it is not necessary to report all assays or drill holes, it is a requirement that sufficient information about the omitted data is provided so that a considered and balanced judgment can be made by the reader of the report. Where reports of Exploration Results do not include all drill holes or all intersections of drill holes, the ACP must provide an explanation of why this information is not considered relevant or why it has not been provided.

As required under Clause 7, the ACP must not 'remain silent' on any issue for which the presence or absence of comment could impact the public perception or value of the mineral occurrence. For projects material to the company, the reporting of all criteria in Sections 1 and 2 of Table 1 on an 'if not, why not' basis is required, preferably as an appendix to the Public Report.

Additional disclosure is particularly important where inadequate or uncertain data affect the reliability of, or confidence in, a statement of Exploration Results; for example, poor sample recovery, poor repeatability of assay or laboratory results, etc.

VIII. Reporting of Mineral Resources

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

All reports of Mineral Resources must satisfy the requirement that there are reasonable prospects for eventual economic extraction (i.e., more likely than not), regardless of the classification of the Mineral Resource.

Portions of a mineral deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource. The basis for the reasonable prospects assumption is always a material matter, and must be explicitly disclosed and discussed by the ACP in the Public Report using the criteria listed in Table 1 for guidance. The reasonable prospects disclosure must also include a discussion of the technical and economic support for the cut-off assumptions applied.

When untested practices are applied in the determination of reasonable prospects, the use of the proposed practices for reporting of the Mineral Resource must be justified by the ACP in the Public Report.

Geological evidence and knowledge required for the estimation of Mineral Resources must include sampling data of a type, and at spacings, appropriate to the geological, chemical, physical, and mineralogical complexity of the mineral deposit, for all classifications of Inferred, Indicated, and Measured Mineral

Resources. A Mineral Resource cannot be estimated in the absence of sampling information.

Clause 23 including its guidelines takes 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 Mineral 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 ACP in respect to all matters 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 ACP, 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, discussed, and justified in the Public Report.

Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. In all cases, the considered time frame of eventual economic extraction should be disclosed and discussed by the ACP.

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 (e.g., coal inventory 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 Mineral Reserves in terms of the PMRC (refer also to the guidelines to Clause 6 and Appendix 6).

24. An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Where the Mineral Resource being reported is predominantly an Inferred Mineral Resource, sufficient supporting information must be provided to enable the reader to evaluate and assess the risk associated with the reported Mineral Resource.

In circumstances where the estimation of the Inferred Mineral Resource is presented on the basis of extrapolation beyond the nominal sampling, and taking into account the style of mineralization, the report must contain sufficient information to inform the reader of:

- the maximum distance that the resource is extrapolated beyond the sampling points,
- the proportion of the resource that is based on extrapolated data,
- the basis on which the resource is extrapolated to these limits, and
- a diagrammatic representation of the Inferred Mineral Resource, showing clearly the extrapolated part of the estimated 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 grade continuity to be confidently interpreted. While it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur.

Inferred Mineral Resources must not be converted to Mineral Reserves and must not be stated as part of the Mineral Reserve.

Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of Modifying Factors to be used for detailed planning in Pre-Feasibility (Clause 44) or Feasibility (Clause 45) Studies. For this reason, there is no direct link from an Inferred Mineral Resource to any category of Mineral Reserves (see Figure 1).

Caution should be exercised if Inferred Mineral Resources are used to support technical and economic studies such as Scoping Studies (Clause 43).

25. An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the mineral deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

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 Modifying Factors in Technical Studies as defined in Clauses 42 to 45.

26. A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the mineral deposit.

Geological evidence is derived from detailed and reliable exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes and is sufficient to confirm geological and grade or (quality) continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to an Indicated Mineral Resource. It may be converted to a Proved Mineral Reserve or under certain circumstances to a Probable Mineral Reserve.

A Measured Mineral Resource requires an understanding of the geology, mineralogy, mineability, and amenability to processing of the mineral deposit.

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 ACP 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 the controls of the mineral deposit.

Confidence in the estimate is sufficient to allow the application of Modifying Factors in Technical Studies as defined in Clauses 42 to 45 with a high level of confidence.

27. 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 an ACP.

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

In deciding between Indicated Mineral Resources and Measured Mineral

Resources, ACP(s) may find it useful to consider, in addition to the phrases in the two definitions relating to geological and grade continuity in Clauses 25 and 26, 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 Inferred Mineral Resources and Indicated Mineral Resources, an ACP may wish to take into account, in addition to the phrases in the two definitions in Clauses 24 and 25 relating to geological and grade continuity, that part of the definition for Indicated Mineral Resources: 'Confidence sufficient to allow the application of Modifying Factors to support mine planning and evaluation of the economic viability of the mineral deposit', which contrasts with the guideline in the definition for Inferred Mineral Resources: 'Confidence in the estimate of Inferred Mineral Resources is not sufficient to allow the results of the application of Modifying Factors to be used for detailed planning in Pre-Feasibility (Clause 44) or Feasibility (Clause 45) Studies.' and 'Caution should be exercised if Inferred Mineral Resources are used to support technical and economic studies such as Scoping Studies (refer to Clause 43)'.

The ACP should take into consideration issues regarding the style of mineralization and cut-off grade when assessing geological and grade continuity for the purposes of classifying the Mineral Resource.

Cut-off grades chosen for the estimation should be realistic in relation to the style of mineralization and the anticipated mining and processing development options.

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

    In most situations, rounding to the second significant figure should be sufficient. For example, 10,863,000 tonnes at 8.23 percent should be stated as 11 million tonnes at 8.2 percent. 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.

    ACPs are encouraged, where appropriate, to discuss the relative accuracy and confidence of the Mineral Resource estimates with consideration of at least sampling, analytical, and estimation errors. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnage. Where a statement on the relative accuracy and confidence is not possible, a qualitative discussion of the uncertainties should be provided in its place (refer to Table 1).

29. Public Reports of Mineral Resources must specify one or more of the categories of 'Inferred', 'Indicated', and 'Measured'. Tonnage and grade (or quality) of categories of Mineral Resources must not be reported in a combined form unless details for the individual categories are also provided. Also, Mineral Resources must not be reported in terms of contained metal or mineral content unless

corresponding tonnages and grades are also presented. Inferred Mineral Resource cannot be reported in a combined form with the Indicated and/or Measured Mineral Resource categories since the former category cannot be converted to Mineral Reserve while the other two (2) categories are convertible.

Mineral Resources must not be aggregated with Mineral Reserves.

Public Reporting of tonnages and grades outside the categories covered by the Code is not permitted unless the situation is covered by Clause 20, 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 is not permitted.

30. In a Public Report of a Mineral Resource for a project material to the company, when reporting for the first time, or when those estimates have materially changed from when these were last reported, a brief summary of the information in relevant sections of Table 1 must be provided. Alternatively, if a particular criterion is not relevant or material, a disclosure that it is not relevant or material and a brief explanation of why this is the case must be provided.

    For a project material to the company, when Mineral Resource estimates are first Publicly Reported or when a material change occurs (including classification changes), there is an increased need for transparent discussion of the basis for the new Mineral Resource estimate in order that investors are appropriately informed of the basis for the changes. As noted in Clauses 5 and 7, the benchmark of Materiality is that which an investor or their advisers would reasonably expect to see explicit comment on from the ACP, thus the reporting of all relevant criteria in Table 1 on an 'if not, why not' basis is required.

    The Code specifies reporting against relevant sections of Table 1 in this Clause. This may be satisfied by reporting against Section 4 on the presumption that matters related to Section 3 will already have been included in a still current Public Report and this Report can be referenced. If this is not the case, then these sections are also relevant and should be included in the Public Report.

    The technical summary based on Table 1 criteria should be presented as an appendix to the Public Report.

    Where there are as yet unresolved issues potentially impacting the reliability of, or confidence in, a statement of Mineral Resources (for example, poor sample recovery, poor repeatability of assay or laboratory results, limited information on bulk densities, etc.), those issues should also be reported.
    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 overstatement of Mineral Resource estimates should be disclosed.

    Mineral Resource estimates are sometimes reported after adjustment based on reconciliation with production data. Such adjustments should be clearly stated in a Public Report of Mineral Resources and the nature of the adjustment or modification described.

31. 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 until technical feasibility and economic viability have been established.

IX. Reporting of Mineral Reserves

32. A ‘Mineral 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 or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

The key underlying assumptions and outcomes of the Pre-Feasibility or Feasibility Study must be disclosed at the time of reporting of a new or materially changed Mineral Reserve.

Pre-Feasibility and Feasibility Studies are defined in Clauses 44 and 45 below.

Mineral Reserves are subdivided in order of increasing confidence into Probable Mineral Reserves and Proved Mineral Reserves.

In reporting Mineral Reserves, information on all Modifying Factors must be included in Public Reports. Consideration of the confidence level of the Modifying Factors is important in conversion of Mineral Resources to Mineral Reserves.

Mineral 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 ACP making the estimates, can be the basis of a technically and economically viable project. Deriving a Mineral Reserve without a mine design or mine plan through a process of factoring of the Mineral Resource is unacceptable.

Mineral 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 Mineral Reserve has been demonstrated to be viable under reasonable financial assumptions. This will vary with the type of mineral 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’. However, it is expected that the company will attempt to achieve an acceptable return on capital invested, and that returns to investors in the project will be competitive with alternative investments of comparable risk.

In order to achieve the required level of confidence in the Modifying Factors,

appropriate Pre-Feasibility or Feasibility level studies will have been carried out prior to determination of the Mineral Reserves. The studies will have determined a mine plan and a production schedule that is technically achievable and economically viable and from which the Mineral Reserves can be derived.

The term 'Mineral 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 will eventuate within the anticipated time frame required by the mine plans. There must be reasonable grounds to expect that all necessary Government approvals will be received. The ACP should report any material 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 Mineral 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 'Ore Reserves' in their Public Reports, e.g., for reporting under PMRC 2007 Edition during the Transitory Period defined in Clauses 62 and 63, and in some jurisdictions outside the Philippines, they should state clearly that this is being used with the same meaning as 'Mineral Reserves'.

PMRC 2020 Edition prefers the term 'Mineral Reserves' because it is the term used in the CRIRSCO International Reporting Template 2019 and more appropriate as a generic term for all mineral deposits while 'Ore Reserve' is more apt to metalliferous deposits.

33. **A 'Probable Mineral Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proved Mineral Reserve.**

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

34. **A 'Proved Mineral Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Mineral Reserve implies a high degree of confidence in the Modifying Factors.**

    A Proved Mineral Reserve represents the highest confidence category of reserve estimate.

    The style of mineralization or other factors could mean that Proved Mineral Reserves are not achievable in some mineral deposits.

    ACPs should be aware of the consequences of declaring material of the highest confidence category before satisfying themselves that all of the relevant resource parameters and Modifying Factors have been established at a similarly high level of confidence.

35. The choice of the appropriate category of Mineral 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 an ACP.

    The Code provides for a direct two-way relationship between Indicated Mineral Resources and Probable Mineral Reserves, and between Measured Mineral Resources and Proved Mineral Reserves. In other words, the level of geological confidence for Probable Mineral Reserves is similar to that required for the determination of Indicated Mineral Resources, and the level of geological confidence for Proved Mineral 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 Mineral Reserves. This is to cover a situation where uncertainties associated with any of the Modifying Factors considered when converting Mineral Resources to Mineral Reserves may result in there being a lower degree of confidence in the Mineral 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 Mineral Reserve derived from a Measured Mineral Resource may be converted to a Proved Mineral 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 a Mineral 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 Mineral Reserve (see Figure 1).

    Application of the category of Proved Mineral Reserve implies the highest degree of geological, technical, and economic confidence in the estimate at the level of production increments used to support mine planning and production scheduling, with consequent expectations in the minds of the readers of the report. These expectations should be borne in mind when categorizing a Mineral Resource as Measured.

    Refer also to the guidelines in Clause 27 regarding classification of Mineral Resources.

36. Mineral Reserve estimates are not precise calculations. Reporting of tonnage and grade estimates should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures. Refer also to Clause 28.

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

    ACPs should, where appropriate, discuss the relative accuracy and/or confidence of the Mineral Reserve estimates with consideration of both underlying estimation and Modifying Factor uncertainties. The statement should specify whether it relates to global (whole of reserve) or local estimates (a subset of the reserve for which the accuracy and/or confidence might differ from the whole of the reserve), 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 in its place (refer to Table 1, Table 2, and to Clauses 25 and 26).

37. Public Reports of Mineral Reserves must specify one or the other or both of the categories of 'Proved' and 'Probable.' Categories must not be reported in a combined form unless details for each of the categories are also provided.

    Mineral Reserves must not be presented in terms of contained metal or mineral content unless corresponding tonnage and grade figures are also presented. Mineral Reserves should not be aggregated with Mineral Resources.

    Public Reporting of tonnage and grade outside the categories covered by the Code is not permitted unless the situation is covered by Clause 20, 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, thus, is not permitted.

    Mineral 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 Mineral Reserves is considered and caution exercised if attempting to draw conclusions from a comparison of the two.

    When revised Mineral Reserve and Mineral Resource statements are Publicly Reported, the Company must discuss any material changes from the previous estimate, and supply sufficient comment to enable the basis for significant changes to be understood by the reader.

38. In a Public Report of a Mineral Reserve for a project material to the company, when reporting for the first time, or when those estimates have materially changed from when they were last reported, a brief summary of the information in relevant sections of Table 1 must be provided. Alternatively, if a particular criterion is not relevant or material, a disclosure that it is not relevant or material and a brief explanation of why this is the case must be provided.

    For a project material to the company, when Mineral Reserve estimates are first Publicly Reported or when a material change occurs (including classification change), there is an increased need for transparent discussion of the basis for the new Mineral Reserve estimate in order that investors are appropriately informed of the basis for the changes. As noted in Clauses 5 and 7, the benchmark of Materiality is that which an investor or their advisers would reasonably expect to see explicit comment on from the ACP, thus the reporting of all criteria in Table 1 on an 'if not, why not' basis is required.

    The Code specifies reporting against relevant sections of Table 1 in this Clause. This may be satisfied by reporting against Section 6 on the presumption that matters related to Sections 3, 4 and 5 will already have been included in a still current Public Report and this Report can be referenced. If this is not the case, then other sections are also relevant and should be included in the Public Report.

    The technical summary based against Table 1 criteria should be presented as an appendix to the Public Report.

    Where there are yet unresolved issues potentially impacting the reliability of, or confidence in a statement of Mineral Reserves (for example, limited

geotechnical information, complex orebody metallurgy, uncertainty in the permitting process, etc.), those unresolved issues should also be reported.

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 overstatement of Mineral Reserves should be disclosed.

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

39. In situations where estimates for both Mineral Resources and Mineral 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 Mineral Reserves.

    Mineral 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 Mineral Reserves, and in other situations for reporting Mineral Resources additional to Mineral 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 Mineral Reserves.' Or*
    - *The Measured and Indicated Mineral Resources are additional to the Mineral Reserves.'*

    In the former case, if any Measured and Indicated Mineral Resources have not been modified to produce Mineral 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 Mineral Reserves.

    Inferred Mineral Resources are by definition always additional to Mineral Reserves except where included as dilution in the Mineral Reserves.

    For reasons stated in the guidelines to Clause 37 and in this paragraph, the reported Mineral 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.

40. If re-evaluation indicates that the Mineral Reserves are no longer viable, the Mineral Reserves must be reclassified as Mineral Resources or removed from Mineral Resource/Mineral Reserve statements.

    It is not intended that re-classification from Mineral 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.

41. It is accepted that a proportion of Inferred Mineral Resources may be inside the bounds of the mine design and the Life-of-Mine Plan (LoMP). Inferred Mineral Resources should not be considered in the assessment of economic viability, rendering its presence inside the mine design and the LoMP as purely incidental and without influence on the declaration of Mineral Reserves.

    A mine design and a LoMP must be economically viable without inclusion of Inferred Mineral Resources in the estimation of Mineral Reserves.

X. Technical Studies

42. Public Reports may include, but not be limited to, information included in or supported by:

    - Scoping Study
    - Pre-Feasibility Study
    - Feasibility Study

    Scoping Study has been included because of the common usage of the term in Public Reports. However, attention is drawn to the requirement for a Pre-Feasibility Study or a Feasibility Study to have been completed for the Public Reporting of a Mineral Reserve in Clause 32. A Mineral Reserve must not be reported based on the completion of a Scoping Study.

    The guidelines and the checklist on the requirements for a Scoping, Pre-Feasibility and a Feasibility Study are included in Table 2 and Section 5 in Table 1, respectively.

43. **A Scoping Study is an order-of-magnitude technical and economic study of the potential viability of Mineral Resources which includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.**

    A Scoping Study must not be used as the basis for estimation of Mineral Reserves.

    If the outcome of a Scoping Study is partially supported by Inferred Mineral Resources and/or an Exploration Target, the Public Report must state both the proportion and relative sequencing of the Inferred Mineral Resources and/or Exploration Target within the Scoping Study.

    For a Scoping Study, the company must include a cautionary statement in the same paragraph as, or immediately following, the disclosure of the Scoping Study.

    An example cautionary statement follows:

    'The Scoping Study referred to in this report is based on low-level technical

and economic assessments, and is insufficient to support estimation of Mineral Reserves or to provide assurance of an economic development case at this stage, or to provide some level of confidence that the conclusions of the Scoping Study will be realized;'

In discussing 'reasonable prospects for eventual economic extraction' in Clause 23, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate Modifying Factors by the ACP. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar mineral deposits or mining operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Mineral Reserves have been established or that economic development is assured. In this regard, it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnage and grade as if they were Mineral Reserves.

While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow a Mineral Reserve to be developed.

44. **A Pre-Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, underground or surface, has been established and an effective method of mineral processing has been determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for an ACP, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study has a lower confidence level than a Feasibility Study.**

As required in Clause 32, formal assessment of all Modifying Factors is required in order to determine how much available Measured and Indicated Mineral Resources can be converted to Mineral Reserves.

A Pre-Feasibility Study will consider the application and description of all Modifying Factors (as outlined in Table 1, Section 6) to demonstrate economic viability and to support a Mineral Reserve in a Public Report. The Pre-Feasibility Study will identify the preferred mining, processing, and infrastructure requirements and capacities, but will not yet have finalized these matters. Detailed assessments of environmental and socio-economic impacts and requirements will also be well advanced. The Pre-Feasibility Study will highlight areas that require further refinement during the Feasibility Study stage.

45. **A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes**

appropriately detailed assessment of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

The Code does not require that a Feasibility Study has been undertaken to convert Mineral Resources to Mineral Reserves, but it does require that at least a Pre-Feasibility Study will have been carried out that will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.

Terms such as 'Bankable Feasibility Study' and "Definitive Feasibility Study" are noted as being equivalent to a Feasibility Study as defined in this Clause.

A Feasibility Study has a higher level of confidence than a Pre-Feasibility Study and would normally contain mining, infrastructure and process designs completed with sufficient rigor to serve as the basis for an investment or to support project financing. Social, environmental, and governmental approvals, and permits and agreements will be in place, or will be approaching finalization within the expected development timeframe. The Feasibility Study will contain the application and description of all Modifying Factors (as outlined in Table 1, Section 6) in a more detailed form than in the Pre-Feasibility Study, and may address implementation issues such as detailed mining schedules, construction ramp-up, and project execution plans.

XI. Reporting of Metal Equivalents

46. The reporting of Exploration Results, Mineral Resources or Mineral Reserves for polymetallic deposits in terms of metal equivalents (a single equivalent grade of one major metal) must show details of all material factors contributing to the net value derived from each constituent.

    The following minimum information must accompany any Public Report that includes reference to metal equivalents, in order to conform to the principles of Transparency, Materiality, and Competence, as set out in Clause 5:

    - individual grades for all metals included in the metal equivalent calculation,
    - assumed commodity prices for all metals. The prices used for calculating the metal equivalent should be stated and the basis on which these have been chosen should be explained However, where the actual prices used are commercially sensitive, sufficient information must be disclosed, perhaps in narrative rather than numerical form, for investors to understand the methodology used to determine these prices,
    - assumed metallurgical recoveries for all metals and discussion of the basis on which the assumed recoveries are derived (metallurgical test work, detailed mineralogy, similar mineral deposits, etc.),
    - A clear statement that it is the ACP's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be

recovered and sold, and
- the calculation formula used.

In most circumstances, the metal chosen for reporting on an equivalent basis should be the one that contributes most to the metal equivalent calculation. If this is not the case, a clear explanation of the logic of choosing another metal must be included in the report.

Estimates of metallurgical recoveries for each metal must be used to calculate meaningful metal equivalents.

Reporting on the basis of metal equivalents is not appropriate if metallurgical recovery information is not available or cannot be estimated with reasonable confidence.

For many projects at the Exploration Results stage, metallurgical recovery information may not be available or cannot be estimated with reasonable confidence. In such cases, reporting of metal equivalents may be misleading.

XII. Reporting of *In Situ* or In Ground Valuations

47. The publication of *in situ* or 'in ground' financial valuations breaches the principles of the Code (as set out in Clause 5) as the use of these terms is not transparent and lacks material information. It is also contrary to the intent of Clause 31 of the Code. Such *in situ* or in ground financial valuations must not be reported by companies in relation to Exploration Results, Mineral Resources or mineral deposit size.

The use of such financial valuations has little or no relationship to economic viability, value or potential returns to investors.

These financial valuations can imply economic viability without the apparent consideration of the application of the Modifying Factors (Clause 15 and Clauses 32 to 41), in particular, the mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.

In determining project viability, it is necessary to include all reasonable Modifying Factors (Clauses 32 to 41) to determine the economic value that can be extracted from the mineralization.

Many mineral deposits with large in ground values are never developed because they have a negative Net Present Value when all reasonable Modifying Factors are considered.

By reporting such financial valuations as a component of Exploration Results, Exploration Target(s) or when evaluating mineral deposits that commonly include large portions of Inferred Mineral Resources, companies are not necessarily representing the economic value that can be extracted from the mineralization,

XIII. Commodity Pricing and Marketing

48. Commodity prices and sales volume expectations used for the determination of Mineral Resources and Mineral Reserves must be based on forward-looking reasonable estimates reflecting the company's short- and long-term expectations as supported by available evidence, which may include consensus forecasts, three-year trailing averages, sales contracts, or other price analyses (see Clauses 51 and 52 below for cases where public disclosure is not appropriate).

    The basis for the selected prices and sales volumes should be supported by appropriate documentation.

    The ACP should ascertain that these prices and volumes are consistent with sales agreements and marketing determinations or forecasts.

    Under certain circumstances, it may be appropriate to use different prices for estimating Mineral Resources and Mineral Reserves.

    For current mining operations, the price and volume profile used for Mineral Resources and Mineral Reserves estimation may reflect current market conditions for short-term forecasts, while trending with time upward or downward toward the long-term price and volume estimates based on the company's expectations.

    For Mineral Reserves that are expected to be produced beyond the validity of short-term forecasts, the company should use long-term price and volume expectations.

    For Mineral Reserves for which production would extend beyond the quantities specified in existing contracts, reasonable and supportable assumptions should be made to determine the likelihood of contract renewal and prices applicable for the estimation and reporting of these Mineral Resources and Mineral Reserves.

49. To demonstrate the economic feasibility of a Mineral Reserve, the estimated prices, combined with Modifying Factors, must be applied to only Measured and Indicated Mineral Resources.

    Mineral Reserves are the economically mineable part of a Measured or Indicated Mineral Resource; hence, appropriate assessments should demonstrate at the time of reporting that extraction is reasonably justified. This requires that assumptions are made concerning the price of the commodity or product that will be sold when the mine is in production.

    Mineral Reserves are estimated and published to supply information concerning the value of the mineral deposit and the risk which may be associated with its development.

    Mineral Reserves are used by a company, in conjunction with Mineral Resources, for short-term, tactical, and strategic planning. They play a critical role in raising capital, corporate financing, price hedging, long-term sales contracts, and accounting, among others, including impairment review of capitalized cost such as fixed assets, deferred exploration and development costs, fair value accounting, calculation of depreciation,

depletion, and accumulated retirement obligation provision rates.

To supply information consistent with the company's plans and financial reporting, commodity prices used for the determination of Mineral Reserves should be based on forward-looking estimates reflecting the company's reasonable expectations as supported by all available evidence.

Most commodities, whether sold using publicly quoted prices (e.g., base metals and precious metals) or under long-term contract (e.g., coal and iron ore), experience long-term price cycles. Price expectations should reflect current prices as well as long-term trends. Overly optimistic or pessimistic price and volumes expectations could result in significant over- or underestimation of Mineral Reserves. It is the responsibility of the company and the ACP to determine whether the prices used for Mineral Reserve estimation are reasonable and supportable, given all available information.

During periods of low prices, a company may choose to temporarily curtail operations and conserve the mineral asset until prices recover. When such actions are taken, Public Reports should be updated to reflect the new information. In such circumstances, previously published Mineral Reserves may not have to be reclassified, provided that, in the opinion of the company and the ACP, higher future prices can be reasonably and supportably assumed, and it can reasonably be expected that operations will resume.

The documentation supporting the company's expectations should include comparison of prices with historical and current prices and forward curves, contracts and market considerations, currency exchange rates where applicable, third-party sources, and supplemental information.

50. Disclosure in Public Reports of the commodity prices and sometimes also the costs (including other Modifying Factors) used for Mineral Reserves estimation is generally required.

51. In the absence of applicable securities or other laws to disclose prices, there may be cases, such as when a product is sold under long-term contract, the terms of which are confidential, where there are valid commercial reasons for non-disclosure of prices.

52. Similarly, where disclosure of the long-term price and/or cost assumptions used in the estimation would be detrimental to the company's business, such as when bidding for sales contracts or mineral property acquisitions or negotiating agreements with third parties, non-disclosure may be justifiable.

XIV. Permitting and Legal Requirements

53. For the declaration of Mineral Reserves, there must be no known material obstacles to mining, arising from the failure to obtain material permits and consents under applicable laws and regulations.

54. There must be a reasonable expectation by the ACP, often through reliance on legal and permitting experts, that all permits, consents, ancillary rights (including water or other mineral property rights) and authorizations required for mining, and to the extent applicable, processing and marketing, can be

obtained in a timely fashion, and maintained for ongoing operations.

55. The company must complete a review of all legal and permitting requirements and document the findings. Local environmental laws and processes must be taken into account.

56. To demonstrate reasonable expectation that all permits, consents, ancillary rights, and authorizations can be obtained, the company must show understanding of the procedures to be followed to obtain such permits, consents, ancillary rights, and authorizations. Demonstrating earlier success in obtaining the necessary permits and consents can be used to document the likelihood of future success.

57. If permits and consents are required, but there is no defined procedure to obtain such permits and consents, reasonable expectation of success may be difficult to support. Information that materially increases or decreases the risk that the necessary legal rights or permits will be obtained must be disclosed.

58. It is recognized that the legal and permitting environment may change over time and that such changes could have an impact on Mineral Reserve estimation. If it is determined that obstacles have arisen or have been eliminated, the Mineral Reserve estimates must be adjusted accordingly.

    It is recognized that some permits and/or consents cannot be obtained until after a Mineral Reserve has been declared. There might be sound business reasons why obtaining some permits and/or consents should be postponed.

    It is also recognized that waiting for all permits and/or consents to be on hand could result in critical information not being released to the investors in a timely fashion, and therefore it is recommended that disclosure of material information occur prior to obtaining permits and/or consents as appropriate.

    Documentation should include a brief description of the tenurial instrument, permit, agreement with government, title, claim, lease or option under which the company has the right to hold or operate the mineral property, indicating any conditions that the company must meet to obtain or retain the mineral property.

    If held by tenurial instruments, permits, agreements with the government, leases or options, the expiry dates of such tenurial instruments, permits, agreements with government, leases or options should be stated. If extension of the foregoing will be needed to mine the Mineral Reserves, there should be reasonable expectation that such extension will be granted.

59. Royalty terms, streaming agreements, and clawback rights of former claim/land holders must be disclosed.

60. Information relating to the review of legal and permitting issues must be documented either in full or by reference. The information may remain confidential to the company. However, when required, it may be released to regulators or auditors on a confidential basis.

XV. Sustainability Considerations

61. Public Reports should discuss environmental, social, and health and safety impacts that are expected during development, operation, and after closure, and the mitigation and remediation plans to address such impacts. These impacts will affect employees, contractors, neighboring communities, and customers.

    Historical performance by the company should be used to engage all stakeholders and to plan for continued benefits for all parties concerned.

    In the minerals industry, health and safety have traditionally received the most attention, with incident statistics reflecting these improvements.

    Sustainability can refer to three principal themes: the ability of the environment to maintain itself with minimum impact to the local flora and fauna, the ability of the surrounding community to continue its traditional economic and cultural activities, and the ability of newly-created economic inputs to continue beyond the mine life.

    Social issues and the social license to operate (SLO) are a measure of the communication transparency and level of trust with communities and society at large. Programs to create positive impacts on the environment, safety, and sustainability all contribute to winning the trust needed for the SLO.

    The ACP should ensure the report discusses reasonably available information on environmental permitting and social or community factors related to the project.

    The discussions should include, where relevant:

    - *a summary of the results of any environmental studies and a discussion of any known environmental issues that could materially impact the company's ability to extract the Mineral Resources or Mineral Reserves,*
    - *requirements and plans for waste and tailings disposal, site monitoring, and water management both during operations and post-mine closure,*
    - *project permitting requirements, the status of any permit applications, and any known requirements to post-performance or reclamation bonds,*
    - *a discussion of any potential social or community-related requirements and plans for the project and the status of any negotiations or agreements with local communities,*
    - *a discussion of mine closure (remediation and reclamation) requirements and costs,*
    - *special capital or operating requirements for handling hazardous minerals or reagents, as well as other health and industrial hygiene risks,*
    - *any savings in energy usage or other reduction of consumption reflecting directly in the economic outcome of the project, and*
    - *Mineral Reserve estimates should acknowledge the likely environmental and social impact of development and ensure that appropriate allowances are made for mitigation and remediation.*

XVI. Transitory Provisions

62. To provide for a smooth transition from the PMRC 2007 Edition, the full implementation of the PMRC 2020 Edition takes effect two (2) years from the date that the Securities and Exchange Commission (SEC) approves this Edition of the Code (Transitory Period).

63. Companies shall comply with PMRC 2007 Edition during the Transitory Period. Companies can opt to have their disclosures fully compliant with PMRC 2020 Edition during the Transitory Period. If a company opts to have its disclosures comply with the PMRC 2020 Edition during the Transitory Period, it shall expressly state the same and use the same exclusively in its disclosures. The use of the standards set by both PMRC 2007 and PMRC 2020 Editions in the same disclosure is not allowed. If at any point during the Transitory Period, a company adopts the PMRC 2020 Edition, it shall continue to use the same during the rest of the Transitory Period.

64. During the Transitory Period, the terms “Accredited Competent Person” (“ACP”) and “Mineral Reserves” must be used instead of “Competent Person” (“CP”) and “Ore Reserves”, respectively. In addition, the ACP’s Consent Form (Appendix 3) and Compliance Statements (Appendix 4) shall be used during the Transitory Period, provided that, if the PMRC 2007 Edition is being complied, the ACP Consent Form and Consent Statement shall be revised as follows: (i) “Pursuant to the requirements under the prevailing PSE’s Consolidated Listing and Disclosure Rules and Clause ~~10~~ **8** of the PMRC ~~2020~~ **2007** Edition (“Consent Statement”)”; (ii) “I have read and understood the requirements of the ~~2020~~ **2007** Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and ~~Mineral~~ **Ore** Reserves (PMRC ~~2020~~ **2007** Edition)”; (iii) “I certify that this Report has been prepared in accordance with PMRC ~~2020~~ **2007** Edition”; and (iv) “I am an Accredited Competent Person as defined by the ~~PMRC~~ 2020 Edition **of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves**, having a minimum of five years relevant experience in style of mineralization and type of mineral deposit described in the Report, and to the activity for which I am accepting responsibility”.

Table 1 - Checklist of Assessment and Reporting Criteria

Table 1 is a checklist or reference for use by the ACP(s) preparing Public Reports on Exploration Results, Mineral Resources, and Mineral Reserves.

In the context of complying with the principles of Transparency, Materiality, and Competence (see Clause 5), comment on the relevant sections of Table 1 should be provided on an 'if not, why not' basis within the ACP's documentation and must be provided where required according to the specific requirements of Clauses 22, 30 and 38 for projects material to the company in the Public Report. This is to ensure that it is clear to the investor whether items have been considered and deemed of low consequence or have yet to be addressed or resolved.

As always, relevance and Materiality are overriding principles that determine what information should be Publicly Reported and the ACP must provide sufficient comment on all 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 Mineral Reserves.

The order and grouping of criteria in Table 1 reflect the normal systematic approach to exploration and estimation of Mineral Resources and Mineral Reserves. The table should be approached from left to right, and from top to bottom. In other words, criteria in the first column, Exploration Results, should be considered to apply also when reporting Mineral Resources and Mineral Reserves. Similarly, additional criteria in the Mineral Resources column apply also to Mineral Reserves reporting.

When compiling a Public Report dealing with coal; industrial minerals, cement feed materials, and construction materials; and dimension stone, ornamental and decorative stone; there are specific matters that must be considered. Appendices 6 to 8 of the Code address these specific commodities. Sections 10-12 of Table 1 include also items that may be specific to those commodities and therefore have been placed within Appendices 6 to 8 where relevant.

TABLE 1 – CHECK LIST OF ASSESSMENT AND REPORTING CRITERIA					
			Exploration Results	***Mineral Resources***	***Mineral Reserves***
Introduction					
Introduction	***General***	*(i)*	*The scope of work or terms of reference.*		
		(ii)	*The Accredited Competent Person's relationship to the issuer of the Public Report, if any.*		
		(iii)	*A statement for whom the Public Report was prepared; whether it was intended as a full or partial evaluation or other purpose, work conducted, effective date of Public Report, and remaining work.*		
		(iv)	*Sources of information and data contained in the Public Report or used in its preparation, with citations if applicable, and a list of references.*		
		(v)	*A title page and a table of contents that includes figures and tables.*		
		(vi)	*An Executive Summary, which briefly summarizes important information in the Public Report, including mineral property description and ownership, geology and mineralization, the status of exploration, development and operations, Mineral Resource and/or Mineral Reserve estimates, and the Accredited Competent Person's conclusions and recommendations.* *If Inferred Mineral Resources are used, a summary valuation with and if practical without inclusion of such Inferred Mineral Resources. The Executive Summary should have sufficient detail to allow the reader to understand the essentials of the project.*		
		(vii)	*A declaration from the Accredited Competent Person, stating whether 'the declaration has been made in terms of the guidelines of the PMRC 2020 Edition.* *If a reporting code other than the PMRC having jurisdiction has been used, an explanation of the differences.*		
		(viii)	*Diagrams, maps, plans, sections, and illustrations, which are dated, legible, and prepared at an appropriate scale to distinguish important features. Maps including a legend, author or information source, coordinate system and datum, a scale in bar or grid form, and an arrow indicating north.* *Reference to a location or index map and more detailed maps showing all important features described in the text, including all relevant cadastral and other infrastructure features.*		
		(ix)	*The units of measure, currency and relevant exchange rates*		
		(x)	*The details of the personal inspection on the mineral property by each Accredited Competent Person or, if applicable, the reason why a personal inspection has not been completed.*		
		(xi)	*If the Accredited Competent Person is relying on a report, opinion or statement of another expert who is not an Accredited Competent Person, then a disclosure of the date, title, and author of the report, opinion, or statement, the qualifications of the other expert, the reason for the Accredited Competent Person to rely on the other expert, any significant risks, and any steps the Accredited Competent Person took to verify the information provided.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 1: Project Outline					
1.1	***Location***	*1.1.1*	*Description of location and map (country, province, and closest town/city, coordinate systems and ranges, etc.).*		
		1.1.2	*Country Profile, with a description of information relating to the project host country that is pertinent to the project, including relevant applicable legislation, environmental and social context etc. An assessment, at a high level, of relevant technical, environmental, social, economic, political, and other key risks.*		
		1.1.3	*A general topo-cadastral map.*	*Topo-cadastral map in sufficient detail to support the assessment of eventual economics.*	*Detailed topo-cadastral map, with applicable aerial surveys checked with ground controls and surveys, particularly in areas of rugged terrain, dense vegetation or high altitude.*
1.2	***Mineral Property Description***	*1.2.1*	*Brief description of the scope of project (i.e., whether in preliminary sampling, advanced exploration, Scoping, Pre-Feasibility, or Feasibility Study, Life-of-Mine plan for an ongoing mining operation or closure).*		
		1.2.2	*Description of topography, elevation, drainage and vegetation, the means and ease of access to the mineral property, the proximity of the mineral property to a population center, and the nature of transport, the climate, known associated climatic and seismic risks and the length of the operating season and to the extent relevant to the mineral project, the sufficiency of surface rights for mining operations including the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites (noting any conditions that may affect possible exploration/mining activities).*		
1.3	***Adjacent properties***	*1.3.1*	*Details of relevant adjacent properties. The inclusion on the maps of the location of common structures, whether related to mineralization or not, in adjacent or nearby properties having an important bearing on the Public Report. Reference to all information used from other sources.*		
1.4	***History***	*1.4.1*	*Historical background to the project and adjacent areas concerned, including known results of previous exploration and mining activities (type, amount, quantity, and development work), previous ownership and changes thereto.*		
		1.4.2		*Previous successes or failures referred to transparently with reasons why the project should now be considered potentially economic.*	
		1.4.3		*Known or existing historical Mineral Resource estimates and performance statistics from actual production in the past and in current operations.*	
		1.4.4			*Known or existing historical Mineral Reserve estimates and performance statistics from actual production in the past and in current operations.*
1.5	***Legal Aspects and Permitting***		*A statement from the Accredited Competent Person on the confirmation of the legal tenure, including a description of:*		
		1.5.1	*The nature of the issuer's rights (e.g., exploration and/or mining) and the right to use the surface of the properties to which these rights relate. The date of expiry and other relevant details.*		
		1.5.2	*The principal terms and conditions of all existing agreements, and details of those still to be obtained, (such as, but not limited to, concessions, partnerships, joint ventures, access rights, leases, historical and cultural sites, wilderness or national park and environmental settings, royalties, consents, permission, permits or authorizations).*		
		1.5.3	*The security of the tenure held at the time of reporting or that is reasonably expected to be granted in the future along with any known impediments to obtaining the right to operate in the area.* *Details of applications that have been made. See Clause 32 for declaration of a Mineral Reserve.*		
		1.5.4	*A statement of any legal proceedings, for example: adverse/competing claims, or land claims that may have an influence on the rights to prospect or mine for minerals, or claims that the tenurial instrument is defective, or an appropriate negative statement.*		
		1.5.5	*A statement relating to governmental/statutory requirements permits, and consents as may be required, have been applied for, approved or can be reasonably be expected to be obtained.* *A review of risks that permits will not be received as expected and impact of delays to the project*		
1.6	***Royalties***	*1.6.1*	*The royalties or streaming agreements that are payable in respect of each mineral property.*		
1.7	***Liabilities***	*1.7.1*	*Any liabilities, including rehabilitation guarantees and decommissioning obligations that are pertinent to the project.* *A description of the rehabilitation liability and decommissioning obligation, including, but not limited to, legislative/administrative requirements, assumptions, and limitations.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 2: Geological Setting, Mineral Deposit, Mineralization					
2.1	***Geological Setting, Mineral Deposit, Mineralization***	*2.1.1*	*The regional geology.*		
		2.1.2	*The project geology including mineral deposit type, geological setting, and style of mineralization.*		
		2.1.3	*The geological model or concepts being applied in the investigation and on the basis of which the exploration program is planned, along with a description of the inferences and assumptions made from this model.*		
		2.1.4	*Data density, distribution, and reliability and whether the quality and quantity of information are sufficient to support statements, made or inferred, concerning the mineral deposit.*		
		2.1.5	*Significant minerals present in the mineral deposit, their frequency, size and other characteristics, including a discussion of minor and gangue minerals where these will have an effect on the processing steps and the variability of each important mineral within the mineral deposit.*		
		2.1.6	*Significant mineralized zones encountered on the mineral property, including a summary of the surrounding rock types, relevant geological controls, and the length, width, depth, and continuity of the mineralization, together with a description of the type, character, and distribution of the mineralization*		
		2.1.7	*The existence of reliable geological models and/or maps and cross sections that support interpretations.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 3: Exploration and Drilling, Sampling Techniques, and Data					
3.1	***Exploration***	*3.1.1*	*Data acquisition or exploration techniques and the nature, level of detail, and confidence in the geological data used (i.e., geological observations, remote sensing results, stratigraphy, lithology, structure, alteration, mineralization, hydrology, geophysical, geochemical, petrography, mineralogy, geochronology, bulk density, potential deleterious or contaminating substances, geotechnical and rock characteristics, moisture content, bulk samples, etc.).* *Data sets with all relevant metadata, such as unique sample number, sample mass, collection date, spatial location, etc.*		
		3.1.2	*The primary data elements (observations and measurements) used for the project and a description of the management and verification of these data or the database.* *Description of the following relevant processes: acquisition (capture or transfer), validation, integration, control, storage, retrieval, and backup processes.* *If data are not stored digitally, presentation of hand-printed tables with well-organized data and information.*		
		3.1.3	*Acknowledgment and appraisal of data from other parties, and reference to all data and information used from other sources.*		
		3.1.4	*Distinction between data / information from the mineral property under discussion and that derived from surrounding properties.*		
		3.1.5	*The methods for collar and down-hole survey, techniques, and expected accuracies of data as well as the grid system used.*		
		3.1.6	*Discussion on the sufficiency of the data spacing and distribution to establish the degree of geological and grade continuity appropriate for the estimation procedure(s) and classifications applied.*		
		3.1.7	*Presentation of representative models and/or maps and cross sections or other two or three-dimensional illustrations of results showing location of samples, accurate drill hole collar positions, down-hole surveys, exploration pits, underground workings, relevant geological data, etc.*		
		3.1.8	*The geometry of the mineralization with respect to the drill hole angle because of the importance of the relationships between mineralization widths and intercept lengths.* *Justification if only down-hole lengths are reported.*		
3.2	***Drilling Techniques***	*3.2.1*	*Type of drilling undertaken (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Banka, sonic, etc.) and details (e.g., 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.).*		
		3.2.2	*The geological and geotechnical logging of core and chip samples relative to the level of detail required to support appropriate Mineral Resource estimation, mining studies, and metallurgical studies.*		
		3.2.3	*The nature of logging (qualitative or quantitative) and the use of core photography (or costean, channel, etc.).*		
		3.2.4	*The total length and percentage of the relevant intersections logged.*		
		3.2.5	*Results of any down-hole surveys of the drill hole.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 3: Exploration and Drilling, Sampling Techniques, and Data (continued)					
3.3	***Sample method, collection, capture, and storage***	*3.3.1*	*A description of the nature and quality of sampling (e.g., cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld or fixed-position XRF instruments, etc.), without these examples limiting the broad meaning of sampling.*		
		3.3.2	*A description of the sampling processes, including sub-sampling stages to maximize representativeness of samples, whether sample sizes are appropriate to the grain size of the material being sampled and any sample compositing.*		
		3.3.3	*A description of each data set (e.g., geology, grade, density, quality, geo-metallurgical characteristics, etc.), sample type, sample-size selection, and collection methods.*		
		3.3.4	*The nature of the geometry of the mineralization with respect to the drill hole angle (if known).* *The orientation of sampling to achieve unbiased sampling of possible structures, considering the mineral deposit type.* *The intersection angle.* *The down-hole lengths if the intersection angle is not known.*		
		3.3.5	*A description of retention policy and storage of physical samples (e.g., core, sample reject, etc.)*		
		3.3.6	*A description of the method of recording and assessing core and chip sample recoveries and the 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.*		
		3.3.7	*The cutting of a drill core sample, e.g., whether it was split or sawn and whether quarter, half or full core was submitted for analysis.* *Non-core sampling, e.g., whether the sample was riffled, tube sampled, rotary split, etc.; whether it was sampled wet or dry; the impact of water table or flow rates on recovery and introduction of sampling biases or contamination from above.* *The impact of variable hole diameters, e.g., by the use of a caliper tool.*		
3.4	***Sample Preparation and Analysis***	*3.4.1*	*The identity of the laboratory(s) and its accreditation status.* *The steps taken by the Accredited Competent Person to ensure the results from a non-accredited laboratory are of an acceptable quality.*		
		3.4.2	*The analytical method, its nature, the quality and appropriateness of the assaying and laboratory processes and procedures used, and whether the technique is considered partial or total.*		
		3.4.3	*A description of the process and method used for sample preparation, sub-sampling and size reduction, and the likelihood of inadequate or non-representative samples (i.e., improper size reduction, contamination, screen sizes, granulometry, mass balance, etc.).*		
3.5	***Sampling Governance***	*3.5.1*	*The governance of the sampling campaign and process, to ensure quality and representativeness of samples and data, such as sample recovery, high grading, selective losses or contamination, core/hole diameter, internal and external QA/QC, and any other factors that may have resulted in or identified sample bias.*		
		3.5.2	*The measures taken to ensure sample security and the Chain of Custody.*		
		3.5.3	*The validation procedures used to ensure the integrity of the data, e.g., transcription, input or other errors, between its initial collection and its future use for modeling (e.g., geology, grade, bulk density, etc.).*		
		3.5.4	*The audit process and frequency (including dates of these audits) and disclose any material risks identified.*		
3.6	***Quality Control/ Quality Assurance***	*3.6.1*	*The verification techniques (QA/QC) for field sampling process, e.g., the level of duplicates, blanks, reference material standards, process audits, analysis, etc.* *Indirect methods of measurement (e.g., geophysical methods), with attention given to the confidence of interpretation.* *Reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.* *QA/QC procedures used to check databases augmented with 'new' data have not disturbed previous versions containing 'old' data.*		
3.7	***Bulk Density***	*3.7.1*	*The method of bulk density determination with reference to the frequency of measurements, the size, nature, and representativeness of the samples.*		
		3.7.2	*Preliminary estimates or basis of assumptions made for bulk density.*		
		3.7.3	*The representativeness of bulk density samples.*		
		3.7.4	*The measurement of bulk density for bulk material using methods that adequately account for void spaces (vugs, porosity etc.), moisture, and differences between rock and alteration zones within the mineral deposit.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 3: Exploration and Drilling, Sampling Techniques, and Data (continued)					
3.8	***Bulk Sampling and/or trial-mining***	*3.8.1*	*The location of individual samples (including map).*		
		3.8.2	*The size of samples, spacing/density of samples recovered, and whether sample sizes and distribution are appropriate to the grain size of the material being sampled.*		
		3.8.3	*The method of mining and treatment.*		
		3.8.4	*The degree to which the samples are representative of the various types and styles of mineralization and the mineral deposit as a whole.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 4: Estimation and Reporting of Exploration Results and Mineral Resources					
4.1	***Geological model and interpretation***	*4.1.1*	*The nature, detail, and reliability of geological information with which lithological, structural, mineralogical, alteration or other geological, geotechnical, and geo-metallurgical characteristics were recorded.*		
		4.1.2	*The geological model, construction technique, and assumptions that form the basis for the Exploration Results or Mineral Resource estimate.* *The sufficiency of data density to assure continuity of mineralization and geology, and provision of an adequate basis for the estimation and classification procedures applied.*		
		4.1.3	*Any obvious geological, mining, metallurgical, processing, environmental, social, infrastructural, legal, and economic factors that could have a significant effect on the prospects of any possible Exploration Target or mineral deposit.*		
		4.1.4		*Geological data that could materially influence the estimated quantity and quality of the Mineral Resource or Mineral Reserve.*	
		4.1.5		*Consideration given to alternative interpretations or models and their possible effect (or potential risk), if any, on the Mineral Resource estimate.*	
		4.1.6		*Geological discounts (e.g., magnitude, per reef, domain, etc.), applied in the model, whether applied to mineralized and/or unmineralized material (e.g., potholes, faults, dikes, etc.).*	
4.2	***Estimation and modeling techniques***	*4.2.1*	*A detailed description of the estimation techniques and assumptions used to determine the grade and tonnage ranges for Exploration Targets.*	*Histograms, statistical parameters, probability distributions of samples, and of block estimates. If geostatistics is done, must show variogram(s) and parameters (e.g., sill, range, nugget effect) depending on variogram type, sizes of estimation panels or blocks, assumed or known selective mining units.*	
		4.2.2		*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values (cutting or capping), compositing (including by length and/or density), domaining, sample spacing, estimation unit size (block size), selective mining units, interpolation parameters, and maximum distance of extrapolation from data points.*	
		4.2.3		*Assumptions and justification of correlations made between variables.*	
		4.2.4		*Any relevant specialized computer program (software) used (with the version number) together with the parameters used.*	
		4.2.5		*The processes of checking and validation, the comparison of model information to sample data and use of reconciliation data, and whether the Mineral Resource estimate takes account of such information.*	
		4.2.6		*The assumptions made regarding the estimation of any co-products, by-products or deleterious elements.*	

			Exploration Results	Mineral Resources	Mineral Reserves
Section 4: Estimation and Reporting of Exploration Results and Mineral Resources (continued)					
4.3	***Reasonable prospects for eventual economic extraction***	*4.3.1*		*The geological parameters, including (but not be limited to) volume / tonnage, grade and value / quality estimates, cut-off grades, strip ratios, upper- and lower- screen sizes.*	
		4.3.2		*The engineering parameters, including mining method, processing, geotechnical, hydrogeological, and metallurgical parameters, including assumptions made to mitigate the effect of deleterious elements.* *Dilution and mining recovery factors that might be applicable to convert in-situ Mineral Resources to Mineral Reserves.*	
		4.3.3		*The infrastructure including, but not limited to, power, water, and site access.*	
		4.3.4		*The legal, governmental, permitting, and statutory parameters.*	
		4.3.5		*The environmental and social (or community) parameters.*	
		4.3.6		*The marketing parameters.*	
		4.3.7		*The economic assumptions and parameters, including, but not limited to, commodity prices, sales volumes, and potential capital and operating costs.*	
		4.3.8		*Material risks, e.g., legal, environmental, climatic, etc.*	
		4.3.9		*The parameters used to support the concept of 'eventual' in the case of Mineral Resources.*	
4.4	***Classification Criteria***	*4.4.1*		*The criteria and methods used as the basis for the classification of the Mineral Resources into varying confidence categories.*	
4.5	***Discussion of relative accuracy/ confidence***	*4.5.1*		*Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource or Mineral Reserve estimate using an approach or procedure deemed appropriate by the Accredited Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the Mineral Resource or Mineral Reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relative tonnages, which should be relevant to technical and economic evaluation. Documentation shall include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	
4.6	***Reporting***	*4.6.1*	*Specific grades / qualities and widths.*		
		4.6.2	*The reporting of low- and high-grade intersections and corresponding widths, together with their spatial location to avoid misleading reporting of Exploration Results.*		
		4.6.3	*A statement on whether grades are regional averages or if these are selected individual samples taken from the mineral property under discussion.*		
		4.6.4		*The detail of the surface or underground mine, residue stockpile, remnants, tailings, and existing pillars or other sources in a Mineral Resource statement*	
		4.6.5		*A comparison with the previous Mineral Resource estimates, with an explanation of the reason for material changes.* *A comment on any historical trends (e.g., global bias).*	
		4.6.6		*The basis for the estimate and if not 100%, the attributable percentage relevant to the entity commissioning the Public Report.*	
		4.6.7	*The basis of equivalent metal formulae, if relevant.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies					
5.1	***Introduction***	*5.1.1*	*Not applicable to Exploration Results or Exploration Targets*	*The level of study – Scoping, Pre-Feasibility, Feasibility or ongoing Life-of-Mine Plan.*	*The level of study – Pre-Feasibility, Feasibility or ongoing Life-of-Mine Plan.*
		5.1.2			*A summary table of the Modifying Factors used to convert the Mineral Resource to Mineral Reserve.*
5.2	***Mining Design***	*5.2.1*	*Not applicable to Exploration Results or Exploration Targets*	*Assumptions regarding mining methods and parameters when estimating Mineral Resources.*	
		5.2.2			*All Modifying Factors and assumptions made regarding mining methods, minimum mining dimensions (or pit shell) and internal and, if applicable, external planned and unplanned mining dilution and mining losses used for the techno-economic study and signed-off, such as mining method, mine design criteria, infrastructure, capacities, production schedule, mining efficiencies, grade control, geotechnical and hydrological considerations, closure plans, and personnel requirements.*
		5.2.3		*Mineral Resource models used in the study.*	
		5.2.4		*The basis of the cut-off grade(s).*	*The basis of (the adopted) cut-off grade(s) or quality parameters applied, including metal equivalents if relevant.*
		5.2.5			*The mining method(s) to be used.*
		5.2.6			*For open cut mines, a discussion of pit slopes, slope stability, and strip ratio.*
		5.2.7			*For underground mines, a discussion of mining method, geotechnical considerations, mine design characteristics, and ventilation/cooling requirements.*
		5.2.8			*Discussion of mining rate, equipment selected, grade control methods, geotechnical and hydrogeological considerations, health and safety of the workforce, staffing requirements, dilution, and recovery.*
		5.2.9			*Optimization methods and software used in planning, including a discussion of the constraints.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies (continued)					
5.3	***Metallurgical Testworks***	*5.3.1*	*Not applicable to Exploration Results or Exploration Targets*		*The source of the samples, the representativeness of the potential feed and the techniques used to obtain the samples, laboratory and metallurgical testing techniques.*
		5.3.2			*The basis for assumptions or predictions regarding metallurgical amenability and any preliminary mineralogical test work should already be carried out.*
		5.3.3		*The possible processing methods and any processing factors that could have a material effect on the likelihood of eventual economic extraction.* *The appropriateness of the processing methods to the style of mineralization.*	*The processing method(s), equipment, plant capacity, efficiencies, and personnel requirements.*
		5.3.4			*The nature, amount, and representativeness of metallurgical test works undertaken and the recovery factors used.* *A detailed flow sheet / diagram and a mass balance, especially for multi-product operations from which the saleable materials are priced for different chemical and physical characteristics.*
		5.3.5			*Assumptions or allowances made for deleterious elements and the existence of any bulk-sample or pilot-scale test work and the degree to which such samples are representative of the ore body as a whole.*
		5.3.6			*Disclosure of whether metallurgical process is well-tested technology or novel in nature and if novel, justification of its use in Mineral Reserve estimation.*
5.4	***Infrastructure***	*5.4.1*	*Not applicable to Exploration Results or Exploration Targets*	*Comment regarding the current state of infrastructure or the ease with which the infrastructure can be provided or accessed and its effect on reasonable prospects for eventual economic extraction*	
		5.4.2			*Demonstration that the necessary facilities have been allowed for (which may include, but not be limited to, processing plant, tailings dam, leaching facilities, waste dumps, road, pipeline, rail or port facilities, water and power supply, offices, housing, security, resource sterilization testing, etc.). Provision of detailed maps showing locations of facilities.*
		5.4.3			*Statement showing that all necessary logistics have been considered.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies (continued)					
5.5	***Environmental and social***	*5.5.1*	*Confirmation that the company holding the tenement has addressed the host country's environmental legal compliance requirements and any mandatory and/or voluntary standards or guidelines to which the company subscribes.*		
		5.5.2	*Identification of the necessary permits that will be required and their status, and where not yet obtained, and confirmation that there is a reasonable basis to believe that all permits required for the project will be obtained in a timely manner.*		
		5.5.3	*Any sensitive areas that may affect the project as well as any other environmental factors including Interested and Affected Party (I&AP) and/or studies that could have a material effect on the likelihood of eventual economic extraction.* *Possible means of mitigation.*		
		5.5.4	*Legislated social management programs that may be required and content and status of these.*		
		5.5.5	*Material socio-economic and cultural impacts that need to be managed, and where appropriate the associated costs.*		
5.6	***Market Studies and Economic criteria***	*5.6.1*	*Not applicable to Exploration Results or Exploration Targets*	*Technical and economic factors likely to influence the prospect of economic extraction. Refer to Clause 23.*	*Valuable and potentially valuable product(s) including suitability of products, co-products and by-products to market.*
		5.6.2			*Product to be sold, customer specifications, testing, and acceptance requirements.* *Existence of a ready market for the product and whether contracts for the sale of the product are in place or expected to be readily obtained.* *Price and volume forecasts and the basis for the forecast.*
		5.6.3			*Economic criteria used for the study, such as capital and operating costs, exchange rates, revenue / price curves, royalties, and streaming agreements, cut-off grades, reserve pay limits.*
		5.6.4			*Summary description, source, and confidence of method used to estimate the commodity price/value profiles used for cut-off grade calculation, economic analysis and project valuation, including applicable taxes, inflation indices, discount rate, and exchange rates.*
		5.6.5			*Assumptions made concerning production cost including transportation, treatment, penalties, exchange rates, marketing, and other costs. Allowances should be made for the content of deleterious elements and the cost of penalties.*
		5.6.6			*Allowances made for royalties and streaming agreements payable, both to Government and private entities.*
		5.6.7			*Ownership, type, extent, and condition of plant and equipment that is significant to the existing operation(s).*
		5.6.8			*Environmental, social, and labor costs.*
5.7	***Risk Analysis***	*5.7.1*	*An assessment of technical, environmental, social, economic, political, and other key risks to the project.* *Actions that will be taken to mitigate and/or manage the identified risks.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies (continued)					
5.8	***Economic Analysis***	*5.8.1*	*Not applicable to Exploration Results or Exploration Targets*	*The basis on which reasonable prospects for eventual economic extraction has been determined.* *Any material assumptions made in determining the 'reasonable prospects for eventual economic extraction'.*	*The inclusion of any Inferred Mineral Resources is not allowed in the Pre-Feasibility and Feasibility Studies economic analysis.*
		5.8.2			*An economic analysis for the project that includes after tax Cash Flow forecast on an annual basis using Mineral Reserves or Mineral Resources or an annual production schedule for the life of the project, which has been used at the relevant level Pre-Feasibility or Feasibility Study.* *Accounting for royalties and streaming agreements.*
		5.8.3			*A discussion of net present value (NPV), internal rate of return (IRR) and payback period of capital.*
		5.8.4			*Sensitivity or other analysis using variants in commodity price, grade, capital and operating costs, or other significant parameters, as appropriate and discuss the impact of the results.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 6: Estimation and Reporting of Mineral Reserves					
6.1	***Estimation and modeling techniques***	*6.1.1*			*A description of the Mineral Resource estimate used as a basis for the conversion to a Mineral Reserve.*
		6.1.2			*A Mineral Reserve Statement in sufficient detail indicating if the mining is by surface or underground method plus the source and type of mineralization, domain or orebody, surface dumps, stockpiles, and all other sources.*
		6.1.3			*Reconciliation of historical reliability and reconciliation of the performance parameters, assumptions and modifying factors.* *A comparison with the previous Reserve quantity and qualities, if available.* *Where appropriate, any historical trends (e.g., global bias).*
		6.1.4			*Criteria and methods used as the basis for the classification of the Mineral Reserves into varying confidence categories, which should be based on the Mineral Resource category, and include consideration of the confidence in all the Modifying Factors.*
6.2	***Classification Criteria***	*6.2.1*			*Criteria and methods used as the basis for the classification of the Mineral Reserves into varying confidence categories, which should be based on the Mineral Resource category, and include consideration of the confidence in all the Modifying Factors.*
6.3	***Reporting***	*6.3.1*			*The proportion of Probable Mineral Reserves, which have been derived from Measured Mineral Resources (if any), including the reason(s) thereof.*
		6.3.2			*The inclusion in a Mineral Reserve statement of the detail of the surface or underground mine, residue stockpile, remnants, tailings, and existing pillars or other sources*
		6.3.3			*A comparison with the previous Mineral Reserve estimates.* *Any historical trends (e.g., global bias).*
		6.3.4			*The inclusion or exclusion of Mineral Resources in Mineral Reserves.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 7: Audits and Reviews					
7.1	***Audits and Reviews***	*7.1.1*	*Type of review/audit (e.g., independent, external), area (e.g., laboratory, drilling, data, environmental compliance, etc.), date and name of the reviewer(s) together with their recognized professional qualifications.* *The level of review/audit (desk-top, on-site comparison with standard procedures, or endorsement where auditor/reviewer has checked the work to the extent they stand behind it as if it were their own work).*		
		7.1.2	*The level and conclusions of relevant audits or reviews.* *Significant deficiencies and remedial actions required.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 8: Other Relevant information					
8.1	***Other relevant information***	*8.1.1*	*Other relevant and material information not discussed elsewhere.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 9: Accredited Competent Person					
9.1	***Qualification of Accredited Competent Person(s) and key technical staff***	*9.1.1*	*The full name of the Accredited Competent Person, profession, address, their PRC and Accredited Competent Person registration numbers and the name of the professional representative organization (or RPO), of which the Accredited Competent Person(s) is member.* *The relevant experience of the Accredited Competent Person(s) and other key technical staff who prepared and who are responsible for the Public Report.*		
	Relationship to the issuer	*9.1.2*	*The Accredited Competent Person's relationship to the issuer of the Public Report, if any.*		
		9.1.3	*The inclusion of the Accredited Competent Person's Consent Form (see Appendices 3 & 4). Such Consent Form should include the date of sign-off and the effective date of the Public Report.*		

Table 2 - Guideline for Technical Studies

This guideline for Technical Studies is provided as a guide to the compilation of the various studies relating to Mineral Resources and Mineral Reserves. It is designed to be read in conjunction with Table 1.

Scoping Studies, Pre-Feasibility Studies, Feasibility Studies (and on-going Life-of-Mine Plan (LoMP) studies) analyze and assess the same geological, engineering, and economic factors with increasing detail and precision. Therefore, the same criteria may be used as a framework for reporting the results of all three studies.

If considered appropriate, the ACP may use the Association for the Advancement of Cost Engineers (AACE) International Guide 47R-11 for the Mining and Mineral Processing Industries (as amended) or other internationally recognized and accepted guidelines.

TABLE 2 – GUIDELINE FOR TECHNICAL STUDIES			
Item	***Scoping Study***	***Pre-Feasibility Study***	***Feasibility Study***
Mineral Resource categories	*Mostly Inferred*	*Mostly Indicated*	*Measured and Indicated*
Mineral Reserve categories	*None*	*Mostly Probable*	*Proved and Probable*
Mining method and geotechnical constraints	*Conceptual*	*Preliminary Options*	*Detailed and Optimized*
Mine design	*None or high-level conceptual*	*Preliminary mine plan and schedule*	*Detailed mine plan and schedule*
Scheduling	*Annual approximation*	*3-monthly to annual*	*Monthly for much of payback period*
Mineral Processing / Extractive Metallurgy	*Metallurgical testwork – exploratory tests*	*Preliminary Options – bench/pilot-scale tests*	*Detailed and Optimized – optimization, testworks / pilot-scale tests*
Permitting - (water, power, mining, prospecting, and environmental)	*Required permitting listed*	*Preliminary applications submitted*	*Authorities engaged, and applications submitted*
Social license to operate	*Initial contact with local communities*	*Formal communication structures and engagement models in place*	*Contracts/agreements in place with local communities and municipalities (local government)*
Risk tolerance	*High*	*Medium*	*Low*

Item	Scoping Study	Pre-Feasibility Study	Feasibility Study
Basis of Capital Estimate			
Civil/structural, architectural, piping/heating, ventilation, and air conditioning (HVAC), electrical, instrumentation, construction labor, construction labor productivity, material volumes/amounts, material/equipment, pricing, and infrastructure	*Order-of-magnitude based on historical data or factoring. Engineering < 5% complete.*	*Estimated from historical factors or percentages and vendor quotes based on material volumes. Engineering at 5-25% complete.*	*Detailed from engineering at 20% to 50% complete, estimated material take-off quantities, and multiple vendor quotations*
Contractors	*Included in unit cost or as a percentage of total cost*	*Percentage of direct cost by area for contractors; historical for subcontractors*	*Written quotes from contractor and subcontractors*
Engineering, procurement, and construction management (EPCM)	*Percentage of estimated construction cost*	*Key parameters, Percentage of detailed construction cost*	*Detailed estimate*
Owner's costs	*Factored, benchmark, database or historical estimate*	*Budgeted quotes on key parameters and estimates from experience, factored from similar project*	*Detailed estimate*
Environmental compliance / Closure Cost	*Factored from historical estimate*	*Estimate from experience, factored from similar project*	*Estimate prepared from detailed zero-based budget for design engineering and specific permit requirements*
Escalation	*Not considered*	*Based on entity's current budget percentage*	*Based on cost area with risk*
Accuracy Range (Order of magnitude)	*± 25-50%*	*± 15-25%*	*± 10-15%*
Contingency Range (Allowance for items not specified in scope that will be needed)	*± 30%*	*15-30%*	*10% - 15% (actual to be determined based on risk analysis)*

Item	*Scoping Study*	Pre-Feasibility Study	Feasibility Study
		Basis of Operating Costs	
Operating Costs	*Order-of-magnitude based on historical data or factoring.*	*Estimated from historical factors or percentages and vendor quotes based on material volumes.*	*Detailed estimate*
Operating quantities	*General*	*Specific estimates with some factoring*	*Detailed estimates*
Unit costs	*Based on historical data for factoring*	*Estimates for labor, power, and consumables, some factoring*	*Letter quotes from vendors; minimal factoring*
Accuracy Range	*± 25-50%*	*15% - 25%*	*10% - 15%*
Contingency Range (Allowance for items not specified in scope that will be needed)	*± 25%*	*± 15%*	*± 10% (actual to be determined based on risk analysis)*

Appendix 1 - Generic Terms and Equivalents

Throughout the PMRC 2020 Edition, 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 or similar terms	Intended generalized meaning
Accredited Competent Person	*Competent Person (Australasia) Qualified Person (Canada) Qualified Competent Person (Chile)*	*Refer to the Code Clause 12 for the definition of an Accredited Competent Person.*
Assumption	*Value judgments*	*The ACP in general makes value judgments when making assumptions regarding information not fully supported by test work*
Clawback rights		*A financial or other benefit that is given but is later taken back under defined circumstances.*
Cut-off grade	*Product specifications*	*The lowest grade, or quality, of mineralized material that qualifies as economically mineable and available in a given mineral deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product.*
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.*
Life-of-Mine Plan (LoMP)		*A design and financial/economic study of an existing operation in which appropriate assessments have been made of existing geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational, and all other Modifying Factors, which are considered in sufficient detail (to Pre-Feasibility level) to demonstrate that continued extraction is reasonably justified. Refer to Table 2 for guidance.*
Metallurgy	*Processing, Beneficiation, Concentration, Leaching, Smelting and Refining*	*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, gravity concentration, smelting and refining, etc.*

Generic Term	Synonyms or similar terms	Intended generalized meaning
Mineralization	*Type of mineral deposit, orebody, style of mineralization*	*Any single mineral or combination of minerals occurring in a mass, or mineral deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of mineral deposit, mode of occurrence, genesis or composition.*
Mineral Reserves	*Ore Reserves*	*'Mineral Reserves' is preferred under the PMRC 2020 Edition but 'Ore Reserves' is in use in the PMRC 2007 Edition and in other countries and is generally accepted. Other descriptors can be used to clarify the meaning, e.g., coal reserves, limestone reserves, etc.*
Mining	*Quarrying*	*All activities related to extraction of metals, minerals, and gemstones from the earth whether surface or underground, and by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc.).*
Proved	*Proven*	*Represents the highest confidence category of Mineral Reserve estimate.*
Recovery	*Yield*	*The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.*
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).*

Appendix 2 – List of Acronyms

AACE	Association for the Advancement of Cost Engineers
ACP	Accredited Competent Person
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
COMP	Chamber of Mines of the Philippines, Inc.
CRIRSCO	Committee for Mineral Reserves International Reporting Standards
DENR	Department of Environment and Natural Resources
GSP	Geological Society of the Philippines, Inc.
HVAC	Heating, Ventilation, and Air Conditioning
IRR	Internal Rate of Return
JORC	Joint Ore Reserves Committee (Australia)
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
LoMP	Life of Mine Plan
MGB	Mines and Geosciences Bureau
NPV	Net Present Value
NRO	National Reporting Organization
PABC	Philippines-Australia Business Council, Inc.
PERC	Pan-European Reserves and Resources Reporting Committee
PHILCOAL	Philippine Chamber of Coal Mines, Inc.
PMEA	Philippine Mining and Exploration Association, Inc.
PMRC	Philippine Mineral Reporting Code
PMRCC	Philippine Mineral Reporting Code Committee
PSE	The Philippine Stock Exchange, Inc.
PSEM	Philippine Society of Mining Engineers, Inc.
RPO	Recognized Professional Organization
SAMCODES	South African Mineral Codes
SEC	Securities and Exchange Commission
SME	Society for Mining, Metallurgy & Exploration (USA)
SMEP	Society of Metallurgical Engineers of the Philippines, Inc.

Appendix 3 - Compliance Statements

Appropriate forms of compliance statements should be as follows:

For Public Reports of Exploration Targets, initial or materially changed reports of Exploration Results, Mineral Resources or Mineral Reserves or company annual reports:

- *If the required information is in the report:*

  'The information in this report that relates to Exploration Results, Mineral Resources or Mineral Reserves is based on information compiled by [insert name of Accredited Competent Person (ACP)], an Accredited Competent Person who is a Member (or Fellow) of the Philippine Society of Mining Engineers or the Geological Society of the Philippines or the Society of Metallurgical Engineers of the Philippines or a 'Recognized Professional Organization' (RPO) included in a list promulgated from time to time by the Philippine Society of Mining Engineers, the Geological Society of the Philippines and the Society of Metallurgical Engineers of the Philippines through the Philippine Mineral Reporting Code Committee (PMRCC), subject to applicable laws and regulations [select as appropriate and insert the name of the professional representative organization or RPO of which the ACP is a member and the ACP's grade of membership].'

- *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 Mineral Reserves is based on information compiled by [insert name of ACP], an Accredited Competent Person who is a Member (or Fellow) of [insert name of the Philippine Society of Mining Engineers or, the Geological Society of the Philippines or the Society of Metallurgical Engineers of the Philippines or a 'Recognized Professional Organization' (RPO) included in a list promulgated from time to time by the Philippine Society of Mining Engineers, the Geological Society of the Philippines and the Society of Metallurgical Engineers of the Philippines through the Philippine Mineral Reporting Code Committee (PMRCC), subject to applicable laws and regulations [select as appropriate and insert the name of the professional representative organization or RPO of which the ACP is a member and the ACP's grade of membership].'

- *If the ACP is a full-time employee of the company:*

  '[Insert name of ACP] is a full-time employee of the company.'

- *If the ACP is not a full-time employee of the company:*

  '[Insert name of ACP] is employed by [insert name of ACP's employer].'

- *The full nature of the relationship between the ACP and the reporting company must be declared together with the ACP's details. This declaration must outline and clarify any issue that could be perceived by investors as a conflict of interest.*

- *For all reports:*

  [Insert name of ACP] has a minimum of five years relevant experience in the style of mineralization or type of mineral deposit under consideration and to the activity being undertaken to qualify as an Accredited Competent Person as defined in the 2020 Edition of the 'Philippine Mineral Reporting Code for Reporting Exploration Results, Mineral Resources and Mineral Reserves'. [Insert name of ACP] 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.

For any subsequent Public Report based on a previously issued Public Report that refers to those Exploration Results or estimates of Mineral Resources or Mineral Reserves:

Where an ACP has previously issued the prior written consent to the inclusion of their findings in a report, a company re-issuing that information to the Public, whether in the form of a presentation or a subsequent announcement, must state the report name, date and reference the location of the original source of the Public Report for public access.

- *'The information is extracted from the report entitled [name report] created on [date] and is available to view on [website name]. The company confirms that it is not aware of any new information or data that materially affect the information included in the original market announcement and, in the case of estimates of Mineral Resources or Mineral Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Accredited Competent Person's findings are presented have not been materially modified from the original market announcement.'*

Companies should be aware that this exemption does not apply to subsequent reporting of information in the company annual report.

Appendix 4 – Accredited Competent Person's Consent Form

Companies reporting Exploration Results, Exploration Targets, Mineral Resources or Mineral Reserves are reminded that while a Public Report is the responsibility of the company acting through its Board of Directors, Clause 10 of the Code requires that any such report 'must be based on, and fairly reflect the information and supporting documentation prepared by an Accredited Competent Person (ACP) or Persons. Clause 10 also requires that the 'report shall be issued with the prior written consent of the ACP(s) as to the form and context in which it appears'.

In order to assist ACP(s) and companies to comply with these requirements, and to emphasize the need for companies to obtain the prior written consent of each ACP for their material to be included in the form and context in which it appears in the Public Report, the PSE, together with PMRCC, have developed an ACP's Consent Form that incorporates the requirements of the PMRC 2020 Edition.

The completion of a consent form, whether in the format provided or in an equivalent form, is recommended as good practice and provides readily available evidence that the required prior written consent has been obtained.

Having the consent form witnessed by a peer professional representative organization-registered member is considered leading practice and is optional but strongly encouraged.

The ACP's Consent Form(s), or other evidence of the ACP's written consent, should be retained by the company and the ACP(s) to ensure that the written consent can be promptly provided if requested.

[Letterhead of Accredited Competent Person or Accredited Competent Person's employer]

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing PSE's Consolidated Listing and Disclosure Rules and Clause 10 of the PMRC 2020 Edition ("Consent Statement")

Report name

[Insert name or heading of Report to be publicly released)] ('Report')]

[Insert name of company releasing the Report]

[Insert name of mineral deposit to which the Report refers]

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

_____

[Date of Report]

Consent Statement

I/We,

_____

[Insert full name(s)]

Confirm that I am the Accredited Competent Person for the Report, and:

- That I am a [insert profession, i.e., Geologist, Mining Engineer and/or Metallurgical Engineer] residing at [insert address].

- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).

- I certify that this Report has been prepared in accordance with PMRC 2020 Edition.

- I am an Accredited Competent Person as defined by the PMRC 2020 Edition, having a minimum of five years relevant experience in the style of mineralization and type of mineral deposit described in the Report, and to the activity for which for which I am accepting responsibility.

- I am a Member (or Fellow) of the Philippine Society of Mining Engineers or the Geological Society of the Philippines or the Society of Metallurgical Engineers of the Philippines or a 'Recognized Professional Organization' (RPO) included in a list promulgated from time to time by the Philippine Society of Mining Engineers, Geological Society of the Philippines, and the Society of Metallurgical Engineers of the Philippines through the Philippines Mineral Reporting Code Committee (PMRCC), subject to applicable laws and regulations.

- [State relationship of the ACP to the reporting company, e.g., consultant, whether independent or not independent, employee or holder of a corporate position, holder of shares, options and/or warrants, holder of tenement rights, has landlord-lessee relationship of land and/or infrastructure which has a bearing on the disclosure].

- I have reviewed the Report to which this Consent Statement applies.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issues that could be perceived by investors as a conflict of interest.

I verify that the Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results, Exploration Targets, Mineral Resources and/or Mineral Reserves *[select as appropriate].*

Consent

I consent to the release and public disclosure of the Report and this Consent Statement by the Board of Directors of:

_____

[Insert reporting company name]

[Signature]_____
Accredited Competent Person

_____
Date

Professional Representative Organization / RPO Name of ACP

_____
PRC Registration No. / Valid Until [Date]

_____
ACP Registration No. / Valid Until [Date]

_____
Professional Tax Receipt No. / Date

[Signature]_____
Peer Witness' Name (*Optional)

Professional Representative Organization / RPO of Peer Witness

_____
PRC Registration No. / Valid Until [Date]

_____
ACP Registration No. / Valid Until [Date]

_____
Professional Tax Receipt No. / Date

Appendix 5 - Reporting of Mineralized Fill, Pillars, Low Grade Mineralization, Stockpiles, Dumps, and Tailings

A5-1 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 Mineral Reserves. Unless otherwise stated, Clauses 1 to 61 of the Code (including Figure 1) apply.

A5-2 Table 1, as part of the Code, should be considered persuasive when reporting on mineralized fill, remnants, pillars, low grade mineralization, stockpiles, dumps, and tailings.

A5-3 Any mineralized material as described in this Appendix can be considered to be similar to in situ mineralization for the purposes of reporting Mineral Resources and Mineral Reserves. Judgments about the mineability of such mineralized material should be made by ACP(s) with relevant experience.

A5-4 If there are no reasonable prospects for the eventual economic extraction of all or part of the mineralized material as described in this Appendix, then this material cannot be classified as either Mineral Resources or Mineral 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 a Mineral Reserve.

The above Clauses 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 Mineral Reserve estimates.

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.

Appendix 6 - Reporting of Coal Exploration Results, Coal Resources, and Coal Reserves

A6-1 The Clauses in this Appendix address matters that relate specifically to the Public Reporting of Coal Exploration Results, Coal Resources, and Coal Reserves. Unless otherwise stated, Clauses 1 to 61 of the PMRC 2020 Edition (including Figure 1) apply. Table 1, as part of the Code, should be considered persuasive when reporting on Coal Resources and Coal 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 Coal 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 coal inventory which are not constrained by short- to medium-term economic considerations. The PMRC does not cover such estimates. Refer also to the guidelines in Clauses 6 and 23.

A6-2 The terms 'Mineral Resource(s)' and 'Mineral 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.

A6-3 '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 Coal Reserves. The basis of the predicted yield to achieve Marketable Coal Reserves must be stated.

A6-4 Reference to all coal products and properties must not be made until specific properties are demonstrated by analytical results for samples from the coal deposit.

TABLE 1 – SECTION 10			Exploration Results	Mineral Resources	Mineral Reserves
Section 10: Reporting for Coal Resources and Coal Reserves					
10.1	***Specific Reporting for Coal***	10.1.1	Appendix 6 of the Code provides additional criteria for reporting on coal deposits.		
		10.1.2	Guidance is available in relevant national standards for Coal Exploration Results, Coal Resources, and Coal Reserves reporting.		
10.2	***Geological Setting, Coal Deposit, Mineralization***	10.2.1	The project geology including coal deposit type, geological setting, and coal seams / zones present.		
		10.2.2	The structural complexity, physical continuity, coal rank, qualitative and quantitative properties of the significant coal seams or zones on the coal property.		
10.3	***Drilling Techniques***	10.3.1	Core recoveries and method of calculation. Core recoveries in cored boreholes should be in excess of 95% by length within the coal seam intersection.		
10.4	***Relative Density to replace Bulk Density***	10.4.1	The apparent relative density or true relative density of the coal seam(s) determined on coal samples from borehole cores using recognized standard laboratory methods or commonly used procedures. The moisture basis on which the relative density determination is based and the moisture basis on which the final density value is reported (in situ or air-dried basis), should be stated.		
10.5	***Bulk-Sampling and/or trial-mining***	10.5.1	The purpose or aim of the bulk sampling program, the size of samples, spacing/density of samples recovered. The applicability of bulk sampling or large diameter core samples to provide representative samples for tests. Comparison of results obtained from bulk sampling versus exploration sampling.		
10.6	***Reasonable prospects for eventual economic extraction***	10.6.1	The basis on which reasonable prospects for eventual economic extraction has been determined. Any material assumptions made in determining the 'reasonable prospects for eventual economic extraction'.		
10.7	***Coal Resource and Coal Reserve Reporting***	10.7.1		The appropriate coal quality for all Coal Resource and Coal Reserve categories. The type of analysis (e.g., raw coal, washed coal at a specific cut-point density) and the basis of reporting of the coal quality parameters (e.g., air-dried basis, dry basis, etc.).	
		10.7.2		A Coal Resource only includes the coal seam(s) above the minimum thickness cut-off and the coal quality cut-off(s).	The Reserves may be reported as Run-of-Mine (ROM) tonnages and coal quality, and also as Saleable product/s tonnages and coal quality.
		10.7.3		The reporting basis with particular reference to moisture and relative density.	

Appendix 7 - Reporting of Exploration Results, Mineral Resources, and Mineral Reserves for Industrial Minerals, Cement Feed Materials, and Construction Raw Materials

A7-1 Clauses in this Appendix address matters that relate to the Public Reporting of industrial minerals, cement feed materials, and construction raw materials of all forms that are generally sold on the basis of their product specifications and market acceptance. Unless otherwise stated, Clauses 1 to 61 of the PMRC 2020 Edition (including Figure 1) apply. Table 1, as part of the Code, should be considered persuasive when reporting Exploration Results, Mineral Resources, and Mineral Reserves for industrial minerals, cement feed materials, and construction raw materials.

A7-2 When reporting information and estimates for industrial minerals, cement feed materials and construction raw materials, all of the key principles and purpose of the Code apply. Chemical analyses may not always be relevant, and other quality criteria and performance characteristics may be more applicable and acceptable as the basis of the reporting.

A7-3 Some industrial minerals, cement feed materials, and construction raw material deposits may yield products suitable for more than one application and/or specification. If considered material by the Accredited Competent Person (ACP), such multiple products should be quantified either separately or as a percentage of the bulk deposit.

A7-4 Unless it is a specific aspect of their instructions to reflect the range of product mixes and target markets for the industrial minerals, cement feed materials or construction raw materials deposit, the ACP should normally report the Mineral Resources and Mineral Reserves within the framework of an existing mining plan or established set of product and market assumptions and objectives.

A7-5 If there is potential for ancillary products, or mining or process waste, to be sold off-site for subsidiary uses in addition to the planned sales of primary products (i.e., other uses for non-saleable quarry production, such as secondary aggregate or engineering or other fill) the ACP should reflect this in their report and comment on any significant implication (e.g., reductions in the amount of non-saleable material that could otherwise be used as a restoration material).

A7-6 The factors underpinning the estimation of Mineral Resources and Mineral Reserves for industrial minerals, cement feed materials, and construction raw materials are the same as those for other mineral deposit types covered by the Code. It may be necessary, prior to the reporting of a Mineral Resource or Mineral Reserve, to take particular account of certain key characteristics or qualities such as likely product specifications, proximity to markets, and general product marketability.

A7-7 For industrial minerals, cement feed materials, and construction raw materials, it is common practice to report the saleable (or useable) product rather than the ‘as mined’ product as it is recognized that commercial sensitivities may not permit the publication of Mineral Resources and Mineral Reserves in the latter format which is the preferred style of reporting within the Code. 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.

A7-8 Reports should make clear the “permitted” or “non-permitted” status of the Mineral Resources and Mineral Reserves, and, in addition, Mineral Reserves should only be quoted where the operator has legal control.

It should be noted that many of the Modifying Factors are more relevant to industrial

minerals, cement feed materials, and construction raw materials than to metalliferous minerals. Specifically, the legal control may be more important, as well as the permitting status, due to the local nature of the planning process for non-strategic and non-government owned minerals.

A7-9 Mineral Resources and Mineral Reserves of industrial minerals, cement feed materials, and construction raw materials serving localized or regional markets may be reported on an aggregated basis on an appropriately defined geographical basis to reflect the particular economic constraints of the industrial minerals, cement feed materials or construction raw materials deposits being reported without divulging commercially sensitive information.

A7-10 In certain cases, commercial sensitivity may prevent the publication of detailed information and data associated with Mineral Resources and Mineral Reserves of industrial minerals, cement feed materials, and construction raw materials, and in such cases, this should be clearly justified in the report (either prepared for an individual site or on an aggregated basis).

TABLE 1 – SECTION 11			Exploration Results	Mineral Resources	Mineral Reserves
Section 11: Reporting of Industrial Minerals, Cement Feed Materials, and Construction Raw Materials					
11.1	***Specific Reporting of Industrial Minerals, Cement Feed Materials, and Construction Raw Materials***	11.1.1	Appendix 7 of the Code provides additional criteria for reporting on Industrial Mineral, Cement Feed Materials, and Construction Raw Materials deposits.		
		11.1.2	The exploration or geologically specific specialized industry techniques appropriate to the minerals under investigation.		
		11.1.3	The nature and quality of sampling or specific specialized industry standard measurement tools appropriate to the minerals under investigation.		
		11.1.4	Appropriate saleable product qualities. The basis for reporting (physical or chemical parameters, air-dried basis, dry basis, etc.). Deleterious chemical elements or physical parameters.		
		11.1.5	Assumptions regarding particular extraction methods, infrastructure, processing, environmental, and social parameters. Where no mining-related assumptions have been made, this should be explained.		
		11.1.6	Marketing parameters, customer specifications, testing, and acceptance requirements.		
		11.1.7	The nature, amount and representativeness of metallurgical/processing studies completed which form the basis for the various saleable materials which may be priced for different chemical and physical characteristics.		
		11.1.8	Where the reference point is a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.		

Appendix 8 - Reporting of Exploration Results, Mineral Resources and Mineral Reserves for Dimension Stone, Ornamental and Decorative Stone

A8-1 Clauses in this Appendix addresses matters that relate to the Public Reporting of dimension stone, ornamental and decorative stone of all forms that are generally sold on the basis of their technical (geological/mining) product specifications, quality, and market acceptance. Unless otherwise stated, Clauses 1 to 61 of the PMRC 2020 Edition (including Figure 1) apply. Table 1, as part of the Code, should be considered persuasive when reporting Exploration Results, Mineral Resources, and Mineral Reserves for dimension stone, ornamental and decorative stone.

> *'Dimension stone' is a technical/commercial term that includes all natural stones that can be quarried in blocks of different dimensions and processed by cutting or splitting, and that possess the technical and aesthetic properties required for their use in the building and construction industries.*
>
> *In both mining and fields of application, dimension stone is distinct from any other material derived from natural rocks (such as* in *aggregates, cement materials, crushed stone, etc.). While other materials are almost exclusively used for load-bearing and filling functions and are largely utilized in public works, dimension stone materials offer special qualitative features which mean they can be used for different purposes and they can perform both structural and decorative architectural functions.*
>
> *In general, dimension stone can be quarried in regular and/or unshaped blocks by using different mining methods (drilling and splitting, diamond wire and diamond chain-saw cutting) and processed (cut, polished, and subjected to other surface treatments) to produce semi-finished products (slabs) and finished products (tiles and cut-to-size products).*

A8-2 Chemical analyses may not always be relevant for material evaluation, at least during the exploration-evaluation phases. When necessary, chemical analysis is used to verify the presence of possible minerals and related alteration that could produce important quality defects on finished products. Chemical/compositional analysis may also identify mineral components and/or assemblages and is used to predict the future technical requirements of the quarrying-processing equipment and related tools.

A8.3 Qualitative and aesthetic qualities (color, grain, texture, and their regularity in distribution) and/or their structural performance characteristics (compression and flexural strength, abrasive resistance, porosity, ability to be polished, radioactivity content, etc.) may be more important for the market, and applicable and acceptable as the basis for reporting.

A8-4 Many dimension stone, and ornamental and decorative stone deposits may yield different products (different materials and/or different market grades within the same material), suitable for the production of more than one finished or semi-finished product, and for more than one final application and/or specification. These often are sold in the market with different prices.

A8-5 If considered material by the Accredited Competent Person (ACP), estimates for such multiple products should be included either separately or as percentages of the bulk of the dimension stone, and/or ornamental and decorative stone deposit.

A8-6 Unless it is a specific aspect of their instructions to reflect the range of product mixes and target markets for the dimension stone, and/or ornamental and decorative stone deposit, the ACP should normally report the Mineral Resources and Mineral Reserves within the

framework of an existing mining plan and/or Pre-Feasibility / Feasibility Study or established set of products and market assumptions and objectives.

A8-7 If there is potential for ancillary products or by-products, or for quarrying or processing waste to be re-utilized or to be sold off-site for subsidiary uses, in addition to the planned sales of the primary products as described above (e.g., aggregate, sand and powder as industrial mineral, building and paving stone, etc.), the ACP should reflect this in the report and comment on any significant implications (e.g., reduction in the amount of non-saleable material, minimization of waste and related lower waste management costs, and environmental impact).

The factors underpinning the estimation of Mineral Resources and Mineral Reserves for dimension stone, and ornamental and decorative stone *are often not the same as those for other mineral deposit types covered by the Code.*

It may be necessary, prior to the reporting of Mineral Resources and Mineral Reserves, to take particular account of certain particular key characteristics/features of the target material specific to dimension stone.

These may include final product specifications, proximity to markets, type, structure, and demand of the market (very different area by area), and excluding some very well-established materials, possible changes in market requirements, and general product marketability.

They may also depend mainly on the market quality of the target material (color, grain, texture, and their regularity in distribution). A correct professional evaluation of the Market Quality, made by the ACP in different ways, is the key to evaluating the final product marketability and is a key Modifying Factor in the definition of Mineral Reserves for dimension stone.

The ACP should explain in detail in the report, the method utilized for the Market Quality evaluation of the target dimension stone and/or ornamental and decorative stone, and in cases of the market, the references cited, together with documents referenced or used. Sometimes, otherwise non-saleable materials are sent off-site as mining waste or as other material of potential economic value.

Care should be taken to ensure that such materials are not "double-counted" by being included as Mineral Resources and Mineral Reserves at both the site of production and at the site of reception where they are considered as useable products (with or without further processing to make them marketable).

A8-8 In contrast to industrial minerals, cement feed materials, and construction raw materials (Appendix 7), for which it is common practice to report the saleable (or useable) product rather than the 'as mined' product, dimension stone, and ornamental and decorative stone are usually reported in all their forms, shapes and dimensions. There are also factors that drive the market and the success of a dimension stone project.

A8-9 The Public Report may contain either the geological or commercial names of target dimension stone, and/or ornamental and decorative stone. In any case, an explanation of these terms should be included in the report.

A8-10 Other industry guidelines on the estimation and reporting of dimension stone, and ornamental and decorative stone may be useful but will under no circumstances override the provisions and intention of the Code for Public Reporting.

A8-11 Many of the Modifying Factors are more relevant and specific to dimension stone, and

ornamental and decorative stone than to metalliferous materials. In particular, the legal control of Mineral Resources and Mineral Reserves may be very important, as well as the permitting or consenting status, due to the local nature and often simple structure of the planning process for non-strategic and non-government owned minerals.

Reports should make clear the 'permitted 'or 'non-permitted' status of the Mineral Resources, and in addition Mineral Reserves particularly should only be quoted where the operator has legal control.

A8-12 Mineral Reserves and Mineral Resources of dimension stone, or ornamental and decorative stone deposits with the same material and owned by the same company, potentially serving localized/domestic or regional markets, may be reported on an aggregated basis on an appropriately defined geographical basis to reflect the particular economic constraints of the dimension stone, or ornamental and decorative stone deposits being reported without divulging commercially sensitive information.

A8-13 In certain cases, commercial sensitivity may prevent the publication of detailed information and data associated with Mineral Resources and Mineral Reserves of dimension stone, and ornamental and decorative stone deposits, and in such cases, this should be clearly justified in the report (either prepared for an individual site or on an aggregated basis).

TABLE 1 – SECTION 12			Exploration Results	Mineral Resources	Mineral Reserves
Section 12: Reporting of Dimension Stone, Ornamental and Decorative Stone					
12.1	***Specific Reporting of Dimension Stone, Ornamental and Decorative Stone***	*12.1.1*	*Appendix 8 of the Code provides additional criteria for reporting on dimension stone, ornamental and decorative stone.*		
		12.1.2	*The exploration or geologically specific specialized industry techniques appropriate to the stone under investigation.*		
		12.1.3	*The nature and quality of sampling or specific specialized industry standard measurement tools appropriate to the stone under investigation.*		
		12.1.4	*The appropriate saleable product qualities reported, including color, grain, texture, and their regularity in distribution. The basis for reporting (physical or chemical parameters, compression and flexural strength, abrasion resistance, porosity, polishability, etc.) should be reported. Reporting of deleterious chemical elements, radioactivity or physical parameters is required.*		
		12.1.5	*State assumptions regarding in particular extraction methods, infrastructure, processing, environmental, and social parameters. Where no mining-related assumptions have been made, this should be explained.*		
		12.1.6	*Discuss and justify the marketing parameters, customer specifications, testing, and acceptance requirements.*		
		12.1.7	*Discuss the nature, amount and representativeness of processing studies completed which form the basis for the various saleable materials which may be priced for different chemical and physical characteristics.*		
		12.1.8	*Where the reference point is a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.*		

Annex “B”

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

The PMRC

2020 Edition

Prepared by the PMRC Committee composed of the Philippine Society of Mining Engineers, Geological Society of the Philippines, Society of Metallurgical Engineers of the Philippines, The Philippine Stock Exchange, Inc., Chamber of Mines of the Philippines, Philippine Mining and Exploration Association, the Philippines-Australia Business Council, and Philippine Chamber of Coal Mines, and supported by the Mines and Geosciences Bureau

TEXT COLOR LEGEND:
Black – PMRC 2007
Blue – JORC 2012
Red – CRIRSCO International Reporting Template 2019
Purple – JORC 2012 & CRIRSCO 2019
Brown – Changes suggested by CRIRSCO Working Group
Green – PMRCC (current)
Pink – PSE

CONTENTS

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 Mineral Reserves. The Code was formulated to set minimum standards for Public Reporting that are compatible with global standards.

   The PMRC 2020 Edition is an upgrade of the PMRC 2007 Edition and modeled substantially after the International Reporting Template (2019) of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) and the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code) 2012 of the Australasian Joint Ore Reserves Committee (JORC). In adopting the CRIRSCO Template 2019's sixteen (16) Standard Definitions, the PMRC 2020 Edition is compatible with the international reporting codes of the CRIRSCO's members which are National Reporting Organizations (NROs) such as the Australasia (JORC), Canada (CIM), Chile (National Committee), Europe (PERC), South Africa (SAMCODES), and USA (SME). The Standard Definitions in this Code are:

   The PMRC 2020 Edition is an initiative of the Philippine Mineral Reporting Code Committee (PMRCC) established on November 22, 2018 by the professional representative organizations of the minerals industry which are the Philippine

Society of Mining Engineers (PSEM), the Geological Society of the Philippines (GSP), and the Society of Metallurgical Engineers of the Philippines (SMEP) together with minerals industry-related organizations and bodies such as The Philippine Stock Exchange, Inc. (PSE), the Chamber of Mines of the Philippines (COMP), the Philippine Mining and Exploration Association (PMEA), the Philippines-Australia Business Council (PABC), and the Philippine Chamber of Coal Mines (PHILCOAL). The formulation of the technical provisions of the Code was undertaken by PSEM, GSP, and SMEP. The formulation of the Code was also supported by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR).

I. Introduction

2. In this PMRC 2020 Edition, important terms and their definitions are provided as numbered clauses in **bold** typeface. The definitions are a core element of the Code. Other mandatory elements of the Code, in normal typeface and as numbered clauses, are similarly identified, both in the Code and its Appendices. The guidelines and further interpretation of the definitions and mandatory clauses are placed after the respective Code Clauses in indented *italic* typeface and clearly identified. Guidelines are not part of the Code, but are intended to provide assistance and guidance to readers and should be considered persuasive when interpreting the Code. Indented italics are also used in the Appendices and Tables to make it clear that they are also part of the guidelines.

3. The PMRC has been adopted by the PSEM, GSP and SMEP and is therefore binding on members of these professional organizations. It is endorsed by the Securities and Exchange Commission (SEC), MGB, COMP, PMEA, PABC, and PHILCOAL as a standard that promotes ethical conduct in Public Reporting in the minerals industry. The Code has also been adopted by and included in the PSE's Consolidated Listing and Disclosure Rules since 2008, and as part of the regulatory and reportorial requirements of MGB since 2010.

   Under the PSE's Consolidated Listing and Disclosure Rules, a Public Report must be prepared in accordance with the Code if it includes a statement on Exploration Results, Exploration Targets, Mineral Resources or Mineral Reserves. The incorporation of the Code imposes certain specific requirements on mining or exploration companies reporting to the PSE. However, a number of other issues may remain outside the PMRC associated with Public Reports that are addressed specifically within the PSE's Consolidated Listing and Disclosure Rules.

   As such, it is strongly recommended that users of the Code familiarize themselves with the PSE's Consolidated Listing and Disclosure Rules, as may be amended or supplemented, and the regulatory and reportorial requirements of the MGB that relate to the Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves.

II. Scope

4. The PMRC 2020 Edition applies to all solid mineral raw materials for which Public Reporting of Exploration Results, Mineral Resources, and Mineral Reserves is required by any relevant regulatory authority.

A Mineral is any substance, extracted for value, occurring naturally in or on the Earth, in or under water or in tailings, residues or stockpiles, having been formed by or subjected to a geological process but excludes water, oil and gas.

The definition of Mineral is broad, and therefore the Code is applicable to a diverse range of commodities for which Public Reporting of Exploration Results, Mineral Resources, and Mineral Reserves is required by a relevant regulatory authority, including but not limited to:

- metalliferous minerals,
- mineralized fill, remnants, pillars, low grade mineralization, stockpiles, dumps, and tailings (remnant materials) (Appendix 5),
- coal (Appendix 6),
- industrial minerals, cement feed materials, and construction raw materials (Appendix 7),
- dimension stone, ornamental and decorative stone (Appendix 8), and
- other mineral raw materials.

5. The 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, so as to understand the report and not to be misled by this information or by omission of material information that is known to the Accredited Competent Person (ACP).**

   - **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 judgment regarding the Exploration Results, Mineral Resources or Mineral Reserves being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion.**

   - **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 (the ACP).**

   Transparency and Materiality are guiding principles of the Code, and the ACP must provide explanatory commentary on the material assumptions underlying the declaration of Exploration Results, Mineral Resources or Mineral Reserves.

   In particular, the ACP must consider that the benchmark of Materiality is that which includes all aspects relating to the Exploration Results, Mineral Resources or Mineral Reserves that investors or their advisers would reasonably expect to see explicit comment on from the ACP. The ACP must not remain silent on any material aspect for which the presence or absence of comment could affect the public perception or value of the mineral occurrence.

6. **Public Reports are reports prepared for the purpose of informing investors or potential investors and their advisers on Exploration Results, Mineral Resources or Mineral Reserves. These include but are not limited to annual and quarterly company reports, media releases, information memoranda,**

technical papers, website postings, public presentations, and corporate disclosures required to be submitted to both the SEC and PSE, including disclosures of any material fact or event that occurs which would reasonably be expected to affect investors' or potential investors' decision in relation to the company's securities.

These Public Reports shall be submitted to both the SEC and PSE in accordance with SEC rules and PSE's Consolidated Listing and Disclosure Rules, as may be amended or supplemented, and pursuant to the basic principles of full, fair, timely and accurate disclosure of material information, or other regulatory authorities as required by law.

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 that is as comprehensive as possible.

The Code applies to other publicly-released company information in the form of postings on company websites 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 this Clause: including but not limited to environmental statements, information memoranda, expert reports, and technical papers referring to Exploration Results, Mineral Resources or Mineral Reserves.

For companies issuing annual reports, or other periodic summary reports, all material information relating to Exploration Results, Mineral Resources, and Mineral Reserves should be included. The annual report, or other relevant report, should disclose, among others, any change or deviation in the estimation of the Mineral Resources and/or Mineral Reserves, or explicitly warrant and confirm that no material change in such estimates occurred during mineral exploration and/or mining, as the case may be.

In cases where summary information is presented, the Public Report must clearly state that the information is a summary, and a reference must be provided, giving the source and location of the Code-compliant Public Reports or Public Reporting on which the summary is based.

The Public Report must include sufficient context and cautionary language to allow a reasonable investor to understand the nature, importance, and limitations of the data, interpretations, and conclusions summarized in the report.

It is recognized that companies can be required to issue reports in 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.

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

It is recognized that situations may arise where documentation prepared by an ACP 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 10 requires Public Reports to fairly reflect Exploration Results, Mineral Resource, and/or Mineral Reserve estimates, and supporting documentation, prepared by an ACP.

While every effort has been made within the Code and Guidelines (including Table 1) 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 Mineral Reserves being reported.

Estimation of Mineral Resources and Mineral Reserves is inherently subject to some level of uncertainty and inaccuracy. Considerable skill and experience may be needed to interpret pieces of information, such as geological maps and analytical results based on samples that commonly only represent a small part of a mineral deposit. The uncertainty in the estimates should be discussed in the documentation and, where material, in Public Reports, and reflected in the appropriate choice of Mineral Resource and Mineral Reserve categories.

A Public Report should be adequately supported by legible text, figures, tables, sections, and maps to demonstrate competence by conveying material information in a transparent manner. Figures of any type should contain appropriate explanatory information in the form of titles and/or captions, and legends.

The PMRC is a Code for Public Reporting, not a Code that regulates the manner in which an ACP estimates Mineral Resources or Mineral Reserves. The term 'PMRC compliant' therefore refers to the manner of reporting, not to the estimates. Use of the words 'PMRC compliant' should be interpreted to mean: 'Reported in accordance with PMRC and estimated (or based on documentation prepared) by an ACP as defined by PMRC.

7. Table 1 provides, in a summary form, a list of the criteria which must be considered by the ACP when preparing a Public Report on Exploration Results, Mineral Resources or Mineral Reserves.

   In the context of complying with the principles of the Code, comments relating to the items in the relevant sections of Table 1 should be provided on an 'if not, why not' basis within the ACP's documentation. Additionally, comment related to the relevant sections of Table 1 must be complied on an 'if not, why not' basis within Public Reporting for projects material to the company when reporting Exploration Results, Mineral Resources or Mineral Reserves for the first time. Table 1 also applies to instances where these items have materially changed from when these were last Publicly Reported. Reporting on an 'if not, why not' basis ensures that it is clear to an investor whether items have been considered and deemed of low consequence or are not yet addressed or resolved.

   For the purpose of the PMRC, the phrase 'if not, why not' means that each item in the relevant section of Table 1 of the Code must be discussed and if it is not discussed, then the ACP must explain why it has been omitted from the documentation.

8. The Code does not cover valuation or appraisal from a business perspective. It provides for the description of Exploration Results and estimates of Mineral Resources and Mineral Reserves that may be used by others to prepare subsequent valuations or appraisals.

9. PMRC recognizes that further review of the Code and Guidelines will be required from time to time.

III. Competence and Responsibility

10. A Public Report concerning a company's Exploration Results, Exploration Targets, Mineral Resources or Mineral 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 or under the direction of and signed by an ACP or ACPs. A company issuing a Public Report shall disclose all relevant information, including any updates on prior Public Reports, to the ACP(s) on an 'if not, why not' basis as required under this PMRC 2020 Edition. Furthermore, the company shall disclose the name(s) of the ACP(s), state whether the ACP is a full-time employee of the company, and, if not, name the ACP's employer. The report shall be issued with the prior written consent of the ACP as to the form and context in which it appears and should be duly signed by the ACP for it to be a valid report or disclosure.

    The company shall promptly and accurately communicate to the ACP any material information concerning the company or the company's Exploration Targets, Exploration Results, Mineral Resources, Mineral Reserves, and other matters covered by the PMRC 2020 Edition. Based on the material information received, the ACP shall assess whether there is a need to update or amend any Public Report previously made, and update or amend such Public Report as may be necessary.

    Any potential for a conflict of interest by the ACP or a related party of the ACP must be disclosed in accordance with the Transparency principle. Any other relationship of the ACP with the company making the report must also be disclosed in the Public Report. The report must be issued with the prior written consent of the ACP as to the form and context in which it appears.

    Where a company is re-issuing information previously issued with the written consent of the ACP, it must state the original report name, the name(s) of the ACP(s) responsible for the original report, and state the date, reference, and the location of the original public report for public access. In these circumstances, the company is not required to obtain the ACP's prior written consent as to the form and context in which the information appears, provided:

    - The company confirms in the subsequent public presentation that it is not aware of any new information or data that materially affects the information included in the relevant market announcement. In the case of estimates of Mineral Resources or Mineral Reserves, the company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

    - The company confirms that the form and context in which the ACP's findings

are presented have not been materially modified. Note that for the subsequent public presentation, it is the responsibility of the company acting through its Board of Directors to ensure the form and context have not been materially altered.

The relaxation of the requirement to obtain the ACP's prior written consent does not apply to the requirements for annual reporting of Mineral Resources and Mineral Reserves contained in Clause 18.

All such public disclosures should be specifically reviewed by the company to ensure that the form and context in which the ACP's findings are presented have not been materially modified, and to ensure that the previously issued Exploration Results, Mineral Resources or Mineral Reserves remain valid in the light of any more recently-acquired data.

Examples of appropriate forms of compliance statements are provided in Appendix 3.

In order to assist ACP(s) and companies to comply with these requirements, an ACP's Consent Form has been devised that incorporates the requirements of the Code. The ACP's Consent Form is provided in Appendix 4.

The completion of a consent form, whether in the format provided or in an equivalent form, is recommended as good practice and provides readily available evidence that the required prior consent has been obtained.

The ACP's Consent Form(s), or other evidence of the ACP's prior written consent, should be retained by the company and the ACP to ensure that the written consent can be promptly provided, if required.

11. Documentation detailing Exploration Results, Mineral Resource, and Mineral Reserve estimates, on which a Public Report on Exploration Results, Mineral Resources, and Mineral Reserves is based, must be prepared by, or under the direction of, and signed by an ACP or ACPs. The documentation must provide a fair representation of the Exploration Results, Mineral Resources or Mineral Reserves being reported.

12. **An 'Accredited Competent Person' (ACP) is a minerals industry professional who is a Member or Fellow of PSEM, GSP and/or SMEP, duly accredited as an ACP by the professional organization to which he/she belongs, or of a 'Recognized Professional Organization' (RPO), as included in a list promulgated by PSEM, GSP, and SMEP through the PMRCC, as the need arises, subject to applicable laws and regulations. These professional organizations have enforceable disciplinary processes including the powers to suspend or expel a member.**

    An ACP must have a minimum of five years relevant experience in the style of mineralization or type of mineral deposit under consideration and to the activity which that person is undertaking.

    If the ACP is preparing a report on Exploration Results, the relevant experience must be in mineral exploration. If the ACP 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 ACP is estimating or supervising the estimation of Mineral Reserves, the relevant experience must be in the estimation, assessment,

evaluation, and economic extraction of Mineral Reserves.

The key qualifier in the definition of an ACP 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 an ACP in the estimation of Mineral 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 mineral deposit in order to act as an ACP if that person has relevant experience in other mineral 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 an ACP. Relevant experience in the other mineral deposit types could count towards the required experience in relation to porphyry copper deposits.

In addition to experience in the style of mineralization, an ACP taking responsibility for the compilation of Exploration Results and/or Mineral Resource estimates should have sufficient experience in the sampling and analytical techniques relevant to the mineral 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 mineral deposit type may also be important.

13. The ACP(s) must provide explanatory comment on the material assumptions underlying the declaration of Exploration Results, Mineral Resources or Mineral Reserves. In particular, the ACP(s), when considering Materiality as defined in Clause 5, must include explicit comments on all aspects that an investor or their advisers would reasonably expect to be provided. This would include, but not be limited to, any aspect that would influence the public perception or value of the subject matter. The ACP(s) must be satisfied that:

- their work has not been unduly influenced by the organization, company or person commissioning the report or a report that may become a Public Report,
- all assumptions are documented, and
- adequate disclosure is made of all material aspects that an informed reader may require to make a reasonable and balanced judgment thereof.

As a general guide, persons being called upon to act as ACPs should be clearly satisfied in their minds that they could face their peers and demonstrate competence in the commodity, type of mineral deposit, and situation under consideration. If doubt exists, the person should either seek opinions from appropriately experienced colleagues or should decline to act as an ACP.

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 Mineral 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 ACP and his or her contribution should be identified, and responsibility accepted for that particular contribution. If only one ACP signs the Mineral Resource or Mineral 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 ACP accepting overall responsibility for a Mineral Resource or Mineral 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 an ACP will be dealt with under the disciplinary procedures of the professional representative organization or RPO to which the ACP belongs, and if necessary, elevated to the Professional Regulation Commission (PRC).

When a PSE-listed company with overseas interests wishes to report overseas Exploration Results, Mineral Resource or Mineral Reserve estimates prepared by a person who is not a member of PSEM, GSP, SMEP, or a RPO, it is necessary for the company to nominate an ACP(s) to take responsibility for the Exploration Results, Mineral Resource or Mineral Reserve estimate. The ACP(s) undertaking this activity should appreciate that they are accepting full responsibility for the estimate and supporting documentation under the PSE's Consolidated Listing and Disclosure Rules, as may be amended or supplemented, and should not treat the procedure merely as a 'rubber-stamping' exercise.

IV. Reporting Terminology

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

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

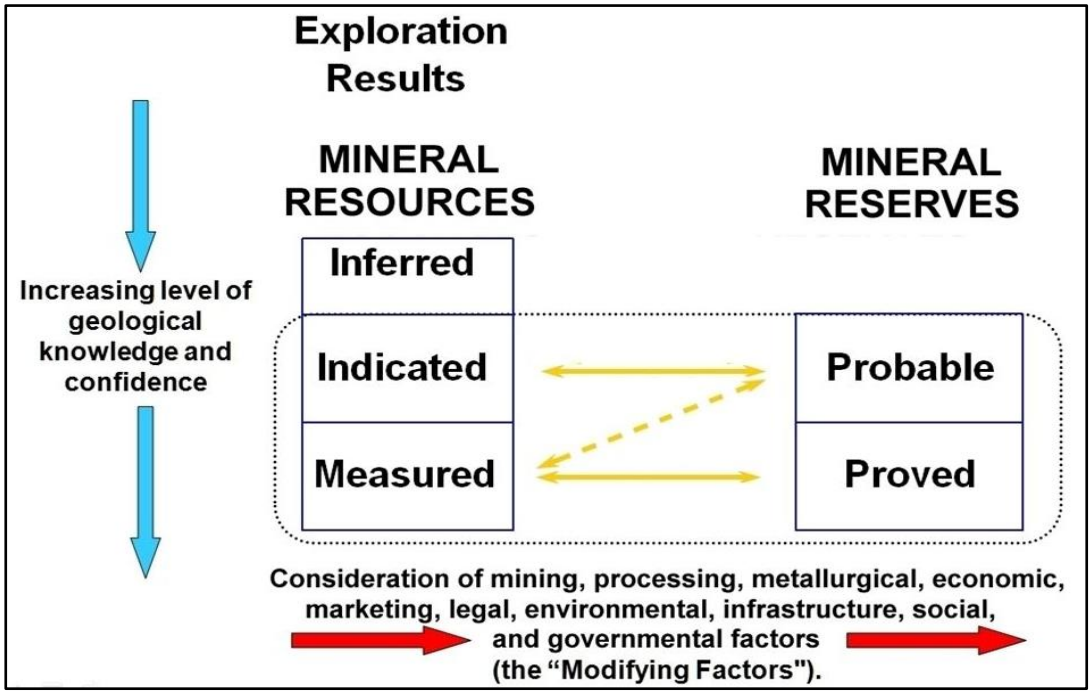


Figure 1 sets out the framework for classifying tonnage (or volume) and grade (or quality) estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation. Mineral Resources can be estimated mainly by a geologist on the basis of geoscientific information with some input from other disciplines. Mineral 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.

15. '**Modifying Factors' are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.**

    Measured Mineral Resources may be converted to either Proved Mineral Reserves or Probable Mineral Reserves. The ACP may convert Measured Mineral Resources to Probable Mineral 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 Mineral 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 35.

V. Reporting General

16. Public Reports concerning a company's Exploration Results, Mineral Resources or Mineral Reserves should include a description of the style and nature of the mineralization.

17. A company must disclose any relevant information concerning Exploration Results, Mineral Resources or Mineral Reserves that could materially influence the economic value of those Exploration Results, Mineral Resources or Mineral Reserves to the company. A company must promptly report any material changes in its Mineral Resources or Mineral Reserves.

18. Companies must review and publicly report on their Mineral Resources and Mineral Reserves annually. The annual review date must be nominated by the company in its Public Reports of Mineral Resources and Mineral Reserves and the effective date of each Mineral Resource and Mineral Reserve statement must be shown. The company must discuss any material changes to previously-reported Mineral Resources and Mineral Reserves at the time of publishing updated Mineral Resources and Mineral Reserves.

19. Throughout the Code, if appropriate, 'quality' may be substituted for 'grade' and 'volume' may be substituted for 'tonnage'. (Refer to Appendix 1 – Generic Terms and Equivalents).

VI. Reporting of Exploration Targets

20. An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnage and a range of grade (or quality), relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource.

It is recognized that it is a common practice for a company to comment on and discuss its exploration strategy in terms of target size and type. Any such information relating to an Exploration Target must not be expressed in a way that could be confused as an estimate of Mineral Resources or Mineral Reserves. The terms Mineral Resource or Mineral Reserve must not be used in this context. In any statement referring to potential quantity and grade of the Exploration Target, these must both be expressed as ranges and must include:

- a detailed explanation of the basis for the statement of an Exploration Target, must specifically discuss the geological setting, the exploration strategy, and exploration activity already completed and the presence of or lack of the following attributes:
    - mineralized outcrops and assays,
    - surface geochemical sampling results,
    - surface and subsurface geophysical survey results, and
    - drill holes, test pits, and underground workings.
- a clarification statement within the same paragraph as the first reference of the Exploration Target in the Public Report, stating that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration data to estimate a Mineral Resource and that it is uncertain if further exploration work will result in the estimation of a Mineral Resource.

Given the level of uncertainty surrounding the supporting data, an Exploration Target tonnage and grade must not be reported as a 'headline statement' in a Public Report.

If a Public Report includes an Exploration Target, the proposed exploration activities designed to test the validity of the Exploration Target must be detailed and the timeframe within which those activities are expected to be completed must be specified.

If an Exploration Target is shown pictorially (for instance, as cross section or maps) or with a graph, it must be accompanied by text that meets the requirements above.

A Public Report that includes an Exploration Target must be accompanied by an ACP's statement taking responsibility for the form and context in which the Exploration Target appears.

All disclosures of an Exploration Target must clarify whether the Exploration Target is based on actual Exploration Results or on proposed exploration programs. Where the Exploration Target statement includes information relating to ranges of tonnages and grades, these must be represented as approximations. The explanatory text must include a description of the process used to determine

the grade and tonnage ranges used to describe the Exploration Target.

For an Exploration Target based on Exploration Results, a summary of the relevant exploration data available and the nature of the results should also be stated, including a disclosure of the current drill hole or sampling spacing and relevant plans or sections. In any subsequent upgraded or modified statements on the Exploration Targets, the ACP should discuss any material changes to potential scale or quality arising from completed exploration activities.

VII. Reporting of Exploration Results

21. Exploration Results include data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Mineral 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.

If a company reports Exploration Results in relation to mineralization not classified as a Mineral Resource or a Mineral Reserve, then estimates of tonnages and average grade must not be assigned to the mineralization unless the situation is covered by Clause 20, 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.

22. 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, methods of analysis, data aggregation methods, land tenure status plus information on any of the other criteria listed in Table 1 which 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 ACP:

- 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.

Clear diagrams and maps designed to represent the geological context must be included in the report. These must include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.

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.

While it is not necessary to report all assays or drill holes, it is a requirement that sufficient information about the omitted data is provided so that a considered and balanced judgment can be made by the reader of the report. Where reports of Exploration Results do not include all drill holes or all intersections of drill holes, the ACP must provide an explanation of why this information is not considered relevant or why it has not been provided.

As required under Clause 7, the ACP must not 'remain silent' on any issue for which the presence or absence of comment could impact the public perception or value of the mineral occurrence. For projects material to the company, the reporting of all criteria in Sections 1 and 2 of Table 1 on an 'if not, why not' basis is required, preferably as an appendix to the Public Report.

Additional disclosure is particularly important where inadequate or uncertain data affect the reliability of, or confidence in, a statement of Exploration Results; for example, poor sample recovery, poor repeatability of assay or laboratory results, etc.

VIII. Reporting of Mineral Resources

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

All reports of Mineral Resources must satisfy the requirement that there are reasonable prospects for eventual economic extraction (i.e., more likely than not), regardless of the classification of the Mineral Resource.

Portions of a mineral deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource. The basis for the reasonable prospects assumption is always a material matter, and must be explicitly disclosed and discussed by the ACP in the Public Report using the criteria listed in Table 1 for guidance. The reasonable prospects disclosure must also include a discussion of the technical and economic support for the cut-off assumptions applied.

When untested practices are applied in the determination of reasonable prospects, the use of the proposed practices for reporting of the Mineral Resource must be justified by the ACP in the Public Report.

Geological evidence and knowledge required for the estimation of Mineral Resources must include sampling data of a type, and at spacings, appropriate to the geological, chemical, physical, and mineralogical complexity of the mineral deposit, for all classifications of Inferred, Indicated, and Measured Mineral

Resources. A Mineral Resource cannot be estimated in the absence of sampling information.

Clause 23 including its guidelines takes 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 Mineral 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 ACP in respect to all matters 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 ACP, 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, discussed, and justified in the Public Report.

Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. In all cases, the considered time frame of eventual economic extraction should be disclosed and discussed by the ACP.

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 (e.g., coal inventory 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 Mineral Reserves in terms of the PMRC (refer also to the guidelines to Clause 6 and Appendix 6).

24. An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Where the Mineral Resource being reported is predominantly an Inferred Mineral Resource, sufficient supporting information must be provided to enable the reader to evaluate and assess the risk associated with the reported Mineral Resource.

In circumstances where the estimation of the Inferred Mineral Resource is presented on the basis of extrapolation beyond the nominal sampling, and taking into account the style of mineralization, the report must contain sufficient information to inform the reader of:

- the maximum distance that the resource is extrapolated beyond the sampling points,
- the proportion of the resource that is based on extrapolated data,
- the basis on which the resource is extrapolated to these limits, and
- a diagrammatic representation of the Inferred Mineral Resource, showing clearly the extrapolated part of the estimated 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 grade continuity to be confidently interpreted. While it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur.

Inferred Mineral Resources must not be converted to Mineral Reserves and must not be stated as part of the Mineral Reserve.

Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of Modifying Factors to be used for detailed planning in Pre-Feasibility (Clause 44) or Feasibility (Clause 45) Studies. For this reason, there is no direct link from an Inferred Mineral Resource to any category of Mineral Reserves (see Figure 1).

Caution should be exercised if Inferred Mineral Resources are used to support technical and economic studies such as Scoping Studies (Clause 43).

25. An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the mineral deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

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 Modifying Factors in Technical Studies as defined in Clauses 42 to 45.

26. **A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the mineral deposit.**

Geological evidence is derived from detailed and reliable exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes and is sufficient to confirm geological and grade or (quality) continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to an Indicated Mineral Resource. It may be converted to a Proved Mineral Reserve or under certain circumstances to a Probable Mineral Reserve.

A Measured Mineral Resource requires an understanding of the geology, mineralogy, mineability, and amenability to processing of the mineral deposit.

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 ACP 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 the controls of the mineral deposit.

Confidence in the estimate is sufficient to allow the application of Modifying Factors in Technical Studies as defined in Clauses 42 to 45 with a high level of confidence.

27. 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 an ACP.

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

In deciding between Indicated Mineral Resources and Measured Mineral

Resources, ACP(s) may find it useful to consider, in addition to the phrases in the two definitions relating to geological and grade continuity in Clauses 25 and 26, 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 Inferred Mineral Resources and Indicated Mineral Resources, an ACP may wish to take into account, in addition to the phrases in the two definitions in Clauses 24 and 25 relating to geological and grade continuity, that part of the definition for Indicated Mineral Resources: 'Confidence sufficient to allow the application of Modifying Factors to support mine planning and evaluation of the economic viability of the mineral deposit', which contrasts with the guideline in the definition for Inferred Mineral Resources: 'Confidence in the estimate of Inferred Mineral Resources is not sufficient to allow the results of the application of Modifying Factors to be used for detailed planning in Pre-Feasibility (Clause 44) or Feasibility (Clause 45) Studies.' and 'Caution should be exercised if Inferred Mineral Resources are used to support technical and economic studies such as Scoping Studies (refer to Clause 43)'.

The ACP should take into consideration issues regarding the style of mineralization and cut-off grade when assessing geological and grade continuity for the purposes of classifying the Mineral Resource.

Cut-off grades chosen for the estimation should be realistic in relation to the style of mineralization and the anticipated mining and processing development options.

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

In most situations, rounding to the second significant figure should be sufficient. For example, 10,863,000 tonnes at 8.23 percent should be stated as 11 million tonnes at 8.2 percent. 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.

ACPs are encouraged, where appropriate, to discuss the relative accuracy and confidence of the Mineral Resource estimates with consideration of at least sampling, analytical, and estimation errors. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnage. Where a statement on the relative accuracy and confidence is not possible, a qualitative discussion of the uncertainties should be provided in its place (refer to Table 1).

29. Public Reports of Mineral Resources must specify one or more of the categories of 'Inferred', 'Indicated', and 'Measured'. Tonnage and grade (or quality) of categories of Mineral Resources must not be reported in a combined form unless details for the individual categories are also provided. Also, Mineral Resources must not be reported in terms of contained metal or mineral content unless

corresponding tonnages and grades are also presented. Inferred Mineral Resource cannot be reported in a combined form with the Indicated and/or Measured Mineral Resource categories since the former category cannot be converted to Mineral Reserve while the other two (2) categories are convertible.

Mineral Resources must not be aggregated with Mineral Reserves.

Public Reporting of tonnages and grades outside the categories covered by the Code is not permitted unless the situation is covered by Clause 20, 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 is not permitted.

30. In a Public Report of a Mineral Resource for a project material to the company, when reporting for the first time, or when those estimates have materially changed from when these were last reported, a brief summary of the information in relevant sections of Table 1 must be provided. Alternatively, if a particular criterion is not relevant or material, a disclosure that it is not relevant or material and a brief explanation of why this is the case must be provided.

For a project material to the company, when Mineral Resource estimates are first Publicly Reported or when a material change occurs (including classification changes), there is an increased need for transparent discussion of the basis for the new Mineral Resource estimate in order that investors are appropriately informed of the basis for the changes. As noted in Clauses 5 and 7, the benchmark of Materiality is that which an investor or their advisers would reasonably expect to see explicit comment on from the ACP, thus the reporting of all relevant criteria in Table 1 on an 'if not, why not' basis is required.

The Code specifies reporting against relevant sections of Table 1 in this Clause. This may be satisfied by reporting against Section 4 on the presumption that matters related to Section 3 will already have been included in a still current Public Report and this Report can be referenced. If this is not the case, then these sections are also relevant and should be included in the Public Report.

The technical summary based on Table 1 criteria should be presented as an appendix to the Public Report.

Where there are as yet unresolved issues potentially impacting the reliability of, or confidence in, a statement of Mineral Resources (for example, poor sample recovery, poor repeatability of assay or laboratory results, limited information on bulk densities, etc.), those issues should also be reported.
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 overstatement of Mineral Resource estimates should be disclosed.

Mineral Resource estimates are sometimes reported after adjustment based on reconciliation with production data. Such adjustments should be clearly stated in a Public Report of Mineral Resources and the nature of the adjustment or modification described.

31. 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 until technical feasibility and economic viability have been established.

IX. Reporting of Mineral Reserves

32. A ‘Mineral 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 or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

The key underlying assumptions and outcomes of the Pre-Feasibility or Feasibility Study must be disclosed at the time of reporting of a new or materially changed Mineral Reserve.

Pre-Feasibility and Feasibility Studies are defined in Clauses 44 and 45 below.

Mineral Reserves are subdivided in order of increasing confidence into Probable Mineral Reserves and Proved Mineral Reserves.

In reporting Mineral Reserves, information on all Modifying Factors must be included in Public Reports. Consideration of the confidence level of the Modifying Factors is important in conversion of Mineral Resources to Mineral Reserves.

Mineral 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 ACP making the estimates, can be the basis of a technically and economically viable project. Deriving a Mineral Reserve without a mine design or mine plan through a process of factoring of the Mineral Resource is unacceptable.

Mineral 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 Mineral Reserve has been demonstrated to be viable under reasonable financial assumptions. This will vary with the type of mineral 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'. However, it is expected that the company will attempt to achieve an acceptable return on capital invested, and that returns to investors in the project will be competitive with alternative investments of comparable risk.

In order to achieve the required level of confidence in the Modifying Factors,

appropriate Pre-Feasibility or Feasibility level studies will have been carried out prior to determination of the Mineral Reserves. The studies will have determined a mine plan and a production schedule that is technically achievable and economically viable and from which the Mineral Reserves can be derived.

The term 'Mineral 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 will eventuate within the anticipated time frame required by the mine plans. There must be reasonable grounds to expect that all necessary Government approvals will be received. The ACP should report any material 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 Mineral 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 'Ore Reserves' in their Public Reports, e.g., for reporting under PMRC 2007 Edition during the Transitory Period defined in Clauses 62 and 63, and in some jurisdictions outside the Philippines, they should state clearly that this is being used with the same meaning as 'Mineral Reserves'.

PMRC 2020 Edition prefers the term 'Mineral Reserves' because it is the term used in the CRIRSCO International Reporting Template 2019 and more appropriate as a generic term for all mineral deposits while 'Ore Reserve' is more apt to metalliferous deposits.

33. **A 'Probable Mineral Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proved Mineral Reserve.**

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

34. **A 'Proved Mineral Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Mineral Reserve implies a high degree of confidence in the Modifying Factors.**

    A Proved Mineral Reserve represents the highest confidence category of reserve estimate.

    The style of mineralization or other factors could mean that Proved Mineral Reserves are not achievable in some mineral deposits.

    ACPs should be aware of the consequences of declaring material of the highest confidence category before satisfying themselves that all of the relevant resource parameters and Modifying Factors have been established at a similarly high level of confidence.

35. The choice of the appropriate category of Mineral 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 an ACP.

    The Code provides for a direct two-way relationship between Indicated Mineral Resources and Probable Mineral Reserves, and between Measured Mineral Resources and Proved Mineral Reserves. In other words, the level of geological confidence for Probable Mineral Reserves is similar to that required for the determination of Indicated Mineral Resources, and the level of geological confidence for Proved Mineral 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 Mineral Reserves. This is to cover a situation where uncertainties associated with any of the Modifying Factors considered when converting Mineral Resources to Mineral Reserves may result in there being a lower degree of confidence in the Mineral 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 Mineral Reserve derived from a Measured Mineral Resource may be converted to a Proved Mineral 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 a Mineral 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 Mineral Reserve (see Figure 1).

    Application of the category of Proved Mineral Reserve implies the highest degree of geological, technical, and economic confidence in the estimate at the level of production increments used to support mine planning and production scheduling, with consequent expectations in the minds of the readers of the report. These expectations should be borne in mind when categorizing a Mineral Resource as Measured.

    Refer also to the guidelines in Clause 27 regarding classification of Mineral Resources.

36. Mineral Reserve estimates are not precise calculations. Reporting of tonnage and grade estimates should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures. Refer also to Clause 28.

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

    ACPs should, where appropriate, discuss the relative accuracy and/or confidence of the Mineral Reserve estimates with consideration of both underlying estimation and Modifying Factor uncertainties. The statement should specify whether it relates to global (whole of reserve) or local estimates (a subset of the reserve for which the accuracy and/or confidence might differ from the whole of the reserve), 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 in its place (refer to Table 1, Table 2, and to Clauses 25 and 26).

37. Public Reports of Mineral Reserves must specify one or the other or both of the categories of 'Proved' and 'Probable.' Categories must not be reported in a combined form unless details for each of the categories are also provided.

    Mineral Reserves must not be presented in terms of contained metal or mineral content unless corresponding tonnage and grade figures are also presented. Mineral Reserves should not be aggregated with Mineral Resources.

    Public Reporting of tonnage and grade outside the categories covered by the Code is not permitted unless the situation is covered by Clause 20, 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, thus, is not permitted.

    Mineral 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 Mineral Reserves is considered and caution exercised if attempting to draw conclusions from a comparison of the two.

    When revised Mineral Reserve and Mineral Resource statements are Publicly Reported, the Company must discuss any material changes from the previous estimate, and supply sufficient comment to enable the basis for significant changes to be understood by the reader.

38. In a Public Report of a Mineral Reserve for a project material to the company, when reporting for the first time, or when those estimates have materially changed from when they were last reported, a brief summary of the information in relevant sections of Table 1 must be provided. Alternatively, if a particular criterion is not relevant or material, a disclosure that it is not relevant or material and a brief explanation of why this is the case must be provided.

    For a project material to the company, when Mineral Reserve estimates are first Publicly Reported or when a material change occurs (including classification change), there is an increased need for transparent discussion of the basis for the new Mineral Reserve estimate in order that investors are appropriately informed of the basis for the changes. As noted in Clauses 5 and 7, the benchmark of Materiality is that which an investor or their advisers would reasonably expect to see explicit comment on from the ACP, thus the reporting of all criteria in Table 1 on an 'if not, why not' basis is required.

    The Code specifies reporting against relevant sections of Table 1 in this Clause. This may be satisfied by reporting against Section 6 on the presumption that matters related to Sections 3, 4 and 5 will already have been included in a still current Public Report and this Report can be referenced. If this is not the case, then other sections are also relevant and should be included in the Public Report.

    The technical summary based against Table 1 criteria should be presented as an appendix to the Public Report.

    Where there are yet unresolved issues potentially impacting the reliability of, or confidence in a statement of Mineral Reserves (for example, limited

geotechnical information, complex orebody metallurgy, uncertainty in the permitting process, etc.), those unresolved issues should also be reported.

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 overstatement of Mineral Reserves should be disclosed.

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

39. In situations where estimates for both Mineral Resources and Mineral 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 Mineral Reserves.

    Mineral 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 Mineral Reserves, and in other situations for reporting Mineral Resources additional to Mineral 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 Mineral Reserves.' Or*
    - *The Measured and Indicated Mineral Resources are additional to the Mineral Reserves.'*

    In the former case, if any Measured and Indicated Mineral Resources have not been modified to produce Mineral 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 Mineral Reserves.

    Inferred Mineral Resources are by definition always additional to Mineral Reserves except where included as dilution in the Mineral Reserves.

    For reasons stated in the guidelines to Clause 37 and in this paragraph, the reported Mineral 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.

40. If re-evaluation indicates that the Mineral Reserves are no longer viable, the Mineral Reserves must be reclassified as Mineral Resources or removed from Mineral Resource/Mineral Reserve statements.

    It is not intended that re-classification from Mineral 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.

41. It is accepted that a proportion of Inferred Mineral Resources may be inside the bounds of the mine design and the Life-of-Mine Plan (LoMP). Inferred Mineral Resources should not be considered in the assessment of economic viability, rendering its presence inside the mine design and the LoMP as purely incidental and without influence on the declaration of Mineral Reserves.

    A mine design and a LoMP must be economically viable without inclusion of Inferred Mineral Resources in the estimation of Mineral Reserves.

X. Technical Studies

42. Public Reports may include, but not be limited to, information included in or supported by:

    - Scoping Study
    - Pre-Feasibility Study
    - Feasibility Study

    Scoping Study has been included because of the common usage of the term in Public Reports. However, attention is drawn to the requirement for a Pre-Feasibility Study or a Feasibility Study to have been completed for the Public Reporting of a Mineral Reserve in Clause 32. A Mineral Reserve must not be reported based on the completion of a Scoping Study.

    The guidelines and the checklist on the requirements for a Scoping, Pre-Feasibility and a Feasibility Study are included in Table 2 and Section 5 in Table 1, respectively.

43. **A Scoping Study is an order-of-magnitude technical and economic study of the potential viability of Mineral Resources which includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.**

    A Scoping Study must not be used as the basis for estimation of Mineral Reserves.

    If the outcome of a Scoping Study is partially supported by Inferred Mineral Resources and/or an Exploration Target, the Public Report must state both the proportion and relative sequencing of the Inferred Mineral Resources and/or Exploration Target within the Scoping Study.

    For a Scoping Study, the company must include a cautionary statement in the same paragraph as, or immediately following, the disclosure of the Scoping Study.

    An example cautionary statement follows:

    'The Scoping Study referred to in this report is based on low-level technical

and economic assessments, and is insufficient to support estimation of Mineral Reserves or to provide assurance of an economic development case at this stage, or to provide some level of confidence that the conclusions of the Scoping Study will be realized;'

In discussing 'reasonable prospects for eventual economic extraction' in Clause 23, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate Modifying Factors by the ACP. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar mineral deposits or mining operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Mineral Reserves have been established or that economic development is assured. In this regard, it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnage and grade as if they were Mineral Reserves.

While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow a Mineral Reserve to be developed.

44. **A Pre-Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, underground or surface, has been established and an effective method of mineral processing has been determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for an ACP, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study has a lower confidence level than a Feasibility Study.**

As required in Clause 32, formal assessment of all Modifying Factors is required in order to determine how much available Measured and Indicated Mineral Resources can be converted to Mineral Reserves.

A Pre-Feasibility Study will consider the application and description of all Modifying Factors (as outlined in Table 1, Section 6) to demonstrate economic viability and to support a Mineral Reserve in a Public Report. The Pre-Feasibility Study will identify the preferred mining, processing, and infrastructure requirements and capacities, but will not yet have finalized these matters. Detailed assessments of environmental and socio-economic impacts and requirements will also be well advanced. The Pre-Feasibility Study will highlight areas that require further refinement during the Feasibility Study stage.

45. **A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes**

appropriately detailed assessment of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

The Code does not require that a Feasibility Study has been undertaken to convert Mineral Resources to Mineral Reserves, but it does require that at least a Pre-Feasibility Study will have been carried out that will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.

Terms such as 'Bankable Feasibility Study' and "Definitive Feasibility Study" are noted as being equivalent to a Feasibility Study as defined in this Clause.

A Feasibility Study has a higher level of confidence than a Pre-Feasibility Study and would normally contain mining, infrastructure and process designs completed with sufficient rigor to serve as the basis for an investment or to support project financing. Social, environmental, and governmental approvals, and permits and agreements will be in place, or will be approaching finalization within the expected development timeframe. The Feasibility Study will contain the application and description of all Modifying Factors (as outlined in Table 1, Section 6) in a more detailed form than in the Pre-Feasibility Study, and may address implementation issues such as detailed mining schedules, construction ramp-up, and project execution plans.

XI. Reporting of Metal Equivalents

46. The reporting of Exploration Results, Mineral Resources or Mineral Reserves for polymetallic deposits in terms of metal equivalents (a single equivalent grade of one major metal) must show details of all material factors contributing to the net value derived from each constituent.

    The following minimum information must accompany any Public Report that includes reference to metal equivalents, in order to conform to the principles of Transparency, Materiality, and Competence, as set out in Clause 5:

    - individual grades for all metals included in the metal equivalent calculation,
    - assumed commodity prices for all metals. The prices used for calculating the metal equivalent should be stated and the basis on which these have been chosen should be explained However, where the actual prices used are commercially sensitive, sufficient information must be disclosed, perhaps in narrative rather than numerical form, for investors to understand the methodology used to determine these prices,
    - assumed metallurgical recoveries for all metals and discussion of the basis on which the assumed recoveries are derived (metallurgical test work, detailed mineralogy, similar mineral deposits, etc.),
    - A clear statement that it is the ACP's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be

recovered and sold, and
- the calculation formula used.

In most circumstances, the metal chosen for reporting on an equivalent basis should be the one that contributes most to the metal equivalent calculation. If this is not the case, a clear explanation of the logic of choosing another metal must be included in the report.

Estimates of metallurgical recoveries for each metal must be used to calculate meaningful metal equivalents.

Reporting on the basis of metal equivalents is not appropriate if metallurgical recovery information is not available or cannot be estimated with reasonable confidence.

For many projects at the Exploration Results stage, metallurgical recovery information may not be available or cannot be estimated with reasonable confidence. In such cases, reporting of metal equivalents may be misleading.

XII. Reporting of *In Situ* or In Ground Valuations

47. The publication of *in situ* or 'in ground' financial valuations breaches the principles of the Code (as set out in Clause 5) as the use of these terms is not transparent and lacks material information. It is also contrary to the intent of Clause 31 of the Code. Such *in situ* or in ground financial valuations must not be reported by companies in relation to Exploration Results, Mineral Resources or mineral deposit size.

The use of such financial valuations has little or no relationship to economic viability, value or potential returns to investors.

These financial valuations can imply economic viability without the apparent consideration of the application of the Modifying Factors (Clause 15 and Clauses 32 to 41), in particular, the mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.

In determining project viability, it is necessary to include all reasonable Modifying Factors (Clauses 32 to 41) to determine the economic value that can be extracted from the mineralization.

Many mineral deposits with large in ground values are never developed because they have a negative Net Present Value when all reasonable Modifying Factors are considered.

By reporting such financial valuations as a component of Exploration Results, Exploration Target(s) or when evaluating mineral deposits that commonly include large portions of Inferred Mineral Resources, companies are not necessarily representing the economic value that can be extracted from the mineralization,

XIII. Commodity Pricing and Marketing

48. Commodity prices and sales volume expectations used for the determination of Mineral Resources and Mineral Reserves must be based on forward-looking reasonable estimates reflecting the company's short- and long-term expectations as supported by available evidence, which may include consensus forecasts, three-year trailing averages, sales contracts, or other price analyses (see Clauses 51 and 52 below for cases where public disclosure is not appropriate).

    The basis for the selected prices and sales volumes should be supported by appropriate documentation.

    The ACP should ascertain that these prices and volumes are consistent with sales agreements and marketing determinations or forecasts.

    Under certain circumstances, it may be appropriate to use different prices for estimating Mineral Resources and Mineral Reserves.

    For current mining operations, the price and volume profile used for Mineral Resources and Mineral Reserves estimation may reflect current market conditions for short-term forecasts, while trending with time upward or downward toward the long-term price and volume estimates based on the company's expectations.

    For Mineral Reserves that are expected to be produced beyond the validity of short-term forecasts, the company should use long-term price and volume expectations.

    For Mineral Reserves for which production would extend beyond the quantities specified in existing contracts, reasonable and supportable assumptions should be made to determine the likelihood of contract renewal and prices applicable for the estimation and reporting of these Mineral Resources and Mineral Reserves.

49. To demonstrate the economic feasibility of a Mineral Reserve, the estimated prices, combined with Modifying Factors, must be applied to only Measured and Indicated Mineral Resources.

    Mineral Reserves are the economically mineable part of a Measured or Indicated Mineral Resource; hence, appropriate assessments should demonstrate at the time of reporting that extraction is reasonably justified. This requires that assumptions are made concerning the price of the commodity or product that will be sold when the mine is in production.

    Mineral Reserves are estimated and published to supply information concerning the value of the mineral deposit and the risk which may be associated with its development.

    Mineral Reserves are used by a company, in conjunction with Mineral Resources, for short-term, tactical, and strategic planning. They play a critical role in raising capital, corporate financing, price hedging, long-term sales contracts, and accounting, among others, including impairment review of capitalized cost such as fixed assets, deferred exploration and development costs, fair value accounting, calculation of depreciation,

depletion, and accumulated retirement obligation provision rates.

To supply information consistent with the company's plans and financial reporting, commodity prices used for the determination of Mineral Reserves should be based on forward-looking estimates reflecting the company's reasonable expectations as supported by all available evidence.

Most commodities, whether sold using publicly quoted prices (e.g., base metals and precious metals) or under long-term contract (e.g., coal and iron ore), experience long-term price cycles. Price expectations should reflect current prices as well as long-term trends. Overly optimistic or pessimistic price and volumes expectations could result in significant over- or underestimation of Mineral Reserves. It is the responsibility of the company and the ACP to determine whether the prices used for Mineral Reserve estimation are reasonable and supportable, given all available information.

During periods of low prices, a company may choose to temporarily curtail operations and conserve the mineral asset until prices recover. When such actions are taken, Public Reports should be updated to reflect the new information. In such circumstances, previously published Mineral Reserves may not have to be reclassified, provided that, in the opinion of the company and the ACP, higher future prices can be reasonably and supportably assumed, and it can reasonably be expected that operations will resume.

The documentation supporting the company's expectations should include comparison of prices with historical and current prices and forward curves, contracts and market considerations, currency exchange rates where applicable, third-party sources, and supplemental information.

50. Disclosure in Public Reports of the commodity prices and sometimes also the costs (including other Modifying Factors) used for Mineral Reserves estimation is generally required.

51. In the absence of applicable securities or other laws to disclose prices, there may be cases, such as when a product is sold under long-term contract, the terms of which are confidential, where there are valid commercial reasons for non-disclosure of prices.

52. Similarly, where disclosure of the long-term price and/or cost assumptions used in the estimation would be detrimental to the company's business, such as when bidding for sales contracts or mineral property acquisitions or negotiating agreements with third parties, non-disclosure may be justifiable.

XIV. Permitting and Legal Requirements

53. For the declaration of Mineral Reserves, there must be no known material obstacles to mining, arising from the failure to obtain material permits and consents under applicable laws and regulations.

54. There must be a reasonable expectation by the ACP, often through reliance on legal and permitting experts, that all permits, consents, ancillary rights (including water or other mineral property rights) and authorizations required for mining, and to the extent applicable, processing and marketing, can be

obtained in a timely fashion, and maintained for ongoing operations.

55. The company must complete a review of all legal and permitting requirements and document the findings. Local environmental laws and processes must be taken into account.

56. To demonstrate reasonable expectation that all permits, consents, ancillary rights, and authorizations can be obtained, the company must show understanding of the procedures to be followed to obtain such permits, consents, ancillary rights, and authorizations. Demonstrating earlier success in obtaining the necessary permits and consents can be used to document the likelihood of future success.

57. If permits and consents are required, but there is no defined procedure to obtain such permits and consents, reasonable expectation of success may be difficult to support. Information that materially increases or decreases the risk that the necessary legal rights or permits will be obtained must be disclosed.

58. It is recognized that the legal and permitting environment may change over time and that such changes could have an impact on Mineral Reserve estimation. If it is determined that obstacles have arisen or have been eliminated, the Mineral Reserve estimates must be adjusted accordingly.

    It is recognized that some permits and/or consents cannot be obtained until after a Mineral Reserve has been declared. There might be sound business reasons why obtaining some permits and/or consents should be postponed.

    It is also recognized that waiting for all permits and/or consents to be on hand could result in critical information not being released to the investors in a timely fashion, and therefore it is recommended that disclosure of material information occur prior to obtaining permits and/or consents as appropriate.

    Documentation should include a brief description of the tenurial instrument, permit, agreement with government, title, claim, lease or option under which the company has the right to hold or operate the mineral property, indicating any conditions that the company must meet to obtain or retain the mineral property.

    If held by tenurial instruments, permits, agreements with the government, leases or options, the expiry dates of such tenurial instruments, permits, agreements with government, leases or options should be stated. If extension of the foregoing will be needed to mine the Mineral Reserves, there should be reasonable expectation that such extension will be granted.

59. Royalty terms, streaming agreements, and clawback rights of former claim/land holders must be disclosed.

60. Information relating to the review of legal and permitting issues must be documented either in full or by reference. The information may remain confidential to the company. However, when required, it may be released to regulators or auditors on a confidential basis.

XV. Sustainability Considerations

61. Public Reports should discuss environmental, social, and health and safety impacts that are expected during development, operation, and after closure, and the mitigation and remediation plans to address such impacts. These impacts will affect employees, contractors, neighboring communities, and customers.

Historical performance by the company should be used to engage all stakeholders and to plan for continued benefits for all parties concerned.

In the minerals industry, health and safety have traditionally received the most attention, with incident statistics reflecting these improvements.

Sustainability can refer to three principal themes: the ability of the environment to maintain itself with minimum impact to the local flora and fauna, the ability of the surrounding community to continue its traditional economic and cultural activities, and the ability of newly-created economic inputs to continue beyond the mine life.

Social issues and the social license to operate (SLO) are a measure of the communication transparency and level of trust with communities and society at large. Programs to create positive impacts on the environment, safety, and sustainability all contribute to winning the trust needed for the SLO.

The ACP should ensure the report discusses reasonably available information on environmental permitting and social or community factors related to the project.

The discussions should include, where relevant:

- *a summary of the results of any environmental studies and a discussion of any known environmental issues that could materially impact the company's ability to extract the Mineral Resources or Mineral Reserves,*
- *requirements and plans for waste and tailings disposal, site monitoring, and water management both during operations and post-mine closure,*
- *project permitting requirements, the status of any permit applications, and any known requirements to post-performance or reclamation bonds,*
- *a discussion of any potential social or community-related requirements and plans for the project and the status of any negotiations or agreements with local communities,*
- *a discussion of mine closure (remediation and reclamation) requirements and costs,*
- *special capital or operating requirements for handling hazardous minerals or reagents, as well as other health and industrial hygiene risks,*
- *any savings in energy usage or other reduction of consumption reflecting directly in the economic outcome of the project, and*
- *Mineral Reserve estimates should acknowledge the likely environmental and social impact of development and ensure that appropriate allowances are made for mitigation and remediation.*

XVI. Transitory Provisions

62. To provide for a smooth transition from the PMRC 2007 Edition, the full implementation of the PMRC 2020 Edition takes effect two (2) years from the date that the Securities and Exchange Commission (SEC) approves this Edition of the Code (Transitory Period).

63. Companies shall comply with PMRC 2007 Edition during the Transitory Period. Companies can opt to have their disclosures fully compliant with PMRC 2020 Edition during the Transitory Period. If a company opts to have its disclosures comply with the PMRC 2020 Edition during the Transitory Period, it shall expressly state the same and use the same exclusively in its disclosures. The use of the standards set by both PMRC 2007 and PMRC 2020 Editions in the same disclosure is not allowed. If at any point during the Transitory Period, a company adopts the PMRC 2020 Edition, it shall continue to use the same during the rest of the Transitory Period.

64. During the Transitory Period, the terms "Accredited Competent Person" ("ACP") and "Mineral Reserves" must be used instead of "Competent Person" ("CP") and "Ore Reserves", respectively. In addition, the ACP's Consent Form (Appendix 3) and Compliance Statements (Appendix 4) shall be used during the Transitory Period, provided that, if the PMRC 2007 Edition is being complied, the ACP Consent Form and Consent Statement shall be revised as follows: (i) "Pursuant to the requirements under the prevailing PSE's Consolidated Listing and Disclosure Rules and Clause ~~10~~ **8** of the PMRC ~~2020~~ **2007** Edition ("Consent Statement")"; (ii) "I have read and understood the requirements of the ~~2020~~ **2007** Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and ~~Mineral~~ **Ore** Reserves (PMRC ~~2020~~ **2007** Edition)"; (iii) "I certify that this Report has been prepared in accordance with PMRC ~~2020~~ **2007** Edition"; and (iv) "I am an Accredited Competent Person as defined by the ~~PMRC~~ 2020 Edition **of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves**, having a minimum of five years relevant experience in style of mineralization and type of mineral deposit described in the Report, and to the activity for which I am accepting responsibility".

Table 1 - Checklist of Assessment and Reporting Criteria

Table 1 is a checklist or reference for use by the ACP(s) preparing Public Reports on Exploration Results, Mineral Resources, and Mineral Reserves.

In the context of complying with the principles of Transparency, Materiality, and Competence (see Clause 5), comment on the relevant sections of Table 1 should be provided on an 'if not, why not' basis within the ACP's documentation and must be provided where required according to the specific requirements of Clauses 22, 30 and 38 for projects material to the company in the Public Report. This is to ensure that it is clear to the investor whether items have been considered and deemed of low consequence or have yet to be addressed or resolved.

As always, relevance and Materiality are overriding principles that determine what information should be Publicly Reported and the ACP must provide sufficient comment on all 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 Mineral Reserves.

The order and grouping of criteria in Table 1 reflect the normal systematic approach to exploration and estimation of Mineral Resources and Mineral Reserves. The table should be approached from left to right, and from top to bottom. In other words, criteria in the first column, Exploration Results, should be considered to apply also when reporting Mineral Resources and Mineral Reserves. Similarly, additional criteria in the Mineral Resources column apply also to Mineral Reserves reporting.

When compiling a Public Report dealing with coal; industrial minerals, cement feed materials, and construction materials; and dimension stone, ornamental and decorative stone; there are specific matters that must be considered. Appendices 6 to 8 of the Code address these specific commodities. Sections 10-12 of Table 1 include also items that may be specific to those commodities and therefore have been placed within Appendices 6 to 8 where relevant.

TABLE 1 – CHECK LIST OF ASSESSMENT AND REPORTING CRITERIA					
			Exploration Results	***Mineral Resources***	***Mineral Reserves***
Introduction					
Introduction	***General***	*(i)*	*The scope of work or terms of reference.*		
		(ii)	*The Accredited Competent Person's relationship to the issuer of the Public Report, if any.*		
		(iii)	*A statement for whom the Public Report was prepared; whether it was intended as a full or partial evaluation or other purpose, work conducted, effective date of Public Report, and remaining work.*		
		(iv)	*Sources of information and data contained in the Public Report or used in its preparation, with citations if applicable, and a list of references.*		
		(v)	*A title page and a table of contents that includes figures and tables.*		
		(vi)	*An Executive Summary, which briefly summarizes important information in the Public Report, including mineral property description and ownership, geology and mineralization, the status of exploration, development and operations, Mineral Resource and/or Mineral Reserve estimates, and the Accredited Competent Person's conclusions and recommendations.* *If Inferred Mineral Resources are used, a summary valuation with and if practical without inclusion of such Inferred Mineral Resources. The Executive Summary should have sufficient detail to allow the reader to understand the essentials of the project.*		
		(vii)	*A declaration from the Accredited Competent Person, stating whether 'the declaration has been made in terms of the guidelines of the PMRC 2020 Edition.* *If a reporting code other than the PMRC having jurisdiction has been used, an explanation of the differences.*		
		(viii)	*Diagrams, maps, plans, sections, and illustrations, which are dated, legible, and prepared at an appropriate scale to distinguish important features. Maps including a legend, author or information source, coordinate system and datum, a scale in bar or grid form, and an arrow indicating north.* *Reference to a location or index map and more detailed maps showing all important features described in the text, including all relevant cadastral and other infrastructure features.*		
		(ix)	*The units of measure, currency and relevant exchange rates*		
		(x)	*The details of the personal inspection on the mineral property by each Accredited Competent Person or, if applicable, the reason why a personal inspection has not been completed.*		
		(xi)	*If the Accredited Competent Person is relying on a report, opinion or statement of another expert who is not an Accredited Competent Person, then a disclosure of the date, title, and author of the report, opinion, or statement, the qualifications of the other expert, the reason for the Accredited Competent Person to rely on the other expert, any significant risks, and any steps the Accredited Competent Person took to verify the information provided.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 1: Project Outline					
1.1	**Location**	1.1.1	*Description of location and map (country, province, and closest town/city, coordinate systems and ranges, etc.).*		
		1.1.2	*Country Profile, with a description of information relating to the project host country that is pertinent to the project, including relevant applicable legislation, environmental and social context etc. An assessment, at a high level, of relevant technical, environmental, social, economic, political, and other key risks.*		
		1.1.3	*A general topo-cadastral map.*	*Topo-cadastral map in sufficient detail to support the assessment of eventual economics.*	*Detailed topo-cadastral map, with applicable aerial surveys checked with ground controls and surveys, particularly in areas of rugged terrain, dense vegetation or high altitude.*
1.2	**Mineral Property Description**	1.2.1	*Brief description of the scope of project (i.e., whether in preliminary sampling, advanced exploration, Scoping, Pre-Feasibility, or Feasibility Study, Life-of-Mine plan for an ongoing mining operation or closure).*		
		1.2.2	*Description of topography, elevation, drainage and vegetation, the means and ease of access to the mineral property, the proximity of the mineral property to a population center, and the nature of transport, the climate, known associated climatic and seismic risks and the length of the operating season and to the extent relevant to the mineral project, the sufficiency of surface rights for mining operations including the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites (noting any conditions that may affect possible exploration/mining activities).*		
1.3	**Adjacent properties**	1.3.1	*Details of relevant adjacent properties. The inclusion on the maps of the location of common structures, whether related to mineralization or not, in adjacent or nearby properties having an important bearing on the Public Report. Reference to all information used from other sources.*		
1.4	**History**	1.4.1	*Historical background to the project and adjacent areas concerned, including known results of previous exploration and mining activities (type, amount, quantity, and development work), previous ownership and changes thereto.*		
		1.4.2		*Previous successes or failures referred to transparently with reasons why the project should now be considered potentially economic.*	
		1.4.3		*Known or existing historical Mineral Resource estimates and performance statistics from actual production in the past and in current operations.*	
		1.4.4			*Known or existing historical Mineral Reserve estimates and performance statistics from actual production in the past and in current operations.*
1.5	**Legal Aspects and Permitting**		*A statement from the Accredited Competent Person on the confirmation of the legal tenure, including a description of:*		
		1.5.1	*The nature of the issuer's rights (e.g., exploration and/or mining) and the right to use the surface of the properties to which these rights relate. The date of expiry and other relevant details.*		
		1.5.2	*The principal terms and conditions of all existing agreements, and details of those still to be obtained, (such as, but not limited to, concessions, partnerships, joint ventures, access rights, leases, historical and cultural sites, wilderness or national park and environmental settings, royalties, consents, permission, permits or authorizations).*		
		1.5.3	*The security of the tenure held at the time of reporting or that is reasonably expected to be granted in the future along with any known impediments to obtaining the right to operate in the area. Details of applications that have been made. See Clause 32 for declaration of a Mineral Reserve.*		
		1.5.4	*A statement of any legal proceedings, for example: adverse/competing claims, or land claims that may have an influence on the rights to prospect or mine for minerals, or claims that the tenurial instrument is defective, or an appropriate negative statement.*		
		1.5.5	*A statement relating to governmental/statutory requirements permits, and consents as may be required, have been applied for, approved or can be reasonably be expected to be obtained. A review of risks that permits will not be received as expected and impact of delays to the project*		
1.6	**Royalties**	1.6.1	*The royalties or streaming agreements that are payable in respect of each mineral property.*		
1.7	**Liabilities**	1.7.1	*Any liabilities, including rehabilitation guarantees and decommissioning obligations that are pertinent to the project. A description of the rehabilitation liability and decommissioning obligation, including, but not limited to, legislative/administrative requirements, assumptions, and limitations.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 2: Geological Setting, Mineral Deposit, Mineralization					
2.1	**Geological Setting, Mineral Deposit, Mineralization**	2.1.1	*The regional geology.*		
		2.1.2	*The project geology including mineral deposit type, geological setting, and style of mineralization.*		
		2.1.3	*The geological model or concepts being applied in the investigation and on the basis of which the exploration program is planned, along with a description of the inferences and assumptions made from this model.*		
		2.1.4	*Data density, distribution, and reliability and whether the quality and quantity of information are sufficient to support statements, made or inferred, concerning the mineral deposit.*		
		2.1.5	*Significant minerals present in the mineral deposit, their frequency, size and other characteristics, including a discussion of minor and gangue minerals where these will have an effect on the processing steps and the variability of each important mineral within the mineral deposit.*		
		2.1.6	*Significant mineralized zones encountered on the mineral property, including a summary of the surrounding rock types, relevant geological controls, and the length, width, depth, and continuity of the mineralization, together with a description of the type, character, and distribution of the mineralization*		
		2.1.7	*The existence of reliable geological models and/or maps and cross sections that support interpretations.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 3: Exploration and Drilling, Sampling Techniques, and Data					
3.1	**Exploration**	3.1.1	Data acquisition or exploration techniques and the nature, level of detail, and confidence in the geological data used (i.e., geological observations, remote sensing results, stratigraphy, lithology, structure, alteration, mineralization, hydrology, geophysical, geochemical, petrography, mineralogy, geochronology, bulk density, potential deleterious or contaminating substances, geotechnical and rock characteristics, moisture content, bulk samples, etc.). Data sets with all relevant metadata, such as unique sample number, sample mass, collection date, spatial location, etc.		
		3.1.2	The primary data elements (observations and measurements) used for the project and a description of the management and verification of these data or the database. Description of the following relevant processes: acquisition (capture or transfer), validation, integration, control, storage, retrieval, and backup processes. If data are not stored digitally, presentation of hand-printed tables with well-organized data and information.		
		3.1.3	Acknowledgment and appraisal of data from other parties, and reference to all data and information used from other sources.		
		3.1.4	Distinction between data / information from the mineral property under discussion and that derived from surrounding properties.		
		3.1.5	The methods for collar and down-hole survey, techniques, and expected accuracies of data as well as the grid system used.		
		3.1.6	Discussion on the sufficiency of the data spacing and distribution to establish the degree of geological and grade continuity appropriate for the estimation procedure(s) and classifications applied.		
		3.1.7	Presentation of representative models and/or maps and cross sections or other two or three-dimensional illustrations of results showing location of samples, accurate drill hole collar positions, down-hole surveys, exploration pits, underground workings, relevant geological data, etc.		
		3.1.8	The geometry of the mineralization with respect to the drill hole angle because of the importance of the relationships between mineralization widths and intercept lengths. Justification if only down-hole lengths are reported.		
3.2	**Drilling Techniques**	3.2.1	Type of drilling undertaken (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Banka, sonic, etc.) and details (e.g., 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.).		
		3.2.2	The geological and geotechnical logging of core and chip samples relative to the level of detail required to support appropriate Mineral Resource estimation, mining studies, and metallurgical studies.		
		3.2.3	The nature of logging (qualitative or quantitative) and the use of core photography (or costean, channel, etc.).		
		3.2.4	The total length and percentage of the relevant intersections logged.		
		3.2.5	Results of any down-hole surveys of the drill hole.		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 3: Exploration and Drilling, Sampling Techniques, and Data (continued)					
3.3	**Sample method, collection, capture, and storage**	3.3.1	*A description of the nature and quality of sampling (e.g., cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld or fixed-position XRF instruments, etc.), without these examples limiting the broad meaning of sampling.*		
		3.3.2	*A description of the sampling processes, including sub-sampling stages to maximize representativeness of samples, whether sample sizes are appropriate to the grain size of the material being sampled and any sample compositing.*		
		3.3.3	*A description of each data set (e.g., geology, grade, density, quality, geo-metallurgical characteristics, etc.), sample type, sample-size selection, and collection methods.*		
		3.3.4	*The nature of the geometry of the mineralization with respect to the drill hole angle (if known).* *The orientation of sampling to achieve unbiased sampling of possible structures, considering the mineral deposit type.* *The intersection angle.* *The down-hole lengths if the intersection angle is not known.*		
		3.3.5	*A description of retention policy and storage of physical samples (e.g., core, sample reject, etc.)*		
		3.3.6	*A description of the method of recording and assessing core and chip sample recoveries and the 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.*		
		3.3.7	*The cutting of a drill core sample, e.g., whether it was split or sawn and whether quarter, half or full core was submitted for analysis.* *Non-core sampling, e.g., whether the sample was riffled, tube sampled, rotary split, etc.; whether it was sampled wet or dry; the impact of water table or flow rates on recovery and introduction of sampling biases or contamination from above.* *The impact of variable hole diameters, e.g., by the use of a caliper tool.*		
3.4	**Sample Preparation and Analysis**	3.4.1	*The identity of the laboratory(s) and its accreditation status.* *The steps taken by the Accredited Competent Person to ensure the results from a non-accredited laboratory are of an acceptable quality.*		
		3.4.2	*The analytical method, its nature, the quality and appropriateness of the assaying and laboratory processes and procedures used, and whether the technique is considered partial or total.*		
		3.4.3	*A description of the process and method used for sample preparation, sub-sampling and size reduction, and the likelihood of inadequate or non-representative samples (i.e., improper size reduction, contamination, screen sizes, granulometry, mass balance, etc.).*		
3.5	**Sampling Governance**	3.5.1	*The governance of the sampling campaign and process, to ensure quality and representativeness of samples and data, such as sample recovery, high grading, selective losses or contamination, core/hole diameter, internal and external QA/QC, and any other factors that may have resulted in or identified sample bias.*		
		3.5.2	*The measures taken to ensure sample security and the Chain of Custody.*		
		3.5.3	*The validation procedures used to ensure the integrity of the data, e.g., transcription, input or other errors, between its initial collection and its future use for modeling (e.g., geology, grade, bulk density, etc.).*		
		3.5.4	*The audit process and frequency (including dates of these audits) and disclose any material risks identified.*		
3.6	**Quality Control/ Quality Assurance**	3.6.1	*The verification techniques (QA/QC) for field sampling process, e.g., the level of duplicates, blanks, reference material standards, process audits, analysis, etc.* *Indirect methods of measurement (e.g., geophysical methods), with attention given to the confidence of interpretation.* *Reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.* *QA/QC procedures used to check databases augmented with 'new' data have not disturbed previous versions containing 'old' data.*		
3.7	**Bulk Density**	3.7.1	*The method of bulk density determination with reference to the frequency of measurements, the size, nature, and representativeness of the samples.*		
		3.7.2	*Preliminary estimates or basis of assumptions made for bulk density.*		
		3.7.3	*The representativeness of bulk density samples.*		
		3.7.4	*The measurement of bulk density for bulk material using methods that adequately account for void spaces (vugs, porosity etc.), moisture, and differences between rock and alteration zones within the mineral deposit.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 3: Exploration and Drilling, Sampling Techniques, and Data (continued)					
3.8	***Bulk Sampling and/or trial-mining***	*3.8.1*	*The location of individual samples (including map).*		
		3.8.2	*The size of samples, spacing/density of samples recovered, and whether sample sizes and distribution are appropriate to the grain size of the material being sampled.*		
		3.8.3	*The method of mining and treatment.*		
		3.8.4	*The degree to which the samples are representative of the various types and styles of mineralization and the mineral deposit as a whole.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 4: Estimation and Reporting of Exploration Results and Mineral Resources					
4.1	**Geological model and interpretation**	4.1.1	*The nature, detail, and reliability of geological information with which lithological, structural, mineralogical, alteration or other geological, geotechnical, and geo-metallurgical characteristics were recorded.*		
		4.1.2	*The geological model, construction technique, and assumptions that form the basis for the Exploration Results or Mineral Resource estimate.* *The sufficiency of data density to assure continuity of mineralization and geology, and provision of an adequate basis for the estimation and classification procedures applied.*		
		4.1.3	*Any obvious geological, mining, metallurgical, processing, environmental, social, infrastructural, legal, and economic factors that could have a significant effect on the prospects of any possible Exploration Target or mineral deposit.*		
		4.1.4		*Geological data that could materially influence the estimated quantity and quality of the Mineral Resource or Mineral Reserve.*	
		4.1.5		*Consideration given to alternative interpretations or models and their possible effect (or potential risk), if any, on the Mineral Resource estimate.*	
		4.1.6		*Geological discounts (e.g., magnitude, per reef, domain, etc.), applied in the model, whether applied to mineralized and/or unmineralized material (e.g., potholes, faults, dikes, etc.).*	
4.2	**Estimation and modeling techniques**	4.2.1	*A detailed description of the estimation techniques and assumptions used to determine the grade and tonnage ranges for Exploration Targets.*	*Histograms, statistical parameters, probability distributions of samples, and of block estimates. If geostatistics is done, must show variogram(s) and parameters (e.g., sill, range, nugget effect) depending on variogram type, sizes of estimation panels or blocks, assumed or known selective mining units.*	
		4.2.2		*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values (cutting or capping), compositing (including by length and/or density), domaining, sample spacing, estimation unit size (block size), selective mining units, interpolation parameters, and maximum distance of extrapolation from data points.*	
		4.2.3		*Assumptions and justification of correlations made between variables.*	
		4.2.4		*Any relevant specialized computer program (software) used (with the version number) together with the parameters used.*	
		4.2.5		*The processes of checking and validation, the comparison of model information to sample data and use of reconciliation data, and whether the Mineral Resource estimate takes account of such information.*	
		4.2.6		*The assumptions made regarding the estimation of any co-products, by-products or deleterious elements.*	

			Exploration Results	Mineral Resources	Mineral Reserves
Section 4: Estimation and Reporting of Exploration Results and Mineral Resources (continued)					
4.3	**Reasonable prospects for eventual economic extraction**	4.3.1		*The geological parameters, including (but not be limited to) volume / tonnage, grade and value / quality estimates, cut-off grades, strip ratios, upper- and lower- screen sizes.*	
		4.3.2		*The engineering parameters, including mining method, processing, geotechnical, hydrogeological, and metallurgical parameters, including assumptions made to mitigate the effect of deleterious elements.* *Dilution and mining recovery factors that might be applicable to convert in-situ Mineral Resources to Mineral Reserves.*	
		4.3.3		*The infrastructure including, but not limited to, power, water, and site access.*	
		4.3.4		*The legal, governmental, permitting, and statutory parameters.*	
		4.3.5		*The environmental and social (or community) parameters.*	
		4.3.6		*The marketing parameters.*	
		4.3.7		*The economic assumptions and parameters, including, but not limited to, commodity prices, sales volumes, and potential capital and operating costs.*	
		4.3.8		*Material risks, e.g., legal, environmental, climatic, etc.*	
		4.3.9		*The parameters used to support the concept of 'eventual' in the case of Mineral Resources.*	
4.4	**Classification Criteria**	4.4.1		*The criteria and methods used as the basis for the classification of the Mineral Resources into varying confidence categories.*	
4.5	**Discussion of relative accuracy/ confidence**	4.5.1		*Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource or Mineral Reserve estimate using an approach or procedure deemed appropriate by the Accredited Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the Mineral Resource or Mineral Reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relative tonnages, which should be relevant to technical and economic evaluation. Documentation shall include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	
4.6	**Reporting**	4.6.1	*Specific grades / qualities and widths.*		
		4.6.2	*The reporting of low- and high-grade intersections and corresponding widths, together with their spatial location to avoid misleading reporting of Exploration Results.*		
		4.6.3	*A statement on whether grades are regional averages or if these are selected individual samples taken from the mineral property under discussion.*		
		4.6.4		*The detail of the surface or underground mine, residue stockpile, remnants, tailings, and existing pillars or other sources in a Mineral Resource statement*	
		4.6.5		*A comparison with the previous Mineral Resource estimates, with an explanation of the reason for material changes.* *A comment on any historical trends (e.g., global bias).*	
		4.6.6		*The basis for the estimate and if not 100%, the attributable percentage relevant to the entity commissioning the Public Report.*	
		4.6.7	*The basis of equivalent metal formulae, if relevant.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies					
5.1	**Introduction**	5.1.1	Not applicable to Exploration Results or Exploration Targets	*The level of study – Scoping, Pre-Feasibility, Feasibility or ongoing Life-of-Mine Plan.*	*The level of study – Pre-Feasibility, Feasibility or ongoing Life-of-Mine Plan.*
		5.1.2			*A summary table of the Modifying Factors used to convert the Mineral Resource to Mineral Reserve.*
5.2	**Mining Design**	5.2.1	Not applicable to Exploration Results or Exploration Targets	*Assumptions regarding mining methods and parameters when estimating Mineral Resources.*	
		5.2.2			*All Modifying Factors and assumptions made regarding mining methods, minimum mining dimensions (or pit shell) and internal and, if applicable, external planned and unplanned mining dilution and mining losses used for the techno-economic study and signed-off, such as mining method, mine design criteria, infrastructure, capacities, production schedule, mining efficiencies, grade control, geotechnical and hydrological considerations, closure plans, and personnel requirements.*
		5.2.3		*Mineral Resource models used in the study.*	
		5.2.4		*The basis of the cut-off grade(s).*	*The basis of (the adopted) cut-off grade(s) or quality parameters applied, including metal equivalents if relevant.*
		5.2.5			*The mining method(s) to be used.*
		5.2.6			*For open cut mines, a discussion of pit slopes, slope stability, and strip ratio.*
		5.2.7			*For underground mines, a discussion of mining method, geotechnical considerations, mine design characteristics, and ventilation/cooling requirements.*
		5.2.8			*Discussion of mining rate, equipment selected, grade control methods, geotechnical and hydrogeological considerations, health and safety of the workforce, staffing requirements, dilution, and recovery.*
		5.2.9			*Optimization methods and software used in planning, including a discussion of the constraints.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies *(continued)*					
5.3	***Metallurgical Testworks***	*5.3.1*	*Not applicable to Exploration Results or Exploration Targets*		*The source of the samples, the representativeness of the potential feed and the techniques used to obtain the samples, laboratory and metallurgical testing techniques.*
		5.3.2			*The basis for assumptions or predictions regarding metallurgical amenability and any preliminary mineralogical test work should already be carried out.*
		5.3.3		*The possible processing methods and any processing factors that could have a material effect on the likelihood of eventual economic extraction.* *The appropriateness of the processing methods to the style of mineralization.*	*The processing method(s), equipment, plant capacity, efficiencies, and personnel requirements.*
		5.3.4			*The nature, amount, and representativeness of metallurgical test works undertaken and the recovery factors used.* *A detailed flow sheet / diagram and a mass balance, especially for multi-product operations from which the saleable materials are priced for different chemical and physical characteristics.*
		5.3.5			*Assumptions or allowances made for deleterious elements and the existence of any bulk-sample or pilot-scale test work and the degree to which such samples are representative of the ore body as a whole.*
		5.3.6			*Disclosure of whether metallurgical process is well-tested technology or novel in nature and if novel, justification of its use in Mineral Reserve estimation.*
5.4	***Infrastructure***	*5.4.1*	*Not applicable to Exploration Results or Exploration Targets*	*Comment regarding the current state of infrastructure or the ease with which the infrastructure can be provided or accessed and its effect on reasonable prospects for eventual economic extraction*	
		5.4.2			*Demonstration that the necessary facilities have been allowed for (which may include, but not be limited to, processing plant, tailings dam, leaching facilities, waste dumps, road, pipeline, rail or port facilities, water and power supply, offices, housing, security, resource sterilization testing, etc.). Provision of detailed maps showing locations of facilities.*
		5.4.3			*Statement showing that all necessary logistics have been considered.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies (continued)					
5.5	**Environmental and social**	5.5.1	*Confirmation that the company holding the tenement has addressed the host country's environmental legal compliance requirements and any mandatory and/or voluntary standards or guidelines to which the company subscribes.*		
		5.5.2	*Identification of the necessary permits that will be required and their status, and where not yet obtained, and confirmation that there is a reasonable basis to believe that all permits required for the project will be obtained in a timely manner.*		
		5.5.3	*Any sensitive areas that may affect the project as well as any other environmental factors including Interested and Affected Party (I&AP) and/or studies that could have a material effect on the likelihood of eventual economic extraction.* *Possible means of mitigation.*		
		5.5.4	*Legislated social management programs that may be required and content and status of these.*		
		5.5.5	*Material socio-economic and cultural impacts that need to be managed, and where appropriate the associated costs.*		
5.6	**Market Studies and Economic criteria**	5.6.1	*Not applicable to Exploration Results or Exploration Targets*	*Technical and economic factors likely to influence the prospect of economic extraction. Refer to Clause 23.*	*Valuable and potentially valuable product(s) including suitability of products, co-products and by-products to market.*
		5.6.2			*Product to be sold, customer specifications, testing, and acceptance requirements.* *Existence of a ready market for the product and whether contracts for the sale of the product are in place or expected to be readily obtained.* *Price and volume forecasts and the basis for the forecast.*
		5.6.3			*Economic criteria used for the study, such as capital and operating costs, exchange rates, revenue / price curves, royalties, and streaming agreements, cut-off grades, reserve pay limits.*
		5.6.4			*Summary description, source, and confidence of method used to estimate the commodity price/value profiles used for cut-off grade calculation, economic analysis and project valuation, including applicable taxes, inflation indices, discount rate, and exchange rates.*
		5.6.5			*Assumptions made concerning production cost including transportation, treatment, penalties, exchange rates, marketing, and other costs. Allowances should be made for the content of deleterious elements and the cost of penalties.*
		5.6.6			*Allowances made for royalties and streaming agreements payable, both to Government and private entities.*
		5.6.7			*Ownership, type, extent, and condition of plant and equipment that is significant to the existing operation(s).*
		5.6.8			*Environmental, social, and labor costs.*
5.7	**Risk Analysis**	5.7.1	*An assessment of technical, environmental, social, economic, political, and other key risks to the project.* *Actions that will be taken to mitigate and/or manage the identified risks.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 5: Technical Studies (continued)					
5.8	***Economic Analysis***	*5.8.1*	*Not applicable to Exploration Results or Exploration Targets*	*The basis on which reasonable prospects for eventual economic extraction has been determined.* *Any material assumptions made in determining the 'reasonable prospects for eventual economic extraction'.*	*The inclusion of any Inferred Mineral Resources is not allowed in the Pre-Feasibility and Feasibility Studies economic analysis.*
		5.8.2			*An economic analysis for the project that includes after tax Cash Flow forecast on an annual basis using Mineral Reserves or Mineral Resources or an annual production schedule for the life of the project, which has been used at the relevant level Pre-Feasibility or Feasibility Study.* *Accounting for royalties and streaming agreements.*
		5.8.3			*A discussion of net present value (NPV), internal rate of return (IRR) and payback period of capital.*
		5.8.4			*Sensitivity or other analysis using variants in commodity price, grade, capital and operating costs, or other significant parameters, as appropriate and discuss the impact of the results.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 6: Estimation and Reporting of Mineral Reserves					
6.1	**Estimation and modeling techniques**	6.1.1			*A description of the Mineral Resource estimate used as a basis for the conversion to a Mineral Reserve.*
		6.1.2			*A Mineral Reserve Statement in sufficient detail indicating if the mining is by surface or underground method plus the source and type of mineralization, domain or orebody, surface dumps, stockpiles, and all other sources.*
		6.1.3			*Reconciliation of historical reliability and reconciliation of the performance parameters, assumptions and modifying factors.* *A comparison with the previous Reserve quantity and qualities, if available.* *Where appropriate, any historical trends (e.g., global bias).*
		6.1.4			*Criteria and methods used as the basis for the classification of the Mineral Reserves into varying confidence categories, which should be based on the Mineral Resource category, and include consideration of the confidence in all the Modifying Factors.*
6.2	**Classification Criteria**	6.2.1			*Criteria and methods used as the basis for the classification of the Mineral Reserves into varying confidence categories, which should be based on the Mineral Resource category, and include consideration of the confidence in all the Modifying Factors.*
6.3	**Reporting**	6.3.1			*The proportion of Probable Mineral Reserves, which have been derived from Measured Mineral Resources (if any), including the reason(s) thereof.*
		6.3.2			*The inclusion in a Mineral Reserve statement of the detail of the surface or underground mine, residue stockpile, remnants, tailings, and existing pillars or other sources*
		6.3.3			*A comparison with the previous Mineral Reserve estimates.* *Any historical trends (e.g., global bias).*
		6.3.4			*The inclusion or exclusion of Mineral Resources in Mineral Reserves.*

			Exploration Results	Mineral Resources	Mineral Reserves
Section 7: Audits and Reviews					
7.1	**Audits and Reviews**	7.1.1	*Type of review/audit (e.g., independent, external), area (e.g., laboratory, drilling, data, environmental compliance, etc.), date and name of the reviewer(s) together with their recognized professional qualifications. The level of review/audit (desk-top, on-site comparison with standard procedures, or endorsement where auditor/reviewer has checked the work to the extent they stand behind it as if it were their own work).*		
		7.1.2	*The level and conclusions of relevant audits or reviews. Significant deficiencies and remedial actions required.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 8: Other Relevant information					
8.1	**Other relevant information**	8.1.1	*Other relevant and material information not discussed elsewhere.*		

			Exploration Results	Mineral Resources	Mineral Reserves
Section 9: Accredited Competent Person					
9.1	**Qualification of Accredited Competent Person(s) and key technical staff**	9.1.1	*The full name of the Accredited Competent Person, profession, address, their PRC and Accredited Competent Person registration numbers and the name of the professional representative organization (or RPO), of which the Accredited Competent Person(s) is member. The relevant experience of the Accredited Competent Person(s) and other key technical staff who prepared and who are responsible for the Public Report.*		
	Relationship to the issuer	9.1.2	*The Accredited Competent Person's relationship to the issuer of the Public Report, if any.*		
		9.1.3	*The inclusion of the Accredited Competent Person's Consent Form (see Appendices 3 & 4). Such Consent Form should include the date of sign-off and the effective date of the Public Report.*		

Table 2 - Guideline for Technical Studies

This guideline for Technical Studies is provided as a guide to the compilation of the various studies relating to Mineral Resources and Mineral Reserves. It is designed to be read in conjunction with Table 1.

Scoping Studies, Pre-Feasibility Studies, Feasibility Studies (and on-going Life-of-Mine Plan (LoMP) studies) analyze and assess the same geological, engineering, and economic factors with increasing detail and precision. Therefore, the same criteria may be used as a framework for reporting the results of all three studies.

If considered appropriate, the ACP may use the Association for the Advancement of Cost Engineers (AACE) International Guide 47R-11 for the Mining and Mineral Processing Industries (as amended) or other internationally recognized and accepted guidelines.

TABLE 2 – GUIDELINE FOR TECHNICAL STUDIES			
Item	***Scoping Study***	***Pre-Feasibility Study***	***Feasibility Study***
***Mineral* Resource categories**	*Mostly Inferred*	*Mostly Indicated*	*Measured and Indicated*
***Mineral* Reserve categories**	*None*	*Mostly Probable*	*Proved and Probable*
Mining method and geotechnical constraints	*Conceptual*	*Preliminary Options*	*Detailed and Optimized*
Mine design	*None or high-level conceptual*	*Preliminary mine plan and schedule*	*Detailed mine plan and schedule*
Scheduling	*Annual approximation*	*3-monthly to annual*	*Monthly for much of payback period*
Mineral Processing / Extractive Metallurgy	*Metallurgical testwork – exploratory tests*	*Preliminary Options – bench/pilot-scale tests*	*Detailed and Optimized – optimization, testworks / pilot-scale tests*
Permitting - (water, power, mining, prospecting, and environmental)	*Required permitting listed*	*Preliminary applications submitted*	*Authorities engaged, and applications submitted*
Social license to operate	*Initial contact with local communities*	*Formal communication structures and engagement models in place*	*Contracts/agreements in place with local communities and municipalities (local government)*
Risk tolerance	*High*	*Medium*	*Low*

Item	Scoping Study	Pre-Feasibility Study	Feasibility Study
Basis of Capital Estimate			
Civil/structural, architectural, piping/heating, ventilation, and air conditioning (HVAC), electrical, instrumentation, construction labor, construction labor productivity, material volumes/amounts, material/equipment, pricing, and infrastructure	*Order-of-magnitude based on historical data or factoring. Engineering < 5% complete.*	*Estimated from historical factors or percentages and vendor quotes based on material volumes. Engineering at 5-25% complete.*	*Detailed from engineering at 20% to 50% complete, estimated material take-off quantities, and multiple vendor quotations*
Contractors	*Included in unit cost or as a percentage of total cost*	*Percentage of direct cost by area for contractors; historical for subcontractors*	*Written quotes from contractor and subcontractors*
Engineering, procurement, and construction management (EPCM)	*Percentage of estimated construction cost*	*Key parameters, Percentage of detailed construction cost*	*Detailed estimate*
Owner's costs	*Factored, benchmark, database or historical estimate*	*Budgeted quotes on key parameters and estimates from experience, factored from similar project*	*Detailed estimate*
Environmental compliance / Closure Cost	*Factored from historical estimate*	*Estimate from experience, factored from similar project*	*Estimate prepared from detailed zero-based budget for design engineering and specific permit requirements*
Escalation	*Not considered*	*Based on entity's current budget percentage*	*Based on cost area with risk*
Accuracy Range (Order of magnitude)	*± 25-50%*	*± 15-25%*	*± 10-15%*
Contingency Range (Allowance for items not specified in scope that will be needed)	*± 30%*	*15-30%*	*10% - 15% (actual to be determined based on risk analysis)*

Item	*Scoping Study*	Pre-Feasibility Study	Feasibility Study
		Basis of Operating Costs	
Operating Costs	*Order-of-magnitude based on historical data or factoring.*	*Estimated from historical factors or percentages and vendor quotes based on material volumes.*	*Detailed estimate*
Operating quantities	*General*	*Specific estimates with some factoring*	*Detailed estimates*
Unit costs	*Based on historical data for factoring*	*Estimates for labor, power, and consumables, some factoring*	*Letter quotes from vendors; minimal factoring*
Accuracy Range	*± 25-50%*	*15% - 25%*	*10% - 15%*
Contingency Range (Allowance for items not specified in scope that will be needed)	*± 25%*	*± 15%*	*± 10% (actual to be determined based on risk analysis)*

Appendix 1 - Generic Terms and Equivalents

Throughout the PMRC 2020 Edition, 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 or similar terms	Intended generalized meaning
Accredited Competent Person	*Competent Person (Australasia) Qualified Person (Canada) Qualified Competent Person (Chile)*	*Refer to the Code Clause 12 for the definition of an Accredited Competent Person.*
Assumption	*Value judgments*	*The ACP in general makes value judgments when making assumptions regarding information not fully supported by test work*
Clawback rights		*A financial or other benefit that is given but is later taken back under defined circumstances.*
Cut-off grade	*Product specifications*	*The lowest grade, or quality, of mineralized material that qualifies as economically mineable and available in a given mineral deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product.*
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.*
Life-of-Mine Plan (LoMP)		*A design and financial/economic study of an existing operation in which appropriate assessments have been made of existing geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational, and all other Modifying Factors, which are considered in sufficient detail (to Pre-Feasibility level) to demonstrate that continued extraction is reasonably justified. Refer to Table 2 for guidance.*
Metallurgy	*Processing, Beneficiation, Concentration, Leaching, Smelting and Refining*	*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, gravity concentration, smelting and refining, etc.*

Generic Term	Synonyms or similar terms	Intended generalized meaning
Mineralization	*Type of mineral deposit, orebody, style of mineralization*	*Any single mineral or combination of minerals occurring in a mass, or mineral deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of mineral deposit, mode of occurrence, genesis or composition.*
Mineral Reserves	*Ore Reserves*	*'Mineral Reserves' is preferred under the PMRC 2020 Edition but 'Ore Reserves' is in use in the PMRC 2007 Edition and in other countries and is generally accepted. Other descriptors can be used to clarify the meaning, e.g., coal reserves, limestone reserves, etc.*
Mining	*Quarrying*	*All activities related to extraction of metals, minerals, and gemstones from the earth whether surface or underground, and by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc.).*
Proved	*Proven*	*Represents the highest confidence category of Mineral Reserve estimate.*
Recovery	*Yield*	*The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.*
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).*

Appendix 2 – List of Acronyms

AACE	Association for the Advancement of Cost Engineers
ACP	Accredited Competent Person
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
COMP	Chamber of Mines of the Philippines, Inc.
CRIRSCO	Committee for Mineral Reserves International Reporting Standards
DENR	Department of Environment and Natural Resources
GSP	Geological Society of the Philippines, Inc.
HVAC	Heating, Ventilation, and Air Conditioning
IRR	Internal Rate of Return
JORC	Joint Ore Reserves Committee (Australia)
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
LoMP	Life of Mine Plan
MGB	Mines and Geosciences Bureau
NPV	Net Present Value
NRO	National Reporting Organization
PABC	Philippines-Australia Business Council, Inc.
PERC	Pan-European Reserves and Resources Reporting Committee
PHILCOAL	Philippine Chamber of Coal Mines, Inc.
PMEA	Philippine Mining and Exploration Association, Inc.
PMRC	Philippine Mineral Reporting Code
PMRCC	Philippine Mineral Reporting Code Committee
PSE	The Philippine Stock Exchange, Inc.
PSEM	Philippine Society of Mining Engineers, Inc.
RPO	Recognized Professional Organization
SAMCODES	South African Mineral Codes
SEC	Securities and Exchange Commission
SME	Society for Mining, Metallurgy & Exploration (USA)
SMEP	Society of Metallurgical Engineers of the Philippines, Inc.

Appendix 3 - Compliance Statements

Appropriate forms of compliance statements should be as follows:

For Public Reports of Exploration Targets, initial or materially changed reports of Exploration Results, Mineral Resources or Mineral Reserves or company annual reports:

- *If the required information is in the report:*

  'The information in this report that relates to Exploration Results, Mineral Resources or Mineral Reserves is based on information compiled by [insert name of Accredited Competent Person (ACP)], an Accredited Competent Person who is a Member (or Fellow) of the Philippine Society of Mining Engineers or the Geological Society of the Philippines or the Society of Metallurgical Engineers of the Philippines or a 'Recognized Professional Organization' (RPO) included in a list promulgated from time to time by the Philippine Society of Mining Engineers, the Geological Society of the Philippines and the Society of Metallurgical Engineers of the Philippines through the Philippine Mineral Reporting Code Committee (PMRCC), subject to applicable laws and regulations [select as appropriate and insert the name of the professional representative organization or RPO of which the ACP is a member and the ACP's grade of membership].'

- *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 Mineral Reserves is based on information compiled by [insert name of ACP], an Accredited Competent Person who is a Member (or Fellow) of [insert name of the Philippine Society of Mining Engineers or, the Geological Society of the Philippines or the Society of Metallurgical Engineers of the Philippines or a 'Recognized Professional Organization' (RPO) included in a list promulgated from time to time by the Philippine Society of Mining Engineers, the Geological Society of the Philippines and the Society of Metallurgical Engineers of the Philippines through the Philippine Mineral Reporting Code Committee (PMRCC), subject to applicable laws and regulations [select as appropriate and insert the name of the professional representative organization or RPO of which the ACP is a member and the ACP's grade of membership].'

- *If the ACP is a full-time employee of the company:*

  '[Insert name of ACP] is a full-time employee of the company.'

- *If the ACP is not a full-time employee of the company:*

  '[Insert name of ACP] is employed by [insert name of ACP's employer].'

- *The full nature of the relationship between the ACP and the reporting company must be declared together with the ACP's details. This declaration must outline and clarify any issue that could be perceived by investors as a conflict of interest.*

- *For all reports:*

  [Insert name of ACP] has a minimum of five years relevant experience in the style of mineralization or type of mineral deposit under consideration and to the activity being undertaken to qualify as an Accredited Competent Person as defined in the 2020 Edition of the 'Philippine Mineral Reporting Code for Reporting Exploration Results, Mineral Resources and Mineral Reserves'. [Insert name of ACP] 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.

For any subsequent Public Report based on a previously issued Public Report that refers to those Exploration Results or estimates of Mineral Resources or Mineral Reserves:

Where an ACP has previously issued the prior written consent to the inclusion of their findings in a report, a company re-issuing that information to the Public, whether in the form of a presentation or a subsequent announcement, must state the report name, date and reference the location of the original source of the Public Report for public access.

- *'The information is extracted from the report entitled [name report] created on [date] and is available to view on [website name]. The company confirms that it is not aware of any new information or data that materially affect the information included in the original market announcement and, in the case of estimates of Mineral Resources or Mineral Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Accredited Competent Person's findings are presented have not been materially modified from the original market announcement.'*

Companies should be aware that this exemption does not apply to subsequent reporting of information in the company annual report.

Appendix 4 – Accredited Competent Person's Consent Form

Companies reporting Exploration Results, Exploration Targets, Mineral Resources or Mineral Reserves are reminded that while a Public Report is the responsibility of the company acting through its Board of Directors, Clause 10 of the Code requires that any such report 'must be based on, and fairly reflect the information and supporting documentation prepared by an Accredited Competent Person (ACP) or Persons. Clause 10 also requires that the 'report shall be issued with the prior written consent of the ACP(s) as to the form and context in which it appears'.

In order to assist ACP(s) and companies to comply with these requirements, and to emphasize the need for companies to obtain the prior written consent of each ACP for their material to be included in the form and context in which it appears in the Public Report, the PSE, together with PMRCC, have developed an ACP's Consent Form that incorporates the requirements of the PMRC 2020 Edition.

The completion of a consent form, whether in the format provided or in an equivalent form, is recommended as good practice and provides readily available evidence that the required prior written consent has been obtained.

Having the consent form witnessed by a peer professional representative organization-registered member is considered leading practice and is optional but strongly encouraged.

The ACP's Consent Form(s), or other evidence of the ACP's written consent, should be retained by the company and the ACP(s) to ensure that the written consent can be promptly provided if requested.

[Letterhead of Accredited Competent Person or Accredited Competent Person's employer]

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing PSE's Consolidated Listing and Disclosure Rules and Clause 10 of the PMRC 2020 Edition ("Consent Statement")

Report name

[Insert name or heading of Report to be publicly released)] ('Report')]

[Insert name of company releasing the Report]

[Insert name of mineral deposit to which the Report refers]

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

_____

[Date of Report]

Consent Statement

I/We,

_____

[Insert full name(s)]

Confirm that I am the Accredited Competent Person for the Report, and:

- That I am a [insert profession, i.e., Geologist, Mining Engineer and/or Metallurgical Engineer] residing at [insert address].
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).
- I certify that this Report has been prepared in accordance with PMRC 2020 Edition.
- I am an Accredited Competent Person as defined by the PMRC 2020 Edition, having a minimum of five years relevant experience in the style of mineralization and type of mineral deposit described in the Report, and to the activity for which for which I am accepting responsibility.
- I am a Member (or Fellow) of the Philippine Society of Mining Engineers or the Geological Society of the Philippines or the Society of Metallurgical Engineers of the Philippines or a 'Recognized Professional Organization' (RPO) included in a list promulgated from time to time by the Philippine Society of Mining Engineers, Geological Society of the Philippines, and the Society of Metallurgical Engineers of the Philippines through the Philippines Mineral Reporting Code Committee (PMRCC), subject to applicable laws and regulations.
- [State relationship of the ACP to the reporting company, e.g., consultant, whether independent or not independent, employee or holder of a corporate position, holder of shares, options and/or warrants, holder of tenement rights, has landlord-lessee relationship of land and/or infrastructure which has a bearing on the disclosure].
- I have reviewed the Report to which this Consent Statement applies.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issues that could be perceived by investors as a conflict of interest.

I verify that the Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results, Exploration Targets, Mineral Resources and/or Mineral Reserves *[select as appropriate].*

Consent

I consent to the release and public disclosure of the Report and this Consent Statement by the Board of Directors of:

[Insert reporting company name]

[Signature]_____
Accredited Competent Person

_____
Date

Professional Representative Organization / RPO Name of ACP

_____
PRC Registration No. / Valid Until [Date]

_____
ACP Registration No. / Valid Until [Date]

_____
Professional Tax Receipt No. / Date

[Signature]_____
Peer Witness' Name (*Optional)

Professional Representative Organization / RPO of Peer Witness

_____
PRC Registration No. / Valid Until [Date]

_____
ACP Registration No. / Valid Until [Date]

_____
Professional Tax Receipt No. / Date

Appendix 5 - Reporting of Mineralized Fill, Pillars, Low Grade Mineralization, Stockpiles, Dumps, and Tailings

A5-1 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 Mineral Reserves. Unless otherwise stated, Clauses 1 to 61 of the Code (including Figure 1) apply.

A5-2 Table 1, as part of the Code, should be considered persuasive when reporting on mineralized fill, remnants, pillars, low grade mineralization, stockpiles, dumps, and tailings.

A5-3 Any mineralized material as described in this Appendix can be considered to be similar to in situ mineralization for the purposes of reporting Mineral Resources and Mineral Reserves. Judgments about the mineability of such mineralized material should be made by ACP(s) with relevant experience.

A5-4 If there are no reasonable prospects for the eventual economic extraction of all or part of the mineralized material as described in this Appendix, then this material cannot be classified as either Mineral Resources or Mineral 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 a Mineral Reserve.

The above Clauses 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 Mineral Reserve estimates.

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.

Appendix 6 - Reporting of Coal Exploration Results, Coal Resources, and Coal Reserves

A6-1 The Clauses in this Appendix address matters that relate specifically to the Public Reporting of Coal Exploration Results, Coal Resources, and Coal Reserves. Unless otherwise stated, Clauses 1 to 61 of the PMRC 2020 Edition (including Figure 1) apply. Table 1, as part of the Code, should be considered persuasive when reporting on Coal Resources and Coal 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 Coal 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 coal inventory which are not constrained by short- to medium-term economic considerations. The PMRC does not cover such estimates. Refer also to the guidelines in Clauses 6 and 23.

A6-2 The terms 'Mineral Resource(s)' and 'Mineral 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.

A6-3 '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 Coal Reserves. The basis of the predicted yield to achieve Marketable Coal Reserves must be stated.

A6-4 Reference to all coal products and properties must not be made until specific properties are demonstrated by analytical results for samples from the coal deposit.

TABLE 1 – SECTION 10			Exploration Results	Mineral Resources	Mineral Reserves
Section 10: Reporting for Coal Resources and Coal Reserves					
10.1	***Specific Reporting for Coal***	10.1.1	Appendix 6 of the Code provides additional criteria for reporting on coal deposits.		
		10.1.2	Guidance is available in relevant national standards for Coal Exploration Results, Coal Resources, and Coal Reserves reporting.		
10.2	***Geological Setting, Coal Deposit, Mineralization***	10.2.1	The project geology including coal deposit type, geological setting, and coal seams / zones present.		
		10.2.2	The structural complexity, physical continuity, coal rank, qualitative and quantitative properties of the significant coal seams or zones on the coal property.		
10.3	***Drilling Techniques***	10.3.1	Core recoveries and method of calculation. Core recoveries in cored boreholes should be in excess of 95% by length within the coal seam intersection.		
10.4	***Relative Density to replace Bulk Density***	10.4.1	The apparent relative density or true relative density of the coal seam(s) determined on coal samples from borehole cores using recognized standard laboratory methods or commonly used procedures. The moisture basis on which the relative density determination is based and the moisture basis on which the final density value is reported (in situ or air-dried basis), should be stated.		
10.5	***Bulk-Sampling and/or trial-mining***	10.5.1	The purpose or aim of the bulk sampling program, the size of samples, spacing/density of samples recovered. The applicability of bulk sampling or large diameter core samples to provide representative samples for tests. Comparison of results obtained from bulk sampling versus exploration sampling.		
10.6	***Reasonable prospects for eventual economic extraction***	10.6.1	The basis on which reasonable prospects for eventual economic extraction has been determined. Any material assumptions made in determining the 'reasonable prospects for eventual economic extraction'.		
10.7	***Coal Resource and Coal Reserve Reporting***	10.7.1		The appropriate coal quality for all Coal Resource and Coal Reserve categories. The type of analysis (e.g., raw coal, washed coal at a specific cut-point density) and the basis of reporting of the coal quality parameters (e.g., air-dried basis, dry basis, etc.).	
		10.7.2		A Coal Resource only includes the coal seam(s) above the minimum thickness cut-off and the coal quality cut-off(s).	The Reserves may be reported as Run-of-Mine (ROM) tonnages and coal quality, and also as Saleable product/s tonnages and coal quality.
		10.7.3		The reporting basis with particular reference to moisture and relative density.	

Appendix 7 - Reporting of Exploration Results, Mineral Resources, and Mineral Reserves for Industrial Minerals, Cement Feed Materials, and Construction Raw Materials

A7-1 Clauses in this Appendix address matters that relate to the Public Reporting of industrial minerals, cement feed materials, and construction raw materials of all forms that are generally sold on the basis of their product specifications and market acceptance. Unless otherwise stated, Clauses 1 to 61 of the PMRC 2020 Edition (including Figure 1) apply. Table 1, as part of the Code, should be considered persuasive when reporting Exploration Results, Mineral Resources, and Mineral Reserves for industrial minerals, cement feed materials, and construction raw materials.

A7-2 When reporting information and estimates for industrial minerals, cement feed materials and construction raw materials, all of the key principles and purpose of the Code apply. Chemical analyses may not always be relevant, and other quality criteria and performance characteristics may be more applicable and acceptable as the basis of the reporting.

A7-3 Some industrial minerals, cement feed materials, and construction raw material deposits may yield products suitable for more than one application and/or specification. If considered material by the Accredited Competent Person (ACP), such multiple products should be quantified either separately or as a percentage of the bulk deposit.

A7-4 Unless it is a specific aspect of their instructions to reflect the range of product mixes and target markets for the industrial minerals, cement feed materials or construction raw materials deposit, the ACP should normally report the Mineral Resources and Mineral Reserves within the framework of an existing mining plan or established set of product and market assumptions and objectives.

A7-5 If there is potential for ancillary products, or mining or process waste, to be sold off-site for subsidiary uses in addition to the planned sales of primary products (i.e., other uses for non-saleable quarry production, such as secondary aggregate or engineering or other fill) the ACP should reflect this in their report and comment on any significant implication (e.g., reductions in the amount of non-saleable material that could otherwise be used as a restoration material).

A7-6 The factors underpinning the estimation of Mineral Resources and Mineral Reserves for industrial minerals, cement feed materials, and construction raw materials are the same as those for other mineral deposit types covered by the Code. It may be necessary, prior to the reporting of a Mineral Resource or Mineral Reserve, to take particular account of certain key characteristics or qualities such as likely product specifications, proximity to markets, and general product marketability.

A7-7 For industrial minerals, cement feed materials, and construction raw materials, it is common practice to report the saleable (or useable) product rather than the 'as mined' product as it is recognized that commercial sensitivities may not permit the publication of Mineral Resources and Mineral Reserves in the latter format which is the preferred style of reporting within the Code. 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.

A7-8 Reports should make clear the "permitted" or "non-permitted" status of the Mineral Resources and Mineral Reserves, and, in addition, Mineral Reserves should only be quoted where the operator has legal control.

It should be noted that many of the Modifying Factors are more relevant to industrial

minerals, cement feed materials, and construction raw materials than to metalliferous minerals. Specifically, the legal control may be more important, as well as the permitting status, due to the local nature of the planning process for non-strategic and non-government owned minerals.

A7-9 Mineral Resources and Mineral Reserves of industrial minerals, cement feed materials, and construction raw materials serving localized or regional markets may be reported on an aggregated basis on an appropriately defined geographical basis to reflect the particular economic constraints of the industrial minerals, cement feed materials or construction raw materials deposits being reported without divulging commercially sensitive information.

A7-10 In certain cases, commercial sensitivity may prevent the publication of detailed information and data associated with Mineral Resources and Mineral Reserves of industrial minerals, cement feed materials, and construction raw materials, and in such cases, this should be clearly justified in the report (either prepared for an individual site or on an aggregated basis).

TABLE 1 – SECTION 11			Exploration Results	Mineral Resources	Mineral Reserves
Section 11: Reporting of Industrial Minerals, Cement Feed Materials, and Construction Raw Materials					
11.1	***Specific Reporting of Industrial Minerals, Cement Feed Materials, and Construction Raw Materials***	11.1.1	Appendix 7 of the Code provides additional criteria for reporting on Industrial Mineral, Cement Feed Materials, and Construction Raw Materials deposits.		
		11.1.2	The exploration or geologically specific specialized industry techniques appropriate to the minerals under investigation.		
		11.1.3	The nature and quality of sampling or specific specialized industry standard measurement tools appropriate to the minerals under investigation.		
		11.1.4	Appropriate saleable product qualities. The basis for reporting (physical or chemical parameters, air-dried basis, dry basis, etc.). Deleterious chemical elements or physical parameters.		
		11.1.5	Assumptions regarding particular extraction methods, infrastructure, processing, environmental, and social parameters. Where no mining-related assumptions have been made, this should be explained.		
		11.1.6	Marketing parameters, customer specifications, testing, and acceptance requirements.		
		11.1.7	The nature, amount and representativeness of metallurgical/processing studies completed which form the basis for the various saleable materials which may be priced for different chemical and physical characteristics.		
		11.1.8	Where the reference point is a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.		

Appendix 8 - Reporting of Exploration Results, Mineral Resources and Mineral Reserves for Dimension Stone, Ornamental and Decorative Stone

A8-1 Clauses in this Appendix addresses matters that relate to the Public Reporting of dimension stone, ornamental and decorative stone of all forms that are generally sold on the basis of their technical (geological/mining) product specifications, quality, and market acceptance. Unless otherwise stated, Clauses 1 to 61 of the PMRC 2020 Edition (including Figure 1) apply. Table 1, as part of the Code, should be considered persuasive when reporting Exploration Results, Mineral Resources, and Mineral Reserves for dimension stone, ornamental and decorative stone.

> *'Dimension stone' is a technical/commercial term that includes all natural stones that can be quarried in blocks of different dimensions and processed by cutting or splitting, and that possess the technical and aesthetic properties required for their use in the building and construction industries.*
>
> *In both mining and fields of application, dimension stone is distinct from any other material derived from natural rocks (such as in aggregates, cement materials, crushed stone, etc.). While other materials are almost exclusively used for load-bearing and filling functions and are largely utilized in public works, dimension stone materials offer special qualitative features which mean they can be used for different purposes and they can perform both structural and decorative architectural functions.*
>
> *In general, dimension stone can be quarried in regular and/or unshaped blocks by using different mining methods (drilling and splitting, diamond wire and diamond chain-saw cutting) and processed (cut, polished, and subjected to other surface treatments) to produce semi-finished products (slabs) and finished products (tiles and cut-to-size products).*

A8-2 Chemical analyses may not always be relevant for material evaluation, at least during the exploration-evaluation phases. When necessary, chemical analysis is used to verify the presence of possible minerals and related alteration that could produce important quality defects on finished products. Chemical/compositional analysis may also identify mineral components and/or assemblages and is used to predict the future technical requirements of the quarrying-processing equipment and related tools.

A8.3 Qualitative and aesthetic qualities (color, grain, texture, and their regularity in distribution) and/or their structural performance characteristics (compression and flexural strength, abrasive resistance, porosity, ability to be polished, radioactivity content, etc.) may be more important for the market, and applicable and acceptable as the basis for reporting.

A8-4 Many dimension stone, and ornamental and decorative stone deposits may yield different products (different materials and/or different market grades within the same material), suitable for the production of more than one finished or semi-finished product, and for more than one final application and/or specification. These often are sold in the market with different prices.

A8-5 If considered material by the Accredited Competent Person (ACP), estimates for such multiple products should be included either separately or as percentages of the bulk of the dimension stone, and/or ornamental and decorative stone deposit.

A8-6 Unless it is a specific aspect of their instructions to reflect the range of product mixes and target markets for the dimension stone, and/or ornamental and decorative stone deposit, the ACP should normally report the Mineral Resources and Mineral Reserves within the

framework of an existing mining plan and/or Pre-Feasibility / Feasibility Study or established set of products and market assumptions and objectives.

A8-7 If there is potential for ancillary products or by-products, or for quarrying or processing waste to be re-utilized or to be sold off-site for subsidiary uses, in addition to the planned sales of the primary products as described above (e.g., aggregate, sand and powder as industrial mineral, building and paving stone, etc.), the ACP should reflect this in the report and comment on any significant implications (e.g., reduction in the amount of non-saleable material, minimization of waste and related lower waste management costs, and environmental impact).

The factors underpinning the estimation of Mineral Resources and Mineral Reserves for dimension stone, and ornamental and decorative stone *are often not the same as those for other mineral deposit types covered by the Code.*

It may be necessary, prior to the reporting of Mineral Resources and Mineral Reserves, to take particular account of certain particular key characteristics/features of the target material specific to dimension stone.

These may include final product specifications, proximity to markets, type, structure, and demand of the market (very different area by area), and excluding some very well-established materials, possible changes in market requirements, and general product marketability.

They may also depend mainly on the market quality of the target material (color, grain, texture, and their regularity in distribution). A correct professional evaluation of the Market Quality, made by the ACP in different ways, is the key to evaluating the final product marketability and is a key Modifying Factor in the definition of Mineral Reserves for dimension stone.

The ACP should explain in detail in the report, the method utilized for the Market Quality evaluation of the target dimension stone and/or ornamental and decorative stone, and in cases of the market, the references cited, together with documents referenced or used. Sometimes, otherwise non-saleable materials are sent off-site as mining waste or as other material of potential economic value.

Care should be taken to ensure that such materials are not "double-counted" by being included as Mineral Resources and Mineral Reserves at both the site of production and at the site of reception where they are considered as useable products (with or without further processing to make them marketable).

A8-8 In contrast to industrial minerals, cement feed materials, and construction raw materials (Appendix 7), for which it is common practice to report the saleable (or useable) product rather than the 'as mined' product, dimension stone, and ornamental and decorative stone are usually reported in all their forms, shapes and dimensions. There are also factors that drive the market and the success of a dimension stone project.

A8-9 The Public Report may contain either the geological or commercial names of target dimension stone, and/or ornamental and decorative stone. In any case, an explanation of these terms should be included in the report.

A8-10 Other industry guidelines on the estimation and reporting of dimension stone, and ornamental and decorative stone may be useful but will under no circumstances override the provisions and intention of the Code for Public Reporting.

A8-11 Many of the Modifying Factors are more relevant and specific to dimension stone, and

ornamental and decorative stone than to metalliferous materials. In particular, the legal control of Mineral Resources and Mineral Reserves may be very important, as well as the permitting or consenting status, due to the local nature and often simple structure of the planning process for non-strategic and non-government owned minerals.

Reports should make clear the 'permitted 'or 'non-permitted' status of the Mineral Resources, and in addition Mineral Reserves particularly should only be quoted where the operator has legal control.

A8-12 Mineral Reserves and Mineral Resources of dimension stone, or ornamental and decorative stone deposits with the same material and owned by the same company, potentially serving localized/domestic or regional markets, may be reported on an aggregated basis on an appropriately defined geographical basis to reflect the particular economic constraints of the dimension stone, or ornamental and decorative stone deposits being reported without divulging commercially sensitive information.

A8-13 In certain cases, commercial sensitivity may prevent the publication of detailed information and data associated with Mineral Resources and Mineral Reserves of dimension stone, and ornamental and decorative stone deposits, and in such cases, this should be clearly justified in the report (either prepared for an individual site or on an aggregated basis).

TABLE 1 – SECTION 12			Exploration Results	Mineral Resources	Mineral Reserves
Section 12: Reporting of Dimension Stone, Ornamental and Decorative Stone					
12.1	**Specific Reporting of Dimension Stone, Ornamental and Decorative Stone**	12.1.1	*Appendix 8 of the Code provides additional criteria for reporting on dimension stone, ornamental and decorative stone.*		
		12.1.2	*The exploration or geologically specific specialized industry techniques appropriate to the stone under investigation.*		
		12.1.3	*The nature and quality of sampling or specific specialized industry standard measurement tools appropriate to the stone under investigation.*		
		12.1.4	*The appropriate saleable product qualities reported, including color, grain, texture, and their regularity in distribution. The basis for reporting (physical or chemical parameters, compression and flexural strength, abrasion resistance, porosity, polishability, etc.) should be reported. Reporting of deleterious chemical elements, radioactivity or physical parameters is required.*		
		12.1.5	*State assumptions regarding in particular extraction methods, infrastructure, processing, environmental, and social parameters. Where no mining-related assumptions have been made, this should be explained.*		
		12.1.6	*Discuss and justify the marketing parameters, customer specifications, testing, and acceptance requirements.*		
		12.1.7	*Discuss the nature, amount and representativeness of processing studies completed which form the basis for the various saleable materials which may be priced for different chemical and physical characteristics.*		
		12.1.8	*Where the reference point is a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.*		

MEMORANDUM

LA - No. - No. 2011-0032

The Philippine Stock Exchange, Inc.

_____	Disclosures	_____	Stockholders' Meeting	Others:	Listing and Disclosure Requirements
_____	Dividend Notice	_____	SEC / Gov't Issuance		
_____	Stock Rights Notice	_____	Transfer Agent's Notice		

To : **THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

Subject : **SUPPLEMENTAL LISTING AND DISCLOSURE REQUIREMENTS FOR PETROLEUM AND RENEWABLE ENERGY COMPANIES**

Date : **September 1, 2011**

Please be informed that in a letter dated August 12, 2011, the Securities and Exchange Commission (the "Commission") advised the Exchange that the **Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies** (the "Supplemental Requirements") was approved by the Commission on August 11, 2011. We attach as Annex "A" a copy of the Supplemental Requirements duly signed by the authorized representatives of the Exchange and the Commission.

The Supplemental Requirements will take effect on **September 8, 2011**.

MARSHA M. RESURRECCION
Head, Issuer Regulation Division

Noted by:

JOSELITO V. BANAAG
General Counsel

		aric			gac
Controllership / HR-Admin	Market Regulatory Division	Issuer Regulation Division	Technology/Market Operations	Capital Markets Dev't Division	CEO / OGC
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408

Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
Market Regulation Department

The Philippine Stock Exchange, Inc.
Office of the General Counsel
RECEIVED
SEP 01 2011
DENNIS

24 August 2011

PHILIPPINE STOCK EXCHANGE INC.
PSE Plaza
Ayala Avenue
Makati City
Fax: 891-9004

Attention: Mr. Hans B. Sicat, President

Gentlemen:

Attached are **two (2) copies** of the approved PSE Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies, bearing the signatures of PSE representatives and countersigned by the Director, Market Regulation Department, SEC.

Please immediately post the rules in your website.

Very truly yours,

JOSE P. AQUINO
Director

Annex "A"

SUPPLEMENTAL LISTING AND DISCLOSURE REQUIREMENTS FOR PETROLEUM AND RENEWABLE ENERGY ("RE") COMPANIES

I. SCOPE

The applicant company must, at a minimum, demonstrate to the Exchange that:

1. The applicant Petroleum or RE company should either be an Operator or a Co-Venturer (for definition, a Co-Venturer is a company that holds adequate interest in a Service Contract having the same rights and obligations with all of the other co-venturers) of a valid and subsisting Service/Operating Contract duly approved and awarded by the Department of Energy (the "Department").

2. The applicant Petroleum or RE company should submit to the perusal of the Exchange the requirements set forth in the Checklist of Documentary Requirements for Petroleum and RE Companies in addition to the regular documentary requirements of the Exchange covering an Initial Public Offering or a Listing by Way of Introduction, whichever the case may be, under the Second Board Listing Rules of the Exchange.

   Holding companies invoking the operational track record of its subsidiaries generating pre-tax profits from petroleum and RE operations in compliance with Article III Part D (First Board Listing) Section 1 of the Revised Listing Rules should likewise submit to the perusal of the Exchange the requirements set forth in the Checklist of Documentary Requirements for Petroleum and RE Companies in addition to the regular documentary requirements of the Exchange covering an Initial Public Offering or a Listing by Way of Introduction, whichever the case may be, under the First Board Listing Rules of the Exchange.

3. The applicant Petroleum or RE company should prove that it has the right to participate actively in the exploration for and/or extraction of natural resources through adequate control over the assets, or through adequate rights which gives it sufficient influence in decisions over the exploration for and/or extraction of natural resources.

In general, Petroleum and RE companies intending to apply its securities for listing in the Exchange should comply with the general listing requirements stipulated in the Second Board Listing Rules of the Exchange together with the Supplemental Listing and Disclosure Requirements applicable to Petroleum and RE companies. Further,

applicant Petroleum or RE companies who fail to meet the operating history requirement under the Second Board Listing Rules (Article III Part E – Second Board Listing) of the Revised Listing Rules shall be deemed compliant with the aforesaid requirement upon the applicant's compliance with the supplemental requirements for Petroleum or RE companies set forth in the succeeding section. The supplemental documentary requirements for Petroleum and RE companies shall also be applicable to listed companies which will undertake capital-raising activities through the Exchange, such as, but not limited to, follow-on offerings or stock rights offerings.

Further, existing listed companies and companies that will apply for initial listing with the Exchange under these Rules shall comply with the supplemental disclosure requirements specified in the Supplemental Disclosure Guidelines and Requirements for Petroleum and Renewable Energy Companies.

Furthermore, it should be understood that coal resources, albeit under the jurisdiction of the same bureau of the Department that oversees the prospective resources of petroleum and RE of the Philippines, should be excluded from the interpretation of the Listing Rules of the Exchange and the Supplemental Listing and Disclosure requirements for Petroleum and RE companies. The Exchange has the Philippine Mineral Reporting Code ("PMRC") in place which already sets the guidelines for the interpretation of the Exchange's rules governing mining companies, which includes coal resources. Hence, these rules shall only apply to the companies in the business of the exploration and development of Petroleum and RE assets.

In the course of the evaluation by the Exchange and the Securities and Exchange Commission (the "Commission") of the listing and registration applications of Petroleum and RE companies, the Exchange and the Commission may hold joint meetings with the Department and/or jointly endorse to the Department major issues concerning the Petroleum or RE assets of the applicant companies.

Finally, the submission by the applicant company of a Pre-effective Clearance issued by the Commission on the registration of the securities being applied for listing with the Exchange shall be construed as a clearance and confirmation by the Commission that all additional documentary and reportorial requirements governing the registration of Petroleum and RE companies have been submitted and cleared by the Commission.

II. SUPPLEMENTAL DOCUMENTARY REQUIREMENTS FOR PETROLEUM AND RENEWABLE ENERGY COMPANIES FOR INITIAL LISTING WITH THE EXCHANGE

Applicant companies shall submit the additional documentary requirements enumerated in the table below in addition to the regular documentary requirements applicable to an Initial Public Offering or a Listing by Way of Introduction, whichever is applicable, which shall be deemed compliance with the Operating History requirement under the Second Board Listing Rules of the Exchange. Applicant companies must comply with all other listing requirements under the Second Board Listing Rules of the Exchange. Listed companies undertaking a Subsequent Public Offering or a Stock Rights Offering should likewise submit to the Exchange the additional documentary requirements set forth in the table below in addition to the regular documentary requirements applicable to the listing application.

Listing Applications – Additional Documentary Requirements for Petroleum and RE Companies
1. **Service Contract** – To be eligible for listing, the applicant company should provide the Exchange a certified true copy of the valid and subsisting Service Contract duly awarded by the Department of Energy (the "DOE") to the consortium where the applicant company belongs to. The applicant company should be able to demonstrate to the Exchange that it has the right to actively participate in the exploration for and/or extraction of natural resources through adequate control over the assets, or through adequate rights which give the applicant company sufficient influence in decisions over the exploration for and/or extraction of natural resources. When applicable, as confirmed by the DOE, the Operator of the Petroleum Service Contract or the RE Developer of an RE Service Contract shall secure permits, clearances or certificates such as, but not limited to, Environmental Compliance Certificate (ECC), Certificate of Non-Coverage (CNC), Water Rights Permit, Free and Prior Informed Consent (FPIC), Certificate of Non-Overlap, Local Government Unit (LGU) endorsement and all other regulatory requirements from other government agencies which are applicable to the petroleum or RE operations.
2. **Service Contract Supporting Documents** <u>Petroleum Companies:</u> A copy of the complete filing of the Operator with the DOE, stamped received by the DOE, for the consortium's application for a Service Contract as provided in

Listing Applications – Additional Documentary Requirements for Petroleum and RE Companies
DOE Department Circular No. DC2009-04-0004, or as may be amended or updated by the DOE. The documents shall contain the latest available valid information on the Service Contract being applied for. The applicant company should demonstrate that it has, together with the consortium's Operator if the applicant is a co-venturer, sufficiently complied with the legal, technical, financial and economic requirements of the DOE. The applicant company shall likewise submit copies of all agreements executed, together with other co-venturers, with the Operator of the Service Contract. For reference, attached as Appendix I is a copy of the DOE Department Circular No. DC2009-04-0004. Any amendment thereto shall be considered an integral part of this checklist. <u>RE Companies:</u> A copy of the RE Proposal of the RE Applicant/Developer filed with the DOE, stamped received by the DOE, covering its application for an RE Service/Operating Contract as provided in DOE Department Circular No. DC2009-07-0011, or as may be amended or updated by the DOE. The applicant company must submit the complete set of documents required by the DOE for the application of an RE Contract under a particular contracting round covering the exploration, development and increase the utilization of RE such as, but not limited to, biomass, solar, wind, hydropower, geothermal, and ocean energy resources, and including hybrid systems. Such application shall cover both the pre-development and development stages either for power or non-power applications, including the transition of the existing service contracts and agreements on the exploration, development or utilization of RE assets with the DOE/Government to RE Contracts, and the issuance of DOE Certificate of Registration for RE Developers. For reference, attached as Appendix II is a copy of the DOE Department Circular No. DC2009-07-0011. Any amendment thereto shall be considered an integral part of this checklist.
3. **Certificate from the Department of Energy** – The application for listing shall be supported by a Certification issued by the DOE attesting that (i) the applicant company's Service Contracts are valid, subsisting and are being developed in accordance with the currently approved Work Program; and (ii) the applicant is in good standing with the DOE. This Certification must not be more than three (3)

Listing Applications – Additional Documentary Requirements for Petroleum and RE Companies
months old from the date of filing of the listing application.
4. Technical Report Petroleum Companies: A report, prepared by a competent person or firm, containing relevant and specific information on the estimated potential or prospective resource and/or reserve potential covering the service contract area(s) prepared in accordance with the applicable standard for reporting petroleum assets. At a minimum, the applicant company must demonstrate to the Exchange that it has at least a portfolio of petroleum assets covered by its valid and existing Service Contracts approved by the DOE. The technical report prepared by a competent person or firm covering petroleum assets under a valid and subsisting Service Contract must comply with a reporting standard acceptable to the DOE. Further, in cases where the applicant company holds substantial interests in petroleum assets located in foreign jurisdictions aside from its petroleum assets covered by existing Service Contracts with the DOE, the applicant company shall submit to the Exchange a report on the petroleum resources and/or reserves prepared in accordance with the Petroleum Resource Management System (PRMS) promulgated by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE), or any other reporting standard acceptable to the Exchange from time to time. The applicant company shall likewise submit a letter of consent issued by the competent and authorized person or body who prepared the report to the publication of the report. Valuations on the Petroleum and RE assets should likewise comply with globally accepted applicable standards, that are acceptable to the DOE, such as, but not limited to: (1) the Society of Petroleum Engineers-Petroleum Resources Management System (SPE-PRMS) – the most widely used international reporting standard for the classification of petroleum assets; (2) the VALMIN Code – the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, as prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time; or

Listing Applications – Additional Documentary Requirements for Petroleum and RE Companies
(3) any other code, reporting standard or format accepted by the DOE and the Exchange from time to time. RE Companies: The RE Applicant must submit a Technical Report prepared by a competent person or firm in accordance with the format acceptable to or prescribed by the DOE. RE assets located in foreign jurisdictions should likewise comply with globally acceptable reporting standards with prior clearance and approval by the Exchange. For both Petroleum and RE Companies: The technical reports on petroleum assets covered by Service Contracts must be supported by a (i) certified true copy of the DOE certification that the report complies with the reporting standards acceptable to the DOE; and (ii) written duly-authorized and signed consent of the applicant company and the competent and authorized person or firm who prepared the report to the publication of the report. The summary and relevant sections of the report must be incorporated in the applicant company's Prospectus and, if necessary, in the Statement of Active Business Pursuits and Objectives.
5. If the applicant company is a party to a joint venture, the applicant shall submit the following documents: a. A copy of the Joint Venture Agreement; b. A certified true copy of the certification from the DOE that the entities that form part of the joint venture have complied with the applicable requirements of the DOE; and c. Any company, acting singly or forming part of a joint venture, that is organized in a foreign country shall submit the required documents, issued by the appropriate governing body and duly authenticated by the Philippine Consulate in the country where it is registered or where it operates.
6. Commitment to the Service Contract – The applicant company shall submit an undertaking to the Exchange that it shall maintain its participation in the Service Contract/s where the proceeds from the capital raising activity conducted through the Exchange will be allocated, for so long as such proceeds are not yet fully disbursed on the petroleum or RE project specified in the applicant company's public disclosures.

Listing Applications – Additional Documentary Requirements for Petroleum and RE Companies
7. Escrow of Funds and Monitoring of Use of Funds – All of the funds to be raised by the applicant company shall be held under escrow. The Escrow Agent shall not release any portion of the funds for any purpose other than the disclosed intended use of proceeds and in accordance with the timetable of expenditure. Moreover, to ensure transparency in the use of proceeds, the applicant company shall submit a duly signed and notarized Corporate Secretary's Certificate stating that the applicant company shall disclose via the Exchange's Online Disclosure System ("ODiSy") any disbursements made in connection with the planned use of proceeds. Any reallocation on the use of proceeds as approved by the applicant company's board of directors, stockholders (when applicable) and the DOE should be disclosed via ODiSy. The applicant company shall submit quarterly and annual progress reports duly certified by its Chief Financial Officer or Treasurer to the Exchange via ODiSy. The periodic reports must be supported by an external auditor's certification on the accuracy of the information reported by the applicant company. Should the Work Program disclosed in the prospectus be amended as approved by the DOE, the applicant company shall immediately disclose via ODiSy such amendments and the appropriate revisions to the allocation of funds generated through the capital raising activity conducted through the Exchange. Also, the applicant company must formally inform its stockholders, through the ODiSy, at least thirty (30) days prior to the implementation of any amendments to the disclosed Use of Proceeds schedule. *Note: In no case shall an applicant company be allowed to raise funds from the public solely to satisfy the minimum financial requirements of the DOE to bid for a service contract. The funds must be used to support funding requirements under the work program of the applicant company's existing service contract(s) described under requirement no. 1 of these supplemental requirements. The funds may also be partially used to support funding requirements to bid for or acquire subsequent service contracts.*
8. DOE-certified report on the corporate backgrounds of all the member-companies of the consortium covering the areas covered by the Service Contract/s. Such information should include details on, among others, the complete list of the members of the member-company's Board of Directors and their respective profiles, the capital and ownership structure, and the profile of the major shareholders of each member-company. In cases where the applicant company is restricted from obtaining any of the required information regarding the member-companies of the consortium, the applicant company must inform the Exchange in writing regarding such restriction. The Exchange shall then directly obtain the information from the DOE.

Listing Applications – Additional Documentary Requirements for Petroleum and RE Companies
For consortiums formed to explore and develop Petroleum and RE assets located in foreign jurisdictions, the applicant company should likewise submit a report on the corporate backgrounds of all the member-companies of the consortium. Such information should include details on, among others, the complete list of the members of the member-company's Board of Directors and their respective profiles, the capital and ownership structure, and the profile of the major shareholders of each member-company.
9. All requirements listed herein which refer to (i) written official acts and/or public records of official acts of a foreign authority or public officer, (ii) private documents, such as but not limited to certifications, which have been executed and acknowledged before a foreign notary public and/or officially kept as a public record in a foreign country are required to be authenticated by the Philippine Embassy or consul located in the place of execution or custody of said document.
10. Other documents which may be required by the Exchange, including but not limited to updates on previous documents submitted and copies of material contracts which were not previously submitted to the Exchange.

III. SUPPLEMENTAL DISCLOSURE GUIDELINES AND REQUIREMENTS FOR PETROLEUM AND RENEWABLE ENERGY COMPANIES

The additional disclosure requirements set forth in the table below shall be applicable to the following listed companies of the Exchange:

1. Companies whose primary purpose is to engage in the exploration and development of Petroleum and/or RE assets;
2. Companies who regularly engage in Petroleum and/or RE exploration activities;
3. Companies with an equity or participating interest in companies or partnerships regularly engaged in Petroleum and/or RE exploration activities, the value of which is at least ten percent (10%) of the book value of the listed company; or
4. Such other companies as may be deemed by the Exchange to ensure full, fair and accurate disclosures of material information.

Continuing Listing Requirements – Additional Requirements for Petroleum and RE Companies
A. Additional Structured Reports
1. Annual Verification: Companies are required to submit a Certification from the DOE that their Service Contracts are still valid and subsisting and that they have no pending violations with the DOE. Should the company have any outstanding obligation or pending violation with the DOE, the said DOE Certification must be supported by a detailed explanation on the nature of the obligation or violation and the status thereof. An equivalent verification issued by the appropriate regulatory body on the company's contracts relating to Petroleum and/or RE assets located in foreign jurisdictions must be submitted to the Exchange. The Annual Verification must be submitted on or before the end of March of each calendar year. *(Section 17.15 of the Revised Disclosure Rules)*
2. Annual Reports: Companies must include the following information in the relevant section of their Annual Reports (SEC Form 17-A): (a) Summary of the company's declared and DOE-verified resources and/or reserves with a clear statement of the basis of such resources and/or reserves (e.g., valid technical report prepared by a competent person or firm, independent consultant's report, etc.). The summary shall include, among others, the details on the expenditures incurred on the exploration and/or development activities, including explanations for any material variances with the Work Program as approved by the DOE;

Continuing Listing Requirements – Additional Requirements for Petroleum and RE Companies
(b) Detailed description of the company's petroleum and/or RE properties including a summary in tabular format of the: service contract(s), company's interest, partners, operator/contractor, issue date, expiry date, location and status; (c) Detailed discussion of the RISKS associated with the company's business, including, but not limited to, technical risks, operational risks, equity partnership risks, foreign currency risks, financial risks, environmental risks, political and regulatory risks.
3. Monitoring of the Use of Funds: Companies who conducted fund-raising activities, such as an initial public offering, follow-on offering or stock rights offering, through the Exchange shall submit the following reports via ODiSy to ensure transparency in the use of funds: (i) Any disbursements made in connection with the planned use of proceeds from the offering; (ii) Quarterly Progress Report on the application of the proceeds from the offering on or before the first fifteen (15) days of the following quarter; The Quarterly Progress Reports should be certified by the reporting listed company's Chief Financial Officer or Treasurer; (iii) Annual summary of the application of the proceeds on or before January 31 of the following year. The Annual Summary Report should be certified by the reporting listed company's Chief Financial Officer or Treasurer; and (iv) UNSTRUCTURED REPORT – Approval by the listed company's Board of Directors, stockholders (when applicable) and the DOE of any reallocation on the planned use of proceeds, or of any change in the Work Program. The listed company shall submit an external auditor's certification on the accuracy of the information reported by the listed company to the Exchange in the listed company's quarterly and annual reports as required in items (ii) and (iii) above. The said quarterly and annual reports must include a detailed explanation for any material variances with the Work program or the represented Use of Proceeds in the offering prospectus, as approved by the DOE. The listed company must formally inform its stockholders, through the ODiSy, at least thirty (30) days prior to the implementation of any amendments to the disclosed Use of Proceeds schedule.
B. Unstructured Reports
1. A report that contains any petroleum discovery, resource or reserve estimates, or well drilling operations, tests and/or results, must be duly validated and approved by the

Continuing Listing Requirements – Additional Requirements for Petroleum and RE Companies
appropriate bureau or division of the DOE prior to its submission to the Exchange through the ODiSy. The report must: (a) include a clear statement regarding the DOE's validation or clearance on the information contained in the report; (b) specify the reporting standard used by the company and the competent person or firm; (c) when applicable, provide the names and brief background of the company's independent consultants, if the report is based on estimates prepared or reviewed by such independent consultants; and (d) include the risks associated to the report and clear cautionary statements relevant to the report.
2. A report that contains any petroleum discovery, resource or reserve estimates, or well drilling operations, tests and/or results covered by the company's petroleum or RE assets located in a foreign jurisdiction must: (a) include a clear statement on the basis of the information contained in the report, including, but not limited to, the information on the competent person or firm and the reporting standard used by the company; (b) when applicable, provide the names and brief background of the company's independent consultants, if the report is based on estimates prepared or reviewed by such independent consultants; (c) include the risks associated to the report and clear cautionary statements relevant to the report; and (d) include a clear statement regarding the appropriate regulatory body's validation or clearance on the information contained in the report .
3. A report on any change in the reporting standard adopted by the company, including the reasons for the change and the impact on the company's existing reported level of resources and/or reserves. The report shall state the required regulatory approvals by the DOE, or the appropriate foreign regulatory body, of the said change in the reporting standard. The reporting standard adopted by the company on its Petroleum and/or RE assets covered by valid and subsisting Service Contracts should be acceptable to the DOE. Further, in cases where the company has petroleum assets located in foreign jurisdictions aside from its petroleum assets covered by existing Service Contracts with the DOE, the company shall submit to the Exchange a report on the petroleum resources and/or reserves prepared in accordance with the Petroleum Resource Management System (PRMS) promulgated by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of

Continuing Listing Requirements – Additional Requirements for Petroleum and RE Companies
Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE), or any other reporting standard acceptable to the Exchange from time to time. The company shall likewise submit a letter of consent issued by the competent and authorized person or body who prepared the report to the publication of the report. Valuations on the Petroleum and/or RE assets located in foreign jurisdictions should likewise comply with globally accepted standards such as: (1) the Society of Petroleum Engineers-Petroleum Resources Management System (SPE-PRMS) – the most widely used international reporting standard for the classification of petroleum assets; (2) the VALMIN Code – the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, as prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time; or (3) any other code, reporting standard or format accepted by the DOE and the Exchange from time to time.
4. A report on a material transaction relating to an acquisition and/or any subsequent change in the direct and indirect ownership or interest in petroleum or RE assets shall include a discussion of the impact of the transaction on the listed company and, when applicable, a valuation report prepared by a competent person or firm in accordance with the adopted reporting standard. The report shall state the required regulatory approvals by the DOE, or the appropriate foreign regulatory body.
5. A report of fines or monetary sanctions of more than ₱50,000.00, and/or other penalties on the listed company or on its subsidiaries by regulatory authorities and the reasons therefore *(Section 4.4 (p) of the Revised Disclosure Rules)*. Other penalties, include, but are not limited to: (a) Suspension or termination by the DOE, or the appropriate foreign regulatory body, of an existing contract covering Petroleum and/or RE assets or any part thereof, (b) Suspension of exploration and/or development activities; and (c) Revocation by the DOE, or the appropriate foreign regulatory body, of the company's license, permit, certification or accreditation.
6. Other reports and material information that the Exchange may require to be disclosed to the investing public, or to the Exchange for evaluation purposes.

THE PHILIPPINE STOCK EXCHANGE, INC.:

HANS B. SICAT
President & CEO

JOSELITO V. BANAAG
General Counsel

SECURITIES AND EXCHANGE COMMISSION:

JOSE P. AQUINO
Director, Market Regulation Department

ETD

Republic of the Philippines
DEPARTMENT OF ENERGY

02 APR 2009

DEPARTMENT CIRCULAR NO. DC2009-04-0004

REITERATING A TRANSPARENT AND COMPETITIVE SYSTEM OF AWARDING SERVICE/OPERATING CONTRACTS FOR COAL, GEOTHERMAL AND PETROLEUM PROSPECTIVE AREAS REPEALING FOR THIS PURPOSE DEPARTMENT CIRCULAR NO. DC2006-12-0014

WHEREAS, Section 1 of Presidential Decree No. 1442, otherwise known as "*An Act to Promote the Exploration and Development of Geothermal Resources,*" Section 4 of Presidential Decree No. 972, as amended, otherwise known as "The Coal Development Act of 1976," and Section 4 of Presidential Decree No.87, as amended, otherwise known as the "*Oil Exploration and Development Act of 1972,*" allow the Philippine Government to promote and undertake the exploration, development and production of the country's indigenous coal, geothermal and petroleum resources through service/operating contracts with contractors;

WHEREAS, Republic Act No. 7638, as amended, otherwise known as *"The Department of Energy (DOE) Act of 1992,"* mandates the DOE to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation;

WHEREAS, on 22 December 2006, the DOE issued Department Circular No. DC2006-12-0014 providing for a transparent and competitive system for investment and public contracting rounds for awarding coal, geothermal and petroleum service/operating contracts;

WHEREAS, the DOE desires to adopt the most effective strategy for promoting and attracting local and foreign investment to further increase the exploration, development and production of prospective coal, geothermal and petroleum areas;

WHEREAS, the DOE reiterates and acknowledges the need to continue adopting a transparent and competitive system for awarding service/operating contracts for exploration, development and production of the country's coal, geothermal and petroleum resources;

WHEREAS, consistent with national interest, the DOE has, after consultation with stakeholders, resolved to enhance government participation, through the government corporate sector, in the exploration, development and production of indigenous oil and gas resources through the grant of option to PNOC to participate in petroleum service contracts;

NOW, THEREFORE, in consideration of the aforementioned premises, the following procedures shall govern the transparent and competitive system of awarding service/operating contracts for coal, geothermal and petroleum exploration, development and production.

1. Contracting Rounds

1.1 The Energy Resource Development Bureau (ERDB) shall determine prospective coal, or geothermal, or petroleum areas found in the Philippine territory; and its maritime zones including the continental shelf for inclusion in the competitive public contracting rounds. The DOE Secretary, based on reports submitted by ERDB, and if he deems fit, shall declare such areas open for competitive public contracting round. The DOE shall not accept any application or proposals for exploration, development and production service/operating contract except during the competitive public contracting rounds. No applications for small-scale mining permit for coal operations shall likewise be entertained in the offered areas until after service/operating contracts have been awarded.

1.2. The ERDB shall prepare the contracting round documents with a description of available data and the prospect of geothermal/coal/petroleum resources in each area. The DOE Contract Negotiating Panel (DOE-CNP per Department Order No. 2003-05-005) shall then disseminate information of the contracting round which shall include, among others, the following:

a. Location Map and Technical Descriptions (TDs) of the area/s being offered during the contracting round;
b. Schedule of activities for the contracting round; and
c. Such other information as the DOE-CNP may deem appropriate

1.3 Interested parties for the contracting rounds on petroleum may access data available at DOE after payment of a Data Viewing Fee of Five Hundred United States Dollars (US$500.00) for a two (2) day-day maximum visit. If the interested party decides to purchase the DOE data, the Data Viewing Fee will be credited to the total price of the purchased data.

1.4 Interested parties for the contracting rounds on coal, geothermal and petroleum areas shall submit complete set of documents for evaluation by the DOE-CNP. The DOE-CNP may require submission of additional information/documents, as may be necessary, during evaluation of the proposals for clarification purposes only. A non-refundable application fee of ONE HUNDRED THOUSAND PESOS (P 100,000.00) per area for petroleum and geothermal, and FIFTY THOUSAND PESOS (P 50,000.00) per area for coal shall be paid by the proponent upon submission of the proposal which shall include the following documents:

a. Work Program

a.1 Proposed oil/gas service contract, geothermal service contract or coal operating contract based on existing DOE Model Contracts;

a.2 Proposed work program (discussion on the application of the different exploration strategies and methodologies to be employed in delineating energy resources at depth with subsequent manpower complement should be in detailed narrative format and the Schedule of Activities in Gantt Chart) and minimum expenditure on annual/sub-phase basis for each proposed activity with respect to the area or areas specified in the proposal; and

a.3 Narrative presentation of data and information (such as geology, stratigraphy, geochemistry, geophysics, water or coal quality, resource estimate, resource indicators, etc.) suggesting presence of energy resources at depth.

b. Financial Proposal and Documentation

b.1 Audited financial statements and annual reports for the last three (3) years;

b.2 Duly filled-out information sheet;

b.3 Resume/profile of the prospective contractor, its incorporators, stockholders or officers;

b.4 Particulars of the kind of financial resources available to the prospective contractor including capital, credit facilities and guarantees so available; and

b.5 Certified copy of latest income business tax returns filed with the Bureau of Internal Revenue, and duly validated with the tax payment made thereon, if applicable.

c. Legal Documentation

c.1 Certified copy of Articles of Incorporation;

c.2 Certified copy of the by-laws of the prospective contractor;

c.3 SEC Registration Certificate; and

c.4 Certified copy of latest general information sheet submitted to the Securities and Exchange Commission.

d. Technical Proposal and Documentation

d.1 Particulars of the technical and industrial qualifications, eligibilities and work related experiences of the interested party and its employees;

d.2 Particulars of the technical and industrial resources available to the interested party for the exploration, development and production of geothermal, coal and petroleum resources;

d.3 Particulars on the experiences, achievements and tract records of the interested party and its employees related to technical and industrial undertakings; and

d.4 Particulars on organizational and management structures relative to Administration, Financial and Technical aspect of the interested party.

For financial, legal and technical documentation, if the interested party is a joint venture, all entities forming part of the joint venture shall comply with the above requirements. In addition, the interested party shall submit a copy of the joint venture agreement. Furthermore, any interested party, acting singly or forming part of a joint venture, that is organized in a foreign country shall submit documents equivalent to the above, issued by the appropriate governing body and duly authenticated by the Philippine consulate in the country where it is registered or where it operates.

1.5 The DOE CNP shall open the submitted proposals relative to the contracting round during the first working day after the announced deadline for submission of proposals. No proposals or contracting documents shall be accepted on the designated day of the opening of proposals.

1.6 The DOE CNP shall then conduct evaluation of the submitted proposals based on the following criteria:

a.	Work program	-	30%
b.	Financial qualification	-	30%
c.	Technical qualification	-	30%
d.	Legal qualification	-	10%

1.7 The DOE CNP, for sufficient and valid cause, may at any given time reject any or all proposals submitted.

The DOE shall discuss with the highest-ranked proponent to finalize the contract details. No material deviation from the DOE model contract shall be allowed at any given time. The winning proponent shall be charged a processing fee of Php 1.20/hectare for geothermal, Php 0.48/hectare for petroleum and Php 30,000.00 per block for coal based on DOE's Schedule of Fees and Charges in compliance with EO 197. The DOE CNP shall then make a recommendation to the DOE Secretary for any award of service / operating contracts based on the discussions. The DOE shall formally inform all the proponents of the results of the evaluation.

2. **Contract Areas.** The definition and delineation of prospective coal, geothermal and petroleum contract areas shall be in accordance with the provisions of applicable government laws, rules and existing procedures such as the National Integrated

Protected Areas System (NIPAS) Law and the Indigenous People's Right Act (IPRA), among others.

3. **Frontier Areas**. Privately identified coal, geothermal and petroleum frontier areas with no available technical data may be allowed to be offered through negotiated contracts.

4. **Separability Clause.** If for any reason, any section or provisions of this Circular is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

5. **Repealing Clause.** The provisions of Department Circular No. DC2006-12-0014 is hereby repealed. All other department circulars, which are inconsistent with the provisions of this Circular are hereby repealed, amended or modified accordingly.

6. **Effectivity**. This Circular shall take into effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Issued this ____ day of _____, 2009 in Fort Bonifacio, Taguig City, Metro Manila

ANGELO T. REYES
Secretary

Republic of the Philippines
DEPARTMENT OF ENERGY
IN REPLYING PLS CITE:
SE09-012258

Republic of the Philippines
DEPARTMENT OF ENERGY

JUL 1 2 2009

DEPARTMENT CIRCULAR NO. DC2009-07-0011

GUIDELINES GOVERNING A TRANSPARENT AND COMPETITIVE SYSTEM OF AWARDING RENEWABLE ENERGY SERVICE/OPERATING CONTRACTS AND PROVIDING FOR THE REGISTRATION PROCESS OF RENEWABLE ENERGY DEVELOPERS

WHEREAS, pursuant to Article XII, Section 2, of the 1987 Philippine Constitution, all forces of potential energy and other natural resources within the Philippine territory belong to the State and their exploration, development and utilization shall be under the full control of the State;

WHEREAS, Republic Act (R.A.) No. 9513, otherwise known as the "Renewable Energy Act of 2008," provides that it is the policy of the State to encourage and accelerate the exploration, development and increase the utilization of renewable energy resources such as, but not limited to, biomass, solar, wind, hydropower, geothermal, and ocean energy sources, and including hybrid systems;

WHEREAS, the Implementing Rules and Regulations (IRR) of R.A. No. 9513 mandates the Department of Energy (DOE) to issue a regulatory framework containing the guidelines governing a transparent and competitive system of awarding Renewable Energy Service/Operating Contracts from pre-development to development/commercial stage, among others;

WHEREAS, biofuels, which are defined as fuels made from biomass, are considered renewable energy resource under the scope of biomass energy;

WHEREAS, Joint Administrative Order (JAO) No. 2008-1, Series of 2008, otherwise known as the "Guidelines Governing the Biofuel Feedstocks Production, and Biofuels and Biofuel Blends Production, Distribution and Sale," was issued for the accreditation of biofuel producers, among others, under R.A. No. 9367 otherwise known as the "Biofuels Act of 2006;"

WHEREAS, R.A. No. 7638, as amended, otherwise known as the "Department of Energy Act of 1992," mandates the DOE to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation, among others;

NOW, THEREFORE, in consideration of the foregoing premises, the DOE hereby issues the following guidelines:

CHAPTER I. GENERAL PROVISIONS

SECTION 1. Title. – This Circular shall be known as the "Guidelines Governing a Transparent and Competitive System of Awarding Renewable Energy Service/Operating Contracts and Providing for the Registration Process of Renewable Energy Developers."

SEC. 2. Scope. – This Circular shall provide the guidelines on the award of Renewable Energy Service/Operating Contracts (RE Contracts) covering both the pre-development and development stages either for power or non-power applications, including the transition of the existing service contracts and agreements on the exploration, development or utilization of Renewable Energy (RE) resources with the DOE/Government to RE Contracts, subject to Rule 13, Section 39 of the IRR of the Act, and the issuance of DOE Certificate of Registration for RE Developers.

SEC. 3. Definition of Terms. – As used in this Circular, the following terms shall be understood to mean, as follows:

(a) ***"Act"*** shall refer to R.A. No. 9513, otherwise known as the "Renewable Energy Act of 2008;"

(b) ***"Blocking System"*** shall, for purposes of this Circular, refer to the subdivision of the Philippine territory by the DOE, into meridional blocks of half (1/2) minute of latitude and half (1/2) minute of longitude with Geographic Projection and Datum of the Philippine Reference System (PRS) of 1992. One (1) meridional block shall have an area of eighty one (81) hectares. Each block shall be designated a block number which shall be used exclusively in identifying the coverage of a contract area;

(c) ***"Commercial Operation"*** shall refer to the phase of RE development when the RE Developer has completed its commissioning and test operations and is ready to sell or apply its produced energy, as duly confirmed by the DOE;

(d) ***"Declaration of Commerciality"*** shall refer to a written declaration by the RE Developer, duly confirmed by the DOE Secretary, stating that the project is commercially feasible;

(e) ***"Financial Closing"*** shall refer to the stage when the RE Developer has established, based on the DOE's criteria and procedures, its financial capability to implement its RE project;

(f) ***"Frontier Areas"*** shall refer to areas with RE resource potentials but without sufficient available technical data as determined by the DOE and are not ready for immediate development and utilization;

(g) ***"RE Applicant"*** shall refer to any entity, whether individual or juridical, local or foreign, including joint venture or consortium of local, foreign, or local and foreign firms, subject to the limitations provided in Section 6 hereof, which applies for the assessment, exploration, extraction,

harnessing, development, utilization or commercialization of RE resources;

(h) ***"RE Application"*** shall refer to the legal, technical, financial and other pertinent documents submitted by the RE Applicant in accordance with the requirements for direct negotiation of RE Contracts under Section 10 of this Circular;

(i) ***"RE Developer"*** shall refer to individual/s or juridical entity created, registered and/or authorized to operate in the Philippines in accordance with existing Philippine laws and engaged in the exploration, development or utilization of RE resources and actual operation of RE systems/facilities. It shall include existing entities engaged in the exploration, development and/or utilization of RE resources, or the generation of electricity from RE resources, or both;

(j) ***"RE Proposal"*** shall refer to the legal, technical, financial and other pertinent documents submitted by the RE applicant in accordance with Section 9 on the open and competitive selection process of this Circular;

(k) ***"Work Program"*** shall refer to plans, programs, and activities, including the corresponding budgetary requirements, for the performance of obligations under the RE Contract, including, but not limited to, plans for exploration, development, production or utilization; and

(l) ***"Working Capital"*** shall refer to the RE Applicant's net liquid assets (quick assets less current liabilities) consisting primarily of cash, temporary investments, short term current receivables and deposits.

CHAPTER II. RE SERVICE/OPERATING CONTRACTS

SEC. 4. Nature of RE Contract. – An RE Contract is a service agreement between the Government, through the President or the DOE, and an RE Developer over an appropriate period as determined by the DOE in which the RE Developer shall have the exclusive right to explore, develop or utilize a particular RE area: *Provided,* That an agreement between the Government and the RE Developer for the exploration, development or utilization of biomass resources shall be covered by an RE Operating Contract only, subject to the provisions of Section 25 of this Circular: *Provided, further,* That JAO No. 2008-1, Series of 2008 under R.A. No. 9367 shall govern the registration and accreditation of biofuel producers, in lieu of an RE Contract.

a. **Stages of RE Contract** – The RE Contract shall be divided into two (2) stages, namely:

   i. **Pre-Development Stage** – involves the preliminary assessment and feasibility study up to financial closing of the RE project; and

ii. **Development/Commercial Stage** – involves the development, production or utilization of RE resources, including the construction and installation of relevant facilities up to the operation phase of the RE facilities.

b. **Conversion of RE Contract:**

i. **From Pre-Development Stage to Development/Commercial Stage** – Upon Declaration of Commerciality by an RE Developer and after due confirmation by the DOE, the RE Developer shall apply for the conversion of the RE Contract, prior to its expiration, from Pre-Development Stage to Development/Commercial Stage. The Declaration of Commerciality shall be based on the feasibility studies and/or exploration activities conducted by the RE Developer.

The RE Developer of an RE Contract shall secure permits, clearances or certificates such as, but not limited to, Environmental Compliance Certificate (ECC), Certificate of Non-Coverage (CNC), Water Rights Permit, Free and Prior Informed Consent (FPIC), Certificate of Non-Overlap, Local Government Unit (LGU) endorsement and all other regulatory requirements from other government agencies which are applicable to the RE activities/operations.

ii. **From Existing Service Contract/Agreement on RE Resources to RE Contracts under the Act and this Circular** – For an existing RE project, the contract holder may elect to convert its Service Contract/Agreement under applicable laws by applying for an RE Contract under the Act and this Circular. The approval of such application shall be carried out on the basis of its prior rights over the contract area.

Any individual or juridical entity with a valid and existing service or development contracts and agreements with the DOE/Government for the exploration, development or utilization of RE resource shall be deemed provisionally registered as an RE Developer under the Act, which registration shall subsist until the issuance of DOE Certificate of Registration provided for under Section 18 of the IRR. For this purpose, the DOE shall issue the corresponding provisional certificate of registration, pursuant to Section 39 of the IRR, upon receipt of the RE Developer's letter of intent for conversion to RE Contract.

SEC. 5. RE Contract Area. – The RE Contract area shall be defined through a Blocking System: *Provided,* That the Blocking System shall apply only to RE Contracts on ocean, solar, wind and geothermal resources.

Part 1. Application Requirements

SEC. 6. Application Requirements. – All applicants for the issuance of an RE Contract shall comply with the following requirements:

a. **Who may apply** – Any person, natural or juridical, local or foreign, may, subject to the limits herein set, apply for RE contracts.

   i. For RE Contract both during Pre-Development and Development/ Commercial Stages covering all RE resources and including hybrid systems, the RE Applicant must be a Filipino or, if a corporation, must be a Filipino corporation at least sixty percent (60%) of its capitalization must be owned by Filipinos and duly registered with the Securities and Exchange Commission (SEC), except in situations as provided for in sub-paragraphs ii and iii of this Section.

   ii. In the case of the exploration, development or utilization of geothermal resources, the applicant may either be a Filipino, natural or juridical, or a foreign corporation.

   iii. Consistent with Article XII, Section 2, of the 1987 Philippine Constitution and applicable existing laws, any foreign-owned corporation duly authorized to operate in the Philippines may apply for an RE Contract in the nature of a financial or technical assistance agreement for large-scale exploration, development or utilization of geothermal resources.

   iv. In case the RE applicant is a joint venture or consortium, the partners of the joint venture or the members of the consortium shall organize themselves as a corporation registered under the Corporation Code of the Philippines.

   To signify its intention to enter into RE contractual arrangements with the DOE, the RE Applicant shall submit a letter of intent, together with the duly accomplished RE Contract Application Form (**Annex "A"**).

b. **Legal Requirements** – For an individual or single proprietorship, the RE Applicant shall submit a National Statistics Office (NSO)-certified true copy of birth certificate, business permit and other applicable documents. For juridical entity, the RE Applicant shall submit an original copy of certification from its Board of Directors or officers authorizing its representative to negotiate and enter into an RE Contract with the DOE, duly certified Articles of Incorporation or other equivalent legal document creating the same and latest General Information Sheet or equivalent legal documents showing the names of its officials, ownership, control and affiliates. In the case of foreign corporations, the documents to be submitted shall be duly authenticated by the Philippine Consulate having consular jurisdiction over the entity.

c. **Technical Requirements** – The RE Applicant must possess the necessary technical capability to undertake the obligations under the RE Contract in terms of the following:

   i. *Track Record or Experience* – By himself, the corporation itself, through the member-firms, in case of a joint venture/consortium, or through employment of service providers, the RE Applicant shall include in its technical submission proof of its on-going or completed

contracts/agreements similar to or congruent with the nature of project/work being proposed to be covered by an RE Contract involving a specific RE resource. The individual firms may individually specialize on any or several stages of the RE Contract. A joint venture/consortium applicant shall be evaluated based on the individual or collective experience of the member-firms of the joint venture/consortium.

ii. *Work Program* – This shall be evaluated based on its viability, minimum expenditure commitments, detailed program of activities inclusive of environmental protection/conservation and social acceptability plans, among others.

iii. *Key Personnel Experience* – The key personnel of the RE Applicant must have sufficient and relevant work experience in connection with the project being applied for. For this purpose, the Curriculum Vitae of the management and technical personnel must be submitted.

iv. *List of Existing Company-owned Equipment (if any) for RE Operations and Any Lease Agreement of RE Equipment* – This shall be evaluated based on the technical and environmental soundness, sufficiency, and appropriateness of company-owned and leased equipment that will be used for the project.

d. **Financial Requirements** – The RE Applicant must have adequate capability to provide the financial requirements to sustain the proposed Work Program for the exploration activities or conduct of feasibility studies during the Pre-Development Stage, and detailed engineering/geological/ industrial design for the development and operation of facilities during Development/Commercial Stage, as the case may be. This financial capability shall be measured in terms of:

i. Audited Financial Statements for the last two (2) years and unaudited Financial Statement if the filing date is three (3) months beyond the date of the submitted audited Financial Statement;

ii. Bank certification to substantiate the cash balance in the audited Financial Statement or updated Financial Statement;

iii. Projected cash flow statement for two (2) years;

iv. List of company-owned equipment/facilities available for the proposed RE projects;

v. If the RE applicant, on account of its infancy, is unable to produce the requirements in sub-paragraphs (i) to (iii) above, it shall submit an audited Financial Statement and duly certified and/or notarized guarantee or Letter of Undertaking/Support from its parent company or partners to fund the proposed Work Program. In the case of foreign parent-company, the audited Financial Statement and the guarantee or Letter of Undertaking/Support shall be duly authenticated by the

Philippine Consulate Office that has consular jurisdiction over the said parent company; and

vi. Proof of the ability of the RE Applicant to provide the required minimum amount of Working Capital which shall be equivalent to 100% of the cost of its work commitment for the first year of the proposed Work Program.

The legal, technical and financial requirements shall be as enumerated in the Checklist of Requirements (**Annex "B"**).

SEC. 7. Payment of Application and Processing Fees. – The RE Applicant shall pay the prescribed application and processing fees for each RE Proposal or RE Application. No RE proposal/application shall be accepted without due payment of application and processing fees. *Provided,* That the payment shall be made only upon submission of complete documentary requirements and receipt of order of payment from REMB.

Part 2. Procedure for Awarding of RE Contracts

SEC. 8. Modes of Awarding RE Contract. – RE Contracts shall be awarded through an open and competitive process of selection or by direct negotiation.

SEC. 9. Open and Competitive Selection Process. – Unless as otherwise provided in Section 10 below, the DOE shall observe the following process:

a. *Invitation for RE Project Proposals* – All areas for open and competitive selection shall be posted by the DOE in its website. In the event that new areas have been identified, the DOE shall update its website and may include them in the areas to be published in preparation for the conduct of open and competitive selection of awarding RE Contracts. The publication of areas shall be made as often as practicable depending on the number of identified areas and type of RE resources, among others. Thereafter, invitations for open and competitive selection shall be published once every week for three (3) consecutive weeks in at least two (2) newspapers of general circulation. The DOE shall, likewise, post said invitation and the attachments in its website.

   The invitation shall include information such as, but not limited to:

   i. Map of the area being declared open for RE project proposals;

   ii. Instructions to RE Applicants on the requirements for RE Contract proposal;

   iii. Schedules, including the deadline to submit, the date of opening, and period of evaluation of RE project proposals; and

   iv. Criteria for evaluation and the corresponding percentage/weight.

b. *Creation of a Review Committee* – A Review Committee shall be created to evaluate the RE Proposals and Applications of RE Applicants and provide recommendations to the DOE Secretary for the award of RE Contracts.

The said Committee shall be composed of the following: the Assistant Secretary in charge of the REMB as Chairperson, the representative from the Office of the Renewable Energy Management Bureau (REMB) Director as the Vice-Chairperson, and one (1) representative each from the concerned division of the REMB, Compliance Division of the Financial Services, and Contracts Division of the Legal Services, as members. The Review Committee shall be assisted by a Secretariat from the REMB.

In the event that a foreign corporation shall be the winning or qualified RE Applicant, the RE Contract shall be awarded in accordance with the provisions under Sections 11 and 23 hereof.

c. *Criteria for Evaluation* – The Review Committee shall set the rules for the evaluation of RE Proposals and Applications which shall be based mainly on legal, technical and financial criteria, taking into account the type of RE resource, RE Contract Stage being offered, and the size and location of the RE area, among others.

Evaluation of the RE Proposal on technical and financial criteria shall proceed only after the Review Committee has found that all the legal requirements are complied with.

d. *Period of Evaluation* – Only complete submissions will be evaluated by the Review Committee. The review of the RE Proposal shall be conducted within a reasonable period, as indicated in the Instruction to RE Applicants, from the date of opening of the RE proposal. The RE Applicant shall be notified by the DOE of the results of its evaluation.

SEC. 10. Direct Negotiation. – Direct negotiation shall be allowed only in the following instances subject to confirmation by the REMB:

a. *In case of Frontier Areas* – The negotiation shall be subject to the following conditions:

i. In instances where there is only one applicant for an RE area and the submission is deemed to be incomplete, the said RE applicant shall be given thirty (30) days within which to complete its submission.

ii. In the event that there are two (2) or more interested applicants over the same RE area, the REMB shall prioritize and endorse to the Review Committee for evaluation the application of the RE Applicant whose submission was first received by the REMB. If the submission is deemed insufficient, the same shall be given thirty (30) days within which to complete its submission.

iii. Should the RE Applicant fail to complete its submission within the prescribed period as stated above, it shall be automatically disqualified and, in the case of two or more applications, it shall lose its right as first proponent and the immediately succeeding application shall be considered.

iv. The RE Application over a specific Frontier Area shall, in the interest of transparency, be posted in the DOE website within five (5) working days from receipt of payment of application/processing fees until the award of the RE Contract.

v. Upon submission of the complete documentary requirements, the DOE and the RE Applicant shall negotiate the terms and conditions of the RE Contract within a maximum period of one hundred twenty (120) days.

b. When, during the conduct of open and competitive selection process, any of the following circumstances exist:

i. No RE Proposal was received by the REMB;
ii. No one among the applicants was able to meet the legal requirements, as determined by the Review Committee; or
iii. When one or more applicants met the legal requirements but after the evaluation of technical and financial proposals, no applicant was able to comply, as certified by the Review Committee.

the DOE may apply the mode of direct negotiation following the provisions under paragraph (a) above on Frontier Area.

Part 3. Award of RE Contracts and Registration Procedure for RE Developers

SEC. 11. Award of RE Contract. – The Review Committee shall, within one (1) week after the final evaluation of the RE project proposal and, in the case of RE Application, the negotiation of the terms and conditions of the RE Contract, recommend to the DOE Secretary the approval of the RE Contract. The DOE shall notify the winning or qualified RE Applicant of the award and the schedule of signing of the RE Contract.

Provided, That the RE Contract in the nature of a financial or technical assistance agreement shall be approved and executed by the President of the Philippines, upon the recommendation by the DOE Secretary.

SEC. 12. Effectivity of the RE Contract. – The RE Contract shall take effect on the effectivity date as stipulated in the signed RE Contract.

SEC. 13. Posting of Performance Bond. – Within sixty (60) days after the effectivity date of the contract and at the start of every contract year thereafter, the RE Developer shall post a bond or any other guarantee of sufficient amount,

but not less than the minimum expenditures commitment for the corresponding year.

SEC. 14. Registration as an RE Developer. – The DOE shall issue the Certificate of Registration to the RE Developer immediately upon the effectivity of the RE Contract whether during Pre-Development or Development/ Commercial Stage.

Holders of valid and existing contracts or agreements on renewable energy resources awarded prior to the effectivity of the Act shall be issued a DOE Certificate of Registration as RE Developers only upon conversion of these contracts or agreements to RE Contracts pursuant to Section 4 (b) hereof.

CHAPTER III. SALIENT PROVISIONS OF THE RE CONTRACT

Part 1: Standard Provisions

SEC. 15. Term of RE Contract. – The RE Contract per RE resource type shall have a term of not exceeding twenty-five (25) years and renewable for not more than twenty-five (25) years: *Provided,* That the total period of the RE Contract from the Pre-Development to the Development/Commercial Stages shall not exceed fifty (50) years.

During Pre-Development Stage, the RE Contract shall have a term of two (2) years and may be extended for one (1) year subject to terms and conditions under the RE Contract: *Provided, however,* That in the case of a Geothermal RE Contract, the term may be extended for two (2) years and further extendible for one (1) year upon compliance by the RE Developer of the conditions stipulated in the RE Contract.

SEC. 16. Obligations of the RE Developer. – The RE Contract shall stipulate all the obligations of the RE Developer which shall include, among others, the following:

a. Comply with all its work and financial commitment in carrying out its RE operations and provide all necessary services, technology, and financing in connection therewith;

b. Observe applicable laws relating to labor, health, safety, environment, ecology and indigenous peoples rights, among others;

c. Pay the government share and taxes, as may be applicable;

d. Give priority in employment to qualified personnel in the area where the RE project is located and give preference to Filipinos in all types of employment for which they are qualified;

e. Give preference to local companies/ agencies in entering into subcontracts on RE activities or services which the RE Developer may not carry out, upon

approval by the DOE, provided that these companies/agencies are competitive and the services required are locally available;

f. Post a performance bond, if applicable, within the prescribed period;

g. Maintain complete and accurate technical data and reports, and accounting records of all the costs and expenditures for the RE operations;

h. Submit technical and financial reports in accordance with the format as prescribed by the DOE and in a timely manner;

i. Be responsible in the proper handling of data, samples, information, reports and other documents; and

j. Allow DOE personnel, at all reasonable times, full access to RE Contract area and to accounts, books, and other records relating to RE operations.

SEC. 17. Rights of the RE Developer. – Immediately upon effectivity of the RE Contract, the RE Developer shall be issued a DOE Certificate of Registration which shall qualify it to avail of the incentives and privileges under the Act.

SEC. 18. Benefits to Host Communities. – The RE Contract shall specifically include provisions on the benefits to host communities or local government units (LGUs) which comprise the allocation of such host Communities or LGUs from the Government Share in the exploration, development and utilization of the RE resources pursuant to Sections 20 and 21 of the IRR of the Act, among others. This may be stipulated as part of RE Developer's obligation to include in its Information, Education and Communication (IEC) Campaign information on benefits to host communities and LGUs where the RE project is located.

SEC. 19. Disputes and Arbitration. – In case of dispute between the DOE and the RE Developer relating to the RE Contract or the interpretation and performance of any of the clauses of the RE Contract, both parties shall seek to resolve such dispute or difference amicably or failing such amicable settlement, through referral to an expert, for technical disputes only.

All disputes which cannot be settled amicably within sixty (60) days, after the receipt by one party of a notice from the other party, of the existence of the dispute, shall be settled exclusively and finally by arbitration, upon written demand of either party.

SEC. 20. Suspension and Termination of the RE Contract. – The DOE shall have the power to suspend and terminate the RE Contract, after due notice to the RE Developer. The grounds for suspension and termination shall include, but not be limited to, the following:

a. *Grounds for the Suspension/Termination of an RE Contract for the Pre-Development Stage:*

    i. Non-compliance with the approved Work Program and any of the obligations;

ii. Non-compliance with RE technical design standards adopted by the DOE;

iii. Non-observance of environmental regulations imposed by the Department of Environment and Natural Resources (DENR) during the conduct of feasibility study;

iv. Tampering or plagiarizing of technical design and feasibility study reports;

v. Non-posting of performance bond or any other guarantee within the period provided for in the RE Contract; and

vi. Non-payment of the financial obligations agreed upon under the contract.

b. *Grounds for Suspension/Termination of an RE Contract for the Development/Commercial Stage:*

i. Non-compliance with the terms and conditions of the RE Contract;

ii. Violation of the RPS rules, as may be applicable;

iii. Non-compliance with the approved Work Program and any of the obligations;

iv. Non-compliance with RE technical design standards adopted by the DOE;

v. Non-observance of environmental regulations imposed by the DENR during construction and operation;

vi. Tampering or plagiarizing of technical design, feasibility study, generation and operation reports;

vii. Non-remittance of government share;

viii. Non-payment of the financial obligations agreed upon under the contract; and

ix. Non-posting of performance bond or any other guarantee within the period provided for in the contract.

The termination shall not be effective if the failure of the RE Developer giving ground to the termination has been cured on or before the effective date of termination specified in the notice.

Provided, however, That RE Contract in the nature of a financial or technical assistance agreement shall be suspended or terminated by the President, upon recommendation by the DOE Secretary.

SEC. 21. Confidentiality. – All documents, information, data and reports generated by the RE Developer during its RE operations under the RE Contract

shall be kept confidential, and shall not be disclosed to any third party or to any affiliate not directly involved in the implementation of the RE Contract. Moreover, neither the DOE nor the RE Developer shall transfer, present, sell or publish confidential information in any manner without the consent of the other party: *Provided, however*, That the DOE shall have the right to use and make public data and information generated by the RE Developer with respect to the contract area after the expiration of the RE Contract.

SEC. 22. Assignability/Transfer. – All assignments of RE Contract shall be subject to prequalification and prior written approval of the DOE.

a. The RE Developer may assign part or all of its rights and/or obligations under the RE Contract to its affiliate or any third party with prior notice to and approval by the DOE and in accordance with the following provisions:

    i. The RE Developer shall submit to the DOE copies of a written agreement on the corresponding part of its rights and/or obligations to be assigned; and

    ii. The RE Developer shall guarantee in writing to the DOE the performance of the assigned obligations.

b. The RE Developer may authorize its subsidiaries, branches or regional corporations to implement the RE Contract, but the RE Developer shall remain responsible for the performance of this RE Contract.

Provided, however, That in the case of an RE Contract in the nature of a financial or technical assistance agreement, it shall be assigned or transferred, in whole or in part, to a qualified person subject to the prior approval by the President: *Provided, further*, That the President shall notify Congress of every financial or technical assistance agreement assigned within thirty (30) days from the approval thereof.

Part 2. Special Provisions

A. Geothermal Energy

SEC. 23. RE Contract in the Nature of an FTAA. – The RE Contract that shall govern the large-scale exploration, development or utilization of geothermal energy resources by foreign-owned entities shall be in the nature of a Financial or Technical Assistance Agreement (FTAA).

Geothermal RE projects shall be classified as large-scale based on capitalization and other similar criteria as may be determined by the DOE.

The mode of awarding RE Contract to a foreign company shall be in accordance with the procedures set forth under Sections 9 and 10 hereof.

In the event that a foreign corporation qualifies for an RE project, the following requirements and/or terms and conditions shall be present in the RE proposal/application, for evaluation, and in the award and implementation of the RE Contract, in addition to the requirements provided under Section 6 hereof:

a. A firm commitment in the form of a sworn statement, of an amount corresponding to the expenditure obligation that will be invested in the contract area as part of the RE Proposal/Application documents: *Provided,* That such amount shall be subject to changes as may be necessary to cover the cost of inflation and foreign exchange fluctuations;

b. Representations and warranties that, except for payments for dispositions for its equity, foreign investments in local enterprises which are qualified for repatriation, and local supplier's credits and such other generally accepted and permissible financial schemes for raising funds for valid business purposes, the RE Developer shall not raise any form of financing from domestic sources of funds, whether in Philippine or foreign currency, for conducting its geothermal operations for and in the contract area;

c. A stipulation in the RE Contract that the foreign RE Developers are obliged to give preference to Filipinos in all types of employment for which they are qualified and that technology shall be transferred to the same;

d. If the RE Application/Proposal is found to be sufficient and meritorious in form and substance after evaluation, the DOE shall give the foreign RE Applicant the prior right to the area covered by such proposal. Thereafter, the DOE shall recommend its approval to the President.

e. The President shall notify Congress of the RE Contract in the nature of financial or technical assistance agreements within thirty (30) days from approval and execution thereof; and

f. Such other terms and conditions consistent with the Constitution, applicable laws and with the Act as the President, upon recommendation by the DOE Secretary, may deem to be in the best interest of the State and the welfare of the Filipino people.

The RE Developer shall manifest, in writing, to the President through the DOE Secretary, its intention to withdraw from the RE Contract, if in its judgment the project is no longer economically feasible, even after it has exerted reasonable diligence to remedy the cause or the situation. The Secretary shall, after due evaluation, recommend to the President the acceptance of the withdrawal: *Provided*, That the RE Developer has complied with or satisfied all its financial, technical and legal obligations. *Provided, further,* That upon withdrawal, the performance bond paid for under the RE Contract shall be forfeited in favor of the Government.

B. Hydropower Energy

SEC. 24. Impounding and Pumped-Storage. – Applicants for the registration as Hydropower RE Developer, utilizing impounding and pumped-storage, shall be required to show proof of compliance with the internationally accepted norms and standards on hydropower development such as those of the World Commission on Dams, the International Energy Agency, among others.

The Hydropower RE Contract area shall not be defined using the Blocking System.

C. Biomass Sector

SEC. 25. Biomass Operating Contract. – The RE Developers of biomass, biogas and methane-capture from organic wastes need not enter into a Pre-Development Service Contract due to the peculiar conditions and realities attendant to developing or utilizing such non-naturally occurring resources: *Provided, however,* That except in instances where the power to be generated is for own use, the Biomass RE Developers shall be required to obtain an Operating Contract to cover the project's Development/Commercial Stage wherein the developer shall commit to develop, construct, install, commission and operate an RE generating facility subject to the following:

a. All Biomass RE Contracts shall be exempt from the payment of government share.

b. In the event that there is excess capacity to be sold to any end-user, such biomass systems shall be covered by an RE Operating Contract with the DOE.

c. The Biomass RE Operating Contract shall not include exclusivity of areas for feedstock sources and thus not covered by the Blocking System.

CHAPTER IV. RE PROJECTS FOR OWN-USE AND MICRO-SCALE RE PROJECTS FOR NON-COMMERCIAL OPERATIONS

SEC. 26. RE Projects for Own-use. – RE Developers generating power for own-use shall register with the DOE to avail of any incentives under the Act. The DOE Certificate of Registration shall be issued upon complete submission of requirements which shall include, but not be limited to, the following:

a. Letter of Intent;

b. Project Description; and

c. Proof of ownership of the RE facilities

SEC. 27. RE Operating Contract for Micro-Scale Projects for Non-Commercial Operations. – The issuance of RE Contracts for Non-Commercial Micro-Scale RE Project shall be governed by a simplified process of application and evaluation using the Checklist System. All interested applicants shall submit requirements to the REMB which shall include, among others, the following:

a. Letter of Intent;

b. Project Description;

c. Work Plan;

d. LGU endorsement/certification and any of the documents listed in the legal requirements provided in Section 6 (b) hereof, as may be applicable; and

e. Other proof of sustained operations of the project as may be defined by the DOE.

SEC. 28. Procedure and Requirements for Application. – The DOE shall follow a set of simplified procedure and requirements prescribed in Section 6 for granting RE Contracts covering both RE Projects for Own-Use and Micro-Scale RE Projects for Non-Commercial Operations.

SEC. 29. Registration as an RE Developer. – RE Developers of RE Contracts for Non-Commercial Micro-Scale Projects shall register with the DOE to avail of any incentives and privileges under the Act. All such RE Developers shall be exempt from payment of the Government Share.

CHAPTER V. FINAL PROVISIONS

SEC. 30. Separability Clause. – If for any reason, any provision of this Circular is declared unconstitutional or invalid, the other parts or provisions not affected thereby shall remain in full force and effect.

SEC. 31. Repealing Clause. – The provisions of other department circulars which are inconsistent with the provisions of this Circular are hereby repealed, amended or modified accordingly.

SEC. 32. Effectivity. – This Circular shall take into effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Issued this 12th day of July 2009 in Fort Bonifacio, Taguig City, Metro Manila.

ANGELO T. REYES
Secretary

Republic of the Philippines
DEPARTMENT OF ENERGY
IN REPLYING, PLS CITE:
SE09-014390

ANNEX "A"

Application No. _____
O.R. No. _____
Date _____
Amount _____

RE SERVICE/OPERATING CONTRACT APPLICATION FORM
(Republic Act No. 9513)

I. GENERAL INFORMATION

A. Name of Applicant: _____
B. Authorized Representative: _____
C. Business Address/Tel./Fax Nos./Email Address: _____
D. RE Sector of interest: _____
E. Area or Block/s No. and Location applied for: _____
F. Approximate area covered (in has or sq. m): _____
G. Brief description of primary and secondary purpose as authorized by its Articles of Incorporation (for juridical person only): _____

II. COMPANY/BUSINESS BACKGROUND

A. Controlling Stockholders (for corporation only)
(List names of majority stockholders and the percentage of their holdings)

a) _____ - _____ %
b) _____ - _____ %
c) _____ - _____ %
d) _____ - _____ %
e) _____ - _____ %

B. Company Directors and Officers
(List of Board Members and Company Officers)

NAME / POSITION

a) _____

b) _____
c) _____
d) _____
e) _____

C. Parent/Subsidiary/Affiliates
(List Names, Addresses and Nature of Business)
a) _____
b) _____

D. No. of Years in Operation:
E. Description/History of the Company/Business:
1. Organizational structure
2. Ownership structure
3. Field of specialization

III. TECHNICAL AND FINANCIAL CAPABILITIES

A. Key Personnel in the Organization
1. Corporate officers/hierarchy/expertise
2. Staff members/experience

B. List of On-going or Completed RE or Energy-Related Contracts/Agreements
1. Brief description
2. Type of energy resource
3. Location
4. Contract term/implementation period
5. Client

C. Latest Financial Statements
1. Income Statement
2. Balance Sheet

IV. CERTIFICATION:

It is certified that the foregoing information are true and correct. It is understood that any omission or misinterpretations of the required information shall be sufficient cause for the rejection of this application.

_____ _____
Date *Duly Authorized Representative*

_____
Name of Applicant

ANNEX "B"

CHECKLIST OF REQUIREMENTS
(Renewable Energy Service/Operating Contract under R.A. No. 9513)

I. RE Contract Application/Proposal

A. Legal Requirements

1. Individual or Single Proprietorship:
   a. Birth Certificate – duly authenticated by National Statistics Office (NSO);
   b. Business Permit – certified true copy; and
   c. Department of Trade and Industry (DTI) Registration (if applicable).

2. Corporation/Joint Venture/Consortium
   a. Securities and Exchange Commission (SEC) Registration – SEC-certified;
   b. By-Laws and Articles of Incorporation – SEC-certified;
   c. Certification authorizing its representative to negotiate and enter into RE Contract with the DOE;
   d. Business Permit;
   e. Controlling Stockholders and Percentage of their Holdings;
   f. Organizational Chart of the Company;
   g. Parent/Subsidiary/Affiliates (if applicable); and
   h. Company Profile.

B. Technical Requirements

1. Track Record or Experience;
2. Work Program with financial commitment per activities;
3. Curriculum Vitae of Management and Technical Personnel;
4. List of Technical Consultants with corresponding Contract between the Developer and Consultants showing their respective qualifications; and
5. List of existing company-owned and leased equipment appropriate for the RE project with corresponding description.

C. Financial Requirements

1. Audited Financial Statement for the last two (2) years and unaudited Financial Statement if the filing date is three (3) months beyond the date of the submitted Audited Financial Statement;
2. Bank certification to substantiate the cash balance (exact amount in words and numbers);
3. Projected cash flow statement for (2) years; and
4. For newly-organized or subsidiary corporation with insufficient funds to finance the proposed work program, it shall submit an Audited Financial Statement and duly certified and/or notarized guarantee or Letter of Undertaking/Support from its parent company or partners to fund the proposed Work Program. In the case of foreign parent-company, the Audited Financial Statement and the guarantee or Letter of Undertaking/Support shall be duly authenticated by the Philippine Consulate Office that has consular jurisdiction over the said parent company.

D. Other Requirements

1. Letter of Intent/Application;
2. Duly accomplished RE Contract Application Form;
3. Map showing the applied area (RE area of application: in case of ocean, solar, wind, and geothermal, must conform with the DOE Blocking System);
4. Application/Processing fees; and
5. Draft Pre-Development or Development/Commercial Service Contracts.

II. **Requirements for Conversion from Pre-Development Stage to Development/Commercial Stage**

1. Letter of Declaration of Commerciality declaring the RE project is commercially feasible and viable; and
2. Feasibility study and/or detailed engineering design of the RE project with the following corresponding documents:
    a. Resolution of Support from host communities and host municipality/ies;
    b. Proof of Public Consultation;
    c. Any form of legal documents showing the consent of the landowner if the project falls under a private land;

d. Department of Environment and Natural Resources (DENR) Permits:
    i. Environmental Impact Study
    ii. Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage (CNC)
    iii. Forest Land Use Agreement (FLAg)/Special Land Use Agreement (SLUP) for area applied in public domain
e. National Commission on Indigenous Peoples (NCIP): Free and Prior Informed Consent (FPIC)/Certificate of Pre-Condition or Certificate of Non-Overlap;
f. National Transmission Corporation (TRANSCO):
    i. Grid System Impact Study
    ii. Interconnection Agreement, if applicable
g. Energy (Electricity) Sales Agreement;
h. Other clearances from other concerned agencies (*i.e.*, Maritime Industry Authority (MARINA), Bureau of Fisheries and Aquatic Resources (BFAR), Philippine Navy, Philippine Coast Guard, etc.);
i. Proof of Financial Closing;
j. Final area for development (geographical coordinates/PRS92);
k. Payment of corresponding Application/Processing Fee; and
l. Draft Development/Commercial RE Contract.

III. **Requirements for Conversion from Existing Contracts to RE Contracts**

1. Letter of Intent from the Developer requesting for the conversion of the existing Contract/Agreement to RE Contract;
2. Accomplishment report vis-à-vis work and financial program;
3. Updated Work Program; and
4. Such other documents that may be required by the DOE.

PSE

MEMORANDUM

CN - No. 2020-0005

The Philippine Stock Exchange, Inc.

_____ Trading	_____ Public Advisory
_____ Disclosure	_____ Administrative / Technology Matters
_____ Listing	___√___ Others: Effectivity of Amended REIT Listing Rules

TO: **THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

SUBJECT: **EFFECTIVITY OF THE AMENDED LISTING RULES FOR REAL ESTATE INVESTMENT TRUSTS (REITS)**

DATE: **February 7, 2020**

Please be informed that in a letter dated February 7, 2020, the Securities and Exchange Commission informed the Exchange that it has approved the Amended Listing Rules for Real Estate Investment Trusts ("Amended REIT Listing Rules").

For the information and guidance of the investing public and market participants, the official copy of the Amended REIT Listing Rules is hereto attached.

The Amended REIT Listing Rules shall take effect immediately.

(Original Signed)
RAMON S. MONZON
President and CEO

CTD/HRAD	MOD/TD	IRD	CMDD/CPIRD	OGC/CGO	COO
Tel. No. 876-4831/ 876-4755	Tel. No. 876-4899/ 876-4771	Tel. No. 876-4731	Tel. No. 876-4813/ 876-4857	Tel. No. 876-4871/ 876-4841	Tel. No. 876-4807

AMENDED LISTING RULES FOR REAL ESTATE INVESTMENT TRUSTS (REITS)

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AMENDED LISTING RULES FOR REAL ESTATE INVESTMENT TRUSTS (REITS)[1]

These Listing Rules for REITs of The Philippine Stock Exchange, Inc. ("PSE" or the "Exchange") must be read in conjunction with the Listing and Disclosure Rules of the PSE, Republic Act No. 9856 ("REIT Act of 2009") and its implementing rules and regulations issued by the Securities and Exchange Commission and the Bureau of Internal Revenue regulations for REITs.

SECTION 1. RATIONALE - The Listing Rules for Real Estate Investment Trusts (REITs) are being made in light of the requirement under Section 5 of Republic Act No. 9856, otherwise known as the REIT Act of 2009, that the shares of stock of a REIT must be listed in accordance with the rules of the Exchange.

SECTION 2. GENERAL - A real estate investment trust or REIT is a stock corporation established in accordance with the Revised Corporation Code of the Philippines and the rules and regulations promulgated by the Commission principally for the purpose of owning income-generating real estate assets. The Exchange adopts the applicable listing and disclosure requirements under the REIT Act of 2009, and its implementing rules and regulations (IRR), as may be amended. In case any provision of the rules of the Exchange or the Listing Agreement is inconsistent with the provisions of the REIT Act of 2009 or its IRR, the provisions of the law, regulation or government issuance shall prevail.

SECTION 3. APPLICABILITY OF THE RULES OF THE EXCHANGE - In addition to these Rules, the Listing and Disclosure Rules of the Exchange, as may be amended from time to time, and all applicable Exchange rules, regulations, policies, guidelines, the Listing Agreement, and all laws and regulations will apply to REITs; provided, that, in case of conflict, the REIT Act of 2009 and its IRR shall prevail.

SECTION 4. GENERAL CRITERIA FOR ADMISSION TO LISTING - In addition to the criteria for listing under the rules of the Exchange, a REIT must also meet the following criteria:

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[1] These Rules amend the REIT Listing Rules which took effect on October 8, 2010, to incorporate the government's reinvestment policy to develop the Philippine real estate industry through REITs. They form part of the REIT regulatory framework which consists of the REIT Act of 2009, its implementing rules and regulations ("IRR") issued by the Securities and Exchange Commission ("SEC") and the revenue regulations ("RR") for REITs issued by the Bureau of Internal Revenue ("BIR"). On January 20, 2020, the Department of Finance, SEC, BIR and PSE held a ceremony for the joint signing of the REIT IRR, RR and these Amended Listing Rules.

a. A REIT must be a stock corporation established in accordance with the Revised Corporation Code of the Philippines and the rules and regulations promulgated by the Commission principally for the purpose of owning income-generating real estate assets.

b. A REIT must have a dividend policy of distributing annually at least ninety percent (90%) of its distributable income as dividends to its shareholders in accordance with the REIT Act of 2009 and its IRR.

c. A REIT must be a public company upon and after listing, and to be considered as such, a REIT must have at least one thousand (1,000) public shareholders each owning at least fifty (50) shares of any class of shares who in the aggregate own at least one-third (1/3) of the outstanding capital stock.

d. A REIT must have a minimum paid-up capital of Php 300 million.

e. At least seventy-five percent (75%) of the deposited property of the REIT must be invested in, or consist of, income-generating real estate; provided, that a REIT shall not invest in real estate located outside the Philippines which exceeds more than forty percent (40%) of its deposited property and, provided further, that the REIT shall at all times secure a special authority from the securities and exchange commission in making such investment outside the Philippines.

f. At least 1/3 of the board of directors of a REIT must be independent directors, which in no case shall be less than two (2).

g. A REIT must appoint a qualified fund manager and property manager in accordance with the REIT Act of 2009 and its IRR, as may be amended.

h. Directors or officers of the REIT, fund manager, property manager, distributor and other REIT participants are subjected to the fit and proper rule under the REIT Act of 2009 and its IRR.

i. A newly formed REIT which invokes the track record or operating history of its income-generating real estate assets shall submit audited financial statements and any other supporting documents that reflect the track record or operating history of the REIT's income-generating real estate assets for the applicable period.

j. The Articles of Incorporation and By-Laws of the REIT shall provide that all of the shares of stock of the REIT shall be issued in the form of uncertificated securities and an investor may not require the REIT to issue a certificate in respect of any share recorded in their name.

k. Pursuant to Section 8 of these Rules, the REIT shall submit a firm undertaking on the part of its sponsors/promoters which transferred income-generating real estate to the REIT to reinvest in real estate or infrastructure projects in the Philippines any monies realized by such sponsors/promoters from (a) the subsequent sale of REIT shares or other securities issued in exchange of income-generating real estate transferred by such sponsors/promoters to the REIT; or (b) the sale of any income-generating real estate to the REIT. The firm undertaking shall also state the firm commitment to regularly report to the REIT the status of implementation of the Reinvestment Plan.

l. The submission of a Reinvestment Plan by the sponsors/promoters which transferred income-generating real estate to the REIT.

m. The REIT and its sponsors/promoters which transferred income-generating real estate to the REIT shall be parties to a listing agreement with the Exchange which contains, among others, their undertaking to comply with these Rules.

SECTION 5. LISTING APPLICATION DOCUMENTS – The applicant company shall submit all the required documents as provided under Annex "A" of these Rules.

SECTION 6. DISCLOSURE REQUIREMENTS

6.1. A REIT shall comply with the reportorial and disclosure requirements prescribed by the Revised Corporation Code, the Securities Regulation Code, the Exchange, and the REIT Act of 2009 and its IRR, as may be amended.

6.2. ***Special Quarterly, Annual and Current Reports*** - The quarterly and annual reports of a REIT shall likewise include the following:

a. Summary of all real estate transactions entered into during the period, including the identity of the parties, the contract price, and their valuations, including the methods used to value the assets;

b. Summary of all the REIT's real estate assets, including the location of such assets, their purchase prices and the latest valuations, rentals received and occupancy rates, and/or the remaining terms of the REIT's leasehold properties;

c. Comparative summary of the financial performance of the REIT covering various time periods (e.g. quarterly, one (1)-year, three (3)-year, five (5)-year or (10)-year).

d. Status of the implementation of the Reinvestment Plan. The status of the implementation of the Reinvestment Plan shall be reported in the non-financial

portion of the REIT's and sponsors/promoters' annual, quarterly and current reports. Any investment pursuant to the Reinvestment Plan shall also be disclosed via SEC Form 17-C as such investment is made.

6.3. *Reinvestment Reports*

a. A REIT shall submit via the Exchange's Electronic Disclosure Generation Technology ("EDGE") (or any equivalent or replacement system) a quarterly progress report on the Reinvestment Plan by the sponsors/promoters which transferred income-generating real estate to the REIT (the "Reinvestment Quarterly Report") on or before the first fifteen (15) days of the following fiscal quarter. The Reinvestment Quarterly Progress Report shall be certified under oath by (1) the sponsors/promoters which transferred income-generating real estate to the REIT, if the sponsors/promoters are individuals; or (2) if sponsors/promoters are corporations, their chief financial officer, treasurer and external auditor. A final report on the implementation of the Reinvestment Plan shall also be submitted by the REIT upon the complete implementation of the Reinvestment Plan (the "Final Reinvestment Report"), but in no case later than the expiration of the one (1) year period provided in the Reinvestment Plan. The Final Reinvestment Report shall likewise be certified under oath by the sponsors/promoters which transferred income-generating real estate to the REIT, if such sponsors/promoters are individuals or, if the sponsors/promoters are corporations, by their chief financial officer, treasurer and external auditor.

b. If the sponsors/promoters which transferred income-generating real estate to the REIT are listed in the Exchange, then the Reinvestment Plan and its implementation shall be included in the appropriate structured reports of such sponsors/promoters to the Securities and Exchange Commission and the Exchange.

6.4. ***Foreign Ownership and Public Reports*** - A REIT shall submit through EDGE (or any equivalent or replacement system) reports on its foreign ownership and public shareholder levels duly certified by the transfer registrar, within the timelines prescribed by the Exchange's Consolidated Listing and Disclosure Rules. The reports should be based on information contained in the records of the transfer agent and the depository or any entity duly authorized by the Commission.

SECTION 7. CONTINUING LISTING REQUIREMENTS – In addition to the existing continuing listing requirements of the Exchange, a REIT shall also comply with the following:

a. A REIT shall maintain its status as a public company as defined in the REIT Act of 2009 and its IRR, as may be amended. Notwithstanding any provision to the

contrary in the rule on minimum public ownership, a REIT shall be required to comply with the minimum public ownership requirement prescribed by the REIT act of 2009, as may be adjusted pursuant to the provisions of the REIT Act. If a REIT fails to maintain the required public ownership, then the Exchange will impose a trading suspension for a period of not more than six (6) months. If the REIT fails to comply with the public ownership requirement within the six-month suspension period, then the REIT shall be automatically delisted.

This is without prejudice to applicable tax regulations if a REIT fails to maintain its status as a public company as provided under the REIT Act of 2009.

b. A REIT shall maintain the registration of its securities with the Commission.

c. A REIT shall distribute at least ninety percent (90%) of its distributable income required under the REIT Act of 2009 and its IRR, as may be amended.

d. A full valuation of a REIT's assets must be conducted by an independent property valuer, duly accredited by the Commission and the Exchange, at least once a year in accordance with the applicable rules of asset valuation and valuation methodology as prescribed by the Commission; Provided, however, that the same REIT shall not have the same property valuer for more than three (3) consecutive years. The REIT may, however, re-engage the services of said property valuer after the lapse of three (3) years.

SECTION 8. REINVESTMENT – In line with the policy to promote and develop the Philippines' real estate industry, the sponsors/promoters which transferred income-generating real estate to the REIT must reinvest in real estate and/or infrastructure projects located in the Philippines the proceeds realized from (a) the subsequent sale of REIT shares and other securities issued in exchange for income-generating real estate transferred by the sponsors/promoters to the REIT; or (b) the sale by such sponsors/promoters of any income-generating real estate to the REIT.

The following guidelines shall be observed in the reinvestment by the sponsors/promoters which transferred income-generating real estate to the REIT:

8.1. The sponsors/promoters, either by themselves or through the REIT, shall submit a Reinvestment Plan containing their firm undertaking to reinvest any monies realized by such sponsors/promoters from (a) the subsequent sale of REIT shares or other securities issued in exchange of income-generating real estate transferred by such sponsors/promoters to the REIT; or (b) the sale of any income-generating real estate to the REIT. The reinvestment shall be made within one (1) year from the date of the receipt of the proceeds or money by the sponsors/promoters.

Such Reinvestment Plan shall also include a firm undertaking by the sponsors/promoters to report the status of the implementation of their Reinvestment Plan as contained in the reports required to be submitted pursuant to these Rules.

If the sponsors/promoters intend to sell their REIT shares or other securities in any public offering in the Exchange, their Reinvestment Plan shall be submitted as part of their listing application.

8.2. The Securities and Exchange Commission shall be furnished with a copy of the any amended/revised Reinvestment Plan in no more than three (3) days from receipt of the amended/revised Reinvestment Plan by the Exchange;

8.3. The Reinvestment Plan shall primarily indicate the following information:

a. The amount and description of the income-generating property transferred by the sponsors/promoters to the REIT;

b. The estimated amount of proceeds/money to be realized by the sponsors/promoters from (i) the subsequent sale of REIT shares or other securities issued in exchange of income-generating real estate transferred by such sponsors/promoters to the REIT; or (ii) the sale of any income-generating real estate to the REIT;

c. The description of the real property/infrastructure project which the sponsors/promoters undertake to invest in within a period of one (1) year from the receipt of proceeds. the description shall disclose the following information:

   (i) the location of the real estate or infrastructure project;

   (ii) estimated timing of disbursement of the money/proceeds for the reinvestment; and

   (iii) percentage of completion of the real estate or infrastructure project as of the date of the report;

The sponsors/promoters which transferred income-generating real estate to the REIT shall be a party to the listing agreement with the Exchange.

SECTION 9. PENALTIES - Failure by the REIT to comply with the REIT Act, Securities Regulation Code (Republic Act No. 8799), the Implementing Rules and Regulations issued by the Securities and Exchange Commission, the listing or disclosure requirements

of the Exchange, and other applicable laws and regulations, shall subject the REIT and/or the sponsors/promoters which transferred income-generating real estate to the REIT to the applicable penalties under the rules of the Exchange, including delisting, without prejudice to the liability of the REIT for any administrative, civil or criminal action under the REIT Act of 2009, as may be amended, or any existing law. Any violation of the REIT Act of 2009 not arising out of, or in connection with, the listing and disclosure requirements under these Rules shall be determined by a court of competent authority or the appropriate regulatory authority.

SECTION 10. PENALTY FOR VIOLATING THE REINVESTMENT REQUIREMENT – Notwithstanding Section 9, the failure of the sponsor or promoter to comply with its firm undertaking to reinvest pursuant to its Reinvestment Plan under Section 8 of these Rules shall be a ground for delisting of the REIT in the Exchange, without prejudice to any administrative, civil or criminal liability under applicable laws and regulations.

SECTION 11. RELISTING PROHIBITION - A REIT that is involuntarily delisted cannot apply for relisting within a period of five (5) years from the time it was delisted. Its directors and officers are disqualified from becoming directors or officers of any company applying for listing within the same period.

SECTION 12. MANDATORY TENDER OFFER IN CASE OF DELISTING – A REIT that is about to be delisted from the Exchange, whether voluntarily or involuntarily, shall conduct, either by itself or its controlling stockholder(s), a tender offer to all stockholders of record. The tender offer price shall be determined in accordance with the Exchange's rules on delisting and the applicable tender offer price guidelines, as may be amended from time to time.

Failure or refusal to conduct a tender offer in accordance with this section shall be a ground for denial of the petition for voluntary delisting, or imposition of a perpetual relisting prohibition, in case of involuntary delisting.

All other applicable rules on delisting of the Exchange shall apply suppletorily in cases of a REIT delisting.

SECTION 13. NAME-ON CENTRAL DEPOSITORY ARRANGEMENT - The REIT shall establish sufficient control and procedures that shall ensure that the shares are traceable to the names of the shareholders or investors and for their own benefit and not for the benefit of any of the non-public shareholders.

The REIT shall make the necessary arrangement with a central securities depository on the recording of its shareholders under a Name-On Central Depository arrangement.

SECTION 14. ELIGIBLE BROKERS - In order to be eligible to trade REIT shares, trading participants must have attended a REIT training session or seminar conducted by the Exchange and must be operationally ready to trade REIT shares. Such trading participants shall issue a sworn certification to the Exchange attesting to its operational readiness.

Notwithstanding such certification, the Exchange shall have the option to assess a trading participant's operational readiness to trade REIT shares. In addition, the trading participant shall comply with the applicable requirements on the recording of share ownership under a Name-On Central Depository Arrangement, and any other requirements that may be imposed by other regulatory agencies. The Exchange shall restrict trading participants that fail to comply with such requirements from trading REIT shares.

SECTION 15. AMENDMENT - Should the Listing and Disclosure Rules of the Exchange and all applicable Exchange rules, regulations, policies, and guidelines be amended providing additional or different criteria, the REIT shall be given a reasonable period, to be determined by the Exchange, to comply with such amendment.

Annex "A"

THE PHILIPPINE STOCK EXCHANGE, INC.
Checklist of Documentary Requirements
(to be submitted in two (2) hard copies and one (1) soft copy*)

INITIAL PUBLIC OFFERING
Real Estate Investment Trust (REIT)

NAME OF REIT CORPORATION:_____

This checklist of documentary requirements supplement and must be read in conjunction with the Revised Listing Rules of the Exchange, the listing rules for REITs, the REIT Act of 2009 and its implementing rules and regulations.

DATE SUBMITTED	REQUIREMENTS
	1. Duly accomplished set of listing application (Application for Listing of Stocks, Agreement with Registrar or Transfer Agent, Distribution of Capital Stock of Corporation to its Stockholders, Listing Agreement) PSE forms should not be retyped.
	2. SEC certified true copy of the following: • Articles of Incorporation and By-Laws and the Certificate of Filing of Articles of Incorporation; • When applicable, latest Amended Articles of Incorporation and Amended By-Laws, and the corresponding Certificate of Filing of Amended Articles of Incorporation and Amended By-Laws; • Certificate of Increase in Capital stock, if any; • Registration and Licensing Order and Permit to Offer Securities for Sale *(to be issued within two (2) trading days prior to the start of the offer period)*
	3. Sworn Corporate Secretary's Certificate of Increase in Authorized Capital Stock, if applicable.
	4. Certified true copy of the Registration Statement filed and duly received by the SEC.
	5. Affidavit of the newspaper publisher on the fact of publication as required under the Securities Regulation Code and pertinent laws.
	6. Sworn Corporate Secretary's Certificate on the following: a) Approval by the board of directors and by the stockholders of the initial public offering and the application for listing; b) The Corporation's total number of shares issued (indicate if there are treasury shares);

DATE SUBMITTED	REQUIREMENTS
	c) The Corporation's total number of shares outstanding; d) The percentage of ownership of Filipino citizens and alien shareholders; e) The Corporation has no subscriptions receivable at the time of the filing of the application; f) The total number of holders or recipients of options, if any, showing the nature, total number of shares, the price, manner of payment, and basis of grant. If there is none, the Corporation shall submit a sworn undertaking that should the same be granted in the future, the Exchange and the SEC shall be immediately informed of the details of the option upon approval by the Board of Directors; g) List of officers and members of the corporation's board of directors indicating the independent directors and date of the last regular stockholder's meeting when they were elected and the date of any subsequent special stockholders' meeting held; h) List of shareholdings of each of the corporation's officers and directors and their related parties, indicating therein their percentage of ownership, and amount paid up **before** the IPO; i) All pending litigation involving the corporation and involvement, if any, of the members of the board of directors and executive officers, in criminal, bankruptcy or insolvency investigations or proceedings against them; j) List of shareholders prior to the IPO subject to lock-up indicating the number of shares, percentage owned, and lock-up period; k) Dividend declaration history of the corporation indicating therein the year, rate of dividend, record date, and amount paid, with corresponding details of any waiver of dividend in such years; l) History of issuances and subscriptions of shares from the time of incorporation, indicating therein the date, nature, number of shares issued, investors and the respective number of shares subscribed, amount paid by each and date of full payment; m) List of stockholders indicating therein their respective number of shareholdings, percentage ownership, and amount paid up **before** the IPO; n) List of all Real Property, Income Generating Real Estate Assets and Real Estate-Related Assets as defined in the REIT Act (Definition of Terms); o) List of all Related Party Transactions as defined in the REIT Act and its IRR; p) That the REIT, the Fund Manager, Property Manager, and Property Valuer, as well as the directors and principal officers of these parties comply with the Fit and Proper Rule as provided under the REIT Act and its IRR; q) That the Property Valuer complies with the criteria under the REIT Act and its IRR;

DATE SUBMITTED	REQUIREMENTS
	r) That the Valuation Report complies with the requirements provided under the REIT Act and its IRR;
	7. Sworn Transfer Agent's Certification to the effect that, upon filing of application for listing, it has no backlog in the transfer and registration of shares.
	8. Background on the top 20 stockholders. In case of corporate stockholders indicate its nature of business, capital structure (subscribed and paid-up), ownership structure and key officers.
	9. Audited financial statements for the last three fiscal years of the corporation and/or its subsidiaries or income-generating real estate assets.
	10. Interim financial statements as of fiscal quarter immediately preceding the filing of the listing application.
	11. REIT Plan prepared in compliance with the requirements of the REIT Act and its IRR. (The Plan should be submitted in 25 copies 7 calendar days prior to its presentation to the PSE Board of Directors).
	12. Detailed work program of the application of the proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were finance by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project.
	13. Basis and/or computation of the offer price range.
	14. Certified True Copies of all material contracts as defined in the REIT Act and its IRR entered into by the corporation with a tabular summary indicating therein the date, type of contract, parties involved and particulars of the contract (including considerations received by the corporation).
	15. Public Ownership Report (POR) form duly accomplished by an authorized officer of the REIT. Form may be submitted upon determination of final number of Offer Shares or at least one week prior to the listing date of the REIT's shares.
	16. Certified true copy of the Valuation/Property Appraisal Report prepared by at least one (1) independent appraiser duly licensed by the SEC and accredited by the Exchange, in determining the value of its assets. When required by the Exchange, the applicant company shall engage the services of two (2) independent appraisers duly accredited by the Exchange in determining the value of their real estate assets.
	17. Background information on the Fund Manager, Property Manager and Property Valuer, including but not limited to: a) capital structure, b) ownership structure, c) key officers and members of the board of directors, d) audited financial statements for the last five (5) years;

DATE SUBMITTED	REQUIREMENTS
	18. Certified True Copy of the Dividend Distribution Plan originally signed by an authorized representative of the REIT;
	19. Certified True Copy of all applicable Transfer Certificate Title ("TCT") with a corresponding table summarizing the details of such TCTs;
	20. Certified True Copy of all applicable Insurance Contracts;
	21. Documentary requirements relative to the Fund Manager as provided under the REIT Act such as: a) Agreement/contract between the REIT and the Fund Manager; and b) Sworn corporate secretary's certificate attesting to the approval by the REIT's board of directors of the appropriate resolutions for the (i) appointment of the Fund Manager, (ii) establishment of the account, and (iii) designation of signatories to the account.
	22. Certified true copy of the Agreement between the REIT and the Property Manager as provided under the REIT Act and its IRR;
	23. Special authority from the Securities and Exchange Commission to invest in real estate assets located outside the Philippines, if applicable.
	24. Reinvestment plan of the sponsors/promoters which transferred income-generating real estate to the REIT.
	25. Other documents which may be required by the Exchange, including but not limited to updates on previous documents submitted.

**The applicant company shall comply with the following procedures:*

1. The applicant company shall submit two (2) printed copies of each required document: one (1) original copy, or when specified, certified true copy; and one (1) photocopy of each document. The printed copies must be bound in the order as indicated in the checklist, and must be properly tabbed.

2. The applicant company shall submit a CD or DVD containing a scanned copy of each required document in **.pdf format**. The filename for each .pdf file must clearly indicate the type of document (e.g., Application for Listing of Stocks, Articles of Incorporation, Background of Top 20 Stockholders, etc.). The CD or DVD must be properly labeled with the applicant company's name, type of listing application and date of filing.

3. For an application covering an initial public offering, listing by way of introduction, follow-on public offering or stock rights offering, the applicant company shall submit a soft copy of the draft prospectus in **MS Word** or **.doc format**.

4. The applicant company shall submit a sworn corporate secretary's certification certifying (i) that the photocopies submitted are true copies of the original documents; and (ii) that the hard copies and soft copies are identical.

5. Should the applicant company be required to submit any additional document after the listing application is officially filed, steps 1 and 2 above shall be observed unless the Exchange specifies that the soft copy of the additional required document may be submitted through electronic mail.

THE PHILIPPINE STOCK EXCHANGE, INC.:

RAMON S. MONZON
President and CEO

ROEL A. REFRAN
Chief Operating Officer

SECURITIES AND EXCHANGE COMMISSION:

EPHYRO LUIS B. AMATONG
Commissioner

VICENTE GRACIANO P. FELIZMENIO, JR.
Director
Market and Securities Regulation Department

PSE **MEMORANDUM**

MEA - No. 2022-0001

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Trading
- ☐ Disclosure
- ☐ Listing
- ☐ Public Advisory
- ☐ Administrative/Technology Matters
- ☑ Others: **Rule Amendments**

TO: **ALL MARKET PARTICIPANTS**

SUBJECT: **EFFECTIVITY OF AMENDMENTS TO THE REIT LISTING RULES ON LOCK-UP EXEMPTION AND STOCKHOLDER'S EQUITY**

DATE: **June 13, 2022**

Please be informed that the Securities and Exchange Commission has approved the attached amendments to the Amended Listing Rules for Real Estate Investment Trusts ("REIT Listing Rules") relating to Lock-Up Exemption for REIT Sponsors and the Shareholder Equity Requirement.

The salient provisions of the above amendments to the REIT Listing Rules are as follows:

1. **REIT Lock-Up Exemption in Initial Public Offerings**

   To enable a secondary offering of REIT shares during the IPO, even in cases where the actual issuance of REIT shares to the sponsors/promoters in exchange for their contributed properties at a price lower than the IPO price may take place within the one hundred eighty (180)-day period before the IPO due to pending regulatory approvals, such shares issued to sponsors/promoters shall be exempted from the application of the Lock-Up Rule, provided that:

   a. The shares could not have been issued earlier than the 180-day period prior to the IPO because of pending regulatory requirements;

   b. The sponsors/promoters sell the exempted shares during the IPO, provided that, such sponsors/promoters may only sell shares during IPO to the extent of forty-nine percent (49%) of the REIT's outstanding capital stock; and

   c. REIT shares which are covered by this exemption but are not sold during the IPO shall lose their lock-up exemption and be subject to the 365-day lock-up counted from full payment.

Except as provided in the above Lock-Up Exemption, the shares of principal stockholders of a newly-incorporated REIT which invokes the track record of its income-generating real estate asset shall be subject to a 365-day lock-up period pursuant to Article III, Part D, Section 2(a)(ii) in relation to Section 1(b)(ii) of Article III, Part D of the PSE Consolidated Listing and Disclosure Rules.

2. **49% Maximum Limit of REIT IPO Lock-Up Exemption**

   As provided above, the maximum limit for the foregoing REIT Lock-Up Exemption is forty nine percent (49%) of the outstanding capital stock of the REIT to be consistent with the objective of maximizing public participation in REITs and, at the same time, prevent the immediate and full exit of the sponsors/promoters from the REIT during IPO that may prejudice minority shareholders.

3. **Required Stockholders' Equity for REIT Listing Applicants**

   The Php 500 Million minimum stockholder's equity required under the existing PSE Listing and Disclosure Rules be present *at the time of filing*, instead of the fiscal year immediately preceding the filing of the listing application, as provided under Article III, Part D, Section 1(c) of the PSE Consolidated Listing and Disclosure Rules.

4. **Secondary Offering of Shares of a Newly-Formed REIT**

   For clarity, an amendment is introduced in the REIT Listing Rules which provides that a newly-formed REIT is not prohibited from undertaking a secondary offering of shares during Initial Public Offering.

The REIT Listing Rules, which incorporate the above amendments which are capitalized for easy reference, are herewith attached and shall take effect immediately.

(Original Signed)
Ramon S. Monzon
President and CEO

AMENDED LISTING RULES FOR REAL ESTATE INVESTMENT TRUSTS (REITS)[1]

These Listing Rules for REITs of The Philippine Stock Exchange, Inc. ("PSE" or the "Exchange") must be read in conjunction with the Listing and Disclosure Rules of the PSE, Republic Act No. 9856 ("REIT Act of 2009") and its implementing rules and regulations issued by the Securities and Exchange Commission and the Bureau of Internal Revenue regulations for REITs.

SECTION 1. RATIONALE - The Listing Rules for Real Estate Investment Trusts (REITs) are being made in light of the requirement under Section 5 of Republic Act No. 9856, otherwise known as the REIT Act of 2009, that the shares of stock of a REIT must be listed in accordance with the rules of the Exchange.

SECTION 2. GENERAL - A real estate investment trust or REIT is a stock corporation established in accordance with the Revised Corporation Code of the Philippines and the rules and regulations promulgated by the Commission principally for the purpose of owning income-generating real estate assets. The Exchange adopts the applicable listing and disclosure requirements under the REIT Act of 2009, and its implementing rules and regulations (IRR), as may be amended. In case any provision of the rules of the Exchange or the Listing Agreement is inconsistent with the provisions of the REIT Act of 2009 or its IRR, the provisions of the law, regulation or government issuance shall prevail.

SECTION 3. APPLICABILITY OF THE RULES OF THE EXCHANGE - In addition to these Rules, the Listing and Disclosure Rules of the Exchange, as may be amended from time to time, and all applicable Exchange rules, regulations, policies, guidelines, the Listing Agreement, and all laws and regulations will apply to REITs; provided, that, in case of conflict, the REIT Act of 2009 and its IRR shall prevail.

SECTION 4. GENERAL CRITERIA FOR ADMISSION TO LISTING - In addition to the criteria for listing under the rules of the Exchange, a REIT must also meet the following criteria:

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[1] These Rules amend the REIT Listing Rules which took effect on October 8, 2010, to incorporate the government's reinvestment policy to develop the Philippine real estate industry through REITs. They form part of the REIT regulatory framework which consists of the REIT Act of 2009, its implementing rules and regulations ("IRR") issued by the Securities and Exchange Commission ("SEC") and the revenue regulations ("RR") for REITs issued by the Bureau of Internal Revenue ("BIR"). On January 20, 2020, the Department of Finance, SEC, BIR and PSE held a ceremony for the joint signing of the REIT IRR, RR and these Amended Listing Rules.

a. A REIT must be a stock corporation established in accordance with the Revised Corporation Code of the Philippines and the rules and regulations promulgated by the Commission principally for the purpose of owning income-generating real estate assets.

b. A REIT must have a dividend policy of distributing annually at least ninety percent (90%) of its distributable income as dividends to its shareholders in accordance with the REIT Act of 2009 and its IRR.

c. A REIT must be a public company upon and after listing, and to be considered as such, a REIT must have at least one thousand (1,000) public shareholders each owning at least fifty (50) shares of any class of shares who in the aggregate own at least one-third (1/3) of the outstanding capital stock.

d. A REIT must have a minimum paid-up capital of ₱300 million.

e. At least seventy-five percent (75%) of the deposited property of the REIT must be invested in, or consist of, income-generating real estate; provided, that a REIT shall not invest in real estate located outside the Philippines which exceeds more than forty percent (40%) of its deposited property and, provided further, that the REIT shall at all times secure a special authority from the securities and exchange commission in making such investment outside the Philippines.

f. At least 1/3 of the board of directors of a REIT must be independent directors, which in no case shall be less than two (2).

g. A REIT must appoint a qualified fund manager and property manager in accordance with the REIT Act of 2009 and its IRR, as may be amended.

h. Directors or officers of the REIT, fund manager, property manager, distributor and other REIT participants are subjected to the fit and proper rule under the REIT Act of 2009 and its IRR.

i. A newly-formed REIT which invokes the track record or operating history of its income-generating real estate assets shall submit audited financial statements and any other supporting documents that reflect the track record or operating history of the REIT's income-generating real estate assets for the applicable period. For avoidance of doubt, such newly-formed REIT is not prohibited from undertaking a secondary offering of shares during initial public offering.

*Note: Section 4(j) of the 2020 REIT Listing Rules was deleted and subsequent sections were re-numbered accordingly. (see **Supplemental Rule 3.1** - PSE Memorandum MEA – No.*

2022-0001 dated 13 June 2022 re: Effectivity of Amendments to the REIT Listing Rules on Lock-Up Exemption and Stockholders' Equity)

j. Pursuant to Section 8 of these Rules, the REIT shall submit a firm undertaking on the part of its sponsors/promoters which transferred income-generating real estate to the REIT to reinvest in real estate or infrastructure projects in the Philippines any monies realized by such sponsors/promoters from (a) the subsequent sale of REIT shares or other securities issued in exchange of income-generating real estate transferred by such sponsors/promoters to the REIT; or (b) the sale of any income-generating real estate to the REIT. The firm undertaking shall also state the firm commitment to regularly report to the REIT the status of implementation of the Reinvestment Plan.

k. The submission of a Reinvestment Plan by the sponsors/promoters which transferred income-generating real estate to the REIT.

l. The REIT and its sponsors/promoters which transferred income-generating real estate to the REIT shall be parties to a listing agreement with the Exchange which contains, among others, their undertaking to comply with these Rules.

m. Notwithstanding Article III, Part D, Section 1(c) of the PSE Consolidated Listing and Disclosure Rules, the Applicant REIT Company must have a stockholders' equity of at least Five Hundred Million Pesos (₱500,000,000.00) at the time of filing of the listing application.

For avoidance of doubt, the minimum amount of stockholders' equity required of an Applicant REIT Company at the time of filing of the listing application shall, at all times, follow the PSE Consolidated Listing and Disclosure Rules.

n. The Applicant Company shall submit all the required documents as provided under Annex "A" of this Rule, as well as other applicable documents required for listing under the PSE Consolidated Listing and Disclosure Rules.

*Note: Section 5 of the 2020 REIT Listing Rules was revised and re-numbered as Section 4(n). A new Section 5 setting out the lock-up requirement was added. (see **Supplemental Rule 3.1** - PSE Memorandum MEA – No. 2022-0001 dated 13 June 2022 re: Effectivity of Amendments to the REIT Listing Rules on Lock-Up Exemption and Stockholders' Equity)*

SECTION 5. LOCK-UP –

a. A company applying for listing as a REIT on the Main Board shall cause its existing stockholders who own an equivalent of at least ten percent (10%) of the issued and outstanding shares of stock of the company to refrain from selling, assigning or in any manner disposing of their shares for a period of:

   i. One hundred eighty (180) days after the listing of said shares if the Applicant Company meets the track record requirements in Article III, Part D, Section 1 of the Consolidated Listing and Disclosure Rules; or

   ii. Three hundred sixty-five (365) days after the listing of said shares if the Applicant Company is (1) a newly-incorporated REIT which invokes the track record of its income-generating real estate assets; or (2) is exempt from the track record and operating history requirements under Article III, Part D, Section 1(b)(i) of the PSE Consolidated Listing and Disclosure Rules.

b. A company applying for listing on the Small, Medium and Emerging Board shall cause its existing non-public stockholders and their related parties to refrain from selling, assigning, encumbering or in any manner disposing of their shares for a period of one (1) year after the listing of such shares. All other stockholders shall not be subject to mandatory lock-up under this provision.

   For purposes of this section, "non-public stockholders" shall mean the Applicant Company's: (i) principal stockholders (*i.e.*, the owner of ten percent (10%) or more of the issued and outstanding shares); (ii) subsidiaries or affiliates; (iii) directors; (iv) principal officers; and (v) any other person who has substantial influence on how the Applicant Company is being managed.

   The term "related parties" includes (i) a director, principal officer or principal stockholder of the REIT or associate of such persons; (ii) the sponsor/promoter of the REIT; (iii) the fund manager of the REIT; (iv) the adviser of the REIT; (v) the property manager of the REIT; (vi) a director, principal shareholder or principal officer of the sponsor/promoter of the REIT, fund manager or property manager, or associate of any such persons; and (vii) related corporation to the REIT, the fund manager or the property manager.

c. If there is any issuance or transfer of shares (*i.e.*, private placement, asset for shares swap or a similar transaction) or of instruments which leads to an issuance or transfer of shares (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within one hundred eighty (180) days prior to the start of the

Offering Period, or prior to the listing date in the case of Applicant Companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering (IPO) or than that of the listing price in the case of Applicant Companies listing by way of introduction, all shares availed of shall be subject to a lock-up period of at least three hundred sixty-five (365) days from the full payment of the said shares.

The lock-up requirement in the immediately preceding paragraph shall not apply to shares issued to sponsors/promoters within one hundred eighty (180) days prior to the start of the Offering Period at a transaction price lower than the Offer price ("exempted shares") provided that:

i. The shares could not have been issued earlier than the 180-day period prior to the IPO because of pending regulatory requirements beyond the control of such sponsors/promoters;

ii. The sponsors/promoters sell the exempted shares during the IPO, provided that, such sponsors/promoters may only sell shares during IPO to the extent of forty nine (49%) of the outstanding capital stock of the REIT; and

iii. the exempted shares that are not sold during the IPO shall lose their exempt status and be subject to the 365-day lock-up counted from full payment as provided under paragraph (c) of this Section 5.

d. The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

e. The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Consolidated Listing and Disclosure Rules, or any amendment thereto.

The foregoing lock-up requirement will not apply to a listed company that transfers to the Main Board if the lock-up periods set out above, whichever is applicable, has been observed while listed in the SME Board. Otherwise, the difference between the applicable lock-up period and the actual lock-up of shares shall be observed.

SECTION 6. DISCLOSURE REQUIREMENTS

6.1. A REIT shall comply with the reportorial and disclosure requirements prescribed by the Revised Corporation Code, the Securities Regulation Code, the Exchange, and the REIT Act of 2009 and its IRR, as may be amended.

6.2. ***Special Quarterly, Annual and Current Reports*** - The quarterly and annual reports of a REIT shall likewise include the following:

a. Summary of all real estate transactions entered into during the period, including the identity of the parties, the contract price, and their valuations, including the methods used to value the assets;

b. Summary of all the REIT's real estate assets, including the location of such assets, their purchase prices and the latest valuations, rentals received and occupancy rates, and/or the remaining terms of the REIT's leasehold properties;

c. Comparative summary of the financial performance of the REIT covering various time periods (e.g. quarterly, one (1)-year, three (3)-year, five (5)-year or (10)-year).

d. Status of the implementation of the Reinvestment Plan. The status of the implementation of the Reinvestment Plan shall be reported in the non-financial portion of the REIT's and sponsors/promoters' annual, quarterly and current reports. Any investment pursuant to the Reinvestment Plan shall also be disclosed via SEC Form 17-C as such investment is made.

6.3. ***Reinvestment Reports***

a. A REIT shall submit via the Exchange's Electronic Disclosure Generation Technology ("EDGE") (or any equivalent or replacement system) a quarterly progress report on the Reinvestment Plan by the sponsors/promoters which transferred income-generating real estate to the REIT (the "Reinvestment Quarterly Report") on or before the first fifteen (15) days of the following fiscal quarter. The Reinvestment Quarterly Progress Report shall be certified under oath by (1) the sponsors/promoters which transferred income-generating real estate to the REIT, if the sponsors/promoters are individuals; or (2) if sponsors/promoters are corporations, their chief financial officer, treasurer and external auditor. A final report on the implementation of the Reinvestment Plan shall also be submitted by the REIT upon the complete implementation of the Reinvestment Plan (the "Final Reinvestment Report"), but in no case later than the expiration of the one (1) year period provided in the Reinvestment Plan. The Final Reinvestment Report shall likewise be certified under oath by the sponsors/promoters which transferred

income-generating real estate to the REIT, if such sponsors/promoters are individuals or, if the sponsors/promoters are corporations, by their chief financial officer, treasurer and external auditor.

b. If the sponsors/promoters which transferred income-generating real estate to the REIT are listed in the Exchange, then the Reinvestment Plan and its implementation shall be included in the appropriate structured reports of such sponsors/promoters to the Securities and Exchange Commission and the Exchange.

6.4. ***Foreign Ownership and Public Reports -*** A REIT shall submit through EDGE (or any equivalent or replacement system) reports on its foreign ownership and public shareholder levels duly certified by the transfer registrar, within the timelines prescribed by the Exchange's Consolidated Listing and Disclosure Rules. The reports should be based on information contained in the records of the transfer agent and the depository or any entity duly authorized by the Commission.

SECTION 7. CONTINUING LISTING REQUIREMENTS – In addition to the existing continuing listing requirements of the Exchange, a REIT shall also comply with the following:

a. A REIT shall maintain its status as a public company as defined in the REIT Act of 2009 and its IRR, as may be amended. Notwithstanding any provision to the contrary in the rule on minimum public ownership, a REIT shall be required to comply with the minimum public ownership requirement prescribed by the REIT act of 2009, as may be adjusted pursuant to the provisions of the REIT Act. If a REIT fails to maintain the required public ownership, then the Exchange will impose a trading suspension for a period of not more than six (6) months. If the REIT fails to comply with the public ownership requirement within the six-month suspension period, then the REIT shall be automatically delisted.

   This is without prejudice to applicable tax regulations if a REIT fails to maintain its status as a public company as provided under the REIT Act of 2009.

b. A REIT shall maintain the registration of its securities with the Commission.

c. A REIT shall distribute at least ninety percent (90%) of its distributable income required under the REIT Act of 2009 and its IRR, as may be amended.

d. A full valuation of a REIT's assets must be conducted by an independent property valuer, duly accredited by the Commission and the Exchange, at least once a year in accordance with the applicable rules of asset valuation and valuation

methodology as prescribed by the Commission; Provided, however, that the same REIT shall not have the same property valuer for more than three (3) consecutive years. The REIT may, however, re-engage the services of said property valuer after the lapse of three (3) years.

SECTION 8. REINVESTMENT – In line with the policy to promote and develop the Philippines' real estate industry, the sponsors/promoters which transferred income-generating real estate to the REIT must reinvest in real estate and/or infrastructure projects located in the Philippines the proceeds realized from (a) the subsequent sale of REIT shares and other securities issued in exchange for income-generating real estate transferred by the sponsors/promoters to the REIT; or (b) the sale by such sponsors/promoters of any income-generating real estate to the REIT.

The following guidelines shall be observed in the reinvestment by the sponsors/promoters which transferred income-generating real estate to the REIT:

8.1. The sponsors/promoters, either by themselves or through the REIT, shall submit a Reinvestment Plan containing their firm undertaking to reinvest any monies realized by such sponsors/promoters from (a) the subsequent sale of REIT shares or other securities issued in exchange of income-generating real estate transferred by such sponsors/promoters to the REIT; or (b) the sale of any income-generating real estate to the REIT. The reinvestment shall be made within one (1) year from the date of the receipt of the proceeds or money by the sponsors/promoters.

Such Reinvestment Plan shall also include a firm undertaking by the sponsors/promoters to report the status of the implementation of their Reinvestment Plan as contained in the reports required to be submitted pursuant to these Rules.

If the sponsors/promoters intend to sell their REIT shares or other securities in any public offering in the Exchange, their Reinvestment Plan shall be submitted as part of their listing application.

8.2. The Securities and Exchange Commission shall be furnished with a copy of the any amended/revised Reinvestment Plan in no more than three (3) days from receipt of the amended/revised Reinvestment Plan by the Exchange;

8.3. The Reinvestment Plan shall primarily indicate the following information:

a. The amount and description of the income-generating property transferred by the sponsors/promoters to the REIT;

b. The estimated amount of proceeds/money to be realized by the sponsors/promoters from (i) the subsequent sale of REIT shares or other securities issued in exchange of income-generating real estate transferred by such sponsors/promoters to the REIT; or (ii) the sale of any income-generating real estate to the REIT;

c. The description of the real property/infrastructure project which the sponsors/promoters undertake to invest in within a period of one (1) year from the receipt of proceeds. The description shall disclose the following information:

(i) the location of the real estate or infrastructure project;

(ii) estimated timing of disbursement of the money/proceeds for the reinvestment; and

(iii) percentage of completion of the real estate or infrastructure project as of the date of the report;

The sponsors/promoters which transferred income-generating real estate to the REIT shall be a party to the listing agreement with the Exchange.

SECTION 9. PENALTIES - Failure by the REIT to comply with the REIT Act, Securities Regulation Code (Republic Act No. 8799), the Implementing Rules and Regulations issued by the Securities and Exchange Commission, the listing or disclosure requirements of the Exchange, and other applicable laws and regulations, shall subject the REIT and/or the sponsors/promoters which transferred income-generating real estate to the REIT to the applicable penalties under the rules of the Exchange, including delisting**,** without prejudice to the liability of the REIT for any administrative, civil or criminal action under the REIT Act of 2009, as may be amended, or any existing law. Any violation of the REIT Act of 2009 not arising out of, or in connection with, the listing and disclosure requirements under these Rules shall be determined by a court of competent authority or the appropriate regulatory authority.

SECTION 10. PENALTY FOR VIOLATING THE REINVESTMENT REQUIREMENT – Notwithstanding Section 9, the failure of the sponsor or promoter to comply with its firm undertaking to reinvest pursuant to its Reinvestment Plan under Section 8 of these Rules shall be a ground for delisting of the REIT in the Exchange, without prejudice to any administrative, civil or criminal liability under applicable laws and regulations.

SECTION 11. RELISTING PROHIBITION - A REIT that is involuntarily delisted cannot apply for relisting within a period of five (5) years from the time it was delisted. Its directors

and officers are disqualified from becoming directors or officers of any company applying for listing within the same period.

SECTION 12. MANDATORY TENDER OFFER IN CASE OF DELISTING – A REIT that is about to be delisted from the Exchange, whether voluntarily or involuntarily, shall conduct, either by itself or its controlling stockholder(s), a tender offer to all stockholders of record. The tender offer price shall be determined in accordance with the Exchange's rules on delisting and the applicable tender offer price guidelines, as may be amended from time to time.

Failure or refusal to conduct a tender offer in accordance with this section shall be a ground for denial of the petition for voluntary delisting, or imposition of a perpetual relisting prohibition, in case of involuntary delisting.

All other applicable rules on delisting of the Exchange shall apply suppletorily in cases of a REIT delisting.

SECTION 13. NAME-ON CENTRAL DEPOSITORY ARRANGEMENT - The REIT shall establish sufficient control and procedures that shall ensure that the shares are traceable to the names of the shareholders or investors and for their own benefit and not for the benefit of any of the non-public shareholders.

The REIT shall make the necessary arrangement with a central securities depository on the recording of its shareholders under a Name-On Central Depository arrangement.

SECTION 14. ELIGIBLE BROKERS - In order to be eligible to trade REIT shares, trading participants must have attended a REIT training session or seminar conducted by the Exchange and must be operationally ready to trade REIT shares. Such trading participants shall issue a sworn certification to the Exchange attesting to its operational readiness.

Notwithstanding such certification, the Exchange shall have the option to assess a trading participant's operational readiness to trade REIT shares. In addition, the trading participant shall comply with the applicable requirements on the recording of share ownership under a Name-On Central Depository Arrangement, and any other requirements that may be imposed by other regulatory agencies. The Exchange shall restrict trading participants that fail to comply with such requirements from trading REIT shares.

SECTION 15. AMENDMENT - Should the Listing and Disclosure Rules of the Exchange and all applicable Exchange rules, regulations, policies, and guidelines be amended

providing additional or different criteria, the REIT shall be given a reasonable period, to be determined by the Exchange, to comply with such amendment.

ANNEX "A"

THE PHILIPPINE STOCK EXCHANGE, INC.
Checklist of Documentary Requirements
(to be submitted in 2 hard copies and soft copy*)

INITIAL PUBLIC OFFERING
Real Estate Investment Trust (REIT)

Name of Applicant Company	
Date of Incorporation	
Applicant Company Designated Person **Name / Designation** **Contact Number** **Email**	
To be filled-up by the Listings Department	
Date of Filing of the Application	
Documents	☐ Complete ☐ Incomplete
PSE Processing Fee **O.R. Number** **Amount** **Date**	
Received by **Name/Signature of Listings Analyst** **Name/Signature of Supervisor**	
Assigned to **Name/Signature of Listings Analyst** **Name/Signature of Supervisor**	

This checklist of documentary requirements supplement and must be read in conjunction with the Revised Listing Rules of the Exchange, the listing rules for REITs, the REIT Act of 2009 and its implementing rules and regulations, as may be supplemented or amended.

DATE SUBMITTED	REQUIREMENTS
	1. Duly accomplished set of listing application: a) Application for Listing of Stocks, b) Agreement with Registrar or Transfer Agent,

DATE SUBMITTED	REQUIREMENTS
	c) Distribution of Capital Stock of Corporation to its Stockholders, and d) Listing Agreement for REITs (four (4) original loose-leaf copies with four (4) original sworn Secretary's Certificate for the Authorization attached as Annex "A") Note: PSE forms should not be retyped.
	2. SEC certified true copies of the following: a) Articles of Incorporation and By-Laws and the Certificate of Incorporation; b) Latest Amended Articles of Incorporation and Amended By-Laws, if any, and the corresponding Certificate of Filing of Amended Articles of Incorporation and Amended By-Laws; c) Latest Amended Articles of Incorporation incorporating the lock-up requirement under Article III, Part D (Main Board Listing), Section 2 or Article III, Part E (SME Board Listing), Section 3, whichever is applicable. d) Certificate of Approval of Increase of Capital Stock (if issuance is from an increase of capital stock); e) General Information Sheet for the last three (3) fiscal years of the Applicant Company; f) Pre-effective Clearance authorizing the issuance of the Registration and Licensing Order and Permit to Offer Securities for Sale; and g) Order of Registration and Certificate of Permit to Offer Securities for Sale *(to be issued within two (2) trading days prior to the start of the offer period).* For a newly formed REIT which uses the operational track record of its income-generating real estate assets, submit the SEC certified true copy of audited financial statements and any other supporting documents that reflect the track record or operating history of the REIT's income-generating real estate assets for the applicable period.
	3. Complete set and certified true copy of Registration Statement filed and duly received by the SEC.
	4. Notarized Treasurer's affidavit showing the full payment of the issued and outstanding shares and the date when shares have been fully paid.
	5. Sworn Corporate Secretary's Certificate of Increase in Authorized Capital Stock, if applicable.
	6. Affidavit of the newspaper publisher on the fact of publication of a notice of the fact of filing of the listing application with the Exchange and registration statement as required under the Securities Regulation Code and pertinent laws.
	7. Offer Terms Sheet signed by the authorized signatory of the Applicant Company.

DATE SUBMITTED	REQUIREMENTS
	8. Detailed Timetable of Activities for the Applicant Company's initial public offering.
	9. Sworn Corporate Secretary's Certificate on the following: a) Approval by the board of directors and by the stockholders of the initial public offering and the application for listing indicating whether the issuance is from an increase of capital stock or unissued capital stock; b) The Applicant Company's total number of shares issued (indicate if there are treasury shares); c) The Applicant Company's total number of shares outstanding; d) The percentage of ownership of Filipino citizens and alien shareholders; e) The Applicant Company has no subscriptions receivable at the time of the filing of the application; f) The total number of holders or recipients of options, if any, showing the nature, total number of shares, the price, manner of payment, and basis of grant. If there is none, the Applicant Company shall submit a sworn undertaking that should the same be granted in the future, the Exchange and the SEC shall be immediately informed of the details of the option upon approval by the Board of Directors; g) Certified list of stockholders indicating therein their respective number of shareholdings, percentage ownership, and amount paid up before the IPO; h) Certified list of officers and members of the Applicant Company's board of directors indicating the independent directors and date of the last regular stockholder's meeting when they were elected and the date of any subsequent special stockholders' meeting held; i) Certified list of shareholdings of each of the Applicant Company's officers and directors and their related parties, indicating therein their number of shareholdings, percentage of ownership, and amount paid up **before** the IPO; j) Certified list of shareholders prior to the IPO subject to lock-up indicating the number of shares, percentage owned, and lock-up period; k) All pending litigation involving the Applicant Company and involvement, if any, of the members of the board of directors and executive officers, in criminal, bankruptcy or insolvency investigations or proceedings against them; l) In tabular form, dividend declaration history of the Applicant Company indicating therein the year, type of dividend, rate of dividend, record date, number of shares and amount paid, with corresponding details of any waiver of dividend in such years; m) In tabular form, history of issuances and subscriptions of shares from the time of incorporation, indicating therein the date, nature, number

DATE SUBMITTED	REQUIREMENTS
	of shares issued, investors and the respective number of shares subscribed, amount paid by each and date of full payment; n) Certified list of all Real Property, Income Generating Real Estate Assets and Real Estate-Related Assets as defined in the REIT Act (Definition of Terms); o) Certified list of all Related Party Transactions as defined in the REIT Act and its IRR; p) That the REIT, the Fund Manager, Property Manager, and Property Valuer, as well as the directors and principal officers of these parties comply with the Fit and Proper Rule as provided under the REIT Act and its IRR; q) That the Property Valuer complies with the criteria under the REIT Act and its IRR; and r) That the Valuation Report complies with the requirements provided under the REIT Act and its IRR.
	10. Sworn Corporate Secretary's Certificate stating the following: a) All necessary and applicable taxes relevant to the issuance of the Applicant Company's issued and outstanding shares (pre-IPO) have been paid; b) All necessary conditions and corporate approval for the proper and valid issuance of the Applicant Company's issued and outstanding shares (pre-IPO) have been obtained; c) All necessary actions have been taken by the Applicant Company to ensure compliance with existing laws and issuances of regulatory bodies, including but not limited to the Securities Regulation Code, its implementing rules and regulations and the Corporation Code; and d) No other actions are required in order to effect the validity and effectivity of the issuance of the Applicant Company's issued and outstanding shares (pre-IPO).
	11. Copies of the Applicant Company's proof of payment of applicable tax(es) on the transactions specified in the history of issuances and subscriptions of the Applicant Company's shares with a tabular summary indicating therein the date of issuance/legal transfer, amount paid, number of shares, date of payment (Certificate Authorizing Registration (CAR), Capital Gains Tax (CGT) and Documentary Stamps Tax (DST), etc., whichever is applicable).
	12. Sworn Undertaking from the Corporate Secretary that the Applicant Company shall hold itself jointly and severally liable for all acts of its Transfer Agent in relation to the Applicant Company's shares.
	13. An external legal counsel's opinion stating that all applicable permits and licenses of the Applicant Company and its subsidiaries (if applicable) are valid and subsisting. The opinion should contain a detailed enumeration of the permits and licenses examined by the external legal counsel and the

DATE SUBMITTED	REQUIREMENTS
	pertinent details of each license (e.g., name of license/permit, regulatory body that issued the license/permit, issue date, validity period, expiry date, etc.). Please note that the foregoing opinion and list of permits and licenses must be stated in the applicable section(s) of the Applicant Company's REIT Plan.
	14. Sworn Transfer Agent's Certification to the effect that, upon filing of application for listing: a) It has no backlog in the transfer and registration of the shares of the Applicant Company; and b) It has the capability and capacity to handle the issuance and transfer of uncertificated securities.
	15. Background on the top 20 stockholders. In case of corporate stockholders indicate its place of registration, nature of business, capital structure (subscribed and paid-up), ownership structure, board of directors and key officers.
	16. Audited financial statements for the last three fiscal years of the Applicant Company and/or its subsidiaries or income-generating real estate assets. Such financial statements must be accompanied by an unqualified external auditor's opinion, in accordance with the requirements of the Securities Regulation Code.
	17. Interim financial statements as of fiscal quarter immediately preceding the filing of the listing application, in accordance with the requirements of the Securities Regulation Code.
	18. REIT Plan prepared in compliance with the requirements of the REIT Act and its IRR. (The REIT Plan should be submitted in 15 copies 7 calendar days prior to its presentation to the PSE Board of Directors).
	19. When applicable, pro-forma financial information and financial projections should be duly reviewed by an independent accounting firm.
	20. Basis and/or computation of the offer price range as required under the Securities Regulation Code.
	21. Certified True Copies of all material contracts as defined in the REIT Act and its IRR entered into by the Applicant Company with a tabular summary indicating therein the date, type of contract, parties involved and particulars of the contract (including considerations received by the Applicant Company).
	22. Public Ownership Report (POR) form duly accomplished by an authorized officer of the REIT. Form may be submitted upon determination of final number of Offer Shares or at least one week prior to the listing date of the REIT's shares.
	23. Certified true copy of the Valuation/Property Appraisal Report, with at least two (2) relevant valuation methodologies, prepared by at least one (1) independent appraiser duly licensed by the SEC and accredited by the

DATE SUBMITTED	REQUIREMENTS
	Exchange, in determining the value of its assets. When required by the Exchange, the applicant company shall engage the services of two (2) independent appraisers duly accredited by the Exchange in determining the value of their real estate assets.
	24. Background information on the Fund Manager, Property Manager and Property Valuer, including but not limited to: a) capital structure; b) ownership structure; c) key officers and members of the board of directors; and d) audited financial statements for the last five (5) years.
	25. Certified True Copy of the Dividend Distribution Plan originally signed by an authorized representative of the REIT.
	26. Certified True Copy of all applicable Transfer Certificate Title ("TCT") with a corresponding table summarizing the details of such TCTs.
	27. Certified True Copy of all applicable Insurance Contracts.
	28. Documentary requirements relative to the Fund Manager as provided under the REIT Act such as: a) Agreement/contract between the REIT and the Fund Manager; and b) Sworn corporate secretary's certificate attesting to the approval by the REIT's board of directors of the appropriate resolutions for the (i) appointment of the Fund Manager, (ii) establishment of the account, and (iii) designation of signatories to the account.
	29. Certified true copy of the Agreement between the REIT and the Property Manager as provided under the REIT Act and its IRR.
	30. Sworn Corporate Secretary's Certificate or Treasurer's Affidavit on the following matters: a) Values of deposited property for the three fiscal years, including the latest interim period; b) That a least 75% of the Deposited Property consists of income-generating real estate properties; c) That should the REIT's investment in real estate located outside the Philippines exceeded more than 40% of its deposited property, the REIT shall have secured a special authority from the SEC; or that there are no real estate investment outside the Philippines; or investment in real estate located outside the Philippines did not exceed 40% of its deposited property.
	31. Special authority from the Securities and Exchange Commission to invest in real estate assets located outside the Philippines, if applicable.
	32. Reinvestment plan of the sponsors/ promoters which transferred income-generating real estate to the REIT.
	33. Detailed work program of the application of the proceeds, the corresponding timetable of disbursements and status of each project

DATE SUBMITTED	REQUIREMENTS
	included in the work program. For debt retirement application, state which projects were finance by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project.
	34. Certified true copy of the mandate letter of the Underwriter.
	35. Sworn Undertaking from the Issue Managers and Underwriters manifesting their conformity with and be bound by all the applicable listing and disclosure rules, requirements and policies of PSE in relation to the initial public offering of the Applicant Company.
	36. Sworn undertaking of the highest-ranking corporate officer and Corporate Secretary to disclose to the Exchange within twenty-four (24) hours from the Applicant Company's knowledge of any material information, corporate act, development or event which would reasonably be expected to affect investors' decision in relation to the subscription to the Applicant Company's securities that transpired from the date of filing the application until listing date, including any change or development on any matter stated in all the Certifications submitted by the Corporate Secretary and each director, officer, promoter and/or control person; and/or the filing of any case by or against the Applicant Company and/or any of its directors, officers, promoters and/or control persons.
	37. Detailed information on the Applicant Company's Investor Relations Program which shall include, among others, a corporate website that contains, at the minimum, the following information: a) Company information – organizational structure, board of directors and management team; b) Company news – analyst briefing report, press releases, latest news, newsletters (if any); c) Financial report – annual and quarterly reports for the past two (2) years; d) Disclosures – recent disclosures to PSE and SEC for the past two (2) years; e) Investor FAQs; f) Investor Contact – email address and phone numbers for feedback/comments, shareholder assistance and service; and g) Stock Information. The organizational structure information in the REIT Plan must indicate an Investor Relations unit and provide a brief description of such unit, including the name of the Head of its Investor Relations unit and its Corporate Information Officer (CIO) and/or Investor Relations Officer. The said detailed information on the Applicant Company's Investor Relations Program must be included in the REIT Plan.

DATE SUBMITTED	REQUIREMENTS
	38. Copy of the Applicant Company's Manual on Corporate Governance.
	39. Sworn Corporate Secretary's Certification on: i. All pending material legal cases in which the Applicant Company is a party or has an interest therein before any judicial, quasi-judicial, administrative or regulatory body/entity. The Certification should state the following minimum information: case title, names of the parties, case number, judicial, quasi-judicial, administrative, executive or regulatory body entity where the case is filed, nature of the case, brief description of the facts and issues involved, amount involved (if applicable) and current status; and ii. Reason(s) why the Applicant Company should not be disqualified from listing with the Exchange, in view of the legal cases stated above.
	40. Sworn Corporate Secretary's Certification on the compliance by the Applicant Company and all of its directors, officers, promoters and/or control persons with each of the provisions under Article I, Part B of the Revised Listing Rules concerning the grounds for disqualification from listing of securities ("Suitability Rule"). The certification must contain an enumeration of items (a) to (m) of Section 1, Part B, Article I of the Revised Listing Rules. If any of the grounds under the Suitability Rule exists, the certification must likewise include the following minimum information: i. Nature of disqualification; ii. If referring to a legal case, information on case title, names of the parties, case no., judicial, quasi-judicial, administrative, executive or regulatory body/entity where the case is filed, nature of the case, brief description of the facts and issues involved, amount involved (if applicable) and current status; and iii. Reason(s) why the Applicant Company should not be disqualified from listing with the Exchange, in view of the identified ground for disqualification.
	41. Sworn Certification from each director, officer, promoter and/or control person: i. As to the existence of any serious question relating to the integrity or capability of the director, executive officer, promoter or control person. In addition, the certification must specify whether, during the past five (5) years, any of the following events occurred: (a) Any petition for insolvency was filed by or against the undersigned or any business of which the undersigned was/is **a**

DATE SUBMITTED	REQUIREMENTS
	director, general partner or executive officer either at the time of the insolvency or within two (2) years prior to that time; (b) Any conviction by final judgment in a criminal proceeding for an offense involving moral turpitude, domestic or foreign, including a nollo contendere case, or being subject to a pending criminal proceeding for an offense involving moral turpitude, domestic or foreign, excluding traffic violations and other minor offenses; (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated. ii. Whether the undersigned has become the subject of legal proceedings for suspension of payments or other debt relief within the past five (5) years, or otherwise becomes unable to pay its debts as they mature or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, creditors or any class thereof, or shall declare a moratorium of indebtedness. iii. Reason(s) why the Applicant Company should not be disqualified from listing with the Exchange despite the existence of the foregoing circumstance/s.
	42. Sworn Certification from each director, officer, promoter and/or control person: i. On all pending material legal cases filed by or against said director or officer or any business in which he is a director, officer, promoter and/or control person, before any judicial, quasi-judicial, administrative, executive or regulatory body/entity, stating the following minimum information: case title, names of the parties, case no., judicial, quasi-judicial, executive, administrative or regulatory body/entity where the case is filed, nature of the case, brief description of the facts and issues involved, amount involved (if applicable) and current status; and

DATE SUBMITTED	REQUIREMENTS
	ii. Reason(s) why the Applicant Company should not be disqualified from listing with the Exchange despite the existence of any of the foregoing circumstance/s.
	43. Sworn Certification from each director, officer, promoter and/or control person of the REIT for their compliance in Fit and Proper Rule under Rule 8 of the IRR of the REIT Act of 2009.
	44. Applicant Company's formal letter requesting its preferred security symbol. The security symbol chosen by the company is subject to the approval by the Exchange.
	45. Copy of the draft Lock-up/Escrow Agreement covering the Applicant Company's shares subject of the lock-up requirement under Article III, Part D (Main Board Listing), Section 2 or Article III, Part E (SME Board Listing), Section 2, whichever is applicable.
	46. Copy of the draft Domestic and International (if applicable) Underwriting Agreements.
	47. Copy of the draft Implementing Guidelines for the Reservation and Allocation of the Applicant Company's Offer Shares for Trading Participants and its Procedures.
	48. Copy of the draft Application Procedures for Local Small Investors under the Small Investors Program of the Securities and Exchange Commission and the PSE.
	49. Copy of the draft Application to Purchase or Subscription Agreement for the Offer Shares of the Applicant Company.
	50. Other documents which may be required by the Exchange, including but not limited to updates on previous documents submitted.

**The applicant company shall comply with the following procedures:*

1. The applicant company shall submit two (2) printed copies of each required document: one (1) original copy, or when specified, certified true copy; and one (1) photocopy of each document. The printed copies must be bound in the order as indicated in the checklist, and must be properly tabbed;

2. The applicant company shall submit a USB containing a scanned copy of each required document in .pdf format. The filename for each .pdf file must clearly indicate the type of document (e.g., Application for Listing of Stocks, Articles of Incorporation, Background of Top 20 Stockholders, etc.). The CD or DVD must be properly labeled with the applicant company's name, type of listing application and date of filing.

3. For an application covering an initial public offering, listing by way of introduction, follow-on public offering or stock rights offering, the applicant company shall submit a soft copy of the draft REIT Plan in MS Word or .doc format.

4. The applicant company shall submit a sworn corporate secretary's certification certifying (i) that the photocopies submitted are true copies of the original documents; and (ii) that the hard copies and soft copies are identical.

5. Should the applicant company be required to submit any additional document after the listing application is officially filed, steps 1 and 2 above shall be observed unless the Exchange specifies that the soft copy of the additional required document may be submitted through electronic mail.

PSE Forms/IPO-REIT

MEMORANDUM

No.2010-0203

The Philippine Stock Exchange, Inc.

_____ Disclosures	_____ Stockholders' Meeting	Others:	**Amended Rule on**
_____ Dividend Notice	_____ SEC / Gov't Issuance		**Lodgment of**
_____ Stock Rights Notice	_____ Transfer Agent's Notice		**Securities**

To : **ALL LISTED COMPANIES**

Subject : **AMENDED RULE ON LODGMENT OF SECURITIES IMPLEMENTATION OF THE ELECTRONIC LODGMENT OF ALL REGISTERED SECURITIES**

Date : **May 4, 2010**

This is with reference to Memorandum Nos. 2009-0218 dated April 15, 2009, 2009-0320 dated June 24, 2009 and 2009-0472 dated October 21, 2009 with respect to the amended rule on lodgment of securities under Section 16 of Article III, Part A of the Revised Listing Rules. For ready reference, a copy of the amended rule is attached as Annex "A" and a copy of the procedures of the Philippine Depository and Trust Corporation ("PDTC") to facilitate the implementation of the said rule is attached as Annex "B".

Please be reminded that, as previously announced, existing listed companies are mandated to comply with the amended rule starting **July 1, 2010**. In view thereof, the Exchange urges all listed companies to coordinate with your respective transfer agents and establish internal procedures to comply with the amended rule. Please refer to the attached PDTC procedures (Annex "B"), which provides, among others, the specific activities to be undertaken by your respective transfer agents.

For any questions or clarifications on the PDTC procedures, listed companies may get in touch with PDTC through **Ms. Teresa Napilay** at **telephone no. 884-5034** or via **email at tere_napilay@pds.com.ph**.

For your information and guidance.

ROEL A. REFRAN
VP – General Counsel and
Concurrent Head, Issuer Regulation Division

Finance / Corporate Services	Market Regulation Division	Issuer Regulation Division	Market Operations/IT	Capital Markets Dev't. Division	CEO / OGC
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408

ARTICLE III
EQUITY SECURITIES

PART A
GENERAL REQUIREMENTS FOR INITIAL LISTING

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Section 16. Lodgment of Securities - As a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the Philippine Depository and Trust Corporation (PDTC), or any other entity duly authorized by the Commission, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the Securities Regulation Code. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the following:

(a) Sworn corporate secretary's certificate stating that all the securities have been issued in uncertificated form in accordance with the requirements of Section 43 of the Securities Regulation Code and electronically lodged with the PDTC or any other authorized entity without any jumbo or mother certificate; and

(b) Written confirmation issued by the transfer agent confirming that it has the capability and capacity to handle the issuance and transfer of uncertificated securities; and

(c) Written confirmation issued by PDTC or any other authorized entity confirming the electronic lodgment of the applicant's securities.

The above requirements shall also apply to follow-on offerings and additional listing applications.

x x x x x x

THE PHILIPPINE STOCK EXCHANGE, INC.

Francisco Ed. Lim
President and CEO

Roel A. Refran
VP and General Counsel

SECURITIES AND EXCHANGE COMMISSION

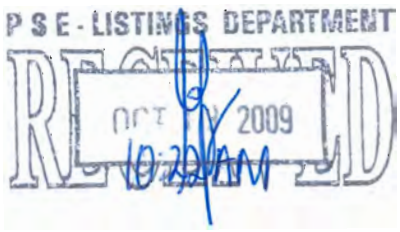
Vicente Graciano P. Felizmenio, Jr.
OIC, Market Regulation Department

Annex "B"

PDS Group
Philippine Dealing System Holdings Corp. & Subsidiaries

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
1226 Makati City, Philippines
Main: +63 2 884 5000
Fax: +63 2 884 5098/99

October 16, 2009



THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Center
4/F, Ortigas Center
Pasig City

Attention: **MS. MARCIA RESURRECCION**
Head of Listings Department

Re: **Conversion of PSE-listed Companies to the No-Jumbo Rule**

Gentlemen:

We are pleased to provide you with the relevant procedures to facilitate the implementation of the SEC-approved PSE rule on the use of uncertificated securities for shares lodged with the Depository ("no jumbo" rule).

Annex	Description
1	No-Jumbo Conversion Procedures
2	No-Jumbo Lodgment Procedures
3	No-Jumbo Uplift Procedures
4	No-Jumbo Reconciliation Procedures

Kindly disseminate these to the listed companies. We enjoin all listed companies to adopt the "no jumbo" rule immediately in order for the market to start reaping its benefits.

Conversion Period
The actual period for completing the conversion process (Annex 1) of a particular listed company shall largely depend on the number of PCNC jumbo certificates and Stock Assignments to be verified and cancelled by the Transfer Agent. For less liquid issues, this could take only a couple of days but for highly liquid issues, the process could take weeks. We propose setting a maximum of 30 business days for all issues so Transfer Agents would also be able to plan accordingly.

Daily Confirmation of PCNC Holdings
Under the "no jumbo" environment, we would need to obtain the TA's confirmation of PCNC balances on a daily basis on top of their confirmation per lodgment or uplift transaction. This enables us to run a daily reconciliation process which is aligned with other scripless issues, such as Government Securities.

Where a TA is unable to comply with the requirement to provide PDTC with the balances of PCNC (Filipino & Foreign) on a daily basis under Annex 4, we shall require the Transfer Agent to obtain a written conforme from its Issuer duly acknowledging the incremental risk of not being reconciled with the Depository on a daily basis.

ooOOOoo

We trust that the foregoing is sufficient to enable PSE to proceed with the implementation of its "no jumbo" rule. Please feel free to call me if you have further questions on this matter.

Very truly yours,

NELLIE C. DAGDAG
Managing Director for Operations & Technology

Copy furnished: Atty. Francis Ed. Lim, PSE President

ANNEX 1

PDTC
NO-JUMBO CONVERSION PROCEDURES

ACTIVITY	ASSIGNED TO	REMARKS
1. Prepare and deliver Transmittal Letter (TL) to surrender all PCNC jumbo certificates and Stock Assignments of a particular Issue back to its Transfer Agent together with the pertinent cancellation fee.	PDTC	• Attach a detailed list of jumbo certificates and Stock Assignments • Indicate total holdings balance (Filipino & Foreign) per PDTC system
2. Acknowledge receipt of TL and return acknowledgment copy of the TL to PDTC	Transfer Agent	
3. Verify jumbo certificates/Stock Assignments submitted for cancellation	-do-	
4. Immediately notify PDTC of defective certificates/Stock Assignments	-do-	Upon verification of certificates/Stock Assignments delivered
5. Correct defect, as applicable	PDTC	Within 10 business day after notification from TA. If the defect could not be readily remedied, the TL should be amended to reflect the good quantity only.
6. Send confirmation of cancellation and confirmation of outstanding PCNC holdings balance (Filipino & Foreign)	Transfer Agent	Depends on the number of jumbo certificates and Stock Assignments surrendered but should be no later than 30 business days from receipt of PDTC conversion TL
7. Reconcile with PDTC system records and coordinate with TA for any reconciling item	PDTC	

ANNEX 2

PDTC
NO-JUMBO LODGMENT PROCEDURES

ACTIVITY	*ASSIGNED TO*	*REMARKS*
1. Prepare direct transfer (DT) instruction for securities to be lodged to the Depository	PDTC Participant	Transferee of securities is PCD Nominee Corp. Indicate on the DT the nationality whether Filipino or non-Filipino. Also indicate on the DT that confirmation of the validity of the securities and the release of the certificate shall be to PDTC.
2. Enter Lodgment Report (LR) instruction in the System for the total no. of shares indicated in DT, with DT date as reference for securities being lodged.	-do-	If subsequently advised by TA of defects in DT and the defects can not be readily remedied, the LR should be amended to reflect the good quantity only.
3. Generate LR	-do-	
4. Deliver DT, LR and certificates/SA to Transfer Agent (TA)	-do-	Pay cancellation and issuance fees to Transfer Agent
5. Acknowledge receipt of DT	Transfer Agent	
6. Verify securities submitted for cancellation	-do-	Within 3 business days after receipt of DT/LR
7. Immediately notify PDTC Participant of defective securities	-do-	Upon verification of securities delivered
8. Correct defect	PDTC Participant	Within 1 business day after notification from TA. If the defect could not be readily remedied, the LR should be amended to reflect the good quantity only.
9. For ONLINE TAs: Confirm lodgment of good securities directly into the PDTC System	Transfer Agent	TA's online confirmation serves as the Registry Confirmation Advice
10. For TAs without PDTC System access: a. Prepare and send Registry Confirmation Advice to PDTC; and b. Input lodgment confirmation into PDTC System	 Transfer Agent PDTC	The Registry Confirmation Advice must include info on LR# and DT#.

ANNEX 3

PDTC
NO-JUMBO UPLIFT PROCEDURES

Version Sept. 2009

ACTIVITY	ASSIGNED TO	REMARKS
1. . Enter Uplift Request (UR) instruction in the PDTC System	PDTC Participant	Should include the kind, class and quantity of securities; and relevant details on the registrant/s i.e., citizenship, complete address, old/new client, & with/without specimen signature card (SSC)
2. Generate 2 copies of the UR and sign	-do-	
3. Deliver 2 copies of the UR to PDTC together with the docs/SSC for new stockholders and payment for TA fees	-do-	Payments should be via check payable to PCD Nominee Corp.
4. Verify signature on UR versus SSC of Participant on file	PDTC	If signature variance is noted, PDTC returns UR to Participant for correction
5. Acknowledge receipt of UR and give one copy of UR to Participant.	-do-	
6. Tag UR as received in the PDTC System.	-do-	Holdings pertaining to tagged URs are earmarked in the system.
7. Generate transmittal letter and deliver to TA	-do-	Per published weekly schedule
8. Verify documents submitted with TL/UR	Transfer Agent	
9. Inform PDTC of any defect in the TL/UR	-do-	PDTC shall tag as "Defective" the URs in the system and advise Participants of the defects upon receipt of TA notification. Defective URs will not be deducted from the total holdings of PCNC.
10. Submit correction to defects (e.g., SSC) or advise PDTC if Participant intends to cancel the uplift altogether	PDTC Participant	Correcting documents are delivered to PDTC. PDTC tags the UR for resubmission for inclusion in the next regular TL processing.
11. For ONLINE TAs: Confirm uplift directly into the PDTC System	Transfer Agent	TA's online confirmation serves as the Registry Confirmation Advice
12. For TAs without PDTC System access: a. Prepare and send Registry Confirmation Advice to PDTC; and b. Input uplift confirmation into PDTC System	Transfer Agent PDTC	The Registry Confirmation Advice must include info on TL# and UR#.
13. Issue new stock certificates for the uplifted shares	Transfer Agent	
14. Coordinate with TA on availability of "uplifted" stock certificates for pick-up	PDTC	Uplifted certificates are safe kept by PDTC until claimed
15. Pick up stock certificate at PCD	PDTC Participant	

ANNEX 4

PDTC
NO-JUMBO RECONCILIATION PROCEDURES

ACTIVITY	*ASSIGNED TO*	*REMARKS*
1. Send statement of outstanding PCNC holdings balance (Filipino & Foreign) to PDTC as of last business date	Transfer Agent	• No later than 12NN of the next business day • Preferably in file format via upload to eCS system or e-mail to PDTC Recon Unit
2. Reconcile with PDTC system records and coordinate with TA for any reconciling item	PDTC	

MEMORANDUM

No.2011-0105

The Philippine Stock Exchange, Inc.

____	Disclosures	____	Stockholders' Meeting	Others:	**Amendments to the Rules on Listing By Way of Introduction**
____	Dividend Notice	____	SEC / Gov't Issuance		
____	Stock Rights Notice	____	Transfer Agent's Notice		

To : **THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

Subject : **AMENDED RULES ON LISTING BY WAY OF INTRODUCTION**

Date : **March 9, 2011**

Please be advised that in a letter of March 3, 2011, the Securities and Exchange Commission (the "Commission") advised the Exchange that the **amendments to the Rules on Listing By Way of Introduction** (the "Amended LBI Rules") was approved by the Commission on March 3, 2011. The suspension of the Rules on Listing By Way of Introduction announced on February 18, 2010 through Memorandum No. 2010-0072 is thus considered lifted subject to the amendments approved by the Commission. We attach as Annex "1" a copy of the Amended LBI Rules duly signed by the Exchange and the Commission.

The Amended LBI Rules will take effect on **March 24, 2011.**

MARSHA M. RESURRECCION
OIC, Issuer Regulation Division

Noted by:

HANS B. SICAT
President & CEO

Finance / Corporate Services	Market Regulation Division	Issuer Regulation Division	Market Operations/IT	Capital Markets Dev't. Division	CEO / OGC
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408

ARTICLE III

PART H
LISTING BY WAY OF INTRODUCTION

SECTION 1. Listing by Way of Introduction – This applies to an application for listing of securities that are already issued or securities that will be issued upon listing, where no public offering will be undertaken because the securities for which listing is sought would be of such an amount and would be so widely held that their adequate marketability when listed can be assumed, or when listing in an exchange or public offering is mandated by law or by the Securities and Exchange Commission ("SEC") or other government agencies, in the exercise of their powers under the law.

Listing of securities by way of introduction may be appropriate in the following circumstances:

(a) where securities for which listing is sought are already listed or traded or will simultaneously be listed on another stock exchange or, subject to the approval of the Exchange, ARE listed on another trading market;

(b) where the securities of an unlisted issuer are distributed by way of property dividend by a listed issuer to shareholders of that listed issuer;

(c) where a holding company is formed and its securities are issued in exchange for the securities of one or more listed issuers and the listing of the listed issuer or issuers is withdrawn at the same time as the securities of the issuer are listed;

(d) where listing of securities in an exchange is mandated by law or by the SEC, in the exercise of its powers under the Securities Regulation Code; OR

(e) where public offering of securities is mandated by law or applicable regulations; Provided, that the applicant company secures a clearance from the relevant agency stating that such agency does not object to the listing by way of introduction of the securities of the company; *Provided further*, that a company which is considered as a "closely-held corporation", as such term is defined under Section 127 (B) of the National Internal Revenue Code of 1997, is NOT qualified to list by way of introduction under this SUBSECTION (e). A SUBSIDIARY COMPANY THAT IS QUALIFIED TO LIST UNDER SUBSECTION (E) HEREOF CANNOT LIST ITS HOLDING COMPANY WHICH DOES NOT MEET THE REQUIREMENTS OF THIS SECTION.

SECTION 2. Criteria for Listing – Suitability of applicant companies applying to list their securities by way of introduction shall be based on the listing criteria and requirements established by the Exchange for initial listings.

SECTION 3. INITIAL LISTING PRICE AND FAIRNESS OPINION REQUIREMENT – A COMPANY APPLYING TO LIST ITS SECURITIES BY WAY OF INTRODUCTION SHALL DETERMINE THE INITIAL LISTING PRICE OF ITS SECURITIES ON LISTING DATE WHICH IS DULY SUPPORTED BY A FAIRNESS OPINION PREPARED BY AN INDEPENDENT AND REPUTABLE FIRM, AND IN ACCORDANCE WITH THE GUIDELINES FOR FAIRNESS OPINIONS AND VALUATION REPORTS (ANNEX "A").

THE FAIRNESS OPINION SHALL BE ATTACHED TO THE PROSPECTUS OF THE APPLICANT COMPANY AND DISCUSSED IN A SECTION OF THE PROSPECTUS. THE DISCUSSION IN THE PROSPECTUS SHALL INCLUDE A DISCLAIMER IN FAVOR OF THE EXCHANGE THAT THE PRICING/VALUATION OF THE SECURITIES TO BE LISTED WAS DETERMINED BY THE APPLICANT COMPANY.

THIS REQUIREMENT MAY NOT APPLY TO AN APPLICANT COMPANY UNDER SECTION 1 (A) IF IT CONDUCTED AN INITIAL PUBLIC OFFERING IN ANOTHER STOCK EXCHANGE SIMULTANEOUSLY, OR IF IT CONDUCTED A PUBLIC OFFERING WITHIN (6) MONTHS PRIOR TO ITS LISTING DATE, OR IF THE APPLICANT COMPANY LISTED IN ANOTHER EXCHANGE CAN DEMONSTRATE, TO THE SATISFACTION OF THE EXCHANGE, THAT THE PUBLIC OWNERSHIP LEVELS AND LIQUIDITY SUPPORT THE MARKET PRICE.

SECTION 4. Secondary Listing Requirements – Applicant companies which are already listed or intend to be listed in another stock exchange AS PROVIDED IN SECTION 1(A) HEREOF shall comply with the following requirements:

(a) THE APPLICANT COMPANY'S SECURITIES MUST BE, OR WILL BE LISTED ON A STOCK EXCHANGE WHICH IS A MEMBER OF THE WORLD FEDERATION OF STOCK EXCHANGES (WFE) OR THE ASIAN AND OCEANIC STOCK EXCHANGES FEDERATION (AOSEF), OR SUCH OTHER EXCHANGES AS APPROVED BY THE EXCHANGE.

(b) In case the applicant will simultaneously list in another exchange, the applicant company shall provide A CERTIFICATION FROM THE FOREIGN STOCK EXCHANGE of its duly received application for a proposed listing, acceptance or provisional acceptance for listing on such exchange(s) as well as the dates of such listing or proposed listing.

(c) In case the applicant company is already listed in another exchange or several exchanges, the applicant company shall SUBMIT A CERTIFICATION OF compliance with the requirements of such exchange or exchanges as well as with the requirements of the competent authority(ies) or regulatory body(ies) which regulate such company and/or its securities.

(d) Arrangements may be made between the applicant company and the Exchange with regard to the listing and disclosure requirements OF THE FOREIGN STOCK EXCHANGE. The applicant company shall also make other arrangements for simultaneous disclosure and filing by facsimile or

electronic means, of any information or material required to be filed or disclosed to the foreign exchanges. The Exchange shall ensure that NONE of these arrangements contravene the Securities Regulation Code, its Implementing Rules and Regulations AND THE RULES OF THE EXCHANGE.

SECTION 5. LOCK-UP REQUIREMENT – A COMPANY THAT APPLIES TO LIST BY WAY OF INTRODUCTION SHALL BE SUBJECT TO THE FOLLOWING LOCK-UP REQUIREMENT:

(A) AN APPLICANT COMPANY UNDER SECTIONS 1(A), 1(B) OR 1(C) HEREOF SHALL BE SUBJECT TO THE PRESCRIBED LOCK-UP REQUIREMENT IN ACCORDANCE WITH THE APPLICABLE BOARD PROVIDED UNDER ARTICLE III, PART D, SECTION 7 FOR FIRST BOARD LISTING, ARTICLE III, PART E, SECTION 2(K) FOR SECOND BOARD LISTING, AND ARTICLE III, PART F, SECTION 2(H) FOR SMALL & MEDIUM ENTERPRISES BOARD OF THESE RULES.

(B) AN APPLICANT COMPANY UNDER SECTIONS 1(D) AND 1(E) HEREOF SHALL CAUSE ITS EXISTING STOCKHOLDERS OR SECURITY HOLDERS WHO OWN AT LEAST 10% OF THE ISSUED AND OUTSTANDING SHARES OF STOCK OR SECURITIES OF THE APPLICANT COMPANY, TO ENTER INTO AN ESCROW AGREEMENT WITH AN ESCROW AGENT NOT TO SELL, ASSIGN OR IN ANY MANNER DISPOSE OF THEIR SHARES OR SECURITIES FROM THE INITIAL LISTING DATE UNTIL ONE HUNDRED EIGHTY (180) DAYS AFTER IT CONDUCTS A PUBLIC OFFERING. THE IMPLEMENTATION OF SUCH LOCK-UP MUST BE IN ACCORDANCE WITH ARTICLE III, PART A, SECTION 17 OF THESE RULES.

SECTION 6. LIFTING OF THE TRADING BAND – THE TRADING BAND ON THE APPLICANT COMPANY'S SECURITIES TO BE LISTED SHALL BE LIFTED ON THE LISTING DATE IN ORDER TO ALLOW MARKET FORCES TO DETERMINE THE PRICE OF THE SECURITIES OF THE APPLICANT COMPANY. AFTER THE LISTING DATE, THE TRADING BAND SHALL BE REINSTATED.

SECTION 7. Post-Listing Requirement – An Issuer whose securities are listed by way of introduction pursuant to SECTIONS 1(d) or 1(e) hereof, shall undertake a public offering within one (1) year from listing of its securities in the Exchange, and comply with the minimum public ownership requirement of the Exchange. AT THE TIME OF INITIAL LISTING, THE ISSUER SHOULD DISCLOSE THE INDICATIVE TERMS AND THE TIMETABLE OF ITS PUBLIC OFFERING. Notwithstanding the foregoing, the Exchange may require the Issuer to undertake the public offering at any time within the one-year period should there be a significant demand for the securities thereof. The required public offering shall be in accordance with the "Distribution of Initial Public Offering Shares Through the Exchange" under Part G, Article III of the Revised Listing Rules.

SECTION 8. Consequences for Non-Compliance with the Post-Listing Requirement – In the event the Issuer is unable to conduct the required public offering within the one-year period prescribed by Section 7 hereof, the Exchange shall IMPOSE ANY ONE OR A COMBINATION OF THE FOLLOWING SANCTIONS, AT THE DISCRETION OF THE EXCHANGE:

(i) suspend the trading of the Issuer's securities;

(ii) sanction the Issuer by, among others, doubling the annual listing maintenance fees payable by the Issuer; or

(iii) SUBJECT TO THE PROVISIONS OF THE CORPORATION CODE AND THE RULES AND REGULATIONS OF THE SEC, require the Issuer to buy-back its securities WITHIN NINETY (90) DAYS FROM THE LAPSE OF THE ONE-YEAR PERIOD and delist the Issuer's securities from the official registry of the Exchange WITH PRIOR WRITTEN NOTICE TO THE ISSUER AND WITHOUT NECESSITY OF A HEARING. In case of a buy-back, the PSE shall require the company to employ an independent party to conduct A valuation of the class of securities of the company that are to be delisted, WHICH IS IN ACCORDANCE WITH THE GUIDELINES FOR FAIRNESS OPINION AND VALUATION REPORTS.

SECTION 9. PROHIBITION ON BACKDOOR LISTING – A COMPANY THAT LISTED BY WAY OF INTRODUCTION UNDER SECTIONS 1(D) AND 1(E) HEREOF IS PROHIBITED FROM DOING A BACKDOOR LISTING UNTIL AFTER IT CONDUCTS A PUBLIC OFFERING. THE EXCHANGE MAY DELIST A COMPANY WHICH UNDERTOOK A BACKDOOR LISTING AND WHICH DID NOT CONDUCT A PUBLIC OFFERING.

SECTION 10. Applicable Fees – Applicant companies seeking listing of their securities by way of introduction shall pay the initial listing fee, processing fee, annual listing maintenance fee and other exchange fees, such as the additional listing fee for the public offering, in accordance with the schedule of fees released by the Exchange and in effect as of the filing of the corresponding application.

THE PHILIPPINE STOCK EXCHANGE, INC.

HANS B. SICAT
President & CEO

JOSELITO V. BANAAG
General Counsel

SECURITIES AND EXCHANGE COMMISSION

JOSE P. AQUINO
Director
Market Regulation Department

Annex "A"

Guidelines for Fairness Opinions and Valuation Reports

I. Scope

The proposed Guidelines for Fairness Opinions and Valuation Reports ("Guidelines") are applicable to listing applications covering a listing by way of introduction, mergers and non-cash transactions such as share-for-share swaps, debt-to-equity conversions, property-for-share swaps and other similar transactions. As announced in Memo for Brokers No. 398-2007 dated August 29, 2007 and under the revised rules on listing by way of introduction, an applicant company is required to submit a fairness opinion covering the valuation of the shares subject of the listing application. Such fairness opinion must be supported by a valuation report(s).

II. Guidelines for Fairness Opinions and Valuation Reports

1. The fairness opinion and valuation report(s) on the subject shares must be issued by an independent Firm which includes investment banks, financial advisory firms, and accounting firms under Group 'A' Category, duly registered or licensed by the Securities and Exchange Commission ("SEC") and accredited by the Exchange. The criteria for accreditation, for which a checklist will be provided by the Exchange, are provided under Item III of these Guidelines.

2. The Firm is not considered independent if:

    a. It is a related party, as defined in the Revised Listing Rules of the Exchange ("Rules"), to the applicant company;

    b. Its holding or subsidiary company provides financial advisory in relation to the applicant company's listing application, or external audit services to the applicant company; and

    c. Other circumstances or arrangements, direct or indirect, between the Firm and the applicant company that, in the determination of the Exchange, may influence, or tend to influence, the objectivity and reliability of the fairness opinion and valuation report(s).

In general, the Exchange will consider the independence of the Firm when it is able to demonstrate a lack of conflict of interest with the applicant company.

The fairness opinion and valuation report shall be supported by a sworn certification issued by the applicant company's legal counsel certifying the Firm's independence.

3. An applicant company shall submit one fairness opinion issued by an independent Firm and supported by a valuation report. The said supporting valuation report may be based on and/or supported by relevant valuation reports issued by different independent experts who are qualified to issue the report under any applicable accreditation or implementing guidelines of the Exchange, such as, but not limited to, property appraisal companies and mining professionals.

4. The fairness opinion and valuation report must disclose the scope of work and valuation approach used. A copy of the service agreement or mandate letter shall be attached as an annex to the report.

5. The valuation report, which supports the fairness opinion, shall cover the valuation of the subject shares of the listed company and the consideration under the transaction covered by the listing application. Such consideration may include the following:

    a. In a share-for-share swap, shares of the counterparty;

    b. In a property-for-share swap, property owned by the counterparty. In cases of a real estate property, an accredited property appraisal company must issue a valuation report covering the subject real estate property in accordance with the Rules;

    c. In a debt-to-equity conversion transaction, the debt which will be converted to the applicant company's shares. In this case, the relevant audited financial statements or external auditor's report on actual findings must be attached to the valuation report.

6. The valuation report, which supports the fairness opinion, shall include, at a minimum, the following information:

    a. All material details and comprehensive explanation on the basis of the valuation and assumptions used. Copies of any supporting documents used as basis or reference must be attached to the valuation report which may be made available to limited parties from the Exchange, if requested.

    b. At least two (2) relevant valuation methodologies must be presented in the valuation report. The valuation report must include a description and explanation of the valuation methodologies adopted.

    c. Structure, condition and analysis of the relevant market and/or industry of the applicant company.

7. The date of the fairness opinion and valuation report must not be more than three (3) months before the date on which (i) an offering prospectus is issued; (ii) the transaction involving the subject shares is executed; or (iii) the stockholders' meeting is held where the transaction involving the subject shares is presented for approval.

8. These Guidelines will form part of the Listing and Disclosure Rules of the Exchange.

III. Criteria for Accreditation

The accreditation of Firms for purposes of issuing fairness opinions and valuation reports required under the rules of the Exchange is valid for a period of one (1) year[1] from accreditation date.

1. The Firm must be duly registered or licensed by the SEC. For accounting firms, its accreditation with the SEC should be under the Group 'A' Category.

2. The Firm, or its local or international affiliate, must have at least five (5) years of business operations.

3. A majority of the members of the Firm's top management and/or division heads must each have a minimum of ten (10) years experience in the Firm's business, including underwriting, investment and financial advisory services.

4. The Firm must demonstrate that its key personnel are qualified to prepare valuation reports and issue fairness opinions. They must identify relevant industry experience in their list of individual qualifications.

5. The FIRM must submit a description or summary of its General Engagement Operating Guidelines or Risk Management Procedures. The Firm must demonstrate that it has effective quality controls and procedures to ensure the integrity of fairness opinions and valuation reports. The valuation report and/or fairness opinion issued by the Firm shall indicate that, in the preparation of such report/opinion, the Firm relied on available information and records, including but not limited to the representation of the applicant company, audited financial statements, competent person's reports, regulatory agency's reports and such other relevant supporting documents.

6. The FIRM must have a proven track record of valuing securities. The FIRM must show proof of a steady client base and at least five (5) engagements to render financial valuation services to listed companies in the Exchange and other reputable stock exchanges, commercial banks and insurance companies for the past five (5) years.

7. The FIRM or its directors or its executive officers must not be subject to any act or case that will pose a serious question on the FIRM's, directors', or executive officers' integrity or capability to provide services to listed companies. A serious question exists relative to the above parties if, during the past (5) years any of the following events occurred.

    (i) Any petition for insolvency was filed by or against the FIRM or its directors or its executive officers;

    (ii) Any conviction by final judgment in a criminal proceeding for an offense involving moral turpitude, domestic or foreign, including a *nollo contendere* case, or being subject to a pending criminal proceeding for an offense involving moral turpitude, domestic or foreign, excluding traffic violations and other minor offenses;

[1] Please see Guidance Note 8.1 for the extension of the validity period of the accreditation of Firms from one (1) year to five (5) years.

(iii) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

(iv) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgement has not been reversed, suspended, or vacated.

8. The FIRM must have a minimum paid-up capital of Php10 million.

MEMORANDUM

CN - No. 2012-0003

The Philippine Stock Exchange, Inc.

_____ Trading Rules	_____ Computer Systems Update
_____ Membership Rules	_____ Administrative Matters
_____ Listing Rules	__X__ Others: **Amendments to the MPO Rules**

To : **THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

Subject : **AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP**

Date : **January 3, 2012**

Please be advised that in a letter dated December 22, 2011 and received by the Exchange on December 29, 2011, the Securities and Exchange Commission (the "Commission") informed the Exchange that the Commission approved the Exchange's proposed amendments to the PSE Rule on Minimum Public Ownership (the "Amended MPO Rule") on December 19, 2011 with modifications.

We attach as Annexes "A" and "B," respectively, the letter of the Commission dated December 22, 2011 and the official copy of the Amended MPO Rule duly signed by the Exchange and the Commission.

As directed by the Commission, the Amended MPO Rule took effect on January 1, 2012.

MARSHA M. RESURRECCION
Head, Issuer Regulation Division

Noted By:

HANS B. SICAT
President & CEO

					vvv
Finance	Market Regulatory Division	Issuer Regulation Division	TD/ MOD	Capital Markets Dev't. Division	Office of the General Counsel
Tel. No.688-7561	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480/819-4430	Tel. No. 688-7534	Tel. No. 688-7413

Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
Market Regulation Department

ANNEX "A"

December 22, 2011

The Philippine Stock Exchange, Inc.
Office of the General Counsel
RECEIVED
DEC 29 2011

PHILIPPINE STOCK EXCHANGE INC.
PSE Plaza, Ayala Triangle
Makati City
Fax: 891-9004

Attention: Mr. Hans B. Sicat, President & CEO

Gentlemen:

Please be informed that the Commission, in its executive session held on 19 December 2011, resolved to APPROVE PSE's proposed amendments to the Rules on Minimum Public Ownership, with modifications, as follows:

> "(**f**) Listed companies shall disclose within fifteen (15) calendar days after the end of each quarter a public ownership report.
>
> (**g**) Companies which are non-compliant with MPO as of December 31, 2011, may be allowed a grace period to comply with the MPO. The grace period shall be reckoned from the date of effectivity of these amendments and shall not exceed twelve (12) months but not beyond December 31, 2012.
>
> (**h**) Listed companies other than those under paragraph (g) that are non-compliant with the MPO may be allowed a grace period to comply with the MPO to be reckoned from either: (i) the date when the listed company makes a disclosure that its public ownership level has fallen below the MPO prescribed by the Exchange; or (ii) when the listed company submits its quarterly Public Ownership Report which shows that the listed company has not complied with the MPO requirement, whichever comes earlier, and such grace period shall not exceed twelve (12) months but not beyond December 31, 2012.
>
> (i) Immediately after the grace period, the Exchange shall impose a trading suspension for a period of not more than six (6) months.

The Philippine Stock Exchange, Inc.
Office of the President
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If after the lapse of the suspension period, a listed company remains non-compliant with the MPO, it shall be automatically delisted.

(j) Listed companies which become non-compliant with the MPO on or after January 1, 2013 shall be suspended from trading for a period of not more than six (6) months and shall be automatically delisted if it remains non-compliant with the MPO after the lapse of the suspension period.

(k) The Involuntary Delisting Rules of the Exchange will not apply to the delisting of the listed company's securities covered by these rules on MPO but the five (5)-year prohibition on relisting shall apply.

(l) In cases falling under paragraph (h) of these rules, a listed company which is non-compliant with the MPO may apply with the Exchange for an extension of the grace period or in cases under paragraph (j) for granting of a grace period.

The Exchange, after determining that the shortfall in the public ownership in any of said cases is due to justifiable causes and the listed company has a concrete program to restore the public ownership level to the required percentage, may recommend to the Commission for approval the extension of the grace period or granting of a grace period for such reasonable period. For purposes of these rules, justifiable causes may include tender offer and merger and acquisition transactions.

(m) A company that undergoes voluntary delisting on the ground of non-compliance with these rules must conduct, either by itself or through its controlling shareholder(s), a tender offer to all stockholders of record. The Exchange shall allow a voluntary delisting if the company demonstrates that following the acquisition of the tendered shares, the person(s) conducting the tender offer have obtained more than ninety percent (90%) of the issued and outstanding shares of the company, or such level or percentage aligned with the minimum public float prescribed by the Exchange. However, if at the time the petition for delisting is filed, the person(s) proposing the delisting beneficially own ninety percent (90%) of the issued and outstanding shares of the Company, or such level or percentage aligned with the minimum public float prescribed by the Exchange, said person(s) shall still be required to make a tender offer to all other stockholders of record."

The foregoing amendments shall take effect on January 1, 2012.

Following our procedures , you are required to submit to this office immediately four (4) copies of the approved version of the amended rules bearing the initials of two PSE officials on each page of said rules. The copies bearing the initials of PSE officials and the Director, Market Regulation Department, SEC, shall be the official copies.

Very truly yours,

VICENTE GRACIANO P. FELIZMENIO JR.
Director

ANNEX "B"

Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
Market Regulation Department

2 January 2012

PHILIPPINE STOCK EXCHANGE INC.
PSE Plaza
Ayala Avenue
Makati City
Fax: 891-9004

Attention: Mr. Hans B. Sicat, President & CEO

Gentlemen:

Attached are two (2) copies of the approved amendments to the Rules on Minimum Public Ownership (MPO), bearing the signatures of PSE representatives and countersigned by the Director, Market Regulation Department, SEC.

Please immediately post the rules in your website.

Very truly yours,

VICENTE GRACIANO FELIZMENIO JR.
Director

ARTICLE XVIII

CONTINUING LISTING REQUIREMENTS

X X X

SECTION 3. Minimum Public Ownership.

(a) Listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of ten percent (10%) of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage that may be prescribed by the Exchange. The Exchange may impose a higher percentage effective upon receipt by the Commission of a written notice of such increase. The Exchange may decrease the percentage or suspend or remove the same only with prior approval from the Commission.

(b) For purposes of this section, public ownership shall be determined based on the *Guidelines in Determining the Public Ownership of Listed Companies*. Any amendment to the said guidelines shall be subject to prior approval of the Commission.

(c) A listed company shall immediately disclose to the Exchange if it becomes aware that the number of listed securities which are in the hands of the public has fallen below the prescribed minimum percentage.

(d) Once the listed company becomes aware that the number of its listed securities in the hands of the public has fallen below the prescribed minimum percentage, the listed company shall take steps to ensure compliance at the earliest possible time, and shall immediately disclose to the Exchange such steps.

(e) A listed company shall include in its annual report a statement on the level of its public float. The statement should be based on information that is publicly available to the listed company and within the knowledge of its directors as at the end of the fiscal year, or at the latest practicable date, prior to the issuance of the annual report.

(f) Listed companies shall disclose within fifteen (15) **calendar** days after the end of each quarter a public ownership report.

(g) Companies which are non-compliant with MPO as of December 31, 2011, may be allowed a grace period to

comply with the MPO. The grace period shall be reckoned from the date of effectivity of these amendments and shall not exceed twelve (12) months but not beyond December 31, 2012.

(h) Listed companies other than those under paragraph (g) that are non-compliant with the MPO may be allowed a grace period to comply with the MPO to be reckoned from either: (i) the date when the listed company makes a disclosure that its public ownership level has fallen below the MPO prescribed by the Exchange; or (ii) when the listed company submits its quarterly Public Ownership Report which shows that the listed company has not complied with the MPO requirement, whichever comes earlier, and such grace period shall not exceed twelve (12) months but not beyond December 31, 2012.

(i) Immediately after the grace period, the Exchange shall impose a trading suspension for a period of not more than six (6) months. If after the lapse of the suspension period, a listed company remains non-compliant with the MPO, it shall automatically be delisted.

(j) Listed companies which become non-compliant with the MPO on or after January 1, 2013 shall be suspended from trading for a period of not more than six (6) months and shall be automatically delisted if it remains non-compliant with the MPO after the lapse of the suspension period.

(k) The Involuntary Delisting Rules of the Exchange will not apply to the delisting of the listed company's securities covered by these rules on MPO but the five (5)-year prohibition on relisting shall apply.

(l) In cases falling under paragraph (h) of these rules, a listed company which is non-compliant with the MPO may apply with the Exchange for an extension of the grace period or in cases under paragraph (j) for granting of a grace period.

The Exchange, after determining that the shortfall in the public ownership in any of said cases is due to justifiable causes and the listed company has a concrete program to restore the public ownership level to the required percentage, may recommend to the Commission for approval the extension of the grace period or granting of a grace period for such reasonable period. For purposes of

these rules, justifiable causes may include tender offer and merger and acquisition transactions.

(m) A company that undergoes voluntary delisting on the ground of non-compliance with these rules must conduct, either by itself or through its controlling shareholder(s), a tender offer to all stockholders of record. The Exchange shall allow a voluntary delisting if the company demonstrates that following the acquisition of the tendered shares, the person(s) conducting the tender offer have obtained more than ninety percent (90%) of the issued and outstanding shares of the company, or such level or percentage aligned with the minimum public float prescribed by the Exchange. However, if at the time the petition for delisting is filed, the person(s) proposing the delisting beneficially own ninety percent (90%) of the issued and outstanding shares of the Company, or such level or percentage aligned with the minimum public float prescribed by the Exchange, said person(s) shall still be required to make a tender offer to all other stockholders of record.

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THE PHILIPPINE STOCK EXCHANGE, INC.

ARGEL G. ASTUDILLO
VP, Corporate Governance Office and
OIC, Office of the President

MARIETTA U. TAN
Vice-President
Controllership and Treasury Division

SECURITIES AND EXCHANGE COMMISSION

VICENTE GRACIANO P. FELIZMENIO, JR
Director
Market Regulation Department

CN - No. 2012-0053

MEMORANDUM

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer Systems Update
_____	Membership Rules	_____	Administrative Matters
x	Listing Rules	_____	Others:

To : **THE INVESTING PUBLIC AND MARKET PARTICIPANTS**

Subject : **AMENDMENTS TO THE REPORTING REQUIREMENTS UNDER THE RULE ON MINIMUM PUBLIC OWNERSHIP**

Date : **September 28, 2012**

This is with reference to Memorandum CN – No. 2012-0003 dated January 3, 2012, announcing the effectivity of the Amended Rule on Minimum Public Ownership (the "Amended MPO Rule").

Please be advised that the Securities and Exchange Commission ("SEC") requested the Exchange to amend the required reports under the Amended MPO Rule to address the concerns of market participants and investors for more transparency and timely information on the public float levels of listed companies.

Accordingly, the Exchange made the following revisions to the Amended MPO Rule.

ARTICLE XVIII
CONTINUING LISTING REQUIREMENTS

XXX

SECTION 3. Minimum Public Ownership.

xxx xxx xxx

(c) A listed company shall immediately disclose to the Exchange **in accordance with Section 4.1 of the Revised Disclosure Rules** if it becomes aware that the number of listed securities which are in the hands of the public has fallen below the prescribed minimum percentage.

For this purpose, all listed companies shall establish an effective procedure for monitoring of public float, which shall include, at the minimum, a computation of public float on a monthly basis.

xxx xxx xxx

MEMORANDUM

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer Systems Update
_____	Membership Rules	_____	Administrative Matters
x	Listing Rules	_____	Others:

(f) Listed companies shall submit to the Exchange a Public Ownership Report ("POR") within fifteen (15) calendar days after the end of each quarter: **Provided, That, if the public float of a listed company falls below twelve percent (12%) of its issued and outstanding shares, exclusive of any treasury shares, the listed company shall submit to the Exchange a POR within fifteen (15) calendar days after the end of each month, until such time that its public float is 12% or higher.**

These amendments shall take effect immediately in accordance with Section 40.3(c) of the Securities Regulation Code.

For your information and guidance.

HANS B. SICAT
President and CEO

Controllership/Admin	Market Operations/Technology	Issuer Regulation	Investor Relations	Capital Markets & Development	CEO / OGC
Tel. No.688-7561/7447	Tel. No. 819-4430/688-7480	Tel. No. 688-7510	Tel. No. 688-7601/819-4400	Tel. No. 688-7590	Tel. No. 688-7401/7411/7413

PSE **MEMORANDUM** **CN - No. 2020-0076**

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Trading
- ☐ Disclosure
- ☑ Listing
- ☐ Public Advisory
- ☐ Administrative/Technology Matters
- ☐ Others:

TO : **ALL LISTED COMPANIES AND THE INVESTING PUBLIC**

SUBJECT : **GUIDELINES ON MINIMUM PUBLIC OWNERSHIP REQUIREMENT FOR INITIAL AND BACKDOOR LISTINGS**

DATE : **August 3, 2020**

Please be informed that the Securities and Exchange Commission ("SEC") approved the PSE Guidelines on Minimum Public Ownership Requirement for Initial and Backdoor Listings (the "PSE Guidelines").

The following are the salient points of the PSE Guidelines:

1. A company applying for initial listing through an initial public offering ("IPO") is required to have a minimum public offer size of 20% to 33% of its outstanding capital stock post-IPO, as follows:

Market Capitalization	Public Offer
Not exceeding P500M	33% or P50M, whichever is higher
Over P500M to P1B	25% or P100M, whichever is higher
Over P1B	20% or P250M, whichever is higher

   The company must maintain a public ownership level of at least 20% at all times after initial listing.

2. A company applying for listing by way of introduction is required to have at least 20% public float upon and after listing.

3. A company doing a backdoor listing is required to have at least 20% public float upon and after listing.

Attached is the official copy of the PSE Guidelines duly signed by the Exchange and the SEC.

The aforesaid PSE Guidelines shall take effect immediately.

(Original Signed)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 8876-4888 E-mail Address: investing@pse.com.ph

GUIDELINES ON MPO REQUIREMENT FOR INITIAL AND BACKDOOR LISTINGS

I. Policy Framework

On December 1, 2017, the Securities and Exchange Commission ("SEC") issued SEC Memorandum Circular No. 13, series of 2017 ("SEC MC No. 13-2017") which states, in part, that:

> Section 3 – Minimum Public Ownership Requirement on Initial Public Offerings
>
> A. Upon effectivity of these Rules, a covered company filing a registration statement pursuant to Sections 8 and 12 of the [Securities Regulation Code] and with intention to list their shares for trading in an exchange shall apply for registration with a public float that meets the MPO of 20%;
>
> B. A covered company shall, at all times, maintain an MPO of at least 20%. If the MPO of a covered company falls below 20% at any time after registration, such company shall bring the public float to at least 20% within a maximum period of 12 months from the date of such fall.
>
> xxx

The rationale for increasing the minimum public ownership ("MPO") on initial public offerings ("IPO") to 20%, as stated in the recitals of SEC MC No 13-2017, are as follows:

1. A higher public ownership increases market depth and is essential for sustaining a continuous market for listed securities to provide liquidity which in turn attracts good quality and long-term investors;
2. The increase in liquidity improves market efficiency, reduces volatility and helps in better price discovery;
3. A large and dispersed shareholding lowers the opportunities for collusive market action or price manipulation and encourages good governance;
4. A higher public ownership increases the free float market capitalization which enhances the Philippines' relative weight in globally tracked free float-adjusted market capitalization weighted indices and in turn helps attract more capital especially with the ongoing ASEAN integration; and
5. There is a need to increase the current public ownership level of Philippine publicly listed companies to ensure that the objectives of the Securities Regulation Code are met

II. Minimum Public Ownership Requirement for Companies Applying for Initial Listing or Conducting Backdoor Listing

A. Initial Public Offering

Consistent with SEC MC No. 13-2017, companies applying for initial listing through an IPO are required to have a minimum public offer size of 20% to 33% of outstanding capital stock post-IPO, as follows:

Market Capitalization	Public Offer
Not exceeding P500M	33% or P50M, whichever is higher
Over P500M to P1B	25% or P100M, whichever is higher
Over P1B	20% or P250M, whichever is higher

A company listing through an IPO must maintain a public ownership level of at least 20% at all times.

B. Listing by Way of Introduction and Backdoor Listing

Companies which will apply for listing by way of introduction and those which will conduct backdoor listing after the effectivity of these guidelines are required to have at least 20% public float upon and after listing.

For companies doing a backdoor listing, compliance with the 20% MPO shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business.

III. Effectivity

These guidelines shall take effect immediately.

The provisions of the Exchange's Rule on Minimum Public Ownership, as amended, which are not inconsistent with these guidelines shall continue to be in effect.

THE PHILIPPINE STOCK EXCHANGE, INC.:

RAMON S. MONZON
President and CEO

ROEL A. REFRAN
Chief Operating Officer

SECURITIES AND EXCHANGE COMMISSION:

VICENTE GRACIANO P. FELIZMENIO, JR.
Director, Markets and Securities Regulation Department

CN - No. 2022-0026

MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Trading
- ☐ Disclosure
- ☐ Listing
- ☐ Public Advisory
- ☐ Administrative/Technology Matters
- ☑ Others:

TO : ALL MARKET PARTICIPANTS

SUBJECT : REVISED RULES ON BACKDOOR LISTING

DATE : June 22, 2022

Further to PSE Memorandum CN-No. 2022-0024 dated May 26, 2022, in relation to the effectivity of the Revised Rules on Backdoor Listing, please be advised that, pursuant to the directive of the Securities and Exchange Commission, the Revised Rules on Backdoor Listing is hereby further amended as follows:

1. Section 12 of the Revised Rules on Backdoor Listing shall be revised as follows:

   SECTION 12. Non-applicability of Backdoor Listing – Backdoor listing shall not be allowed as a mode of compliance with any law or rule requiring a company to conduct a public offering or to list in the Exchange **unless such law or regulation says otherwise**. **Subject to the above exception,** companies mandated by law or regulation to list in the Exchange or offer their shares to the public may do so by conducting an initial public offering or a listing by way of introduction.

2. All references to "Mandatory Public Offering" shall be replaced with "Mandatory Follow-On Offering".

The foregoing additional amendments shall take effect immediately.

A copy of the Revised Rules on Backdoor Listing incorporating the aforementioned additional amendments is attached herewith as **Annex "A"**.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 8876-4888 E-mail Address: investing@pse.com.ph

Annex "A"

REVISED RULES ON BACKDOOR LISTING

Table of Contents

REVISED RULES ON BACKDOOR LISTING

SECTION 1. Objectives and General Principles – These Revised Backdoor Listing Rules ("Backdoor Listing Rules" or "Rules") are governed by the following principles:

A. Companies listing through backdoor listing shall be subject to the suitability rule of the Exchange, consistent with the principal objective of the Exchange to determine and ensure the suitability of securities for listing for the protection of public interest and maintenance of public confidence in the market at all times.

B. Considering that the listed shares of a backdoor listed company may continue to be sold in the market without a re-admission process and without the benefit of a due diligence undertaken by an underwriter, backdoor listed companies shall be subject to regulatory requirements aimed at protecting public investors.

C. The proper introduction of a company to the investing public based on the standards of suitability and full disclosure is paramount.

D. A company subject of a backdoor listing, being a publicly listed company, must be accessible to retail investors and qualified institutional buyers alike.

E. These Rules shall apply concurrently with the Securities Regulation Code ("SRC") and its implementing rules and regulations ("SRC IRR") and the Exchange's Consolidated Listing and Disclosure Rules ("Consolidated Rules"), including any supplements or amendments thereto, as well as other related rules, policies, and requirements of the Securities and Exchange Commission ("SEC" or "Commission") and the Exchange. In case of any inconsistencies between these Backdoor Listing Rules and the Consolidated Rules, these Backdoor Listing Rules shall prevail.

SECTION 2. Elements and Basic Guidelines – A backdoor listing is deemed to occur if the following elements are present:

A. The listed company, directly or indirectly, acquires the shares or assets of an unlisted company or person or group of persons or *vice versa*; and

B. Such transaction or series of transactions results in or will result in:

i. Change in control or de facto control of the listed company; and/or
ii. Substantial change in the business of the listed company.

The Exchange may rule that a transaction is not backdoor listing if issuer shows that the transaction is not aimed at circumventing the listing requirements.

There is change in control if the Acquirer acquires more than fifty percent (50%) of the voting power of the listed company.

There is change in de facto control if the Acquirer becomes the single largest substantial shareholder of the listed company after the transaction leading to the backdoor listing.

There is substantial change in the business of the listed company if the value of the new business or assets acquired is more than fifty percent (50%) of the total assets of the listed company, based on the audited consolidated financial statements of the listed company as of the end of the fiscal year preceding the backdoor listing or the latest available interim financial statements, as may be applicable.

SECTION 3. Trading Suspension and Halts to be Imposed by the Exchange –

SECTION 3.1. The Exchange shall impose a trading suspension on the listed company's securities immediately after the Exchange's evaluation of the disclosure/s submitted by the listed company regarding the transaction and the Exchange's determination of the applicability of the Backdoor Listing Rules. Trading suspension shall be lifted one (1) full trading day after dissemination by the Exchange of the comprehensive corporate disclosure and submission of the required confirmations from the SEC under Section 6 below, if applicable.

SECTION 3.2. In connection with the conduct of the Mandatory Follow-On Offering under Section 8 hereof, the Exchange shall impose a one (1) hour trading halt upon initial disclosure of the final offer price (or dividend rate, as may be applicable) of the securities subject of the Mandatory Follow-On Offering.

SECTION 3.3. The trading suspension or trading halt under Sections 3.1 and 3.2 shall commence on the same trading day as the posting of the disclosures or Exchange Notices referred to in said sections if the posting occurs during trading hours. Otherwise, the trading suspension or trading halt shall commence on the immediately following trading day.

SECTION 3.4. The listed company may request for extension of the trading suspension or trading halt under Sections 3.1 and 3.2. The Exchange may approve such request for extension *in toto* or with modification, as the Exchange deems appropriate under the circumstances.

SECTION 4. Comprehensive Corporate Disclosure – A comprehensive corporate disclosure ("CCD") containing the information set out in Annex "A" and signed by the Corporate Information Officer of the listed company shall be submitted within five (5) trading days from receipt of a directive from the Exchange.

SECTION 5. Required Corporate Approvals – If a transaction leading to backdoor listing involves issuance of primary shares of the listed company, the following approvals are required:

A. At least two-thirds (2/3) of the entire membership of the listed company's Board of Directors, including the majority, but not less than two, of all of its independent directors; and

B. Stockholders owning at least two-thirds (2/3) of the total issued and outstanding shares of the listed company.

The stockholders shall cast their votes either in person or by proxy in a duly convened stockholders' meeting, or when so authorized in the listed company's by-laws, through remote communication, voting in absentia or by written assent.

The stockholders owning at least 2/3 of the total issued and outstanding shares of the listed company may delegate their authority to approve the transaction to the Board of Directors, provided that any approval made by the Board of Directors must be subsequently ratified by stockholders owning at least 2/3 of the total issued and outstanding shares of the listed company.

The approvals should contain all the relevant information about the transaction that leads to backdoor listing.

Shares which have been issued and fully paid must be applied for listing within six (6) months from full payment.

SECTION 6. Required Confirmation from the SEC –

SECTION 6.1. Where a transaction results in change of control of the listed company but the new controlling stockholder will not conduct a tender offer on the basis of any of the exemptions provided in Rule 19.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, the new controlling stockholder or the listed company must submit to the Exchange a written confirmation from the SEC that the mandatory tender offer requirement is not applicable.

SECTION 6.2. If the transaction results in substantial change in business of the listed company without the listed company effecting a change in its Registration Statement, the listed company must also submit a written confirmation from the SEC that amendment of its Registration Statement is not required.

SECTION 6.3. Pending submission of the aforementioned confirmations from the SEC, the trading of the securities of the listed company shall remain suspended.

SECTION 7. Compliance with the Minimum Public Ownership Requirement –

SECTION 7.1. Upon and after the backdoor listing, the listed company shall have a minimum public ownership ("MPO") of twenty percent (20%), or as may be amended (the "MPO Requirement"). Compliance with the MPO Requirement shall be reckoned from closing or completion of the transaction giving rise to backdoor listing.

For purposes of Sections 7, 8, 9 and 10 of these Rules, "closing or completion of the transaction giving rise to backdoor listing" shall mean the actual issuance or transfer (as may be applicable) of the securities, assets or business which triggered the application of the Backdoor Listing Rules and provided said issuance or transfer is already recorded in the books of the Company.

SECTION 7.2. A backdoor listed company that breaches the MPO requirement as a result of the implementation of the transaction leading to backdoor listing shall be subject to the consequences for non-compliance under the Exchange's Rule on Minimum Public Ownership.

SECTION 8. Mandatory Follow-On Offering –

SECTION 8.1. A backdoor listed company shall conduct a public offering of at least ten percent (10%) of its issued and outstanding shares (the "Mandatory Follow-On Offering") within one (1) year from closing or completion of the transaction giving rise to backdoor listing. A stock rights offering ("SRO") shall not be deemed a public offering for purposes of this rule.

The Exchange retains the discretion to rule whether a public offering proposed by a listed company is in compliance with the Mandatory Follow-On Offering requirement.

SECTION 8.2. Unless otherwise provided in these Rules, the Mandatory Follow-On Offering shall comply with the prevailing rules of the Exchange relating to follow-on offerings, except that the rule on allocation to local small investors in Article III, Part F, Section 3 of the Consolidated Rules shall be mandatory and not discretionary on the part of the listed company. The Exchange may add to, supplement, or in any other manner modify any requirement under the rules governing follow-on offerings and these Rules as it may deem appropriate, taking into account the nature of business and/or track record of the Acquirer, as well as the rationale for the transaction.

SECTION 8.3. Secondary offering of shares under trading suspension or lock-up shall not be allowed during the Mandatory Follow-On Offering.

SECTION 8.4. Prior to the conduct of the Mandatory Follow-On Offering, the listed company shall not conduct any private capital-raising activity (except SRO, employee stock option plan and stock dividend declaration), unless the same is necessary to comply with the MPO Requirement under Section 7.1.

SECTION 8.5. Non-compliance with the Mandatory Follow-On Offering requirement within the prescribed 1-year period shall result in the trading suspension of the listed securities.

SECTION 9. Lock-up Requirement –

SECTION 9.1. Shares of the backdoor listed company that are acquired pursuant to the transaction giving rise to backdoor listing shall not be sold or offered for sale, assigned or in any manner disposed of from closing or completion of the transaction giving rise to backdoor listing and until six (6) months after the conduct of the Mandatory Follow-On Offering.

SECTION 9.2. Shares of the backdoor listed company that are held by stockholders owning at least ten percent (10%) of the total issued and outstanding shares shall not be sold or offered for sale, assigned or in any manner disposed of for a period of one (1) year from closing or completion of the transaction giving rise to backdoor listing.

SECTION 9.3. The lock-up requirement under Sections 9.1 and 9.2 shall be implemented in accordance with Article III, Part A, Section 17 of the Consolidated Rules, or any amendment thereto. Further, the Company shall submit a sworn undertaking to comply with this Section 9 upon determination by the Exchange of the applicability of these Rules.

SECTION 9.4. The listed company shall submit proof of lock-up of the covered shares (*e.g.*, signed escrow or lock-up agreement) at least two (2) trading days prior to the commencement of the lock-up period. The draft escrow or lock-up agreement shall be submitted to the Exchange for review prior to its execution.

SECTION 10. Backdoor Listing Fee – The backdoor listing fee shall be computed based on the total book value of the outstanding shares of the unlisted company being backdoor listed:

Total Book Value	**Fee Rate**
(1) P15 Billion and below	1/10 of 1% of total book value but not lower than P500,000.00
(2) Over P15 Billion	P15 Million + 1/20 of 1% of the excess over P15 Billion

The backdoor listing fee is payable upon closing or completion of the transaction giving rise to backdoor listing.

The listing fee for the listing of new shares issued pursuant to the transaction leading to backdoor listing shall be one-tenth (1/10) of one percent (1%) of the market capitalization of the new shares issued. The market capitalization of the new shares issued should be based on the market price at the time of additional listing of new shares or the transaction price, whichever is higher.

SECTION 11. Violations and Penalties – The following acts or omissions constitute violations of these Backdoor Listing Rules and shall result in the imposition of the following penalties:

Violation	Penalty
Non-submission of the CCD within five (5) trading days from receipt of the Exchange's directive	Php50,000 basic fine plus Php1,000 per trading day of continuing violation until a compliant CCD is submitted
Failure to apply for listing the newly issued and fully paid shares within six (6) months from full payment	Php50,000 basic fine plus Php1,000 per trading day of continuing violation until rectified
Violation of the lock-up requirement, including non-submission of the proof of lock-up	Php1 Million for each violation

SECTION 12. Non-applicability of Backdoor Listing – Backdoor listing shall not be allowed as a mode of compliance with any law or rule requiring a company to conduct a public offering or to list in the Exchange unless such law or regulation says otherwise. Subject to the above exception, companies mandated by law or regulation to list in the Exchange or offer their shares to the public may do so by conducting an initial public offering or a listing by way of introduction.

SECTION 13. Effectivity – These Rules shall take effect immediately.

A listed company that has a pending backdoor listing transaction shall comply with the regulatory requirements under these Rules, and submit a comprehensive corporate disclosure compliant with the Revised Guidelines on the Comprehensive Corporate Disclosure for Backdoor Listings.

For purposes of this section, a listed company is deemed to have a pending backdoor listing transaction if the Exchange has made a determination of the applicability of the Backdoor Listing Rules but there has been no actual issuance or transfer (as may be applicable) of the securities, assets, or business which triggered the application of the Backdoor Listing Rules.

Annex "A"

REVISED GUIDELINES ON THE COMPREHENSIVE CORPORATE DISCLOSURE FOR BACKDOOR LISTINGS

The following additional information shall be disclosed within five (5) trading days from receipt of directive from the Exchange to aid the Exchange in evaluating whether the listed company continues to meet the listing requirements of the Exchange:

a. Copies of all agreements duly executed that are relevant to the transaction;

b. Nature and description of the proposed transaction, including the timetable for implementation, and related regulatory requirements if applicable;

c. Reason/purpose of the transaction including the benefits which are expected to accrue to the listed company as a result of the transaction;

d. The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any arrangements for payment on a deferred basis;

e. The basis upon which the consideration or the issue value was determined with a detailed explanation thereof;

f. For cash considerations, the detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project;

g. A statement of active business pursuits and objectives which details the steps undertaken and proposed to be undertaken by the listed company in order to advance its business;

h. Comparison before and after the transaction of the following:
    1. authorized capital stock,
    2. nature of business or primary purpose,
    3. Board of Directors, principal officers and major shareholders,
    4. name of the listed company,
    5. ownership structure (including percentage holdings to total outstanding shares before and after the transaction),
    6. capital structure,
    7. public float, and
    8. registration statement of the listed company;

i. Additional information on the unlisted company including but not limited to:
    1. Articles of Incorporation, By-laws, and General Information Sheet,
    2. Discussion of major projects and investments,
    3. Capital structure,
    4. Ownership Structure (including percentage holdings),
    5. Board of Directors, principal officers and major shareholders,
    6. Audited financial statements or Annual Report for the last three (3) years, and
    7. Other relevant information;

j. The interest which directors of the parties to the transaction have in the transaction;

k. Statement as to the steps to be taken, if any, to safeguard the interests of the shareholders which shall include the company's concrete and detailed plans of compliance with the mandatory tender offer requirements under the Securities Regulation Code and all relevant rules of the Commission and the Exchange, if applicable;

l. Statement as to the steps to be taken by the listed company in complying with the mandatory follow-on offering requirement under these rules; and

m. Other relevant information as may be required by the Exchange.

INVOLUNTARY DELISTING

Policy on Delisting of listed securities

To ensure quality of companies listed in the Exchange and to afford additional protection to the investors, securities listed in the Exchange may be suspended from being traded or removed from the list at any time should, after due notice, the Exchange determines the issuer falls under any of the criteria listed below.

Criteria For Delisting

A listed company that is experiencing one of the following conditions shall be considered for delisting:

(a) The listed company has failed to comply with the Listing Agreement or the Listing and Disclosure Rules of the Exchange, now or hereinafter in effect, despite notice and after the lapse of the period specified;

(b) A false market exists in any securities of the issuer concemed and such false market can be attributed, whether directly or indirectly, solely to the issuer (e.g., information spread by the issuer which triggered or resulted in the active trading of the security(ies) of the issuer and the same was later found or proven to be untrue or concocted to create false market; trading of the security(ies) without actual buyer or seller);

(c) In case the trading volume of the listed company falls below the trading volume requirement of the Exchange that will be published; .

(d) Should the listed company be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated by reason of the abandonment, destruction, condemnation, seizure or expropriation of its operating assets;

(e) Whenever liquidation of the listed company's assets has been authorized, or dissolution of the listed company has been ordered by any competent authority. An

announcement by the listed company of an intent to file, or the actual filing of, proceedings for suspension of payments or under the Insolvency law, or the listed company otherwise becomes the subject of legal proceedings under the Insolvency Law shall merit an immediate suspension of the trading of security(ies) of the listed company;

(f) The stockholders' equity becomes negative;

(g) When the listed company's security registration or exemption from registration pursuant to the Securities Regulation Code is no longer effective for any reason, or its registration with the Securities and Exchange Commission has been revoked or canceled;

(h) Whenever the listed company's entire outstanding amount of a listed class, or series is to be retired through payment at maturity, or through redemption, reclassification or otherwise;

(i) The listed company repeatedly fails to make timely, adequate, and accurate disclosures of information, or fails to submit any reportorial requirement to the Exchange, its shareholders and the investing public in accordance with the Disclosure Rules of the Exchange, or willfully makes a false statement in the financial statements;

(j) Whenever it is shown that the listed company has made a purchase of its securities in violation of the requirements specified in Section 41 of the Corporation Code and other related laws; .

(k) If the listed company has failed to be in actual commercial operations within two (2) years from date of listing. A listed company shall be considered in actual commercial operation if it can show that it has valid projects with realistic timetable or executed contracts relative to its principal business; and

(I) If the listed company or its management shall-engage in operations which, under the law, are contrary to the public interest, and the continuation of listing is likely to give rise to an unacceptable risk of damage to the reputation of the Exchange.

Procedure For Delisting

Should the Listing Committee ascertain, upon recommendation of the Listings & Disclosure Group, that a listed security of a company must be removed from the list, the Exchange shall notify the company in writing, describing the basis for such recommendation and the specific criterion under which such action is based. The notice shall likewise inform the company that it is entitled to a hearing before the Listing Committee, provided, a written request is filed with the Exchange within fifteen (15) working days from receipt of said
notice.

Should the company decide not to or fail to request for a hearing within the specified period above, the Exchange shall order the delisting of the securities of the concerned company. A copy of the said Order shall be furnished to the company. One (1) Motion for Reconsideration may be filed within five (5) working days from receipt of copy of said letter. Should the period for filing said Motion lapsed or the same be denied, the Exchange shall make an announcement to all member-brokers/investing public of the order of delisting.

If a hearing is requested by the company, the same shall be held before the Listing Committee composed of at least five (5) incumbent members. Any appointed member of the said Committee who has either direct or indirect interest in common with the company the security of which is being considered for delisting is refrained or shall inhibit himself/herself from participating in deciding the case. Together with the said request, the company must likewise submit its memorandum or position paper and any other documents or evidence it deems necessary for the proper appreciation of the matter. Notices for the hearing shall be furnished to the company and the Listings & Disclosure Group at least fifteen (15) working days prior to the date of hearing.

The company and the Listings & Disclosure Group shall submit to the Office of the General Counsel of the Exchange additional documents or evidence which they deem necessary for the proper appreciation or consideration of the matter, at least ten (10) working days prior to the date of hearing to ensure the dissemination of such papers/materials to the members of the Committee and the other parties.

During the hearing, the company and the Listings & Disclosure Group of the Exchange must prove their respective cases through the presentation of testimonial evidence, and arguments before the Committee. Parties may present any witnesses they wish who shall be subject to cross-examination by the opposing side and questioning from the members of the Committee. The form and manner in which the actual hearing shall be conducted will be established by the Committee so as to ensure the orderly conduct of the proceedings. The proceedings shall be held within seven (7) working days, unless the same is extended upon mutual agreement of the parties.

After conclusion of the proceedings and deliberation on all the evidence and arguments presented, the Committee shall render a decision. The decision shall be rendered not later than fifteen (15) working days from conclusion of hearing. Only one (1) Motion for Reconsideration shall be allowed and the same must be filed within five (5) days from receipt of the copy of the decision. The decision shall become final should the period for filing of said Motion for Reconsideration lapse, or the said motion has been denied.

The decision of the Exchange may contain any of the following recommendation:

(i) to maintain the listing of said security;
(ii) temporarily suspend the trading of said security; or
(iii) remove said security from the registry of the Exchange.

Should the decision for the delisting of the security become final, the Exchange shall order the delisting of the security(ies) of the listed company. The Exchange shall likewise make an announcement relative thereto to all member-brokers/investing public.

Relisting prohibition

A company that has once been delisted cannot apply for relisting within a period of five (5) years from the time it was delisted. Directors and executive officers of a company that has been delisted are disqualified from becoming directors or

executive officers of any company applying for listing within the same period counted from the time the application for delisting was approved.

VOLUNTARY DELISTING

The Exchange will allow the delisting of the security upon request or application of the company if the following are complied with:

(a) The delisting must be approved by a majority of the Company's incumbent directors.

(b) All security holders must be notified, in a form satisfactory to the Exchange, of the proposed delisting prior to the filing of the petition.

(c) A petition for delisting must be filed with the Exchange together with proposed tender offer terms and conditions at least sixty (60) days in advance of the date when delisting shall become effective.

(d) A tender offer to all stockholders of record must be made. The Company must submit a fairness opinion or valuation report, stating that from a financial point of view of the person making such opinion/report, based upon certain procedures followed and assumptions made, the terms and conditions of the tender offer are fair.

(e) The person(s) proposing the delisting must show to the Exchange that following the acquisition of the tendered shares, said person(s) have obtained a total of at least ninety-five percent (95%) of the issued and outstanding shares of the Company. However, if at the time the petition for delisting is filed, the person(s) proposing the delisting are already the beneficial owners of ninety-five percent (95%)

of the issued and outstanding shares of the Company, said person(s) shall still be required to make a tender offer to all other stockholders of record.

(f) The listed company applying for delisting must not have any unpaid fees or penalties.

The Order of delisting shall be prepared if after evaluation of the petition and required documents, the Exchange finds that the delisting will not prejudice the interests of the investors.

In the event that an issuer seeks the listing of a security that was once delisted, the same shall be treated as a new listing.

Voluntary Delisting Fee

A listed company applying for voluntary delisting must, upon approval of its delisting, pay the Exchange the amount equivalent to its annual listing maintenance fee for the year when the application for delisting was filed.

PSE **MEMORANDUM** **CN - No. 2020-0104**

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Trading	☐ Public Advisory
☐ Disclosure	☐ Administrative/Technology Matters
☑ Listing	☐ Others:

TO : ALL LISTED COMPANIES AND THE INVESTING PUBLIC

SUBJECT : AMENDMENTS TO THE VOLUNTARY DELISTING RULES

DATE : December 21, 2020

Please be advised that the Securities and Exchange Commission ("SEC") approved the amendments to the PSE Voluntary Delisting Rules.

The salient provisions of the amended Voluntary Delisting Rules are, as follows:

1. Required Approvals

   The delisting must be approved by:

   a. At least two-thirds (2/3) of the entire membership of the Board, including the majority, but not less than two, of all of its independent directors; and
   b. Stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company.

   Further, the number of votes cast against the delisting proposal should not be more than ten percent (10%) of the total outstanding and listed shares of the listed company.

2. Tender Offer Price

   The minimum tender offer price shall be the higher of**:**

   a. The highest valuation based on the fairness opinion or valuation report prepared by an independent valuation provider in accordance with SRC Rule 19.2.6; or
   b. Volume weighted average price of the listed security for one year immediately preceding the date of posting of the disclosure of the approval by the Company's Board of Directors of the Company's delisting from the Exchange.

A copy of the amended Voluntary Delisting Rules is attached as Annex "A".

The amended Voluntary Delisting Rules shall take effect immediately.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 8876-4888 E-mail Address: investing@pse.com.ph

PSE

VOLUNTARY DELISTING

SECTION 1. A Listed Company may not apply for voluntary delisting if involuntary delisting proceedings have already been initiated.

SECTION 2. The Exchange will allow the delisting of the security upon petition of the Listed Company if all of the following are complied with:

(a) The delisting is approved by at least two-thirds (2/3) of the entire membership of the Board, including the majority, but not less than two, of all of its independent directors, and stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the Company. Further, the number of votes cast against the delisting proposal should not be more than ten percent (10%) of the total outstanding and listed shares of the Listed Company.

For purposes of these rules, "outstanding and listed shares" shall mean the listed voting shares of stock, whether common or preferred, issued under binding subscription contracts to subscribers or stockholders, whether fully or partially paid, except treasury shares.

The stockholders shall cast their votes either in person or by proxy in a duly convened stockholders' meeting, or when so authorized in the Listed Company's by-laws, through remote communication, voting in absentia or written assent.

(b) All security holders must be notified, in the manner and within the period provided in the Company's by-laws, of the meeting at which the proposed delisting will be submitted for stockholders' approval. If stockholders' vote will be obtained through remote communication, voting in absentia or by written assent, the Listed Company shall give all stockholders at least two (2) weeks to cast their votes or submit their written assent or dissent.

(c) A petition for delisting must be filed with the Exchange together with the tender offer report at least sixty (60) days prior to the date when delisting shall become effective.

(d) A tender offer to all stockholders of record must be made. The Listed Company must submit a fairness opinion or valuation report, stating the fair value or range of fair

values of the listed security, based upon certain procedures followed and assumptions made. The minimum tender offer price shall be the higher of:

i. The highest valuation based on the fairness opinion or valuation report prepared by an independent valuation provider in accordance with SRC Rule 19.2.6; or
ii. Volume weighted average price of the listed security for one year immediately preceding the date of posting of the disclosure of the approval by the Company's Board of Directors of the Company's delisting from the Exchange.

If the Listed Company has been under suspension for one year or more as of the disclosure of the aforementioned Board approval, then the tender offer price shall be the highest valuation based on the fairness opinion or valuation report prepared by an independent valuation provider.

(e) The person(s) proposing the delisting must show to the Exchange that following the acquisition of the tendered shares, said person(s) have obtained a total of at least ninety-five percent (95%) of the issued and outstanding shares of the Listed Company. However, if at the time the petition for delisting is filed, the person(s) proposing the delisting are already the beneficial owners of ninety-five percent (95%) or more of the issued and outstanding shares of the Listed Company, said person(s) shall still be required to make a tender offer to all other stockholders of record.

(f) The Listed Company applying for delisting must not have any unpaid fees or penalties due to the Exchange.

(g) The Listed Company must pay the voluntary delisting fee equivalent to its annual listing maintenance fee for the year when the petition for voluntary delisting was filed.

SECTION 3. The Exchange may impose appropriate condition/s for the protection of investors before delisting is allowed.

SECTION 4. In the event that an issuer seeks the listing of a security that was once voluntarily delisted, the same shall be treated as a new listing. The relisting prohibition under Involuntary Delisting Rules will not apply.

THE PHILIPPINE STOCK EXCHANGE, INC.:

RAMON S. MONZON
President and CEO

ROEL A. REFRAN
Chief Operating Officer

SECURITIES AND EXCHANGE COMMISSION:

VICENTE GRACIANO P. FELIZMENIO, JR.
Director
Markets and Securities Regulation Department

MEMO FOR BROKERS

No. 085-2003

Philippine Stock Exchange, Inc.

____	Disclosures	____	Stockholders' Meeting	Others:	**Substitutional**
____	Dividend Notice	____	SEC / Gov't. Issuance		**Listing**
____	Stock Rights Notice	____	Transfer Agent's Notice		

Date : **March 24, 2003**
Subject : **Rule on Substitutional Listing**

Please be informed that the Securities and Exchange Commission approved the *Rule on Substitutional Listing* of The Philippine Stock Exchange, Inc. Attached is a copy of the Rule for your information and guidance. The Rule shall take effect on **7 April 2003**.

For your information and guidance.

(Original Signed)
JOSE G. CERVANTES
Senior Vice President

RULE ON SUBSTITUTIONAL LISTING

(a) Where a listed company's listed securities are to be split, subdivided, or otherwise changed, unless specified below, the fee for listing all substituted shares in excess of the number of shares already listed shall be:

> 1/10 of 1% of the number of securities multiplied by the par value of the securities at effectivity date of the split, subdivision or change

In no case shall the listing fee be below Fifty Thousand Pesos (₱50,000.00).

(b) Where the capitalization of the listed issuer is reduced so as to result in a consolidation of shares, the fee for listing the consolidated shares shall be Fifty Thousand Pesos (₱50,000.00).

(c) Where there is to be a change in the classification or name of a listed class of shares without a change in the number of shares issued and outstanding or authorized for issuance for a specific purpose, the fee shall be Five Thousand Pesos (₱5,000.00).

(d) Where the primary and/or secondary purpose of the listed issuer is to be changed without any change in the capital structure, the fee shall be Twenty-five Thousand Pesos (₱25,000.00).

MEMO FOR BROKERS No. 066-2004

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer System Update
_____	Membership Rules	_____	Administrative Matters
_____	Listing Rules	__X__	Others: **Revision to Section 13 of the Revised Disclosure Rules**

Date : **April 2, 2004**
Subject : **REVISION TO SECTION 13.1 OF THE REVISED DISCLOSURE RULES**

Please be informed that the Securities and Exchange Commission, in its letter to the Exchange dated 1 April 2004, approved the **revision to Section 13.1 of the Revised Disclosure Rules on the Disclosure of Transactions of Directors and Principal Officers in the Issuer's Securities**, extending the deadline to file the same with the Exchange from two (2) trading days to **five (5) trading days**.

Section 13.1 of the Revised Disclosure Rules shall thus read as follows:

> "*13.1 Notwithstanding Section 17.5 of these Rules, Issuers must disclose to the Exchange the direct and indirect ownership of its directors and principal officers in its securities within **five (5)** trading days after:*
>
> *a. The Issuer's securities is first admitted in the Official Registry of the Exchange;*
> *b. A Director is first elected or an Officer is appointed; or*
> *c. Any acquisition, disposal, or change in the shareholdings of the Directors and Officers."*

The revision shall take effect on **Monday, April 19, 2004**.

For your information and guidance.

(Original Signed)
JURISITA M. QUINTOS
Senior Vice President - Operations Group

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408

MEMORANDUM

CN - No. 2013-0010

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer Systems Update
_____	Membership Rules	_____	Administrative Matters
_____	Listing Rules	X	**ETF: PSE Rules on Exchange Traded Funds**

TO : **Investing Public and Market Participants**

DATE : **4 April 2013**

SUBJECT : **PSE Rules on Exchange Traded Funds**
Part A General Provisions and Part B Listing and Disclosure

Please be advised that The Philippine Stock Exchange, Inc.'s Rules on Exchange Traded Funds ("PSE ETF Rules") have been approved by the Securities and Exchange Commission ("SEC") on March 18, 2013.

For your ready reference, please find attached a copy of the approved PSE ETF Rules, with Part A containing General Provisions and Part B referring to Listing and Disclosure. Please note that Part C (ETF Market Making Rules) and the Implementing Guidelines of ETF Market Making Rules are pending review and discussions with the SEC.

Finally, the PSE ETF Rules must be read in conjunction with the SEC ETF Rules issued on October 22, 2012 in its Memorandum Circular No. 10, Series of 2012.

For your information and guidance.

HANS B. SICAT
President and Chief Executive Officer

FID/CSD	Market Regulation Division	Issuer Regulation Division	Technology Division	Market Operation Division	Capitals Markets Dev't Division	Office of the General Councel
Tel.# 688-7561/6887508	Tel. # 688-7541	Tel. # 688-7510	Tel. # 688-7480	Tel. # 819-4430	Tel. # 688-7534	Tel. # 688-7411

RULES ON EXCHANGE TRADED FUNDS

PART A General Provisions

PART B Listing and Disclosure

PART A General Provisions

SECTION 1. Rationale

The Philippine Stock Exchange, Inc.'s ("Exchange") Rules on Exchange Traded Funds ("Rules") are being made to govern the listing and trading of Exchange Traded Funds ("ETF") to facilitate more investment opportunities for investors. These Rules are consistent with the requirements under Section 8 (1) of the Rules and Regulations on Exchange-Traded Funds of the Securities and Exchange Commission (the "Commission", the rules shall hereinafter be referred to as the "SEC ETF Rules") that the shares of stock of an ETF shall be listed and traded in a registered Exchange.

SECTION 2. Applicability of the Rules of the Exchange

These Rules shall be read in conjunction with the SEC ETF Rules, the Securities Regulation Code and its implementing rules and regulations, the Investment Company Act and other relevant laws, rules and regulations and shall form part of all rules of the Exchange. All rules of the Exchange not inconsistent with these Rules shall apply to ETFs.

A copy of the SEC ETF Rules is attached herewith as Annex A and is incorporated by reference to these Rules.

SECTION 3. Scope and Application

Only companies duly registered with the Commission as ETFs may apply for ETF listing in the Exchange.

SECTION 4. ETF Participants

a. **ETF** – An Exchange Traded Fund is an open-end investment company that continuously issues and redeems its shares of stock in Creation Unit in exchange for delivery of a basket of securities representing an index whose performance the ETF endeavors to track; provided that, the terms and conditions relative to the issuance and redemption in Creation Unit shall be prescribed in its Registration Statement.

   An ETF is established in accordance with the Investment Company Act of the Philippines and duly registered with the Commission.

b. **Fund Manager** - In addition to the requirements for the appointment of a Fund Manager under Section 15 of the SEC ETF Rules, the Fund Manager must likewise have been in operation for at least two (2) years and have satisfactory experience in managing funds.

   An ETF must seek approval of the majority of its outstanding capital stock for any change of the Fund Manager.

c. **Authorized Participant -** An ETF shall appoint at least two (2) Authorized Participants, who are registered broker-dealers and active trading participants of the Exchange, who shall meet the following requirements:

   (i) Those enumerated in Subsections 16.2, 16.3 and 16.4 of the SEC ETF Rules;

   (ii) A minimum paid-up capital requirement of at least One Hundred Million Pesos (Php100,000,000.00);

   (iii) Such other qualifications that the Commission and the Exchange may impose or require from time to time.

   An ETF shall ensure that it has at least two (2) Authorized Participants at all times.

d. **Market Maker** - At least one (1) of the designated Authorized Participants of the ETF shall be designated as the ETF Market Maker.

   The Market Maker shall be subject to the provisions on ETF Market Making Rules found in Part C of these Rules and any applicable rules and regulations that the Commission and/or the Exchange may issue from time to time.

e. **Custodian -** An ETF's custodian must comply with the minimum requirements for the appointment of a Custodian under Section 17 of the SEC ETF Rules.

f. **Transfer Agent -** In addition to the minimum requirements for the appointment of a Transfer Agent under Section 18 of the SEC ETF Rules, a Transfer Agent must have a paid-in capitalization of at least One Hundred Million Pesos (Php 100,000,000.00).

g. **Auditor** - The ETF shall engage an independent auditing firm duly accredited by the Commission and acceptable to the Exchange to perform an independent audit of the ETF's financial records.

h. **Index Provider -** The ETF must engage an independent Index Provider which is compliant with the requirements set forth in Section 14 of the SEC ETF Rules.

PART B Listing and Disclosure

An ETF shall be listed on the Exchange's ETF Board, which is a separate board from the Exchange's existing boards. The initial listing requirements under the Listing Rules are applicable to ETFs, unless otherwise provided herein or inconsistent with these Rules.

For the avoidance of doubt, the following provisions of the Listing Rules shall not be applicable to listing of ETFs:

a. Methods of Initial Listing;[1]
b. Requirements for First Board Listing;[2]

[1] Currently, Article III, Part C of the Listing Rules.

c. Requirements for Second Board Listing;[3]
d. Requirements for Small and Medium Enterprises Board Listing;[4]
e. Amended Rules on Listing by Way of Introduction;[5]
f. Listing of Debt Securities;[6]
g. Rules on Additional Listing of Securities;[7] and
h. Fees for initial and additional listing of equity securities,[8] substitutional listing,[9] and listing of debt securities.[10]

SECTION 5. General Criteria for Admission to Listing

a. **Minimum Authorized Capital Stock and Paid-up capital -** An ETF applying to list in the Exchange shall have a minimum authorized capital stock and a minimum paid-up capital of at least Two Hundred Fifty Million Pesos (Php 250,000,000.00).

b. **Offering Requirement -** When the registration of the ETF's securities becomes effective and its listing application is approved by the Exchange, the ETF may, at its option, undertake an offering for its securities. Such offering will not be covered by the IPO Rules on Distribution of Shares under Article III, Part G of the Exchange's Listing Rules, including the provisions pertaining to the twenty percent (20%) mandatory allocation for Trading Participants and the ten percent (10%) mandatory allocation for Local Small Investors.

   In the event that an ETF undertakes an offering for its securities, Article III, Part A, Sections 4, 5 and 13 of the Listing Rules shall be applicable.

c. **Shelf listing** - The ETF may apply for listing the equivalent number of shares subject of the Registration Statement. The Exchange's approval of the listing of the ETF shares shall remain valid provided that the Registration and Licensing Order as well as the Permit to Sell Securities for Sale issued by the Commission covering the subject ETF shares are likewise valid and subsisting. The eligibility for trading of the ETF shares shall take effect only upon the Exchange's receipt of an official notice issued by an authorized officer of the ETF and confirmed in writing by the Custodian and Transfer Agent, that such number of ETF shares has been created and issued to or through the Authorized Participant.

   Should there be ETF shares which shall remain unissued upon the lapse of the shelf registration period, the said ETF shares shall automatically be removed from the

[2] Currently, Article III, Part D of the Listing Rules.
[3] Currently, Article III, Part E of the Listing Rules.
[4] Currently, Article III, Part F of the Listing Rules.
[5] Currently, Article III, Part H, as amended of the Listing Rules.
[6] Currently, Article IV of the Listing Rules.
[7] Currently, Article V of the Listing Rules.
[8] Currently, Article VI, Parts B and C of the Listing Rules.
[9] Currently, Article VI, Part D of the Listing Rules.
[10] Currently, Article VI, Part E of the Listing Rules.

Exchange's registry and may only be re-listed with the Exchange upon the submission by the ETF of the following:

1) Copies of the documents submitted by the ETF to the Commission under Section 7.3(B)(1) of the SEC ETF Rules; and
2) Payment of the processing fee of Fifty Thousand Pesos (PhP 50,000.00) or such amount as the Exchange may prescribe.

d. **Underlying securities** – The underlying securities comprising the index which the applicant ETF intends to track must be listed and traded in a registered exchange and have sufficient liquidity. The ETF shall disclose the liquidity criteria and methodology in its Prospectus.

e. **Procedure for processing of listing applications** - An application for listing shall only be accepted upon submission of the documentary requirements for listing of an ETF as set forth in Annex B and payment of the applicable processing fee. The general procedures for the listing of equity securities as contained in Article III Part B of the Listing Rules and any subsequent amendment and policies relevant thereto shall be adopted in processing listing applications for ETFs in accordance with the Exchange's initial listing rules.

f. **Contents of Listing Application -** In addition to all minimum requirements set forth in the SEC ETF Rules (including, but not limited to, Sections 7, 11, 12, 13 and 19 thereof), the listing application of an ETF must contain the following information:

(i) Complete information regarding the Fund Manager, Authorized Participants, Market Maker, Custodian, Auditor, Index Provider and Transfer Agent of the ETF;

(ii) The financial track record of the Fund Manager and when applicable, the persons or parties engaged by the Fund Manager to carry out activities necessary for the operation of the ETF pursuant to Subsection 15.5 of the SEC ETF Rules. The required information shall include, among others, their related engagement history and work experience and details of all funds and ETFs managed or advised by them;

(iii) Any other information or document that may be required by the Exchange in connection with its evaluation of an ETF's listing application.

g. **Prospectus, Press Releases and Other Similar Documents** - In addition to the requirements under Sections 19 and 20 of the SEC ETF Rules, all prospectuses, primers, subscription agreement forms, newspaper prints, advertisements, press releases and similar documents in connection with the issuance shall first be submitted to the Exchange for review and disclosure purposes and may not be printed en masse, distributed or published without the prior written approval of the Exchange.

h. **Suitability Rule** – An ETF shall be in compliance with the Suitability Rule as contained in Article 1 Part B Sections 1 b to m of the Listing Rules.

SECTION 6. Continuing Listing Requirements

a. Without in any way limiting the applicability of the rules governing the continuing listing of securities already in effect and all the rules and regulations set forth by the Exchange, the following shall be observed at all times:

   (i) Minimum Public Ownership (MPO) – As provided in the MPO rules of the Exchange, the ETF shall maintain a public ownership of at least 10% of the issued and outstanding shares, exclusive of treasury shares, or such other number as the Exchange may from time to time prescribe.

   To further implement the guidelines in determining public ownership, and for purposes of computing the MPO of an ETF, ETF shares held by Authorized Participants in the course of performing their duties as such or as Market Makers, and shares acquired through the process of creation and redemption shall be considered public shareholdings.

   (ii) The ETF shall maintain all applicable regulatory licenses and accreditation;

   (iii) The ETF must ensure that all necessary facilities and information are available to enable holders of its listed shares to exercise their rights.

b. The ETF must have an Investor Relations Office which manages the investor relations program of the ETF. The said program must ensure that information affecting the company are communicated effectively to investors. This program shall include, at the minimum, a corporate website that contains, among others, information about the company, such as but not limited to the following:

   (i) Company information – controlling stockholders, board of directors and management team

   (ii) Company News – analyst briefing report, latest news, press releases, newsletter (if any)

   (iii) Financial report – annual and quarterly report for the past 10 years or the period applicable to the ETF

   (iv) Disclosures - recent disclosures to PSE and SEC for the past 10 years or the period applicable to the ETF

   (v) Investor FAQs – commonly asked questions of shareholders

   (vi) Investor Contacts – email for feedback/comments, shareholder assistance and service

   (vii) Stock Information – key figures, dividends, stock information

c. Periodic Reporting, Disclosure Policy, and Other Requirements – The general structured and unstructured reportorial requirements shall apply to ETFs under the Disclosure Rules of the Exchange, in addition to the reportorial requirements under Section 27 of the SEC ETF Rules.

In addition, the ETF must likewise comply with the following:

(i) Periodic Reports

a) The ETF must disclose the iNAV every one (1) minute or such other frequency as may be prescribed by the Commission from time to time or as proposed by the Exchange in its rules and approved by the Commission.

The iNAV, as defined in the SEC ETF Rules, is an approximation of the current value of the basket of securities on a per share basis computed at a one (1) minute interval throughout the trading hours of the Exchange.

The iNAV calculation may be provided by the ETF or the ETF Fund Manager or a third party.

b) An ETF must announce no later than 4:30 p.m. of every trading day, or on a frequency that the Exchange may from time to time prescribe, via the Online Disclosure System of the Exchange (ODiSy) the following information:

(1) Net Asset Value (NAV) and NAV per share;

(2) Issued and outstanding shares of the ETF;

(3) Underlying index; and

(4) Tracking Error as defined under Section 5 (21) of the SEC ETF Rules.

Note: *Pursuant to a resolution issued and approved by the Exchange's Board of Directors on 11 September 2013, the cut-off time for the ETF Daily Report was amended to 6:30 p.m. (Per Resolution No. 141 Series of 2013 of the Exchange's Board of Directors)*

(ii) Annual Report – In addition to the requirements under the Securities Regulation Code and the SEC ETF Rules, an ETF must submit an annual report which shall disclose the following information within one hundred five (105) days after the end of the fiscal year, or such other time as the Commission, by rule, shall prescribe:

a) A list of all investments with a value greater than 5% of the ETF's gross assets, and at least the 10 largest investments stating their:

(1) applicable comparative periodic figures, if any;

(2) brief description of the business;

(3) proportion of share capital owned;

(4) cost;

(5) valuation of other assets and investments, and in the case of listed investments, market value;

(6) dividends received during the year (indicating any interim dividends);

(7) dividend payout ratio;

(8) extraordinary items, if any; and

(9) net assets attributable to investments.

b) An analysis of any provision for diminution in the value of investments, stating for each such investment:

(1) cost;

(2) book value; and

(3) provision made.

c) Breakdown of the income received:

(1) dividends and interest; and

(2) other income, if any.

d) An analysis of realized and unrealized gain/loss on investment(s)

e) The name of the Fund Manager together with an indication of the terms and duration of its appointment and the basis for its remuneration;

f) The Securities Lending activities of the ETF

The ETF as a direct lender shall include the latest two (2) bi-annual Summary Reports of their Securities Borrowing and Lending (SBL) transactions submitted to the Commission.

g) Amount of related-party transactions for the period under review;

The term “related parties” shall refer to “affiliates of the ETF, the Fund Manager, the Custodian, the Transfer Agent, or the Index Provider, accounted for by the equity method of accounting; trusts for the benefit of employees such as pension and profit sharing plans that are managed by or under the trusteeship of the management of the ETF; directors, major shareholders or principal owners of the ETF, the Fund Manager, the Custodian, the Transfer

Agent, or the Index Provider; and their management; members of the immediate families of major shareholders, principal owners and management of the ETF and the ETF Fund Manager."

h) The performance of the ETF in comparison to its underlying index, in a consistent format, covering the following periods of time: 3-month, 6-month, 1-year, 3-year, 5-year, 10-year and since inception of the ETF.

i) Expense ratios for the period under review and for the immediately preceding year. It should be indicated that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, and tax deducted at source or arising out of income received front or back end loads arising from the purchase or sale of other investments; and

j) Turnover ratios for the period under review and for the immediately preceding year.

(iii) Quarterly Reports – In addition to the requirements under the Securities Regulation Code and the SEC ETF Rules, particularly Subsection 27.2, an ETF must submit Quarterly Reports which must disclose the following information within forty-five (45) days from the end of each quarter:

a) Top 10 holdings at market value and as a percentage of NAV as at the end of the period under review and for the immediately preceding year;

b) Expense ratios for the period under review and for the immediately preceding year. It should be indicated that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, and tax deducted at source or arising out of income received front or back end loads arising from the purchase or sale of other investments; and

c) Turnover ratios for the period under review and for the immediately preceding year.

(iv) Monthly Issuance and Redemption Report of ETF Creation Units to be submitted not later than five (5) trading days from the last day of the preceding month;

(v) If the ETF is also listed on another stock exchange, any information released to that stock exchange must also be released to the Exchange at the same time. The disclosure to the Exchange shall be in English.

(vi) The ETF must also comply with the following reportorial requirements:

a) The ETF must notify the Exchange at the end of each dividend distribution period the following as soon as they are computed by the Fund Manager:

(1) The net amount per share;

(2) The date of the recording of the list of shareholders; and

b) The Fund Manager must state clearly, in all disclosures issued in respect of the sale of shares of the ETF, the terms upon which it undertakes to repurchase ETF shares. If there is no undertaking, it must state that fact; and

c) The ETF must notify the Exchange of the following within ten (10) minutes from their occurrence:

(1) Any creation and redemption and the resulting issued and outstanding ETF shares;

(2) Breach of tracking error threshold;

(3) Failure and/or inability to disclose the iNAV at the prescribed frequency;

(4) Any changes in the control of the Fund Manager;

(5) Any proposed change in the general character, nature or investment objective of the ETF and/or fund management;

(6) Any resolution or decision to renew, vary or terminate the management agreement;

(7) The fact of inability of the Market Maker to perform its functions or the absence of the Market Maker and the reasons therefor;

(8) The name and qualifications of the Authorized Participant which will assume the functions and obligations of the ETF's Market Maker;

(9) The decision to terminate the ETF's agreement with any of the following participants and the reasons therefor:

(a) Market Maker;
(b) Authorized Participant;
(c) Fund Manager;
(d) Custodian;
(e) Index Provider; and
(f) Transfer Agent.

Provided, however, that within thirty (30) days prior to the effectivity of the termination, the ETF must notify the Exchange in writing of the fact of termination.

Further, the ETF must engage a new Market Maker/Authorized Participant/ Fund Manager/Custodian/Index Provider or Transfer Agent no later than ten (10) trading days prior to the effectivity date of the termination of services of the previous Market Maker/Authorized Participant/Fund Manager/Custodian/ Index Provider or Transfer Agent. Notice to the Exchange that the ETF has engaged a new Market Maker/Authorized Participant/Fund Manager/

Custodian/Index Provider or Transfer Agent must be filed within the same period.

Upon failure to engage the replacement within the prescribed period, the Exchange shall suspend trading of securities of the ETF which shall be lifted upon receipt of notice of the engagement of a new Market Maker/Authorized Participant/Fund Manager/Custodian/Index Provider or Transfer Agent.

(10) Detailed information including the qualifications of the new Authorized Participant(s) which will assume the functions and obligations of the ETF's Authorized Participants;

(11) Any trading halt or suspension imposed by another exchange on the ETF Shares and the reasons therefor, if the ETF is simultaneously listed in another stock exchange;

(12) Any trading halt or suspension of the underlying securities and subsequent lifting thereof, including the percentage of the said underlying securities in relation to the applicable current index value and, in the case of underlying securities listed in another exchange, the reason for the halt or suspension;

(13) Any material facts related to the listed ETF, or the operation, business or assets of the ETF, which may significantly affect the investment decisions of investors.

d) Other reports and records as may be required by the Commission from time to time.

SECTION 7. Trading Halts and Suspensions

a. Trading of the ETF shares shall be suspended under the following circumstances:

(i) If the underlying securities accounting for 20% or more thereof have been suspended;

(ii) Absence of a Market Maker for a period of one (1) month;

(iii) When the Commission issues an order of suspension or revocation on the registration of the ETF shares; or

(iv) Other applicable grounds provided under the Listing and Disclosure Rules and Trading Rules of the Exchange.

b. Trading of the ETF shares shall be halted for an hour, or for any appropriate period as may be deemed necessary by the Exchange, on the first day of occurrence of the following circumstances:

(i) Breach of tracking error threshold;

(ii) Any of the underlying securities has been delisted;

(iii) Trading has been halted for one or more underlying securities accounting for 20% or more of the applicable current index value;

(iv) If the iNAV is not timely published within the frequency prescribed in these Rules; or

(v) Other applicable grounds provided under the Listing and Disclosure Rules and Trading Rules of the Exchange.

c. In the case of ETF shares simultaneously listed in another exchange, the Exchange may halt or suspend the trading of the ETF shares if the trading thereof is halted or suspended in the other exchange.

SECTION 8. Delisting of an ETF

a. In addition to the grounds for involuntary delisting under the Delisting Rules, the following shall be grounds for the involuntary delisting of an ETF:

(i) Failure by the ETF to comply with its continuing listing obligations, including the failure to pay the applicable fees;

(ii) Continued breach of the tracking error threshold set by the ETF for a period of at least one year. Tracking error as defined in the SEC ETF Rules Section 5.21 is the standard deviation of the difference in relative returns between the ETF and its underlying index;

(iii) Revocation of the registration of the ETF and/or its shares;

(iv) Such other grounds as may be determined by the Exchange, where delisting of the ETF may be appropriate in the public interest or for the protection of investors.

b. Tender Offer/Redemption Requirement – In all instances, an ETF that undergoes delisting, must purchase or redeem, either by itself, a stockholder, or through a proponent, more than ninety percent (90%) of the issued and outstanding shares of the ETF.

The required redemption may be made:

(i) By delivering the corresponding basket of securities to the concerned shareholder after the surrender of the ETF shares in accordance with Section 11.1 of the SEC ETF Rules; and/or

(ii) In exchange for cash in accordance with Section 13 of the SEC ETF Rules.

The ETF shall demonstrate that following the redemption of the shares, the ETF, the stockholder or the proponent, has obtained more than ninety percent (90%) of the issued

and outstanding shares of the ETF, or such level or percentage as may be prescribed by the Exchange.

The purchase or redemption price or valuation shall be duly supported by a fairness opinion prepared by an independent and reputable firm, and in accordance with the Guidelines for Fairness Opinions and Valuation Reports of the Exchange.

SECTION 9. Penalties and Fines

a. For non-compliance with the required number of Authorized Participants, a monetary penalty of One Hundred Pesos (Php100.00) for every day of non-compliance shall be imposed upon the ETF.

b. For the absence of a Market Maker, a monetary penalty of Five Hundred Pesos (Php500.00) for every day of non-compliance shall be imposed upon the ETF.

c. In the absence of a Fund Manager, Custodian, Index Provider, Authorized Participant, Transfer Agent, the Exchange shall suspend the trading of securities of the ETF which shall be lifted upon receipt of notice of the engagement of a new Fund Manager, Custodian, Index Provider, Authorized Participant, or Transfer Agent .

d. For any violation of these Rules not stated herein, the penalties under the PSE Disclosure Rules shall apply.

SECTION 10. Fees

An ETF shall be required to pay the following fees:

a. Processing Fee – Upon filing of its application to list, the ETF shall pay a non-refundable processing fee of Fifty Thousand Pesos (Php50,000.00) plus other incidental expenses.

b. Listing Fee – The ETF shall pay a flat rate of One Hundred Thousand Pesos (Php100,000.00).

c. Annual Listing Maintenance Fee – The ETF shall pay an Annual Listing Maintenance Fee of 1/200 of 1% of the total market capitalization but in no case shall it be more than Two Hundred Fifty Thousand Pesos (Php250,000.00).

SECTION 11. Compliance with Laws Governing Investments

The ETF must ensure compliance with the provisions of existing laws, rules and regulations and issuances including, but not limited to, the Anti-Money Laundering Act of the Philippines, the Investment Company Act, and any other applicable law or regulations.

THE PHILIPPINE STOCK EXCHANGE, INC.
RULES ON EXCHANGE TRADED FUNDS

SECURITIES AND EXCHANGE COMMISSION

VICENTE GRACIANO FELIZMENIO JR.
Director, Market Regulation Department

THE PHILIPPINE STOCK EXCHANGE, INC.

ROEL A. REFRAN
Chief Operating Officer

HANS B. SICAT
President and Chief Executive Officer

Republic of the Philippines
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City

SEC MEMORANDUM CIRCULAR NO. 10
Series of 2012

SUBJECT: **RULES AND REGULATIONS ON EXCHANGE TRADED FUNDS**

WHEREAS, Republic Act No. 2629, otherwise known as the Investment Company Act ("ICA"), has been enacted to mitigate, if not eliminate the unfavorable conditions and harmful practices in investment companies that adversely affect the national public interest and the interest of investors;

WHEREAS, the ICA prescribes the regulation of investment companies and requires them to register as such investment companies with the Securities and Exchange Commission ("Commission") and to comply with certain standards including, among others, the regular public disclosure of financial situation, investment policies and objectives, and their fund portfolios as well as their pricing and fees.

WHEREAS, the ICA grants authority to the Commission to issue from time to time rules and regulations and orders as are necessary or appropriate to exercise its powers under the ICA;

WHEREAS, the ICA enables the Commission as part of its rule-making power to issue rules and regulations defining accounting, technical and trade terms and prescribing the form or forms in which information required in registration statements, applications, and reports to the Commission shall be set forth;

WHEREAS, under the ICA, the Commission shall have the power to classify persons, securities and other matters within its jurisdiction and prescribe different requirements for different classes of persons, securities, or matters;

WHEREAS, the Commission determines that a new investment product known as exchange traded fund ("ETF") is a type of open-end investment company whose operation differs significantly from the more common type of open-end investment company popularly known as mutual fund;

WHEREAS, there is a need to classify ETF as a type of open-end investment company having distinct characteristics making necessary the promulgation of these rules and regulations, among others, on the issuance and redemption as well as trading and settlement of ETF shares to ensure that the objectives of ICA are met as well as accommodate the distinct characteristics of ETF;

WHEREAS, ETF shares are required to be registered pursuant to the requirements of Sections 8 and 12 of the Securities Regulation Code ("SRC") and the trading thereof shall be governed by the pertinent provisions of the SRC;

WHEREAS, under the SRC, the Commission may by rule or order, conditionally or unconditionally exempt any person, security or transaction, or class or classes of persons, securities or transactions from any provision of the said laws;

NOW, THEREFORE, the Commission hereby issues and promulgates the following rules and regulations governing Exchange Traded Funds as well as the transactions, persons and all other activities and practices involved therein.

SECTION 1- Title of Rules and Regulations

These Rules and Regulations shall be entitled as the **"Rules and Regulations on Exchange Traded Funds."**

SECTION 2- Interpretation of Rules

Any doubt in the interpretation of these Rules and Regulations shall be resolved by the Commission in a manner which would establish a socially conscious free market that regulates itself, encourage the widest participation of ownership in enterprises, enhance the democratization of wealth, promote

the development of the capital market, protect investors and ensure full and timely disclosure of material information.

SECTION 3 – Coverage

These Rules and Regulations shall apply only to passively-managed ETFs. Amendments to these may be accordingly introduced to address issues such as but not limited to those affecting other forms of ETF, including actively-managed ETFs, upon determination by the Commission that such other forms of ETF are necessary for the development of the capital market.

SECTION 4 – Exchange Traded Fund

An Exchange Traded Fund or ETF is an open-end investment company that continuously issues and redeems its shares of stock in creation unit in exchange for delivery of a basket of securities representing an index whose performance the ETF endeavors to track; provided that, the terms and conditions relative to the issuance and redemption in creation unit shall be prescribed and disclosed in its Registration Statement.

SECTION 5 – Definition of Terms Used in the Rules and Regulations

When used herein, unless the context otherwise requires:

1. **Act** means the Investment Company Act, Republic Act 2629.

2. **Actively-Managed ETF** is an ETF that uses the services of a portfolio manager or certain mathematical model to actively select the securities to be included in an investment portfolio and make strategic changes in that portfolio within the framework of the fund.

3. **Authorized Participant** is a registered broker-dealer that entered into a participating agreement or any similar arrangement with the ETF, and participates in the creation and redemption of shares in the ETF in accordance with the terms provided under the agreement between the Authorized Participant and the ETF.

4. **Arbitrage**, for purposes of the ETF, is the practice of the Authorized Participant to cause the creation of more ETF shares for sale in the secondary market, or to purchase ETF shares in the secondary market for redemption, in order to take advantage of the price differential of the ETF's Net Asset Value per share ("NAVps") and the market price.

5. **Basket of securities** is the bundle of securities whose names and numbers are specified each business day by an ETF, in exchange for which, the ETF will issue, or in return for which it will redeem ETF shares; provided that the ETF may allow cash to be a part of the basket in accordance with the pertinent provisions of these Rules.

6. **Index** is a single number that is calculated based on known methodology and is used to gauge the price and/or volume movements of a list of selected securities traded in an Exchange.

7. **Commission** refers to the Securities and Exchange Commission.

8. **Creation Unit** is the smallest block of ETF shares that can be created or redeemed by an Authorized Participant from the ETF as prescribed and disclosed in the Registration Statement.

9. **Custodian** is an entity that performs the functions and meets the requirements under Section 17 of these Rules.

10. **Exchange** is an organized marketplace or facility that brings together buyers and sellers and executes trades of securities and/or commodities.

11. **Exchange traded fund share** or **ETF share** is an equity security issued by an ETF.

12. **Index Provider** is a person that performs the functions and meets the requirements under Section 14 of these Rules.

13. **Indicative Net Asset Value ("INAV")** is an approximation of the current value of the basket of securities on a per share

basis computed at a fifteen (15)- second interval throughout the trading hours of the Exchange.

14. **Market Maker** is an Authorized Participant that assumes the obligation of providing two-way quotes following the rules of the Exchange and the Commission for the purpose of ensuring liquidity and of maintaining a fair and orderly trading market to the ETF shares.

15. **Net Asset Value ("NAV")** is the aggregate value of a fund as determined by the market value of its underlying securities holdings, including any cash in the portfolio less liabilities, computed at the close of the trading hours of the Exchange.

16. **NAVps** or **Net Asset Value per Share** is the computed NAV on a per share basis. It is calculated by dividing an ETF's total net assets by its number of shares outstanding.

17. **Passively-managed ETF** is an index fund that tracks a specific benchmark and any changes thereto.

18. **Rules** shall refer to these Rules and Regulations on Exchange Traded Funds.

19. **Secondary market** is the market where previously issued ETF shares are bought and sold.

20. **SRC** refers to the Securities Regulation Code, Republic Act 8799.

21. **Tracking error** is the standard deviation of the difference in relative returns between the ETF and its underlying index.

Unless otherwise specifically provided, the terms used in these Rules shall have the same meaning as defined in the Act.

SECTION 6 – Incorporation and Registration of the ETF

6.1 No person shall create and operate an ETF unless the latter is registered as such ETF in accordance with the Act and its implementing rules and regulations.

6.2 Minimum Requirements:

An ETF applying for incorporation with this Commission shall comply with the following requirements:

A) The name of the corporation shall contain the words "Exchange Traded Fund" or "ETF";

B) The purpose clause of the Articles of Incorporation shall provide that the corporation shall engage in the business of investing, reinvesting or trading in securities and shall issue and redeem its shares of stock in a defined creation unit in exchange for delivery of a basket of securities representing an index;

C) All members of the Board of Directors shall be Filipino citizens;

D) It shall have a minimum paid up capital of Two Hundred Fifty Million Pesos (Php 250,000,000.00);

E) All shares of its capital stock shall be common, voting and, in general, redeemable in creation unit in accordance with the terms and conditions prescribed and disclosed in the Registration Statement; and,

F) The pre-emptive right of stockholders to all issues or disposition of shares in proportion to their respective shareholdings shall be denied in the Articles of Incorporation of the ETF.

SECTION 7 – Registration of ETF Shares under the SRC

7.1 No person shall sell or offer for sale or distribute the shares of stock of an ETF unless such shares of stock have been registered in accordance with the requirements of the SRC.

7.2 No shares of stock of an ETF shall be registered pursuant to the SRC unless the assets of the corporation shall be primarily in baskets of securities comprising the index that it represents to track.

7.3 Relative to the above requirements:

A. An ETF shall file a Registration Statement ("RS") using SEC Form 12-1 ETF signed by the principal executive officer or officers, its principal financial officer, its comptroller or principal accounting officer, and the majority of its board of directors or persons performing similar functions;

B. Shelf Registration

Securities covered by an effective RS may continue to be offered or sold under the same terms and conditions within three (3) years from the effective date.

If the remaining registered but unsold securities shall be offered after the 3-year period mentioned in the immediately preceding paragraph, the registrant shall comply with the following requirements:

1. At least five (5) business days prior to the offering or sale of the securities, it shall inform the Commission in writing, through a prescribed format, the material changes, if any, in the RS previously rendered effective by the Commission; and,

2. Pay a fee in such amount as the Commission may determine for the subsequent sale of securities within seven (7) business days prior to the commencement of the sale.

7.4 Nothing herein shall preclude the Commission from requiring other information that it may deem consistent with public interest.

7.5 Investment of the Fund:

A. Investment Objective and Policy. An ETF shall explicitly state in the RS its investment objective and policy.

B. Changes in Investment Objective and Policy. Any change in the investment objective and policy shall be made in accordance with ICA. A rebalancing of the index or change

in its composition shall not be construed as a change in the investment policy of ETF.

C. Investment Limitations. An ETF shall not be subject to the maximum or minimum investment limitations provided under ICA Rule 35-1.

D. Liquidity Requirements. An ETF shall not be subject to the liquidity requirements provided under ICA Rule 35-1.

SECTION 8 – Liquidity of the ETF Shares and the Underlying Securities

An ETF applying for the registration of its shares of stocks shall be able to demonstrate to the satisfaction of the Commission that there shall be proper price formation in a secondary market for said shares by ensuring that:

1. the shares of stock of ETF shall be listed and traded in a registered Exchange;

2. At least two (2) Authorized Participants shall be appointed by the ETF, provided that at least one (1) of them shall act as market maker;

3. The underlying securities comprising the index are listed and traded in a registered Exchange and have sufficient liquidity; provided, that securities that are part of the main index of the Exchange shall be deemed to have sufficient liquidity; provided further, that the Exchange has considered liquidity as a criterion in the selection of securities for inclusion in the index, provided finally, that the ETF may provide for its own liquidity criteria and methodology which shall be disclosed in its RS;

4. The NAV and the NAVps shall be calculated daily after the trading in the Exchange closes. It shall be made available to the investing public by publishing it in the Exchange website and on the website of the ETF or such other location as may be approved by the Commission.

5. The INAV per share shall be calculated and published every fifteen (15) seconds or such other frequency as may be prescribed by the Commission from time to time or as proposed by the Exchange in its rules and approved by the Commission. It shall be made available to the investing public by publishing it in the Exchange board and website and on the website of the ETF or such other location as may be approved by the Commission.

SECTION 9 - Offering of the ETF shares

9.1 An ETF shall sell or offer for sale its shares of stock in any of the following manner:

1. An offer for sale to its designated Authorized Participants, provided, that the latter shall sell the ETF shares through the Exchange; and,

2. Such other method as may be prescribed herein by the Commission.

9.2 The manner of offering shall be fully provided for in the RS.

SECTION 10 - Listing of the ETF shares in an Exchange

Notwithstanding Section 9 of these Rules, no Exchange shall accept the listing of the shares of stock of an ETF unless said shares have been registered under the SRC.

SECTION 11 - In-Kind Issuance and Redemption of ETF Shares

11.1 As a general rule, shares of stock of an ETF shall be issued only upon delivery by the Authorized Participant of the basket of securities underlying an index, or redeemed, by delivering to the Authorized Participant the basket of securities after surrender of the ETF shares.

11.2 In relation to the issuance and redemption of ETF shares, the ETF shall disclose in its RS the following:

1. The terms and conditions for the in-kind issuance and redemption of ETF shares shall include among others, the valuation methodology, the price, timing, and procedures thereof;

2. Instructions to issue or redeem ETF shares in creation unit or multiples thereof shall be in writing;

3. Only an Authorized Participant shall be allowed to submit said issuance and redemption instructions to the ETF, provided that, any person who has accumulated the basket of securities comprising the index or the ETF shares equivalent to a creation unit may cause the Authorized Participant to present said basket of securities or ETF shares for issuance or redemption on his behalf; and,

4. The ETF shall prescribe the terms and conditions for the redemption of shares accumulated by an investor through the Authorized Participant, including the general manner by which such redemption shall be implemented. The more detailed procedures shall be agreed upon between the ETF and the Authorized Participant and stipulated in the written agreement between the two and disclosed to the investors.

11.2 Notwithstanding the foregoing paragraphs, an ETF may accept cash to account for the fractional value of the portfolio of underlying securities.

Section 12 - Issuance of ETF Shares in Exchange for Cash

In exceptional cases, an ETF may allow the issuance of ETF shares in exchange for cash subject to the following conditions:

1. This option, when exercised, is not prejudicial to the interest of existing shareholders and will not result in the disruption of an orderly market;

2. Any expenses or fees that are incurred in relation to such issuance shall be for the account of the person/investor causing such issuance;

3. Such an option is prescribed in the RS, including the exceptional cases under which said option may be exercised;

4. Only Authorized Participants, for their own accounts, are allowed to exercise such option;

5. The ETF shall purchase fully the underlying securities within the period prescribed in the RS;

6. The ETF shall fully record the exercise of such option and shall make said record available to the Exchange and the Commission upon request; and,

7. The Commission reserves the right to disallow the exercise of said option after determining that the in-cash arrangement is not consistent with the interest of the public, the protection of investors and/or the conduct of an orderly market.

Section 13 – Direct Redemption

Subject to the approval of the Commission, an ETF may provide for a direct redemption mechanism for the secondary market investors in exceptional circumstances such as, but not limited to:

i. when an ETF is delisted;

ii. when the secondary trading of ETF shares is disrupted over an extended period; or

iii. when the market price of the ETF shares varies significantly from NAVps.

The threshold for said price variation and such other market circumstances as well as the manner and procedure for Direct Redemption shall be stated in the RS.

Section 14 - Index and the Index Provider

14.1 An ETF shall have entered into an agreement with an Index Provider before using the index designed, constructed and calculated by said Index Provider.

14.2 An ETF shall identify and fully describe the index that it plans to track and the provider of said index.

14.3 An ETF shall not be allowed to select or use indices whose rebalancing frequency is less than six (6) month period.

14.4 An ETF shall provide in its RS, among others, the following information:

1. Initial composition of the index and the corresponding weights;
2. Methodology used in the selection of the securities comprising the index and the rationale thereto;
3. Methodology used in the calculation of the index and the rationale thereto;
4. Name and brief educational and professional background of the owners, directors, officers and persons directly responsible for the design and review of the index; and,
5. Other indices designed, constructed and calculated by the index provider, current and for the last five (5) years, if any.

14.5 An ETF shall immediately disclose in a current report any change in the above-stated items and in accordance with the requirements of Section 17 of the SRC.

14.6 An ETF shall also accordingly disclose the information required under Section 23 hereof on Transparency of Index and Portfolio Holdings.

14.7 An ETF and its Index Provider shall disclose the anticipated level of tracking error in normal market conditions and the description of factors that may affect the ability of the

ETF to track the performance of the index. The ETF and its Index Provider shall also disclose the size of the tracking error in the annual and quarterly reports together with an explanation of any divergence between the anticipated and realized tracking error for the period.

14.8 An ETF and its Index Provider shall adopt measures reasonably designed to prevent misuse of non-public information between the ETF and the affiliated Index Provider.

Section 15 – Appointment of Fund Manager

15.1 An ETF shall appoint a reputable Fund Manager who shall register as Investment Company Adviser in accordance with the requirements of the ICA.

15.2 Majority of the directors and officers of the fund management company shall have a track record of at least five (5) years in managing funds.

15.3 The Fund Manager shall operate and administer the ETF in accordance with all the agreements that it entered into with the ETF and in compliance with the provisions and requirements of ICA, SRC, and Corporation Code and their implementing rules and regulations, including these rules, circulars, orders, and terms and conditions prescribed by the Commission.

15.4 Responsibilities of a Fund Manager. The duties and responsibilities of a Fund Manager shall include but not limited to the following:

(a) perform its duties and responsibilities with due skill, care and diligence that a good father of a family would exercise in the position of being a Fund Manager;

(b) uphold the best interests of shareholders in any of its acts at all times and shall avoid conflict of interest situations; if unavoidable, a disclosure shall be promptly made to the ETF board of directors; in any case, the ETF shall act accordingly to protect the shareholders' interests;

(c) act honestly and fairly in managing the fund to the best and exclusive interest of the ETF and its shareholders;

(d) not misappropriate information acquired as Fund Manager to gain an advantage for itself or for other person;

(e) ensure the segregation of the ETF assets and other properties from those of its own account, physically and in the relevant records, by clearly and properly identifying and labeling the said assets and properties;

(f) have sufficient resources, including competent manpower complement, and proper systems, procedures and processes to effectively and efficiently perform its business activities and its duties and responsibilities, and to ably supervise and ensure compliance with the regulatory requirements and other obligations;

(g) comply with all the regulatory requirements and any other obligations set forth in all the agreements and arrangements that it entered into as Fund Manager;

(h) not to perform activities that shall cause harm to the ETF and its shareholders.

The abovementioned duties and responsibilities shall also be imposed on the directors, officers and staff of the Fund Manager.

15.5 Oversight Responsibility of ETF over the acts of Fund Manager. An ETF, on its behalf, may authorize a Fund Manager to appoint and enter into agreement with other parties necessary in the operation of an ETF. However, the ETF shall still perform oversight responsibility over such appointment and shall undertake the necessary measures if, upon proper finding, the appointment of a party to an ETF, is not in the interest of the ETF shareholders.

Section 16 – Appointment of Authorized Participant

16.1 An ETF or its appointed Fund Manager shall appoint at least two (2) Authorized Participants (APs) which shall directly participate in the issuance and redemption of ETF shares, for its

own accounts or for the account of other persons, and which shall deal with investors in the distribution and secondary trading of the ETF shares.

16.2 An ETF or its appointed Fund Manager shall ensure that before it enters into an agreement with an AP, it shall have determined that said AP meets the following requirements:

1. It is a registered broker-dealer and an authorized trading participant of an Exchange;

2. It has adequate resources, including competent staff, and appropriate systems, procedures and processes to execute transactions in ETF shares in a proper and efficient manner;

3. It adopts adequate and effective internal control procedures, including the necessary measures to maintain independence of its different office units, and satisfactory risk management procedures; and,

4. It has entered into a formal written agreement with the ETF or the appointed Fund Manager which specifies, among others, its duties and responsibilities as such AP.

16.3 In case of an AP handling more than one exchange traded fund, the ETF, before appointing the AP, shall have identified areas that may give rise to conflict of interest issues to the AP and have discussed and provided measures to avoid, if not eliminate, such conflict.

16.4 An AP shall perform such additional duties and responsibilities, including acting as a market maker, in accordance with the agreement with the ETF, the rules of the Exchange and those of the Commission.

Section 17 – Appointment of Custodian

17.1 An ETF or its appointed Fund Manager shall appoint a qualified Custodian which shall take custody and control of the ETF assets and properties. The Custodian shall cause the release of said assets upon the proper instruction of the ETF or its Fund Manager.

17.2 An ETF or its appointed Fund Manager shall ensure that before it enters into an agreement with a Custodian, it shall have determined that said Custodian meets the following requirements:

1. It is either a registered universal or commercial bank with trust license, or a non-bank entity with a trust license, or a registered securities depository;

2. It has adequate resources, including competent staff, and appropriate systems, procedures and processes to ensure that the ETF assets and properties are held in the following manner:

   a. Clearly identified and properly labeled as assets and properties of the ETF;

   b. ETF assets and properties are properly segregated physically and/or on the records of the Custodian;

   c. Unless otherwise authorized in writing by the Commission upon proper application, the assets and properties are registered in the name of or for the account of the ETF;

3. It adopts adequate and effective internal control procedures, including the independence between and among its different office units, and satisfactory risk management procedures; and,

4. It has entered into a formal written agreement with the ETF or its Fund Manager which specifies, among others, its other duties and responsibilities as such Custodian.

17.3 In case of a Custodian handling more than one exchange traded fund, the ETF or its Fund Manager, before appointing the Custodian, shall have discussed with said Custodian and identified areas that may give rise to conflict of interest issues and shall have provided measures to avoid, if not eliminate, such conflict of interest.

Section 18 – Appointment of a Transfer Agent

The ETF or its appointed Fund Manager shall appoint a registered transfer agent which shall maintain an accurate registry for recording the initial and subsequent transfer of shares.

SECTION 19 – Prospectus

An ETF, upon request by a prospective investor, shall provide the relevant prospectus which shall contain the data required under SRC Rule 12 and these rules. In addition, the following information shall be provided in the prospectus:

(a) the name of the ETF share or instrument or its ticker code in the Exchange which shall contain the term "ETF";

(b) the terms, features, rights, and privileges of the ETF shares;

(c) the number of shares contained in a creation unit;

(d) the terms on which their securities are to be offered to the public;

(e) ETF shares can be bought and sold on the secondary market at the quoted market price through a trading participant of an Exchange which may require payment of brokerage commissions;

(f) enumeration of the associated fees and expenses to be charged by Fund Manager, Authorized Participants, Custodian and Transfer Agent;

(g) the anticipated level of tracking error in normal market conditions and the description of factors that may affect the ability of the ETF to track the performance of the index;

(h) the procedure for Direct Redemption and the costs involved, if any;

(i) the directors, officers, and any person holding more than ten per centum (10%) of any class of any equity security of the ETF;

(j) the remuneration and interests in the securities of the individuals indicated in paragraph (i) above, and their material contracts with the ETF and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the ETF;

(k) bonus and profit-sharing arrangements;

(l) management and service contracts;

(m) options existing or to be created in respect of the securities of the individuals indicated in paragraph (i) above;

(n) dividend policy;

(o) material contracts, not made in the ordinary course of business, which are to be executed in whole or in part at or after the filing of the application or which were made not more than two (2) years before such filing, and every material patent or contract for a material patent right shall be deemed a material contract;

(p) balance sheets for not more than the three preceding fiscal years, if applicable, certified by a registered public accounting firm;

(q) profit and loss statements for not more than the three preceding fiscal years, if applicable, certified by an accredited public accounting firm;

(r) copies of articles of incorporation, by-laws, trust indentures, or corresponding documents by whatever name known, underwriting arrangements, and other similar documents of, and voting trust agreements with respect to, the ETF and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the ETF as the Commission may

require as necessary or appropriate for the proper protection of investors and to ensure fair dealing in the security; and,

(s) Any further financial statements which the Commission may deem necessary or appropriate for the protection of investors.

SECTION 20 – Summary Prospectus

20.1 An ETF may provide a summary prospectus. However, upon request by an investor, an ETF shall also provide the statutory prospectus.

20.2 The key information in the summary prospectus shall include:

a. Investment objective and policy;

b. Costs (same as the risk/return summary fee table and example);

c. Principal investment strategies, risks and performance;

d. The fund's top ten (10) portfolio holdings as of the end of its most recent calendar quarter;

e. Identity of investment advisers and portfolio managers;

Disclose the name of each investment adviser and sub-adviser of the fund, followed by the name, title, and length of service of the fund's portfolio managers.

f. Brief purchase and sale and tax information;

g. Financial intermediary compensation.

A fund must provide disclosure that if an investor purchases the fund through a broker-dealer or other financial intermediary (such as a bank), the fund and its related companies may pay the intermediary for the sale of fund shares and related services, and state that these

payments may influence the broker-dealer or other intermediary and the salesperson to recommend the fund over another investment.

h. The cover page of the Summary Prospectus shall contain the following:

1) The fund's name and the share classes to which the summary prospectus relates;

2) a statement identifying the document as a "summary prospectus";

3) the approximate date of the summary prospectus' first use; and,

4) the following legend:

Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund online at [_____]. You can also get this information at no cost by calling [_____] or by sending an email request to [_____].

SECTION 21 – Delivery of Prospectuses to Investors

Broker-dealers selling ETF shares are obliged, upon request, to deliver a prospectus to interested parties.

SECTION 22 – Registration of Salesman and Associated Person

A registered salesman of an Authorized Participant or trading participant in an Exchange, prior to trading ETF shares, shall present a certification to the Commission that he has undergone a relevant training on ETF provided for by the Commission and/or any person authorized by the Commission.

SECTION 23 – Transparency of Index and Portfolio Holdings

23.1 An ETF shall maintain a website which shall be freely accessible by the public and which shall provide on a daily basis the following information:

(i) the index that the ETF plans to track;

(ii) the identities and weightings of the component securities and other assets held by the fund;

(iii) the identities and weightings of the component securities and other assets of the index;

(iv) the number and type of securities comprising the basket of securities with which the ETF could create or could redeem creation unit; and,

(v) the performance of the index and the ETF.

23.2 Premium/Discount Information. An ETF shall disclose on its website the following information:

a) the extent and frequency with which market prices of ETF shares have tracked the fund's NAVps;

b) the prior business day's last determined NAV;

c) the market closing price of its shares; and,

d) the premium/discount of the closing price to NAVps.

23.3 The above disclosures are designed to alert investors to the current relationship between NAVps and the market price of the ETF's shares, and that they may sell or purchase ETF shares at prices that do not correspond to the NAVps of the fund.

SECTION 24 – Arbitrage Mechanism

An ETF shall operate with an arbitrage mechanism designed to minimize the potential deviation between the market price and NAVps or INAV per share of ETF shares. The ETF shall establish creation unit sizes, the number of shares of which are reasonably designed to facilitate arbitrage, which is described in the

definition of creation unit as the purchase (or redemption) of shares from the ETF with an offsetting sale (or purchase) of shares on an Exchange at as nearly the same time as practicable for the purpose of taking advantage of a difference in the NAVps and INAV per share and the current market price of the ETF shares.

SECTION 25 – Securities Lending Activity

An ETF may engage in securities lending provided it shall have expressed approval by the Commission. Provided, further, that:

a) The securities lending activity shall be disclosed in the RS;

b) The guidelines for securities lending shall provide that the net revenue arising from the activity shall be returned to the ETF;

c) On-going disclosures thereon shall be included in the Annual Report; and,

d) The ETF shall be able to recall any securities lent or terminate any securities lending agreement it has entered.

Provided, finally, that the ETF shall comply with the Rules on Securities Borrowing and Lending issued by the Commission and the Exchange.

SECTION 26 – Time for Delivering Redemption Proceeds

Redemptions shall be satisfied within the settlement period of the Exchange or the relevant Clearing Agency or such other period that the Commission may prescribe.

SECTION 27 – Reports and Records Requirements

27.1 An ETF shall comply with the following requirements:

a) Monthly Issuance and Redemption Report of ETF creation units;

b) Periodic and current reports and records required under the SRC and ICA; and,

c) Other reports and records as may be required by the Commission from time to time.

27.2 The ETF annual and quarterly reports shall include the ETF return information. The ETF shall use the market price of fund shares in addition to the NAVps to determine its return and include a table with premium/discount information for the five recently completed fiscal years. It shall compare its performance to its underlying index.

SECTION 28 – Administrative Sanctions

If the Commission finds that there is a violation of any provision of the Act, or this Rule or any applicable rules under the SRC, or that any person, in a registration statement or its supporting papers and the prospectus, as well as in the periodic reports required to be filed with the Commission has made any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or refuses to permit any lawful examination into its corporate affairs, the Commission shall, in its discretion impose additional sanctions provided by law aside from those established by existing regulations.

SECTION 29 – Applicability of certain regulations

29.1 The provisions of ICA, SRC and their implementing rules and regulations, and other relevant regulations insofar as they are applicable and not inconsistent herewith, shall apply suppletorily hereto.

29.2 The requirement under ICA Rule 35-1 mandating that sale of securities by investment companies shall be on cash basis shall not apply to ETF.

29.3 ETF shall not be subject to any Lock-Up requirement under ICA Rule 35-1.

29.4 ETF shall be exempt from the mandatory tender offer rule under Section 19 of the SRC.

SECTION 30 – Effectivity

These rules shall take effect fifteen (15) days after the date of last publication in two (2) newspapers of general circulation in the Philippines.

Mandaluyong City, Metro Manila, October 19, 2012.

For the Commission:

COMMISSIONER MA. JUANITA E. CUETO
Officer In Charge

PSE

MEMORANDUM

CN - No. 2021-0021

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Trading	☐ Public Advisory
☐ Disclosure	☐ Administrative/Technology Matters
☑ Listing	☐ Others:

TO : **ALL MARKET PARTICIPANTS**

SUBJECT : **AMENDED LISTING RULES**

DATE : **March 24, 2021**

Please be advised that the Securities and Exchange Commission ("SEC") approved on February 4, 2021 the amendments to Article III, Parts D and E of the PSE Consolidated Listing and Disclosure Rules ("Rules"), and the addition of Article III, Part E-1 to the Rules. A copy of the Amended Listing Rules, as approved by the SEC, is attached as Annex "A".

The SEC also approved the grant of temporary relief to companies applying for initial listing in 2021 or 2022, whether in the Main or SME Board, in consideration of the business impact of COVID-19. The temporary relief shall be as follows:

1. **Time-bound Relief:** For IPO applications that will be filed in 2021 and 2022, the Exchange, on a case-to-case basis, may consider the profitability of the applicant for any two fiscal years in the three most recent fiscal years, excluding the year of the impact. To illustrate, for an IPO application filed in 2021 by a company demonstrating the negative impact in its financial condition and results of operations for 2020 due to COVID-19, the two most recent fiscal years shall be 2018 and 2019. If the application is filed in 2022 and the year of the impact is 2020, the two most recent fiscal years shall be 2019 and 2021.

2. **Minimum disclosure requirements:** The applicant should fully disclose in the prospectus (with cross reference to the audited financial statements) the adverse impact of the pandemic on its operations, expected duration of the business effects of the pandemic, recovery measures, and business prospects of the applicant in the next five (5) years, among others.

3. **Due consideration for COVID-19 impact in PSE evaluation:** PSE shall determine the suitability of the applicant to be listed with due consideration to the adverse effect of the pandemic and the applicant's recovery measures. In this regard, the latest interim financial statements of the applicant, when available, will be considered in the evaluation of the applicant's prospects of recovery from the pandemic.

The Amended Listing Rules and the temporary relief in response to COVID-19 shall take effect immediately.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

ARTICLE III
EQUITY SECURITIES

Annex "A"

PART D
MAIN BOARD LISTING

SECTION 1. General Criteria for Admission to Listing – A company applying for listing in the Main Board ("Applicant Company") must comply with the following requirements:

(a) Track Record of Profitable Operations – The Applicant Company must have a cumulative net income, excluding non-recurring items, of at least Seventy Five Million Pesos (₱75,000,000.00) for three (3) full fiscal years immediately preceding the application for listing and a minimum net income of Fifty Million Pesos (₱50,000,000.00) for the most recent fiscal year. The applicant must further be engaged in materially the same businesses and must have a proven track record of management throughout the last three (3) years prior to the filing of the application.

For this purpose, the Applicant Company shall submit to the Exchange audited consolidated Financial Statements for the last three (3) full fiscal years preceding the filing of the application. The Financial Statements must be accompanied by an unqualified external auditor's opinion.

(b) Exception to the 3-year Track Record Requirement – The following are the exceptions to the three (3) year track record rule:

(i) The Applicant Company has been operating for at least ten (10) years prior to the filing of the application and has a cumulative net income of at least Seventy Five Million Pesos (₱75,000,000.00) for at least two (2) of the three (3) fiscal years immediately preceding the filing of the listing application.

(ii) The Applicant Company is a newly formed holding company which uses the operational track record of its subsidiary. This exception, however, shall be subject to the restriction in Section 3(a) hereof.

(c) Stockholders' Equity – The Applicant Company must have a stockholders' equity of at least Five Hundred Million Pesos

(₱500,000,000.00) in the fiscal year immediately preceding the filing of the listing application.

(d) Operating History – The Applicant Company must have an operating history of at least three (3) years prior to its application for listing.

(e) Minimum Offering to the Public – The minimum offering to the public for initial listing shall be based on the following schedule:

MARKET CAPITALIZATION	PUBLIC OFFER
Not exceeding ₱500 M	33% or ₱50M whichever is higher
Over ₱500M to ₱1B	25% or ₱100M whichever is higher
Over ₱1B	20% or ₱250M whichever is higher

(f) Minimum Number of Stockholders – Upon listing, the Applicant Company shall have at least one thousand (1,000) stockholders, each owning stocks equivalent to at least one (1) board lot.

*Note: The requirement to have at least one thousand (1,000) security holders each owning securities equivalent to at least one (1) board lot is only required upon listing. Once listed, companies shall, at all times, maintain a minimum percentage of listed securities held by the public of ten percent (10%) of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage that may be prescribed by the Exchange. The Exchange may impose a higher percentage effective upon receipt by the Commission of a written notice of such increase. The Exchange may decrease the percentage or suspend or remove the same only with prior approval from the Commission. (**Supplemental Rule 6** – PSE Memorandum No. 2010-0505 dated 28 October 2010 re: Rule on Minimum Public Ownership; **Supplemental Rule 6.1** - PSE Memorandum CN No. 2012-0003 dated 3 January 2012 re: Amended Rule on Minimum Public Ownership)*

(g) Valuation of Assets – When required by the Exchange, the Applicant Company shall engage the services of an independent appraiser duly accredited by the Exchange and the Commission in determining the value of its assets.

(h) Full Payment of Issued and Outstanding Shares – The Applicant Company shall cause all its subscribed shares of the same type and class applied for listing to be paid in full.

(i) Investor Relations Program – The Applicant Company shall have an investor relations program to ensure that information affecting the company are communicated effectively to investors. Such program

shall include, at the minimum, a corporate website that contains, at the minimum, the following information:

i. Company information – organizational structure, board of directors, and management team;

ii. Company news – analyst briefing report, latest news, press releases, newsletter (if any);

iii. Financial report – annual and quarterly reports, at least for the past 2 years;

iv. Disclosures – recent disclosures to the Exchange and the Commission for the past 2 years;

v. Investor FAQs – commonly asked questions of stockholders;

vi. Investor Contact – email address for feedback/comments, shareholder assistance and service; and

vii. Stock Information – key figures, dividends, and stock information.

(j) An Applicant Company that is exempt from the track record and operating history requirements of this Rule must state in its Registration Statement the reason for such exemption.

SECTION 2. Lock-Up –

(a) An Applicant Company shall cause its existing stockholders who own an equivalent of at least 10% of the issued and outstanding shares of stock of the company to refrain from selling, assigning or in any manner disposing of their shares for a period of:

i. One hundred eighty (180) days after the listing of said shares if the Applicant Company meets the track record requirements in Section 1 hereof; or

ii. Three hundred sixty-five (365) days after the listing of said shares if the Applicant Company is exempt from the track record and operating history requirements of the Rules.

If there is any issuance or transfer of shares (i.e., private placement, asset for shares swap or a similar transaction) or of instruments

which leads to an issuance or transfer of shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within one hundred eighty (180) days prior to the start of the Offering Period, or, prior to the listing date in the case of Applicant Companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering or than that of the listing price in the case of Applicant Companies listing by way of introduction, all shares availed of shall be subject to a lock-up period of at least three hundred sixty-five (365) days from the full payment of the aforesaid shares.

The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

(b) The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Revised Listing Rules, or any amendment thereto.

(c) The foregoing lock-up requirement will not apply to a listed company that transfers to the Main Board if the lock-up period set out above, whichever is applicable, has been observed while listed in the SME Board. Otherwise, the difference between the applicable lock-up period and the actual lock-up of shares shall be observed.

SECTION 3. Restrictions –

(a) No divestment of shares in operating subsidiary – A newly formed holding company which invokes the operational track record of its subsidiary to qualify for the track record requirement under Section 1(a) hereof, is prohibited from divesting its shareholdings in the said subsidiary for a period of three (3) years from the listing of its shares. The prohibition shall not apply if a divestment plan is approved by the majority of the Applicant Company's stockholders.

(b) No secondary offering for companies that are exempt from the track record and operating history requirements – Companies that are exempt from the track record and operating history requirements, such as mining, petroleum and renewable energy companies and newly formed holding companies referred to in Section 1(b)(ii), are prohibited from offering secondary shares during the Initial Public Offering. For purposes of this rule, secondary shares shall mean shares originally held by the existing shareholders prior to IPO.

Note: A newly-listed company shall likewise be prohibited from offering additional shares, except offerings for stock dividend and employee stock option plan ("ESOP") within one hundred eighty (180) calendar days from date of original listing.

SECTION 4. Full Disclosure Policy – The Applicant Company shall submit the following disclosures to the Exchange within the periods specified below to ensure transparency in the use of proceeds raised from the IPO:

(a) Quarterly Progress Report on the application of the proceeds from the IPO on or before the first fifteen (15) days of the following quarter. The Quarterly Progress Reports should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(b) Annual summary on the application of the proceeds on or before January 31 of the following year. The Annual Summary Report should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(c) Approval by the Applicant Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the Work Program. The actual disbursement or implementation of such reallocation must be disclosed by the Applicant Company at least thirty (30) days prior to the said actual disbursement or implementation.

(d) A comprehensive report on the progress of its Business Plan on or before the first fifteen (15) days of the following quarter.

The quarterly and annual reports required in items (a) and (b) above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Work Program or IPO Prospectus, if any. The detailed explanation must state the approval of the Applicant Company's Board of Directors as required in item (c) above.

The Exchange may require disclosure of additional information as it considers appropriate and material in any particular case.

If during the application, the Applicant Company fails to make a timely and accurate disclosure of material information or deliberately misrepresents material facts to the Exchange, the Exchange may consider the said actions as evidence of the Applicant

Company's refusal to comply with the full disclosure policy of the Exchange and on that basis, reject the application.

SECTION 5. Delisting – A listed company that incurs negative stockholders' equity for three (3) consecutive years shall be subject to delisting, in accordance with the rules of the Exchange. The delisting of the listed company's shares shall take effect thirty (30) days from approval by the Exchange's Board of Directors of the said delisting. The Exchange shall send notice of such delisting immediately to the listed company and the Commission. The Exchange shall likewise publish an announcement relative thereto in the Exchange's website.

ARTICLE III
EQUITY SECURITIES

PART E
SMALL, MEDIUM AND EMERGING (SME) BOARD LISTING

SECTION 1. General Criteria for Admission to Listing – A company applying for listing in the SME Board ("Applicant Company") must comply with the following requirements:

(a) Track Record of Profitable Operations – Applicant Company must satisfy one of the following requirements:

(i) Cumulative earnings before interests, taxes, depreciation, and amortization (EBITDA), excluding non-recurring items, of at least Fifteen Million Pesos (₱15,000,000.00) for the three (3) fiscal years immediately preceding the application for listing or such shorter period as the company has been operating. The applicant must further be engaged in materially the same business and must have a proven track record of management throughout the last three (3) years prior to the filing of the application or such shorter period as the company has been operating; or

(ii) Cumulative operating revenues or sales of at least One Hundred Fifty Million Pesos (₱150,000,000.00) for the three (3) fiscal years immediately preceding the filing of the listing application or such shorter period as the company has been operating, with an average net sales/operating revenues growth rate of at least twenty percent (20%) over the two (2) fiscal years immediately preceding the filing of the listing application.

For this purpose, the Applicant Company shall submit to the Exchange audited consolidated Financial Statements for the last three (3) full fiscal years preceding the filing of the application or such shorter period as the company has been operating. The Financial Statements must be accompanied by an unqualified external auditor's opinion.

(b) Stockholders' Equity – Applicant Company must have a stockholders' equity of at least Twenty Five Million Pesos (₱25,000,000.00) in the fiscal year immediately preceding the filing of the listing application.

(c) Operating History – Applicant Company must have an operating history of at least two (2) years prior to its application for listing.

(d) Full Payment of Issued and Outstanding Shares – The Applicant Company shall cause all its subscribed shares of the same type and class applied for listing to be paid in full.

(e) Business Plan – The Applicant Company shall demonstrate its stable financial condition and prospects for continuing growth. For purposes of determining prospects for continuing growth, the Applicant Company shall submit a business plan indicating the steps that have been taken and to be undertaken in order to advance its business over a period of five (5) years.

As a general rule, financial projections are not required, but should there be references made in the business plan to future profits or losses, or any other item that would be construed to indicate forecasts, then the Applicant Company is required to include financial projections in the business plan duly reviewed by an independent accounting firm.

(f) Valuation of Assets – When required by the Exchange, the Applicant Company shall engage the services of an independent appraiser duly accredited by the Exchange and the Commission in determining the value of its assets.

(g) Minimum Offering to the Public – The minimum offering to the public shall be based on the schedule set forth in Article III, Part D, Section 1(e) of these Rules.

(h) Minimum Number of Stockholders – Upon listing, the Applicant Company shall have at least two hundred (200) stockholders. Each of these stockholders must hold at least one (1) board lot of the securities of the company.

Note: The requirement to have at least two hundred (200) security holders each owning securities equivalent to at least one (1) board lot is only required upon listing. Once listed, companies shall, at all times, maintain a minimum percentage of listed securities held by the public of ten percent (10%) of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage that may be prescribed by the Exchange. (see Supplemental Rule 6 and 6.1)

(i) Investor Relations Program – The Applicant Company shall have an investor relations program to ensure that information affecting the company are communicated effectively to investors. Such program shall include, at the minimum, a corporate website that contains, at the minimum, the following information**:**

i. Company information – organizational structure, board of directors, and management team

ii. Company news – analyst briefing report, latest news, press releases, newsletter (if any)

iii. Financial report – annual and quarterly reports, at least for the past 2 years

iv. Disclosures – recent disclosures to the Exchange and the Commission for the past 2 years

v. Investor FAQs – commonly asked questions of stockholders

vi. Investor Contact – email address for feedback/comments, shareholder assistance and service

vii. Stock Information – key figures, dividends, and stock information

(j) An Applicant Company that is exempt from the track record and operating history requirements of this Rule must state in its Registration Statement the reason for such exemption.

SECTION 2. An Applicant Company that does not meet the required track record of profitable operations and/or stockholders' equity may apply for listing with the favorable endorsement of a listing sponsor accredited by the Exchange. The roles and responsibilities of sponsors, requirements for accreditation, and disciplinary actions that may be taken against sponsors are set out in article III, Part E-1 of the Consolidated Listing and Disclosure Rules.

SECTION 3. Lock-Up –

(a) The Applicant Company shall cause its existing non-public stockholders and their related parties to refrain from selling, assigning, encumbering or in any manner disposing of their shares for a period of one (1) year after the listing of such shares. All other stockholders shall not be subject to mandatory lock-up under this provision.

For purposes of this section, "non-public stockholders" shall mean the Applicant Company's: (i) principal stockholders (*i.e.*, the owner of ten percent (10%) or more of the issued and outstanding shares); (ii) subsidiaries or affiliates; (iii) directors; (iv) principal officers; and (v) any

other person who has substantial influence on how the Applicant Company is being managed.

The term "related parties" shall mean the non-public stockholder's: (i) principal stockholders (*i.e.*, the owner of ten percent (10%) or more of the issued and outstanding shares); (ii) subsidiaries or affiliates; (iii) directors; (iv) principal officers; and (v) members of the immediate families sharing the same household of any of its principal stockholders, directors, or principal officers.

If there is any issuance or transfer of shares (i.e., private placement, asset for shares swap or a similar transaction) or of instruments which leads to an issuance of shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within six (6) months prior to the start of the Offering Period, or, prior to the listing date in case of Applicant Companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering, or than that of the listing price in the case of Applicant Companies listing by way of introduction, all shares subscribed or acquired shall be subject to a lock-up period of at least one (1) year from listing of the aforesaid shares.

The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

(b) The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Revised Listing Rules.

SECTION 4. Restrictions – Companies applying for listing in the SME Board are subject to the following restrictions:

(a) No listing of portfolio and passive income companies – The Exchange shall not allow the listing of a portfolio or passive income company. For purposes of this Rule, a portfolio or passive income company shall mean a company that confines its activities to owning stocks in other companies without voting control and whose source of income are mainly dividends, equitized earnings, and interest earnings from such passive investments. A holding company that has an operating subsidiary is not covered by this restriction.

(b) Prohibition on Backdoor Listing - A company listed in the SME Board is prohibited from doing a backdoor listing. The Exchange may delist a company which undertakes a backdoor listing in contravention of this rule.

(c) No Offering of Secondary Securities for Companies Exempt from the Track Record and Operating History Requirements – Companies that are exempt from the track record and operating history requirements, such as mining, petroleum and renewable energy companies, are prohibited from offering secondary securities during the Initial Public Offering. For purposes of this rule, secondary securities shall mean securities originally held by the existing shareholders prior to IPO.

SECTION 5. Transfer to the Main Board – A listed company initially listed on the SME Board may, upon written request to the Exchange and payment of the applicable processing fee, be elevated for listing in the Main Board upon showing that it has met the requirements for listing in the Main Board.

SECTION 6. Full Disclosure Policy –

(a) The Applicant Company shall promptly submit a comprehensive corporate disclosure to the Exchange in the following instances:

(i) Sale of the company's assets other than in the ordinary course of business.

The comprehensive corporate disclosure shall contain, among others, the names of the parties to the transaction, the purpose for which it was entered into, and the potential effect on the operations of the company;

(ii) Imposition of fines and/or other penalties on the Applicant Company or its subsidiaries by regulatory authorities and the reasons therefor;

(b) The Applicant Company shall submit the following disclosures to the Exchange within the periods specified below to ensure transparency in the use of proceeds raised from the IPO:

(i) Quarterly Progress Report on the application of the proceeds from the IPO on or before the first fifteen (15) days of the following quarter. The Quarterly Progress Reports should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(ii) Annual summary on the application of the proceeds on or before January 31 of the following year. The Annual Summary Report

should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(iii) Approval by the Applicant Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the Work Program. The actual disbursement or implementation of such reallocation must be disclosed by the Applicant Company at least thirty (30) days prior to the said actual disbursement or implementation.

(iv) A comprehensive report on the progress of its Business Plan on or before the first fifteen (15) days of the following quarter.

The quarterly and annual reports required in items (i) and (ii) above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Work Program or IPO Prospectus, if any. The detailed explanation must state the approval of the Applicant Company's Board of Directors as required in item (iii) above.

The Exchange may require disclosure of additional information as it considers appropriate and material in any particular case.

If during the application, the Applicant Company fails to make a timely and accurate disclosure of material information or deliberately misrepresents material facts to the Exchange, the Exchange may consider said actions as evidence of the Applicant Company's refusal to comply with the full disclosure policy of the Exchange and on that basis, reject the application.

SECTION 7. Delisting – A company that incurs negative stockholders' equity for three (3) consecutive years shall be subject to delisting, in accordance with the rules of the Exchange. The delisting of the company's securities shall take effect thirty (30) days from approval by the Exchange's Board of Directors of the said delisting. The Exchange shall send notice of such delisting immediately to the listed company and the Commission. The Exchange shall likewise publish an announcement relative thereto on the Exchange website.

SECTION 8. Applicability of Other Provisions – The Applicant Company must comply with the published rules and requirements which the Exchange may deem applicable.

ARTICLE III
EQUITY SECURITIES

PART E-1
SMALL, MEDIUM AND EMERGING (SME) BOARD LISTING UNDER SPONSOR MODEL

SECTION 1. Scope – This rule sets out the requirements for listing on the SME Board of Applicant Companies under a sponsor-driven framework.

SECTION 2. Objective - This rule is designed to give high growth and start-up companies that do not have the required track record of profitable operations and/or stockholders' equity access to capital market, without compromising public confidence in the market.

Sponsors are expected to play an important role in maintaining the standard and quality of companies listed in the SME Board under the sponsor model and upholding the integrity of the market.

SECTION 3. Filing of Listing Application – The listing application shall be filed by an Exchange-accredited sponsor on behalf of the listing applicant.

The offer documents and circulars, notice of filing of listing application, and marketing collaterals about the offer, must contain the following statement in bold type on a prominent portion of the document:

"THE COMPANTY SEEKS LISTING IN THE SMALL, MEDIUM AND EMERGING (SME) BOARD OF THE PSE UNDER A SPONSOR-DRIVEN FRAMEWORK. SPONSORED LISTINGS IN THE SME BOARD ARE FOR COMPANIES WHICH DO NOT COMPLY WITH THE PROFITABILITY AND/OR STOCKHOLDERS' EQUITY REQUIREMENTS AND TO WHICH A HIGHER INVESTMENT RISK MAY ATTACH. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH COMPANIES AND ARE ADVISED TO EXERCISE DUE DILIGENCE AND CAREFULLY READ THE OFFER MATERIALS BEFORE MAKING ANY INVESTMENT DECISION."

SECTION 4. Criteria for Listing – To qualify for listing under this rule, an Applicant Company should be favorably endorsed, without qualification, by a sponsor accredited by the Exchange.

Except for the track record and stockholders' equity requirements in Article III, Part E of the Consolidated Listing and Disclosure Rules of the Exchange, all listing requirements

applicable to initial listings, particularly, those provided in Article I and Article III (except Parts D and G) of the Consolidated Listing and Disclosure Rules, shall apply to listing applications filed under this rule.

SECTION 5. Assessment of Applicant's Suitability for Listing – The listing sponsor shall assess the suitability of the applicant for listing and review the veracity and completeness of the information disclosed in the offer documents.

For this purpose, the listing sponsor shall conduct the appropriate due diligence and consider the following matters, among others:

1) Financial condition and viability of the business of the listing applicant;

2) Prospects of listing applicant's business and the industry it operates in, including recent major developments;

3) Applicant's capital structure, ownership structure, and operating history, sites of operation, historical financial information and other corporate information;

4) Listing applicant's corporate governance record, including issues that might affect its integrity or might cause its listing to undermine public interest;

5) Suitability and past corporate conduct of the applicant's board of directors and key management officers;

6) Directors' understanding of, and intention to comply with, the applicant company's obligations upon and after listing;

7) Sufficiency of the applicant's systems, procedures, controls and resources to ensure compliance with the Exchange's rules;

8) Adequacy of internal control and risk management systems; and

9) Nature and extent of conflicts of interest or potential conflicts of interest involving the listing applicant, if any.

Listing sponsor shall ensure that any material issues found during its due diligence are addressed or resolved or otherwise do not affect the applicant's suitability for listing.

SECTION 6. Sponsor's Certification and Undertaking – A listing application filed under these rules shall not be accepted unless accompanied by a duly notarized sponsor assessment report which fully discloses material information gathered from the due diligence review conducted by the sponsor on the applicant. The report shall include, at

the minimum, a discussion and assessment of the applicant's business plan, future prospects, financial performance, risks to the applicant's business and future prospects, and other necessary information that supports the sponsor's favorable recommendation of applicant's listing in the SME Board.

The sponsor shall also submit, together with the listing application, a sponsor's sworn certification, declaration, and undertaking that:

1) it has exercised due diligence on the applicant company and is satisfied that the company is suitable for listing on the Exchange and its listing will not undermine public confidence in the market;

2) it is satisfied as to the viability of applicant's business plans and future prospects;

3) it has reviewed the applicant's offer and listing documents, including any amendments and supplements, and all material representations therein are true and correct and no material information necessary to make the statements contained therein not misleading was omitted;

4) all information contained in the sponsor assessment report are true and correct and no material information necessary to make the statements contained therein not misleading was omitted;

5) the sponsor accepts responsibility, together with the applicant, for any false, inaccurate or misleading information with respect to any material fact contained in the listing application, offer documents, sponsor assessment report and all documents submitted to the Exchange, except in cases where the sponsor proves that it acted in good faith and had no knowledge of, and could not have known, even with the exercise of reasonable due diligence, the falsity, inaccuracy or misleading nature of such information. a similar statement shall be incorporated in the prospectus;

6) other than the track record and/or stockholders' equity requirement, the applicant is compliant with all applicable requirements of the Exchange for admission for listing in the SME Board;

7) the applicant's securities are freely tradable and not subject to any adverse claim;

8) it has given sufficient advice and guidance to the directors and officers of the applicant and, as necessary, other professional advisers, in relation to the applicant's responsibilities and obligations under the Exchange's Consolidated Listing and Disclosure Rules to ensure due compliance by the applicant on an ongoing basis;

9) it agrees to comply with and be bound by all the applicable rules, requirements, and policies of the Exchange relating to the responsibilities of the sponsor prior to, during, and after listing of the applicant; and

10) submit an updated sponsor assessment report on or before the 31st day of January of each year during the term of the sponsorship, and as necessary, if there are material developments affecting the listed company or its security.

If the sponsor resigns, or the sponsor appointment is terminated for any reason during the processing of a listing application, the sponsored company must appoint a replacement sponsor which shall resubmit, on behalf of the sponsored corporation, a listing application and the sponsor assessment report, declarations and undertakings required by this section.

SECTION 7. Exchange's Action on the Application – The Exchange retains full discretion to approve or reject listing applications filed pursuant to this rule. In reaching its decision, the Exchange shall give particular regard to the general principles outlined in Article I, Part A, Section 3 of the Consolidated Listing and Disclosure Rules of the Exchange.

SECTION 8. Requirements for Sponsor Accreditation - To be eligible for accreditation as a listing sponsor, an applicant must comply with the following criteria:

1) Must be a corporation or partnership registered with the Securities and Exchange Commission;

2) Has at least five (5) years experience in a leading role (*e.g.*, issue manager, underwriter, *etc.*) with initial public offerings or significant corporate finance transactions (e.g., rights offer, mergers and acquisitions), or three (3) years experience, if at least two (2) of its key personnel have at least five (5) years experience in a leading role with initial public offerings or significant corporate finance transactions. In this regard, the Exchange will take into account the experience of the qualified personnel on an individual basis;

3) Is not in breach of any relevant rule or law in any jurisdiction where it operates, including being the subject of any disciplinary proceedings, or any investigation which might lead to disciplinary action by any regulatory authority. The Exchange may reject an applicant if complaints, warning letters, fines, private or public censures or reprimands from any regulatory authority, or other disciplinary action by any regulatory authority against the applicant sponsor has occurred in the two (2) years immediately preceding the filing of the application;

4) Covered by a professional indemnity insurance in an amount equivalent to the value of the public offering that will answer for damages resulting to investors due to the sponsor's misconduct or negligence in performing its sponsor responsibilities;

5) Directors and key officers must be fit and proper. In determining whether an individual is fit and proper to hold the position, regard shall be given to his integrity, experience, education, training and competence.

   The following persons shall in no case be allowed to serve or act as director or officer of the sponsor:

   (a) Any person convicted of any crime involving any security or financial product;

   (b) Any person convicted of an offense involving fraud or embezzlement, theft, estafa, or other fraudulent acts or transactions;

   (c) Any person who, by reason of any misconduct, is enjoined by order, judgment, or decree by any court, quasi-judicial body or administrative agency of competent jurisdiction from acting as a director, officer, employee, consultant, or agent occupying any fiduciary position;

   (d) Any person found by the appropriate regulatory agency to have violated, or aided, abetted, counseled, commanded, induced, or procured the violation of the Revised Corporation Code, Securities Regulation Code, General Banking Law, Insurance Code, Anti-Money Laundering Act, or any related laws and any rules, regulations or orders;

   (e) Any person judicially declared to be insolvent, or incapacitated to contract; and

   (f) Any person found guilty by a foreign court, regulatory authority or government agency of the acts or violations similar to any of the acts or misconduct enumerated in Items (a) to (e).

   A conviction in the first instance shall be considered sufficient ground for disqualification.

A sponsor must ensure continuing compliance with the above eligibility criteria and such other conditions as may be imposed by the Exchange. It shall notify the Exchange immediately if it ceases to fulfill any of the eligibility criteria or conditions imposed by the Exchange, or has reason to believe that it will cease to do so.

SECTION 9. Validity of Sponsor Accreditation – The Exchange's accreditation of sponsor shall take effect upon payment of the applicable fee and shall be valid for a period of three (3) years from date of accreditation.

SECTION 10. Assessment of Sponsor's Independence – The sponsor must demonstrate to the Exchange its independence from the sponsored company. A sponsor is not independent if any of the following circumstances exists:

1) The sponsor directly owns twenty percent (20%) or more of the total number of outstanding shares of the sponsored company at the time of the filing of the listing application, or five percent (5%) or more of the sponsored company's outstanding shares after its listing on the Exchange. With proper safeguards, an investment company or asset management company licensed by the Securities and Exchange Commission or a trust company registered with the Bangko Sentral ng Pilipinas and operated by or affiliated with the sponsor may own shares of the sponsored company in excess of the ownership limits set in this paragraph. The shareholdings of such investment company or asset management company shall not be included in the computation of sponsor's ownership in the sponsored company; or

2) Any of the sponsor's directors, officers, or relatives of the foregoing within the second degree of consanguinity or affinity is a director or officer of the applicant or listed company for whom it acts as a sponsor.

The sponsor shall maintain its independence from the sponsored company for as long as it remains its sponsor. If the 5% ownership limit in paragraph (1) of this section is breached at any time after listing, the sponsor must immediately inform the Exchange and sell down to less than 5% within twelve (12) months from such breach.

In case of doubt as to its independence, a sponsor may consult the Exchange ahead of entering into any arrangement or transaction.

SECTION 11. Conflict of Interest – A sponsor must take all reasonable steps to ascertain whether a conflict of interest exists or is likely to exist in relation to its role as a sponsor. It shall refrain from entering into any transaction that may lead to a potential conflict of interest. In particular, a sponsor must not act for any other party to a transaction other than the company for whom it acts as sponsor. For the avoidance of doubt, a sponsor may provide both sponsorship and underwriting or other financial advisory services to a listing applicant. A sponsor may also act as sponsor to more than one company, provided such arrangement does not create a conflict of interest.

If the sponsor becomes aware of an actual or potential conflict of interest, it must fully disclose to the sponsored company's board of directors and to the Exchange the nature and extent of the conflict of interest and the steps taken to address such conflict.

Where a conflict of interest cannot be resolved satisfactorily, a sponsor must not act for an applicant or listed company. In case of doubt, a sponsor may consult the Exchange prior to entering into any arrangement or transaction.

SECTION 12. Internal Controls within the Sponsor's Organization - A sponsor must have internal controls, procedures and other safeguards to avoid conflicts of interest, including, but not limited to the:

1) segregation of functions between the business unit undertaking sponsor activities and other units within the sponsor's organization;

2) separate reporting lines for the unit undertaking sponsor activities and units with other relevant business activities;

3) restriction of communication and information flow between the unit performing sponsor activities and other units to avoid leakage of material non-public information, including procedures to ensure that a sponsor's directors, officers, and employees do not divulge, and prevent the leakage of, any material non-public information to any person who does not need to know such information;

4) restriction of access to documents relating to sponsor activities to authorized officers and employees; and

5) implementation of policies, procedures and controls to prevent the use of material non-public information about the sponsored company by the sponsor's directors, officers and employees to trade for their own benefit or the benefit of their related parties. For this purpose, the sponsor shall maintain a list of restricted securities and monitor the trading activities of its directors, officers and employees who are privy to material non-public information regarding restricted securities.

The sponsor shall notify the Exchange in writing at least fourteen (14) days before undertaking a new business function which may create a conflict of interest with its sponsor activities. The sponsor must supply the Exchange with information regarding the new business function and the procedures in place to avoid any conflict of interest with its sponsor activities.

SECTION 13. Continuing Sponsorship - A sponsor who endorses a sponsored company for listing must continue to provide business and compliance advisory services to the sponsored company for at least three (3) full fiscal years from listing. The sponsor cannot

resign, and the sponsored company cannot terminate the sponsor's appointment, unless effected in accordance with Sections 14 and 15 below.

Business and compliance advisory services shall include, but are not limited to, the following:

1) Advising the sponsored company on the Exchange's rules, and all relevant legislation and regulations that may be relevant to the sponsored company and ensuring its compliance with said rules on an ongoing basis;

2) Advising the applicant on the appointment of suitable advisors to meet its audit, legal and other obligations, including the engagement of an external auditor that is an SEC Class A - accredited audit firm;

3) Reviewing all documents to be released by the sponsored company to shareholders or to the market (including announcements, resolutions contained in notices of meetings, circulars and corporate actions) before release, to ensure that the sponsored company is in compliance with the Exchange's rules and makes proper disclosure. The document must display prominently the following on the front cover:

   "THIS DOCUMENT HAS BEEN REVIEWED BY THE COMPANY'S SPONSOR, _____. IT HAS NOT BEEN REVIEWED OR APPROVED BY THE EXCHANGE AND THE EXCHANGE ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT.

   THE CONTACT PERSON FOR THE SPONSOR IS _____, WHO MAY BE REACHED AT _____.

4) Reviewing reasons provided by sponsored company for any unusual fluctuations in the price and volume of the listed securities;

5) Advising the sponsored company on the suitability of proposed new directors, if there are proposed changes in the sponsored company's board of directors;

6) Advising the sponsored company if the trading of the sponsored company's securities should be halted or suspended; and

7) Advising the sponsored company on various corporate governance matters, as necessary.

SECTION 14. Termination of Sponsor Appointment –

1) Sponsor appointment may be terminated earlier than the prescribed three (3) full fiscal years, upon thirty (30) days' written notice to the Exchange, if all of the following conditions are fulfilled:

    a. The sponsored company becomes profitable based on the eligibility criteria for non-sponsored applicants for at least one (1) full fiscal year after its listing; and

    b. The sponsored company has no violations of the Exchange's rules for twelve (12) consecutive months.

2) Sponsor appointment may also be terminated earlier than the prescribed three (3) full fiscal years on grounds other than that provided in paragraph (1) of this section, provided the provisions of Section 15 are complied with.

SECTION 15. Procedure for Termination of Sponsor Appointment -

The party initiating the termination must comply with the following:

1) Give at least three (3) months' notice to the other party;

2) If a replacement sponsor has been found, notify the Exchange of the proposed termination, together with the detailed reasons for the termination, and the name of the replacement sponsor which must likewise be an Exchange-accredited sponsor;

3) If no replacement sponsor has been found, seek the Exchange's prior approval of the proposed termination, together with the detailed reasons for the termination; and

4) If the party initiating the termination is the sponsor, it shall provide to the sponsored company, in a form suitable for release to the market, confirmation that it is not aware of any non-compliance with the rules by the sponsored company that has not been brought to the attention of the replacement sponsor, or to the attention of the Exchange if a replacement sponsor has not been appointed. The sponsored company shall disclose this confirmation through the Exchange's online disclosure system.

The sponsor shall continue its sponsorship of the sponsored company during the notice period, unless a new sponsor agrees to take over before the expiry of the notice period. The sponsor and sponsored company must take all necessary steps to ensure a smooth

and proper transition of existing work of the outgoing sponsor to the replacement sponsor, including providing all relevant documents, information and records.

As a general rule, the Exchange will not approve a proposed termination of sponsor appointment if no replacement sponsor has been appointed, unless there are exceptional circumstances. In the event the Exchange grants its approval but the sponsored company fails to find a replacement sponsor within three (3) months from the date of the Exchange's approval, the Exchange shall suspend the trading of its securities. The Exchange shall automatically delist the sponsored company if it fails to appoint a replacement sponsor at the end of six (6) months from the Exchange's approval of the termination.

SECTION 16. Sponsor's Reporting Obligations –

1) A sponsor shall immediately notify the Exchange of the following:

   a. A sponsored company refuses to heed its advice on matters which may involve or lead to a breach of the Exchange's rules; or

   b. Sponsor believes that a company for which it acts as sponsor is no longer suitable for listing.

2) A sponsor should be available to communicate with the Exchange at all times, especially during trading hours, and whenever requested to do so.

3) A sponsor must cooperate and render every assistance to any investigation or inquiry conducted by the Exchange on any matter relating to its sponsor activities.

SECTION 17. Review of Sponsor Performance –

1) Review by the sponsor - A sponsor must undertake an annual review of its sponsorship activities to enable it to determine the effectiveness of its role as a sponsor and compliance with its obligations under the Exchange's requirements. Where any inadequacies are detected, the sponsor must take steps to address the inadequacies and to enable the effective discharge of its role and responsibilities as a sponsor.

2) Review by the Exchange - The Exchange may, at any time, review the performance or conduct of each sponsor provided that the Exchange gives reasonable advance notice to the sponsor of its planned review.

   During the review, the sponsor must provide reasonable assistance to the Exchange, including:

a. allowing access to all information, books and records which, in the Exchange's opinion, may be relevant to the review;

b. allowing access to its premises; and

c. requiring its directors, officers, employees and agents to provide reasonable assistance and attend interviews scheduled by the Exchange.

3) In reviewing the performance and conduct of sponsors, the Exchange shall have regard to:

a. the conduct of sponsored companies for which the sponsor acts;

b. the conduct of the sponsor in its dealings with the Exchange in connection with its sponsor activities;

c. the compliance (or non-compliance) by the sponsor with the Exchange's rules or regulations applicable to sponsors, any conditions imposed by the Exchange, and all applicable legislation and guidelines issued by regulatory authorities;

d. the possibility or existence of conflicts of interest; and

e. changes to qualified key personnel during the past twelve (12) months.

B. The Exchange may, but is not obliged to, give a copy of the results of its review to the sponsor.

SECTION 18. Regulatory Actions by the Exchange - If the Exchange determines that a sponsor no longer meets the eligibility criteria, or it has not performed its duties satisfactorily, lacks sufficient resources to discharge its obligations, or is in breach of any relevant rule or law in any place where it operates, including being the subject of any disciplinary proceedings, or any investigation which might lead to disciplinary action by any regulatory authority, the Exchange may take one or more of the following actions against a sponsor:

1) Reprimand the sponsor;

2) Require the sponsor to undergo an education program;

3) Require sponsor to undertake corrective action, including the removal of directors and officers not complying with the fit and proper criteria in Section 8, paragraph (5) of the rules;

4) Impose conditions or restrictions on sponsor's operation and sponsor activities, including restricting the sponsor from taking on additional sponsored companies; or

5) Suspend or revoke the accreditation of sponsor.

A sponsor whose accreditation is suspended shall have three (3) months from effectivity of suspension to rectify or cure the violation that led to its suspension. During the suspension period, it can continue to act as sponsor for its clients but cannot take on additional clients. A sponsor's failure to cure the violation and have the suspension lifted after three (3) months may result in revocation of its accreditation.

If a sponsor's accreditation is revoked, any listed company for which it acts as a sponsor shall be given three (3) months from the announcement of the revocation of the sponsor's accreditation to appoint a new sponsor.

Nothing in these rules prevents the Exchange from commencing disciplinary proceedings as it deems appropriate.

THE PHILIPPINE STOCK EXCHANGE, INC.

(Original Signed)
RAMON S. MONZON
President and CEO

(Original Signed)
ROEL A. REFRAN
Chief Operating Officer

SECURITIES AND EXCHANGE COMMISSION

(Original Signed)
VICENTE GRACIANO P. FELIZMENIO, JR.
Director, Markets and Securities Regulation Department

PSE **MEMORANDUM**

CN - No. 2020-0080

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Trading	☐ Public Advisory
☐ Disclosure	☐ Administrative/Technology Matters
☑ Listing	☐ Others:

TO : **ALL LISTED COMPANIES AND THE INVESTING PUBLIC**

SUBJECT : **REVISIONS TO THE MANDATORY LOCK-UP RULE FOR SMALL, MEDIUM AND EMERGING (SME) BOARD LISTING**

DATE : **August 14, 2020**

Please be advised that the Securities and Exchange Commission ("SEC") approved the revisions to Article III, Part E, Section 2 of the PSE Listing Rules or the rule on mandatory lock-up for companies listing in the Small, Medium and Emerging (SME) Board of the Exchange (the "SME Lock-Up Rule").

The SME Lock-Up Rule has been amended to read as follows:

ARTICLE III
EQUITY SECURITIES

PART E
SMALL, MEDIUM AND EMERGING (SME) BOARD LISTING

…

SECTION 2. Lock-Up –

(a) The Applicant Company shall cause its existing NON-PUBLIC stockholders AND THEIR RELATED PARTIES to refrain from selling, assigning, encumbering or in any manner disposing of their shares for a period of one (1) year after the listing of such shares. ALL OTHER STOCKHOLDERS SHALL NOT BE SUBJECT TO MANDATORY LOCK-UP UNDER THIS PROVISION.

FOR PURPOSES OF THIS SECTION, "NON-PUBLIC STOCKHOLDERS" SHALL MEAN THE APPLICANT COMPANY'S: (I) PRINCIPAL STOCKHOLDERS (*I.E.*, THE OWNER OF TEN PERCENT (10%) OR MORE OF THE ISSUED AND OUTSTANDING SHARES); (II) SUBSIDIARIES OR AFFILIATES; (III) DIRECTORS; (IV) PRINCIPAL OFFICERS; AND (V) ANY OTHER PERSON WHO HAS SUBSTANTIAL INFLUENCE ON HOW THE APPLICANT COMPANY IS BEING MANAGED.

THE TERM "RELATED PARTIES" SHALL MEAN THE NON-PUBLIC STOCKHOLDER'S: (I) PRINCIPAL STOCKHOLDERS (*I.E.*, THE OWNER OF TEN PERCENT (10%) OR MORE OF THE ISSUED AND OUTSTANDING SHARES); (II) SUBSIDIARIES OR AFFILIATES; (III) DIRECTORS; (IV) PRINCIPAL OFFICERS; AND (V) MEMBERS OF THE IMMEDIATE FAMILIES SHARING THE SAME HOUSEHOLD OF ANY OF ITS PRINCIPAL STOCKHOLDERS, DIRECTORS, OR PRINCIPAL OFFICERS.

If there is any issuance or transfer of shares (*i.e.*, private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within six (6) months prior to the start of the offering period, or, prior to listing date in case of companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering, or listing price for listing by way of introduction, all shares subscribed or acquired shall be subject to a lock-up period of at least one (1) year from listing of the aforesaid shares.

The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

(b) The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Revised Listing Rules.

The foregoing revised SME Lock-Up Rule shall take effect immediately.

For your information and guidance.

(*Original Signed*)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

PSE **MEMORANDUM** **MEA - No. 2022-0003**

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Trading	☐ Public Advisory
☐ Disclosure	☐ Administrative/Technology Matters
☐ Listing	☑ Others: **Rule Amendments**

TO : **ALL MARKET PARTICIPANTS**

SUBJECT : **AMENDMENTS TO THE LOCK-UP RULE IN THE MAIN BOARD AND SME BOARD LISTING RULES**

DATE : **June 13, 2022**

Please be informed that the Securities and Exchange Commission has approved the amendments to the lock-up rule in Section 2(a), Article III, Part D ("Main Board Listing Rules") and Section 3(a), Article III, Part E ("SME Board Listing Rules") of the PSE Consolidated Listing and Disclosure Rules.

The amended lock-up rule allows alternative investment funds ("AIFs") or their investment vehicle with demonstrated track record in private equity investments to sell during initial public offering ("IPO") the shares that they acquired within 180 days prior to the IPO at a price lower than the IPO price, subject to the conditions set out in the rules.

The amended provisions of the lock-up rule in the Main Board Listing Rules and SME Board Listing Rules, set out in **Annex "A"** hereof, shall take effect immediately.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 8876-4888 E-mail Address: investing@pse.com.ph

ARTICLE III
EQUITY SECURITIES

PART D
MAIN BOARD LISTING

…

SECTION 2. Lock-Up -

(a) An Applicant Company shall cause its existing stockholders who own an equivalent of at least 10% of the issued and outstanding shares of stock of the company to refrain from selling, assigning or in any manner disposing of their shares for a period of:

i. One hundred eighty (180) days after the listing of said shares if the Applicant Company meets the track record requirements in Section 1 hereof; or

ii. Three hundred sixty-five (365) days after the listing of said shares if the Applicant Company is exempt from the track record and operating history requirements of the Rules.

If there is any issuance or transfer of shares (*i.e.*, private placement, asset for shares swap or a similar transaction) or of instruments which leads to an issuance or transfer of shares (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within one hundred eighty (180) days prior to the start of the Offering Period, or prior to the listing date in the case of Applicant Companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering **(IPO)** or than that of the listing price in the case of Applicant Companies listing by way of introduction, all shares availed of shall be subject to a lock-up period of at least three hundred sixty-five (365) days from the full payment of the aforesaid shares.

THE LOCK-UP REQUIREMENT IN THE IMMEDIATELY PRECEDING PARAGRAPH SHALL NOT APPLY TO SHARES ISSUED TO ALTERNATIVE INVESTMENT FUNDS OR THEIR INVESTMENT VEHICLE WITH DEMONSTRATED TRACK RECORD IN PRIVATE EQUITY INVESTMENTS WITHIN ONE HUNDRED EIGHTY (180) DAYS PRIOR TO THE START OF THE OFFERING PERIOD AT A PRICE LOWER THAN THE IPO PRICE IF:

I. THE SHARES ARE ISSUED PURSUANT TO AN EXERCISE OF RIGHTS GRANTED UNDER CONVERTIBLE SECURITIES, WARRANTS, OPTIONS OR SIMILAR INSTRUMENTS THAT HAVE BEEN HELD AND

FULLY PAID FOR BY THE ALTERNATIVE INVESTMENT FUND OR ITS INVESTMENT VEHICLE FOR A CONTINUOUS PERIOD AT LEAST 365 DAYS PRIOR TO THE OFFER ("HOLDING PERIOD");

II. THE FUND OR ITS INVESTMENT VHICLE IS ENTITLED TO CONVERT ITS HOLDINGS OR SUBSCRIBE TO THE UNDERLYING SHARES DURING THE ENTIRE HOLDING PERIOD; AND

III. THE FUND OR ITS INVESTMENT VEHICLE SELLS THE EXEMPTED SHARES DURING THE IPO.

SHARES HELD BY THE ALTERNATIVE INVESTMENT FUND OR ITS INVESTMENT VEHICLE WHICH ARE COVERED BY THIS EXEMPTION BUT ARE NOT SOLD DURING THE IPO SHALL BE LOCKED UP FOR THREE HUNDRED SIXTY-FIVE (365) DAYS FROM FULL PAYMENT OF THE SHARES.

FOR PURPOSES OF THIS RULE, "ALTERNATIVE INVESTMENT FUND" SHALL REFER TO ANY VEHICLE ESTABLISHED FOR THE PURPOSE OF RAISING CAPITAL FROM DIFFERENT INVESTORS AND INVESTING THE POOLED FUNDS IN ALTERNATIVE INVESTMENTS SUCH AS PRIVATE EQUITY, VENTURE CAPITAL, AND REAL ASSETS.

The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

(b) The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Revised Listing Rules, or any amendment thereto.

(c) The foregoing lock-up requirement will not apply to a listed company that transfers to the Main Board if the lock-up period set out above, whichever is applicable, has been observed while listed in the SME Board. Otherwise, the difference between the applicable lock-up period and the actual lock-up of shares shall be observed.

ARTICLE III
EQUITY SECURITIES

PART E
SMALL, MEDIUM AND EMERGING (SME) BOARD LISTING

…

Section 3. Lock-Up –

(a) The Applicant Company shall cause its existing non-public stockholders and their related parties to refrain from selling, assigning, encumbering or in any manner disposing of their shares for a period of one (1) year after the listing of such shares. All other stockholders shall not be subject to mandatory lock-up under this provision.

For purposes of this section, "non-public stockholders" shall mean the Applicant Company's: (i) principal stockholders (*i.e.*, the owner of ten percent (10%) or more of the issued and outstanding shares); (ii) subsidiaries or affiliates; (iii) directors; (iv) principal officers; and (v) any other person who has substantial influence on how the Applicant Company is being managed.

The term "related parties" shall mean the non-public stockholder's: (i) principal stockholders (*i.e.*, the owner of ten percent (10%) or more of the issued and outstanding shares); (ii) subsidiaries or affiliates; (iii) directors; (iv) principal officers; and (v) members of the immediate families sharing the same household of any of its principal stockholders, directors, or principal officers.

If there is any issuance or transfer of shares (*i.e.*, private placements, asset for shares swap or a similar transaction) or of instruments which lead to issuance of shares (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within **ONE HUNDRED EIGHTY (180) DAYS** prior to the start of the Offering Period, or prior to the listing date in case of Applicant Companies listing by way of introduction, and the transaction price is lower than the offer price in the Initial Public Offering **(IPO)**, or the listing price in the case of Applicant Companies listing by way of introduction, all shares subscribed or acquired shall be subject to a lock-up period of at least **THREE HUNDRED SIXTY-FIVE (365) DAYS** from listing of the aforesaid shares.

THE LOCK-UP REQUIREMENT IN THE IMMEDIATELY PRECEDING PARAGRAPH SHALL NOT APPLY TO SHARES ISSUED TO ALTERNATIVE INVESTMENT FUNDS OR THEIR INVESTMENT VEHICLE WITH DEMONSTRATED TRACK RECORD IN PRIVATE EQUITY INVESTMENTS

WITHIN ONE HUNDRED EIGHTY (180) DAYS PRIOR TO THE START OF THE OFFERING PERIOD AT A PRICE LOWER THAN THE IPO PRICE IF:

I. THE SHARES ARE ISSUED PURSUANT TO AN EXERCISE OF RIGHTS GRANTED UNDER CONVERTIBLE SECURITIES, WARRANTS, OPTIONS OR SIMILAR INSTRUMENTS THAT HAVE BEEN HELD AND FULLY PAID FOR BY THE ALTERNATIVE INVESTMENT FUND OR ITS INVESTMENT VEHICLE FOR A CONTINUOUS PERIOD OF AT LEAST 365 DAYS PRIOR TO THE OFFER ("HOLDING PERIOD");

II. THE FUND OR ITS INVESTMENT VEHICLE IS ENTITLED TO CONVERT ITS HOLDINGS OR SUBSCRIBE TO THE UNDERLYING SHARES DURING THE ENTIRE HOLDING PERIOD; AND

III. THE FUND OR ITS INVESTMENT VEHICLE SELLS THE EXEMPTED SHARES DURING THE IPO.

SHARES HELD BY THE ALTERNATIVE INVESTMENT FUND OR ITS INVESTMENT VEHICLE WHICH ARE COVERED BY THIS EXEMPTION BUT ARE NOT SOLD DURING THE IPO SHALL BE LOCKED UP FOR THREE HUNDRED SIXTY-FIVE (365) DAYS FROM LISTING OF THE SHARES.

FOR PURPOSES OF THIS RULE, "ALTERNATIVE INVESTMENT FUND" SHALL REFER TO ANY VEHICLE ESTABLISHED FOR THE PURPOSE OF RAISING CAPITAL FROM DIFFERENT INVESTORS AND INVESTING THE POOLED FUNDS IN ALTERNATIVE INVESTMENTS SUCH AS PRIVATE EQUITY, VENTURE CAPITAL, AND REAL ASSETS.

The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

(b) The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Revised Listing Rules.

CN - No. 2016-0078

MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Trading
- ☐ Disclosure
- ☐ Listing
- ☐ Public Advisory
- ☐ Administrative/Technology Matters
- ☑ Others: **Rules on Dollar Denominated Securities**

TO : **Investing Public and Trading Participants**

DATE : **December 2, 2016**

SUBJECT : **RULES ON DOLLAR DENOMINATED SECURITIES**

Please be advised that The Philippine Stock Exchange, Inc. and Securities Clearing Corporation of the Philippines' ("SCCP") Rules on Dollar Denominated Securities ("DDS Rules") were approved by the Securities and Exchange Commission on November 10, 2016.

The SCCP has appointed BDO Unibank, Inc. as the designated settlement bank for the launch of Dollar Denominated Securities.

Please find attached a copy of the approved DDS Rules.

For your information and guidance.

HANS B. SICAT
President and CEO
PSE and SCCP

CTD / HRAD	MOD / TD	IRD	CMDD / CPIRD	OGC / CGO	COO
Tel. No. 688-7561 / 688-7562	Tel. No. 891-4430 / 688-7480	Tel. No. 688-7510	Tel. No. 688-7534 / 688-7529	Tel. No. 688-7411 / 688-7471	Tel. No. 688-7413

RULES ON DOLLAR DENOMINATED SECURITIES ("DDS")

PART A - GENERAL PROVISIONS

PART B LISTING AND DISCLOSURE

PART C TRADING

PART D CLEARING AND SETTLEMENT

PART E FEES

PART A GENERAL PROVISIONS

SECTION 1. Introduction – These Rules shall govern the listing, trading and settlement of Dollar Denominated Securities ("DDS"). DDS are securities denominated in US dollars ("USD") which are listed and traded on the Exchange.

SECTION 2. Rationale – The introduction of DDS aims to provide issuers and investors more instruments to meet their specific requirements. It can provide issuers with dollar denominated requirements an opportunity to raise capital at the Exchange without incurring foreign exchange risks. In the same manner, the product can also reduce the currency risk exposure of foreign investors who trade PSE-listed securities. Moreover, DDS offers local investors an alternative investment option for their USD currency holdings.

SECTION 3. Applicability of Other Laws, Rules and Regulations – These Rules shall be read in conjunction with the Securities Regulation Code and its implementing rules and regulations, BSP regulations, and other relevant laws, rules and regulations, and shall form part of the existing rules of the Exchange. Access to foreign exchange resources shall be governed by existing BSP regulations. All rules of the Exchange, the SCCP, and the CMIC not inconsistent with these Rules shall apply to DDS. Depository-related functions and activities, including the use of Name on Central Depository, shall be governed by existing rules and regulations of PDTC. Any reference herein to a law, rule or regulation shall mean that law, rule or regulation, and any amendments or modifications thereof.

SECTION 4. Enforcement – Part B of these Rules in respect of the listing and disclosure requirements of the DDS shall be enforced by the Exchange. Part C on trading shall likewise be enforced by the Exchange, except to the extent that jurisdiction has been granted or endorsed to the CMIC under existing agreements, and rules, and regulations of the CMIC. Part D of these Rules in respect of the clearing and settlement of DDS shall be enforced by the SCCP. As regards the fees and monetary penalties stated in Part E, listing, disclosure and trading fees and penalties shall be collected by the Exchange, while settlement fees and monetary fines arising from settlement fails shall be collected by the SCCP. Depository-related fees shall be imposed and collected by the PDTC.

SECTION 5. Scope and Application – These Rules apply to existing listed companies which will issue DDS. DDS listings through initial public offering shall be subject to such other rules, regulations and other guidelines as may be hereafter prescribed by the Exchange and approved by the SEC, and other regulatory agencies.

SECTION 6. Definition of Terms – When used under these Rules, the following terms shall have the meaning indicated, unless the context provides otherwise:

a. **Block Sale –** shall mean a pre-arranged transaction which is executed through the facilities of the Exchange and is compliant with the requirements of the Revised Trading Rules and related issuances.

b. **Board Lot –** shall mean the standardized number of shares set by the Exchange based on a given price range for a security.

c. **BSP –** shall mean Bangko Sentral ng Pilipinas.

d. **Clearing Member –** shall mean a person/entity qualified by SCCP to directly participate in the Clearing and Settlement processes of SCCP. For equities transactions, Clearing Members shall be limited to Trading Participants of PSE, approved by SCCP for membership in the clearing system. It shall also mean a person/entity admitted for the time being by SCCP as a Clearing Member of the Central Clearing System.

e. **CMIC –** shall mean the Capital Markets Integrity Corporation.

f. **CTGF –** shall mean the Clearing and Trade Guaranty Fund

g. **DDS –** shall mean dollar denominated securities.

h. **Issuer –** shall mean a listed company that will issue or has issued the DDS.

i. **Exchange or PSE –** shall mean The Philippine Stock Exchange, Inc.

j. **Exchange Rate –** shall mean the end of day/closing Philippine peso to USD rate from the foreign exchange spot market. This is the official close of the Philippine Dealing System.

k. **Odd Lot Market –** shall mean the market where orders with volumes or quantities less than the defined board lot are traded.

l. **Order –** shall mean a buy or sell instruction entered into the trading system.

m. **PDEx –** shall mean the Philippine Dealing and Exchange Corp.

n. **PDTC –** shall mean Philippine Depository & Trust Corp.

o. **Revised Trading Rules and other related issuances** – shall mean the Revised Trading Rules issued by the PSE and approved by the SEC, and the Implementing Guidelines, memoranda, circulars and other issuances promulgated by the PSE in relation thereto.

p. **Rules –** shall mean Rules on Dollar Denominated Securities, unless otherwise indicated.

q. **SCCP –** shall mean the Securities Clearing Corporation of the Philippines.

r. **SEC –** shall mean the Securities and Exchange Commission of the Philippines.

s. **Settlement –** shall mean the completion of a PSE Trade effected by the delivery of the Security Element and the payment of the Cash Element in the quantity or amount determined by the Clearing of the PSE Trade. The terms “settle”, “settled” and “settling” shall refer to the verb or adjective forms of Settlement, as the context may apply.

t. **Settlement Bank –** shall mean a duly licensed commercial banking institution accredited by SCCP for the Clearing and Settlement of the Cash Element of SCCP-Eligible Trades.

u. **TP –** shall mean Trading Participants.

Other capitalized terms used in these Rules but not otherwise defined in this Section shall have the meaning ascribed to them in the relevant rules and regulations of the Exchange, SCCP, or the CMIC, as the case may be.

PART B LISTING AND DISCLOSURE

SECTION 1. Listing Criteria and General Requirements

a. **Eligible Issuer** – The Issuer must be an existing listed company in good standing with the Exchange. For purposes of these Rules, an Issuer is deemed to be in good standing if, at the time of submission of its listing application, the Issuer:
   (i) does not have any outstanding penalties or other liabilities to the Exchange;
   (ii) is not the subject of any order of suspension from trading or any involuntary delisting proceedings; and
   (iii) is not the subject of any pending case, investigation or similar proceeding by the Exchange for violation of any applicable laws, rules, regulations or orders.

   The foregoing criteria is illustrative only, and shall not restrict nor prevent the Exchange from taking into consideration any other material factors, events, circumstances and other related matters that negatively impact the Issuer.

b. **Engagement of Eligible Brokers –** The Issuer is required to engage at least two (2) Eligible Brokers who are qualified to trade DDS, in accordance with the criteria set out in Part C, Section 1(b).

c. **Procedure for processing of listing applications** – The Exchange will accept an application for listing DDS upon submission by the Issuer of:

   (i) the documents required in the Supplemental Checklist of Documentary Requirements for DDS, attached as Annex A;

   (ii) the documents required in the applicable Checklist of Documentary Requirements covering the relevant transaction as provided in the PSE Listing and Disclosure Rules; and

   (iii) the applicable processing fee.

   The general procedures for the listing of equity securities shall apply in processing listing applications for DDS.

d. **Contents of Listing Application** - In addition to the standard requirements applicable to the relevant transaction covering the issuance of the DDS, the listing application must contain the following information:

   (i) Detailed structure and features of the DDS;

   (ii) Terms and conditions of the issuance of the DDS;

   (iii) Regulatory framework for the issuance and listing in the Exchange of the DDS;

   (iv) Regulatory approvals for the issuance of the DDS;

   (v) Requirements for eligible corporate and individual investors to the DDS;

   (vi) Procedures and implementing guidelines for subscriptions to the DDS (for public and stock rights offerings);

   (vii) Procedures and implementing guidelines for buying/selling the DDS through the facilities of the Exchange;

   (viii) Any other information or document that may be required by the Exchange in connection with its evaluation of the listing application, and in pursuance of its mandate to uphold public interest, protect investors and maintain a fair and orderly market, among others.

SECTION 2. Continuing Listing Requirements – The existing Listing and Disclosure Rules and requirements of the Exchange shall apply to the DDS of the Issuer. In addition, the Issuer shall continuously comply with the following:

a. Disclose any action taken by the BSP and/or SEC regarding the validity of the issuance, offering and listing in the Exchange of the DDS, in accordance with the Unstructured Continuing Listing Requirements under the Disclosure Rules of the Exchange;

b. Maintain all regulatory licenses and approvals applicable to the issuance and listing of the DDS;

c. Ensure the availability of at least two (2) Eligible Brokers to trade the DDS.

d. Include and maintain in its investor relations program the relevant detailed information on its DDS. The said program must effectively communicate to investors the relevant information affecting the DDS and the Issuer in its website and in the Issuer's other public platforms.

e. Comply with all other listing requirements that may be imposed by the Exchange in relation to the issuance and listing of the DDS.

Failure to comply with any of the above continuing listing requirements may result in the imposition by the Exchange of appropriate sanctions on DDS, including the suspension of trading thereof.

PART C TRADING

SECTION 1. Trading Dollar Denominated Securities

a. **Board Lot and Price Fluctuation** – The Board Lot and Price Fluctuation of a DDS for any Trading Day shall be based on the Reference Price.

The minimum Price Fluctuation and Board Lot for DDS listed in the Exchange are the following:

Price (in USD)		Tick Size (in USD)	Lot Size
From	To		
DOWN	0.99	0.01	100
1.00	4.99	0.01	20
5.00	9.99	0.01	10
10.00	19.98	0.02	10
20.00	49.95	0.05	10
50.00	99.95	0.05	5
100.00	199.90	0.10	5
200.00	499.80	0.20	5
500.00	999.50	0.50	5
1,000.00	UP	1.00	5

b. **Eligible Brokers** – In order to be eligible to trade DDS, a TP must have attended the DDS training session or seminar conducted by the PSE and must be operationally ready to trade DDS, and shall issue a sworn certification to the PSE attesting to its operational readiness. Notwithstanding said certification, the PSE shall have the option to assess the operational readiness of the TP. In addition, the TP shall comply with requirements stated under Part D, Sections 2 and 8(e) imposed by the SCCP and any other requirements that may be imposed by other regulatory agencies such as, but not limited to, the BSP and SEC. TP shall also obtain the consent of its clients to the disclosure of their names to the SEC, if said information is requested by the SEC in the course of an investigation of a possible violation of the Securities Regulation Code and its implementing rules and regulations and other orders and issuances of the SEC, examination, official inquiry or as part of surveillance procedures, and/or in compliance with other pertinent laws.

The Exchange shall restrict TPs that fail to comply with such requirements from trading the DDS.

c. **Block Sales** – Block Sales on DDS shall comply with the following minimum transaction value:

(i) Five Hundred Thousand US dollars (USD500,000.00) for regular Block Sales
(ii) One Million US dollars (USD1,000,000.00) for special Block Sales

All other conditions for Block Sales in the Revised Trading Rules, such as price limit and reportorial requirements, shall apply to DDS.

d. **General Trading Policies**

(i) A TP may aggregate orders for DDS upon order entry and will follow all provisions for Aggregation of Orders under Article IV, Section 4 of the Revised Trading Rules and other related issuances.

(ii) Reference Price for DDS shall be the same as the Reference Price for other Securities, as defined in the Article IV, Section 6 of the Revised Trading Rules and other related issuances.

(iii) The Trading Threshold, as defined in Article I, Section 1 and Article IV, Section 7 of the Revised Trading Rules and other related issuances shall apply to the trading of DDS.

(iv) The Opening and Closing Price calculation in the Normal Market under Article IV, Section 10 of the Revised Trading Rules and other related issuances shall apply to DDS.

(v) DDS can be traded in the Odd Lot Market.

(vi) The value limit per Order set by the TP for each of its traders shall also apply to DDS. Orders for DDS will be converted into Philippine peso using previous day's Exchange Rate.

(vii) Done-through trades for DDS shall only be allowed among Eligible Brokers.

SECTION 2. End-of-Day Reports

a. There will be a separate section in the TP trade reports (e.g. CTF, DTR, ABC, Purchases and Sales) for DDS transactions.

b. DDS transactions shall be included in the Market End-of-Day reports generated by the Exchange.

PART D CLEARING AND SETTLEMENT

SECTION 1. Settlement Bank – The cash settlement bank for DDS shall be designated by SCCP. The SCCP may appoint more than one settlement bank.

SECTION 2. Settlement Currency – Settlement shall be denominated in USD. In this regard, TPs intending to participate in the trading of DDS are required to have a USD deposit account, more commonly known as "FCDU" or "Foreign Currency Deposit Unit" account, with any universal or commercial bank. They shall also be required to open a separate USD cash settlement account with the designated settlement bank where payment of their Due Clearing obligations will be deposited and where they will be credited for their Due Broker entitlements.

SECTION 3. Obligation Report – Clearing Members are required to generate the Obligation Report for DDS transactions.

SECTION 4. Payment of Due Clearing/Cash Obligation

a. SCCP shall provide a separate USD settlement cashlist to the designated settlement bank.

b. Cash settlement accounts should be funded by good cleared funds as of the settlement deadline. Good cleared funds refer to immediately available funds in the books of the designated settlement bank. USD notes deposited on the same day as the settlement deadline may not necessarily denote good cleared funds as deposits of these USD notes may be subject to clearing by the banks.

c. Clearing Members will not be required to execute cash/book transfer instruction in the Central Clearing and Central Settlement System ("CCCS").

d. By the settlement deadline, the designated settlement bank shall confirm to SCCP through email or fax, the due clearing payments received per the cashlist and transferred to the SCCP USD Nostro Account. Balances of the USD cash settlement accounts shall not be reflected in the CCCS.

e. Existing Fails Management rules will apply should a Clearing Member fail to deliver its Cash obligations.

SECTION 5. Securities Delivery – Procedures for securities deliveries shall be the same as with peso-denominated securities stated in the SCCP Operating Procedures. Existing Fails Management rules will apply should a Clearing Member fail to deliver its Securities obligations.

SECTION 6. Release of Entitlements

a. Upon successful completion of the settlement processing for both cash and securities, SCCP shall release the corresponding entitlements.

b. SCCP shall instruct the designated settlement bank to debit SCCP's USD Nostro Account and credit the USD cash settlement accounts of the Net Due Brokers. The designated settlement bank shall confirm the successful transfer of funds.

c. The release of securities entitlements shall be in the same manner as with peso-denominated securities stated in the SCCP Operating Procedures.

SECTION 7. Contributions to the CTGF – Contributions to the CTGF shall be paid in Philippine pesos at the same rate as with peso-denominated securities. The Philippine-peso value of the CTGF contribution shall be computed using the PDEx closing USD exchange rate on transaction date.

SECTION 8. Mark-to-Market Collateral Deposit ("MMCD") Requirement

a. Computations for the MMCD for the DDS shall be separate from the peso-denominated securities.

b. SCCP shall provide a separate collateral cashlist to the designated settlement bank.

c. DDS transactions shall have a separate collateral/refund system message in the CCCS.

d. Clearing Members may generate thru the CCCS the MMCD Collateral Requirement Notice for DDS. MMCD Collateral Detail Requirement ("Detailed") Report for DDS shall be available upon request to SCCP.

e. Acceptable collateral shall be cash in USD. In this regard, Clearing Members shall be required to open a separate USD cash collateral deposit account for DDS with the designated settlement bank.

f. Clearing Members may also opt to deliver the DDS shares causing the negative exposure up to T+2 to reduce their collateral requirement.

g. Withdrawal of excess collaterals by the Clearing Member from the cash collateral deposit account for DDS shall not be allowed unless authorized by SCCP.

h. Collateral Deposits

   (i) Cash collateral deposit accounts should be funded by good cleared funds by 12:00 NN of the next business day after notification by SCCP.

   (ii) By the deadline, the designated settlement bank shall confirm to SCCP, through email or fax, the balances in the cash collateral deposit accounts of the Clearing Members and transferred to the SCCP Nostro Account. Balances of the cash collateral deposit accounts for DDS shall not be reflected in the CCCS.

   (iii) Existing rules of the SCCP will apply should a Clearing Member fail to deliver the required collateral by the deadline.

i. Cash Collateral Withdrawal

(i) Clearing Members shall submit a duly signed Notice of Withdrawal to SCCP between 9:00 AM – 12:00 NN. Any withdrawal request made after the 12:00 NN deadline will not be honored.

(ii) Upon successful verification from the authorized signatory of the Clearing Member, SCCP shall instruct the designated settlement bank to debit the SCCP Nostro Account for the amount being withdrawn and credit the specified target account of the Clearing Member.

(iii) The designated settlement bank shall confirm the successful transfer of funds.

j. By 3:00 PM, SCCP shall instruct the designated settlement bank to transfer the remaining cash collaterals of the Clearing Members back to their cash collateral deposit accounts for DDS.

PART E FEES

All applicable fees and penalties shall be paid in Philippine pesos. When conversion from USD is needed, as in the case of trading and settlement fees, the Philippine-peso value shall be computed daily on transaction date using the PDEx closing USD exchange rate.

SECTION 1. Listing Fees

a. **Processing Fee** – Upon filing of its application to list, the Issuer shall pay a non-refundable processing fee of:

(i) For transactions covering public and/or stock rights offering, One Hundred Thousand Pesos (Php100,000.00) plus other incidental expenses.

(ii) For other transactions, including but not limited to private placements or stock dividend declarations, Fifty Thousand Pesos (Php50,000.00) plus incidental expenses.

b. **Listing Fee** – The Listing Fee will be computed using the prevailing Schedule of Fees under the Listing Rules of the Exchange. The Listing Fee shall be paid after the Exchange approves the listing application.

c. **Annual Listing Maintenance Fee ("ALMF")** – The ALMF will be computed using the prevailing ALMF structure and will be paid on the last business day of the year. The Issuer shall be charged with an ALMF for its DDS separate from the other listed securities of the Issuer.

SECTION 2. Trading Fees – Trading fees shall be at the same rate as with the peso-denominated securities.

a. **PSE Transaction Fee** – 0.005% of gross value for every side of the transaction executed.
b. **Block Sale Processing Fee** – 0.005% of gross value for every side of the transaction executed, in lieu of transaction fee.

SECTION 3. Settlement Fees – Service fees shall be at the same rate as with the peso-denominated securities.

SECTION 4. Monetary Penalties – Monetary penalties shall be imposed in the same manner and at the same rate as existing PSE and SCCP rules and regulations.

SECTION 5. Payment – Payment of fees and penalties shall be in the same manner as with the peso-denominated securities.

THE PHILIPPINE STOCK EXCHANGE, INC.

HANS B. SICAT
President and Chief Executive Officer

ROEL A. REFRAN
Chief Operating Officer

SECURITIES AND EXCHANGE COMMISSION

VICENTE GRACIANO P. FELIZMENIO, JR.
Director
Markets and Securities Regulation Department

SECURITIES CLEARING CORPORATION OF THE PHILIPPINES

RENEE D. RUBIO
Chief Operating Officer

Annex A

ADDITIONAL LISTING APPLICATION
Supplemental Checklist of Documentary Requirements
(to be submitted in two [2] hard copies and soft copy*)

ADDITIONAL DOCUMENTARY REQUIREMENTS
FOR DOLLAR-DENOMINATED SECURITIES ("DDS")

The Applicant Company shall submit the additional documents enumerated in the table below in addition to the documents prescribed in the applicable Checklist of Documentary Requirements covering the specific transaction (*e.g.*, public offering, stock rights offering or private placement) resulting to the issuance of the Applicant Company's DDS.

Name of Applicant Company	
Transaction	
Date of Filing of the Application	
PSE Processing Fee O.R. Number	
Applicant Company Contact Person **Name / Designation** **Contact Number** **Email**	
Received by **(Name / Signature of Listings Department personnel)**	

DATE SUBMITTED	REQUIREMENTS
	1. Copy of the Applicant Company's letter to the Bangko Sentral ng Pilipinas ("BSP") requesting BSP's approval of the Transaction and/or issuance of the DDS.
	2. A certified true copy of BSP's Certification or Notice regarding the BSP's approval of the Applicant Company's Transaction and/or issuance of the DDS.
	3. Sworn Corporate Secretary's Certification on the approval by the Applicant Company's Board of Directors and, when applicable, by the stockholders, of the Transaction, including, but not limited to, the terms and conditions of the issuance of the DDS and the listing of the DDS in the Exchange.
	4. External legal counsel's opinion on the validity of the issuance of the Applicant's Company's DDS and that said issuance complies with all applicable laws and regulations (applicable to transactions covering a public or stock rights offering ("Offer") and other transactions, as

DATE SUBMITTED	REQUIREMENTS
	determined by the Exchange). The said opinion must be supported by a legal due diligence report with details on the specific laws and regulations applicable to the Applicant Company's DDS.
	5. Copies of the following (applicable to transactions covering an Offer of the Applicant Company's DDS): *A. <u>Prior to Listing</u>* • Requirements for corporations and individuals (foreign and local) to be eligible to subscribe to the Applicant Company's DDS through the Underwriter(s) during the Offer. • Requirements for corporations and individuals (foreign and local) to be eligible to subscribe to the Applicant Company's DDS through the PSE Trading Participants during the Offer. • Procedures and Implementing Guidelines for the Reservation and Allocation by the PSE Trading Participants of the Applicant Company's DDS through the Underwriter(s) during the Offer. *B. <u>Post-Listing</u>* • Requirements for corporations and individuals (foreign and local) to be eligible to buy/sell DDS through their brokers. • Requirements for PSE Trading Participants to be eligible to trade DDS. • Procedures and Implementing Guidelines for the Trading and Settlement of the Applicant Company's DDS. • Procedures and Implementing Guidelines for Cash Dividend Declarations.
	6. Copies of the agreements between the Applicant Company and at least two (2) appointed Eligible Brokers for the Applicant Company's DDS.
	Documents relating to the Settlement Bank
	7. Copy of the letter or certification issued by the Securities Clearing Corporation of the Philippines ("SCCP") regarding the approval of the designation of the Settlement Bank(s).
	8. Copy of the BSP Letter or Certification regarding its approval of the designation of the Settlement Bank(s) for the Applicant Company's DDS. *Or if BSP approval is not applicable:* Copy of the Applicant Company's letter to the BSP to notify BSP regarding the designated Settlement Bank(s) for the Applicant Company's DDS.
	9. Copy of the agreement between the Applicant Company and the appointed Settlement Bank(s) for the Applicant Company's DDS.
	10. Sworn Corporate Secretary's Certificate attesting to the approval by the Applicant Company's Board of Directors and, when applicable, by the Applicant Company's stockholders of the designation of the Settlement Bank(s).
	11. Sworn Corporate Secretary's Certificate attesting to the approval by the

DATE SUBMITTED	REQUIREMENTS
	Settlement Bank's Board of Directors of its designation as a Settlement Bank for the Applicant Company's DDS.
	Other requirements
	12. Other documents which may be required by the Exchange, including, but not limited to, updates on previous documents submitted.

As announced in Memorandum No. 2010-0229 dated May 17, 2010 regarding the revised procedures for filing of a listing application, the Applicant Company shall comply with the following procedures:

1. The Applicant Company shall submit two (2) printed copies of each required document: one (1) original copy, or when specified, certified true copy; and one (1) photocopy of each document. The printed copies must be bound in the order as indicated in the checklist, and must be properly tabbed or labelled.

2. The Applicant Company shall submit a CD or DVD containing a scanned copy of each required document in **.pdf format**. The filename for each .pdf file must clearly indicate the type of document (*e.g.*, Application for Listing of Stocks, Articles of Incorporation, Background of Top 20 Stockholders, etc.). The CD or DVD must be properly labelled with the Applicant Company's name, type of listing application and date of filing.

3. For an application covering an initial public offering, listing by way of introduction, follow-on public offering or stock rights offering, the Applicant Company shall submit a soft copy of the draft prospectus in **MS Word** or **.doc format**.

4. The Applicant Company shall submit a sworn Corporate Secretary's Certification certifying (i) that the photocopies submitted are true copies of the original documents; and (ii) that the hard copies and soft copies are identical.

Should the Applicant Company be required to submit any additional document after the listing application is officially filed, steps 1 and 2 above shall be observed unless the Exchange specifies that the soft copy of the additional required document may be submitted through electronic mail.

CN - No. 2016-0081

MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Trading	☐ Public Advisory
☐ Disclosure	☐ Administrative/Technology Matters
☐ Listing	☑ Others: **Supplemental Listing and Disclosure Rules for PPP Companies**

TO : **INVESTING PUBLIC AND ALL TRADING PARTICIPANTS**

DATE : **December 8, 2016**

SUBJECT : **SUPPLEMENTAL LISTING AND DISCLOSURE RULES APPLICABLE TO A PPP COMPANY**

Please be advised that The Philippine Stock Exchange, Inc.'s Supplemental Listing and Disclosure Rules Applicable to a PPP Company ("PPP Listing and Disclosure Rules") were approved by the Securities and Exchange Commission in its meeting on November 8, 2016.

Please find attached a copy of the approved PPP Listing and Disclosure Rules.

For your information and guidance.

HANS B. SICAT
President and CEO

CTD / HRAD	MOD / TD	IRD	CMDD / CPIRD	OGC / CGO	COO
Tel. No. 688-7561 / 688-7562	Tel. No. 891-4430 / 688-7480	Tel. No. 688-7510	Tel. No. 688-7534 / 688-7529	Tel. No. 688-7411 / 688-7471	Tel. No. 688-7413

Supplemental Listing and Disclosure Rules Applicable to a PPP Company

Section 1. Rationale – The Philippine Stock Exchange, Inc.'s ("PSE" or the "Exchange") Supplemental Listing and Disclosure Rules applicable to a PPP Company (the "Rules") are being issued to supplement the general listing and disclosure requirements under the PSE Listing and Disclosure Rules in support of the Philippine Government's efforts to sustain the country's economic growth through sustainable partnerships with the private sector for infrastructure development. As more Public-Private Partnership projects have been approved and undertaken in recent years, several stakeholders agree that there is a need to tap more sources of funding. Given this, the Exchange is issuing these Rules to allow private sector entities to raise funds from the capital market and allow the listing and trading of their shares in the Exchange.

The implementation of these Rules shall be made in coordination with the Public-Private Partnership Center of the Philippines.

Section 2. Definition of Terms – For purposes of these Rules, unless the context provides otherwise, the following terms shall have the following definitions:

a. **Amended Build Operate and Transfer ("BOT") Law** – refers to Republic Act (RA) No. 6957, as amended by RA No. 7718.

b. **Commercial Operations or Maintenance Services** – refers to the start of operations or maintenance services of a PPP Project, or a phase thereof, where, subject to the terms of the PPP Contract, the PPP Company is allowed to charge facility users any or all of the appropriate tolls, fees, rentals, among others, or receive availability payments from the government.

c. **Implementing Agency** – refers to the department, bureau, office, commission, authority or agency of the national government, including Government-Owned and/or -Controlled Corporations ("GOCCs") which undertook a PPP Project in partnership with the private sector under the Amended BOT Law. The Implementing Agency is primarily responsible for planning, overseeing and monitoring of the PPP Project.

d. **Public-Private Partnership ("PPP") Center of the Philippines or the PPP Center** – is the government agency created under Executive Order (EO) No. 8, series of 2010, as amended by EO No. 136, series of 2013, and is responsible, among others, for coordination and monitoring of PPP projects. It also provides advisory services, technical assistance, trainings, and capacity development to Implementing Agencies in PPP projects. The term "PPP Center" shall be intended to also refer to the functional equivalent of the PPP Center, in the event of government reorganization.

e. **PPP Company** – refers to a corporation that is engaged in a PPP Project under the Amended BOT Law or any amendment/s thereto.

f. **PPP Contract** – refers to the Concession Agreement or contract entered into by the PPP Company with the Philippine Government, through an Implementing Agency, under the Amended BOT Law or any amendment/s thereto.

g. **PPP Project** – refers to an infrastructure or development project undertaken by the Philippine Government in partnership with the PPP Company in accordance with the provisions of the Amended BOT Law or any amendment/s thereto.

Section 3. Applicant PPP Company – A PPP Company may apply for listing under these Rules if it is any of the following:

a. a corporation which was awarded a PPP Contract, or

b. a special purpose company ("SPC") incorporated by the awarded corporation or awarded joint venture or consortium which shall assume and accede to all rights and obligations of the latter, in accordance with the Amended BOT Law and/or its implementing rules.

Section 4. Exemption on Track Record and Operating History Requirements - A PPP Company which does not possess the required minimum 3-year Track Record and Operating History may apply for listing of its shares in the PSE Main Board, provided, that it complies with the rest of the general requirements set forth in the PSE Main Board Listing Rules, subject to the additional requirements under these Rules.

Section 5. National Projects - The PPP Contract awarded to the PPP Company must be in relation to a PPP Project undertaken by any department, bureau, office, commission, authority or agency of the National Government, including GOCCs.

Section 6. Period for Listing - The PPP Company can apply for initial listing with the PSE upon showing of any of the following:

a. the PPP Company has completed its construction works, or a phase thereof, in case the PPP Project consists of several phases, and has commenced Commercial Operations and/or Maintenance Services; or

b. the PPP Company has commenced Commercial Operations, or where there is no Commercial Operations, Maintenance Services, provided that the PPP Contract awarded is not solely for Operations and Maintenance.

For purposes of determining the status or particular phase or stage of the PPP Project, the Exchange shall be guided by the explicit provisions of the PPP Contract, in so far as it is not inconsistent with the Amended BOT Law and its implementing rules which sets forth the terms upon which said PPP Project will be deemed in "Commercial Operations", or has commenced "Maintenance Services" as certified by the PPP Center and/or the Implementing Agency.

Section 7. Minimum Remaining Concession Period - The PPP Contract must have a remaining period of effectivity for at least fifteen (15) years from the date of filing of the initial listing application.

Section 8. Minimum Project Cost - The PPP Project cost shall not be less than Five Billion Pesos (Php 5,000,000,000.00), as indicated in the financial bid.

Section 9. No Secondary Offering - Existing shareholders of the PPP Company prior to initial listing are prohibited from offering their shares in the PPP Company during the initial public offering period.

Section 10. Mandatory Lock-up Period – The principal shareholders of a listed PPP Company shall not sell, assign, or in any manner dispose of their shares for a minimum period of 180 days from initial listing date.

The lock-up period prescribed under these Rules is independent of and different from any lock-up requirement under the PPP Contract, and must be complied with by the PPP Company, separately or simultaneously, as the case may be.

Section 11. Expiration of Term or Termination of the PPP Contract; Submission of Business Plan - As part of the additional disclosure requirements under these Rules, a listed PPP company must submit to the Exchange a business plan which may include its plans for liquidation and winding up, or a proposal for a new business, at least three (3) years before the scheduled expiration of the PPP Contract.

Moreover, in the event of pre-termination of the PPP Contract by the government or by the PPP Company as well as by reason of force majeure, a similar business plan must be submitted to the Exchange by the listed PPP Company within 30 calendar days from the initial disclosure of the pre-termination event. However, the Exchange may shorten the said 30-day period, or may allow submission of said business plan within an extended reasonable period as the circumstances may require.

Should the PPP Company fail to submit the required business plan under this section, the Exchange may impose appropriate sanctions in accordance with the Penalties and Fines for violation of the PSE Listing and Disclosure Rules, without prejudice to the immediate initiation of delisting proceedings, as may be applicable.

Section 12. Delisting – The Exchange may initiate delisting proceedings against the listed PPP Company in the event of pre-termination or expiration of the PPP Contract as well as the assignment thereof by the listed PPP Company to a third party, unless the listed PPP Company can demonstrate in the business plan and other supporting evidence its ability to continue to operate as a going concern.

The grounds and procedure for involuntary delisting set forth in the PSE Delisting Rules as well as other relevant PSE rules or policies shall be applicable for the conduct of the delisting proceedings under these Rules.

Notwithstanding the foregoing, a listed PPP Company may file a petition for voluntary delisting in accordance with the PSE Delisting Rules.

Section 13. Effects of Delisting – The Relisting Prohibition and Disqualification of Directors and Executive Officers as stated in the PSE Delisting Rules will not apply in the event of delisting of a PPP Company on account of expiration of the term of the PPP contract, pre-termination on account of force majeure, or its pre-termination by the government. However, the Exchange may apply said prohibition and disqualification if the delisting is by reason of pre-termination on account of the breach, fault or negligence of the PPP Company.

Section 14. Additional Documentary Requirements for Listing – The PPP Company that will apply for initial listing with the Exchange under these Rules shall submit the documentary requirements enumerated in the attached Annex "A", in addition to the regular documentary requirements applicable to an initial listing application through an initial public offering or listing by way of introduction.

Section 15. Additional Disclosure Requirements – A listed PPP Company shall comply with the reportorial and disclosure requirements prescribed by the Corporation Code,

RA No. 8799 or "Securities Regulation Code", their respective implementing rules and the rules and regulations of the Exchange. Moreover, the additional disclosure requirements set forth in Annex **"B"** shall be applicable to a listed PPP Company.

The Penalties and Fines under the PSE Listing and Disclosure Rules shall be applicable for failure to comply with the additional disclosure requirements under these Rules.

Section 16. Compliance with Philippine laws, rules and regulations – These Rules shall be read in conjunction with the Amended BOT Law, Securities Regulation Code, other relevant laws and its implementing rules and regulations, and any such amendments to the applicable laws and implementing rules and regulations.

Section 17. Applicability of PSE rules and regulations – All existing rules of the Exchange, including the PSE Listing and Disclosure Rules, and any such amendments thereto that are not inconsistent with these Rules shall be applicable to a company applying for listing with the Exchange and to a listed PPP Company, as the case may be.

THE PHILIPPINE STOCK EXCHANGE, INC.

HANS B. SICAT
President and Chief Executive Officer

ROEL A. REFRAN
Chief Operating Officer

SECURITIES AND EXCHANGE COMMISSION

VICENTE GRACIANO P. FELIZMENIO, JR.
Director
Markets and Securities Regulation Department

ANNEX "A"

LISTING APPLICATION
Supplemental Checklist of Documentary Requirements
(To be submitted in two [2] hard copies and soft copy*)

SUPPLEMENTAL DOCUMENTARY REQUIREMENTS FOR PUBLIC-PRIVATE PARTNERSHIP COMPANIES ("PPP COMPANIES") LISTING WITH THE EXCHANGE

Applicant PPP Companies shall submit the additional documents enumerated in the table below in addition to the regular documentary requirements applicable to an Initial Public Offering or a Listing By Way of Introduction, whichever is applicable. Listed PPP Companies undertaking a subsequent Public Offering or a Stock Rights Offering should likewise submit to the Exchange the documentary requirements set forth in the table below in addition to the regular documentary requirements applicable to the listing application.

Name of Applicant PPP Company	
Applicant PPP Company Contact Person **Name / Designation** **Contact Number** **Email**	
To be filled-up by the Listings Department	
Date of Filing of the Application	
Documents	☐ Complete ☐ Incomplete
PSE Processing Fee **O.R. Number** **Amount** **Date**	
Received by **Name/Signature of Listings Analyst** **Name/Signature of Supervisor**	
Assigned to **Name/Signature of Listings Analyst** **Name/Signature of Supervisor**	

DATE SUBMITTED	REQUIREMENTS
	1. A certified true copy of the following: a. Post Award Documents 1. Notice of Compliance with Post Award Requirements 2. Signed PPP Contract or Concession Agreement together with Annexes and Accession Agreements, if any b. Documents related to Independent Consultant ("IC") Procurement, as applicable 1. Notice of Award 2. Signed Contract c. Contract Milestone Documents, as applicable 1. Latest Contract Milestone Report 2. Latest Monthly Progress Report 3. Project Dispute Resolution Board Guidelines/ Agreements 4. Financial Closure Documents 5. Writ of Possession, Deed of Sale, Permit to Enter, other Land Acquisition documents, and other permits and licenses, as may be required in the PPP Contract 6. Memorandum of Agreements and other contracts where the PPP Company is a party, Right of Way Acquisition Plan, Project Execution Plan, Commercial Development Plan, and other documents required before Construction Date 7. Commissioning and Acceptance Plan 8. Certificate of Partial Acceptance 9. Approved Operations and Maintenance ("O&M") Manual 10. Certificate of Final Acceptance 11. Environmental Compliance Certificate Should any of the above documents be not applicable to the PPP Project, the PPP Company shall submit to the Exchange the equivalent documents.
	2. A Certification issued by the appropriate regulatory and/or Implementing Agencies, or its equivalent, attesting that:

DATE SUBMITTED	REQUIREMENTS
	i. the PPP Company's Contract or Concession Agreement is valid, subsisting and is being developed in accordance with the approved Work Program; and ii. the PPP Company is in good standing with the said agency. This Certification must not be more than three (3) months old from the date of filing of the listing application.
	3. A Certification as to status of the PPP Project and material concern, if any, from the Public-Private Partnership Center ("PPP Center") of the Philippines, or any appropriate equivalent government agency in charge of coordination and monitoring of PPP projects.
	4. A sworn Corporate Secretary's Certification on the background of the following parties with a detailed profile, accompanied by documents showing their capacity to handle the role, as may be applicable: a. Project Manager b. Project Steering Group c. Technical Working Group d. Independent Consultants and Advisers e. Other parties involved in the project, if applicable In case of a corporation, the profile must include, among others, the capital and ownership structure, board of directors and key officers.
	5. Sworn Corporate Secretary's Certification on the approval by the PPP Company's Board of Directors as to the engagement of the specific parties pursuant to the PPP Contract.
	6. Comprehensive report of the PPP Project. Such report shall include, among others, the breakdown of the costs relating to the PPP Project, timetable, detailed information on the sources of funding, summary of all relevant agreements and a copy of such agreements, and current status of the PPP Project.
	7. External legal counsel's opinion stating that all applicable agreements, permits and licenses of the PPP Company and its subsidiaries (if applicable) are valid and subsisting. The opinion should contain a detailed enumeration of the agreements, permits and licenses examined by the external legal counsel and the pertinent details of each agreement, license and permit (*e.g.*, for licenses/permits: name of license/permit, regulatory body that

DATE SUBMITTED	REQUIREMENTS
	issued the license/permit, issue date, validity period, expiry date; for agreements: parties, date of execution, summary of the agreement, consideration and other material provisions). This opinion and list of agreements, permits and licenses must be stated in the applicable section(s) of the PPP Company's Prospectus.
	8. If the PPP Company is a joint venture, special purpose vehicle, or any similar corporate structure, the PPP Company shall submit the following documents relating to each of the parties involved: a. A copy of the Articles of Incorporation and By-Laws; b. Nature of business; c. Capital structure; d. Ownership structure; e. Members of the board of directors; f. Key officers; and g. Audited financial statements for the last three (3) fiscal years and latest interim financial statements. In addition, the PPP Company shall provide a sworn Corporate Secretary's Certification on the capital contribution and extent of participation of these parties to the PPP Company.
	9. When applicable, a copy of the relevant agreements pertaining to the creation of the PPP Company, *e.g.* joint venture agreement, memorandum of agreement, subscription agreement, etc.
	10. A copy of the latest periodic report prepared by the Independent Consultant and/or the Implementing Agency, when applicable, on the PPP Project.
	11. A duly sworn Undertaking issued by the PPP Company's Corporate Secretary to comply with the additional disclosure requirements applicable to listed PPP Companies set forth in Annex "B" of these Rules.
	All requirements listed herein which refer to (i) written official acts and/or public records of official acts of a foreign authority or public officer, (ii) private documents, such as but not limited to certifications, which have been executed and acknowledged before a foreign notary public and/or officially kept as a public record in a foreign country are required to be authenticated by the Philippine

DATE SUBMITTED	REQUIREMENTS
	Embassy or consul located in the place of execution or custody of said document.
	Other documents which may be required by the Exchange during the conduct of the due diligence review of the listing application, including, but not limited to, updates on previous documents submitted.

**As announced in Memorandum No. 2010-0229 dated May 17, 2010 regarding the revised procedures for filing of a listing application, the PPP Company shall comply with the following procedures:*

1. The PPP Company shall submit two (2) printed copies of each required document: one (1) original copy, or when specified, certified true copy; and one (1) photocopy of each document. The printed copies must be bound in the order as indicated in the checklist, and must be properly tabbed or labelled.

2. The PPP Company shall submit a CD or DVD containing a scanned copy of each required document in **.pdf format**. The filename for each .pdf file must clearly indicate the type of document (*e.g.*, Application for Listing of Stocks, Articles of Incorporation, Background of Top 20 Stockholders, etc.). The CD or DVD must be properly labelled with the PPP Company's name, type of listing application and date of filing.

3. For an application covering an initial public offering, listing by way of introduction, follow-on public offering or stock rights offering, the PPP Company shall submit a soft copy of the draft prospectus in **MS Word** or **.doc format**.

4. The PPP Company shall submit a sworn Corporate Secretary's Certification certifying (i) that the photocopies submitted are true copies of the original documents; and (ii) that the hard copies and soft copies are identical.

Should the PPP Company be required to submit any additional document after the listing application is officially filed, steps 1 and 2 above shall be observed unless the Exchange specifies that the soft copy of the additional required document may be submitted through electronic mail.

ANNEX "B"

**SUPPLEMENTAL DISCLOSURE REQUIREMENTS
FOR PUBLIC-PRIVATE PARTNERSHIP COMPANIES ("PPP COMPANIES")
LISTED WITH THE EXCHANGE**

The additional disclosure requirements set forth below shall be applicable to a listed PPP company:

1. Contract Milestone Reports – reports which outline the various activities involved in the implementation of the PPP Project and used as control charts to monitor progress on an ongoing basis
2. Progress Reports – reports which detail project progress in terms of compliance to conditions precedent in the PPP Contract, achievement of financial close, adherence to timelines and other obligations in the PPP Contract, etc. These include but are not limited to Project Monitoring Reports, Monthly Construction Works Reports, Key Performance Indicator Reports or other material reports as may be required and submitted to the Implementing Agency
3. Reports Monitoring Use of Funds – a. Report on any disbursement made in connection with the planned used of proceeds from the offering b. Unstructured Report Monitoring Use of Funds – report on approval by the listed PPP company's Board of Directors, stockholders (when applicable) and relevant government agency (when applicable) of any reallocation on the planned use of proceeds amounting to twenty percent (20%) of the original amount appropriated or of any change in the Work Program in the offering prospectus c. Quarterly Progress Report on the application of the proceeds from the offering on or before the first fifteen (15) calendar days of the following quarter, certified by the Chief Financial Officer or Treasurer d. Annual Progress Report on or before January 31 of the following year, certified by the Chief Financial Officer or Treasurer The annual and quarterly progress reports, which include reports on disbursements, must be supported by an external auditor's certification on the accuracy of the information reported by the PPP Company. The said reports must include a detailed

explanation for any material variance with the Work Program or the represented Use of Proceeds in the offering prospectus.
4. Report on the existence of event of Default, Force Majeure, Material Adverse Government Action and similar events affecting the PPP Contract
5. Report of penalties and sanctions on the listed PPP Company by the Implementing Agency and/or regulatory authorities and the reasons therefore
6. A business plan which may include plans for liquidation and winding up or a proposal for a new business shall be submitted at least three (3) years before the scheduled expiration of the PPP Contract. Thereafter, the PPP Company shall submit to the Exchange Quarterly Progress Reports on the business plan within fifteen (15) calendar days after the end of each quarter until circumstances, as determined by the Exchange, may require.
7. Report on the hand-over of the PPP Project to the government to be submitted upon submission of the relevant report to the government one (1) year before expiration of the PPP Contract.

PSE

MEMORANDUM

MEA - No. 2022-0002

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Trading
- ☐ Disclosure
- ☐ Listing
- ☐ Public Advisory
- ☐ Administrative/Technology Matters
- ☑ Others: **Rule Amendments**

TO : **ALL MARKET PARTICIPANTS**

SUBJECT : **EFFECTIVITY OF AMENDMENTS TO THE RULES FOR LOCAL SMALL INVESTORS**

DATE : **June 13, 2022**

Please be advised that the Securities and Exchange Commission has approved the amendments to the rules for local small investors (LSIs), as set out in section 3, Article III, Part F of the Consolidated Listing and Disclosure Rules ("LSI Rule").

The amended LSI Rule authorizes the Exchange to increase the maximum subscription amount per local small investor to more than One Hundred Thousand Pesos (₱100,000.00) on a case to case basis, to correspond with the size of the offering.

The amended LSI Rule, set out in **Annex "A"** hereof, shall take effect immediately.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 8876-4888 E-mail Address: investing@pse.com.ph

ARTICLE III
EQUITY SECURITIES

PART F
DISTRIBUTION OF INITIAL PUBLIC OFFERING SHARES THROUGH THE EXCHANGE

…

Section 3. Allocation to Local Small Investors. – The allocation to the "local small investors" or "LSI" shall be at least ten percent (10%) of the entire IPO which shall be offered only after the effectivity of the registration statement and during the formal offering period. The issuer shall provide the appropriate distribution mechanism to facilitate greater participation in the LSI allocation nationwide.

The term "local small investor" or "LSI" is defined as a "share subscriber" who is willing to subscribe to a minimum board lot and whose subscription does not exceed One Hundred Thousand Pesos (₱100,000.00); provided, however, that the Exchange's Management may increase the maximum subscription amount for the LSI, on a case to case basis, taking into account the offer size of the IPO consistent with the objective of facilitating and achieving maximum participation and subscription to the LSI allocation. In the event of an over or under subscription in the ten percent (10%) offer, a "clawback" or a "clawforward" mechanism shall be implemented.

The issuer shall submit a mechanism that will prioritize subscriptions of small investors with amounts lower than ₱100,000.00 or the maximum amount determined by the Exchange, as may be applicable, in the ten percent **(**10%**)** allocation for LSIs. The same shall be reflected in the registration statement covering the IPO.

MEMORANDUM

CN - No. 2019-0012

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer Systems Update
_____	Membership Rules	_____	Administrative Matters
X	Listing Rules	_____	Others

TO: **ALL LISTED COMPANIES AND THE INVESTING PUBLIC**

SUBJECT: **NEW FEE FRAMEWORK FOR LISTING APPLICATIONS**

DATE: **MARCH 22, 2019**

Please be advised that the new fee framework for listing applications of The Philippine Stock Exchange, Inc. ("PSE" or "Exchange") has become effective pursuant to Rule 40.3.2 of the 2015 SRC Rules.

The salient points of the new fee framework are as follows:

1. The processing fee shall be removed.
2. The filing fees shall be paid in full upon filing of the listing application with the Exchange.
3. The filing fee rates shall be the same as the current listing fee rates, except the filing fees for initial listing under the Small, Medium and Emerging Board which shall be 1/10 of 1% of the maximum aggregate price of the securities to be offered.
4. In case the applicant company voluntarily withdraws, or requests the Exchange to defer processing of, the listing application, the Exchange shall discontinue the processing of the application and fifty percent (50%) of the filing fee paid shall be forfeited and not be allowed for future application. The remaining fifty percent (50%) of the filing fee may be applied by the applicant company to any future listing application with the Exchange, provided the subsequent listing application is filed within six (6) months from voluntary withdrawal or deferment, or if the Exchange has issued a Notice of Approval, within six (6) months from issuance of such notice.

Attached is a copy of the revisions to the PSE Consolidated Listing and Disclosure Rules, incorporating the new fee framework for listing applications.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

CTD/HRAD	MOD/TD	IRD	CMDD/CPIRD	OGC/CGO	COO
Tel. No.876-4831/876-4752	Tel. No. 876-4702/876-4771	Tel. No. 876-4731-876-4847	Tel. No. 876-4851	Tel. No. 876-4871-876-4841	Tel. No. 876-4807

Revisions to the PSE Consolidated Listing and Disclosure Rules
Re: New Fee Framework for Listing Applications

ARTICLE III
EQUITY SECURITIES

PART B
PROCESSING OF LISTING APPLICATIONS

SECTION 1. Acceptance of Listing Application – An application for listing shall only be accepted upon payment of the filing fee and submission of all documentary and other requirements to the Listings Department of the Exchange.

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SECTION 5. Rule on Pending Listing Applications – An Applicant Company is required to respond within thirty (30) calendar days to any request by the Exchange for information or submission of documents relating to its listing application.

The failure of the Applicant Company to respond within the prescribed period shall constitute abandonment of its listing application and the Exchange shall consider the same as not to have been filed; however, the Exchange shall not refund the filing fee paid by the Applicant Company.

xxx

SECTION 9. Board Action – The Exchange shall immediately notify the Applicant Company in writing of the action taken by the Board of Directors of the Exchange with regard to the application. If the listing application is rejected, the Exchange shall not refund the filing fee paid by the Applicant Company.

xxx

SECTION 11. Withdrawal – If the Applicant Company withdraws, or requests the Exchange to defer processing of, the listing application, the Exchange shall discontinue the processing of the application and fifty percent (50%) of the filing fee paid by the Applicant Company shall be forfeited and not be allowed for future application. The remaining fifty percent (50%) of the filing fee paid may be applied by the Applicant Company to any future listing application with the Exchange, provided that the subsequent listing application is filed within six (6) months from withdrawal or deferment, or if the Exchange has already issued a Notice of Approval ("NOA"), within six (6) months from Applicant Company's receipt of the NOA.

ARTICLE III
EQUITY SECURITIES

PART F
DISTRIBUTION OF INITIAL PUBLIC OFFERING SHARES THROUGH THE EXCHANGE

xxx

SECTION 9. Listing Date and Failure to Offer and/or List -

(a) The offering period and formal listing of the shares shall be conducted within the period stated in the Notice of Approval of the listing application ("Approved Period").

If no offering and listing were conducted within the Approved Period or any new schedule granted by the Exchange, as may be applicable, the listing application shall be deemed abandoned and the Exchange shall not refund the filing fee paid by the Applicant Company. On the other hand, if an offering was conducted, formal listing shall be made within ten (10) calendar days from the end of the offering period; otherwise, the listing application shall be deemed abandoned, the Exchange shall not refund the filing fee paid by the Applicant Company, and the Applicant Company shall be required to refund all subscription payments within ten (10) banking days from the lapse of the prescribed period for listing. In both cases of abandonment, the Applicant Company may file another application for listing but it shall be filed only after one hundred eighty (180) calendar days from the lapse of the Approved Period.

(b) After the approval of the application for listing and within six (6) months from the Applicant Company's receipt of the Notice of Approval ("NOA"), the Applicant Company may file with the Listings Department a request to move the offering period and formal listing to a later date but in no case beyond six (6) months from the Applicant Company's receipt of the NOA only if the request is based on meritorious and reasonable grounds, as determined by the Exchange. In such case, fifty percent (50%) of the filing fee paid by the Applicant Company shall be forfeited and only the remaining fifty percent (50%) of the filing fee paid shall be applied to said listing application. Issuer shall pay any deficiency between the remaining fifty percent (50%) of the filing fee paid and the final filing fee.

If the new offering period and formal listing are outside the six-month period from the Applicant Company's receipt of the NOA, paragraph (a) of this section shall apply.

xxx

ARTICLE VI
SCHEDULE OF FEES

PART A
GENERAL

xxx

SECTION 3. Payment Period for Filing Fee – The Applicant Company shall pay the filing fee upon filing of the listing application.

xxx

ARTICLE VI
SCHEDULE OF FEES

PART B
EQUITY SECURITIES – INITIAL LISTING

SECTION 1. Applications for Initial Public Offering (Primary Listing in the Main Board) – Issuers applying to list by way of primary listing in the Main Board of the Exchange shall pay a filing fee based on the computed market capitalization of the Issuer. Market capitalization is computed as the total number of shares applied for listing multiplied by the offer price:

Market Capitalization (MCap)	Filing Fee Rate
(1) ₱15 Billion and below	1/10 of 1% of MCap but not lower than ₱500,000.00
(2) Over ₱15 Billion	₱15 Million + 1/20 of 1% of the excess over ₱15 Billion MCap

SECTION 2. Applications for Initial Public Offering (Primary Listing in the SME Board) – Issuers applying to list by way of primary listing in the SME Board of the Exchange shall pay a filing fee equivalent to 1/10 of 1% of the maximum aggregate price of the securities to be offered.

SECTION 3. Applications for Listing By Way of Introduction in the Exchange – Applicable fees for Issuers applying to list by way of secondary listing in the Exchange are as follows:

For companies applying under Section 1(a), Part G, Article III, the filing fee shall be computed based only on the number of shares applied for listing held within the Philippines applying the scale of fees in Section 1, Part B, Article VI.

All other companies applying to list by way of introduction shall follow the scale of fees in Section 1, Part B, Article VI (for Main Board) or Section 2, Part B, Article VI (for SME Board).

The filing fee (for Main Board) however, shall not be less than Five Hundred Thousand Pesos (₱500,000.00).

SECTION 4. Applications for an IPO Shelf Listing – The applicable fees for Issuers applying for IPO shelf listing are as follows:

(A) **Main Board** – Issuer shall follow the scale of fees in Section 1, Part B, Article VI and compute the filing fees based on the market capitalization of the Issuer. The filing fee for the first tranche shall be paid upon filing of the initial shelf-listing application. The filing fee for subsequent tranches shall be paid upon filing of the listing application for said tranche.

(B) **SME Board –** Issuer shall apply the rate in Section 2, Part B, Article VI and compute the filing fees based on the maximum aggregate price of the securities to be offered in the first tranche. The filing fee for the first tranche shall be paid upon filing of the initial shelf-listing application. The filing fee for subsequent tranches shall be paid upon filing of the listing application for said tranche.

The filing fee covering the shelf-listed shares that will remain unissued or unsubscribed after the validity period of the Exchange's approval of the shelf-listing shall be paid no later than thirty (30) business days before the expiration of said validity period.

SECTION 5. Computation of Filing Fee with No Final Offer Price – If the final offer price is still to be determined from a price range set by the Issuer, the maximum price in the price range shall be used as basis for the computation of the filing fees.

SECTION 6. Applications for Transfer to the Main Board – The Issuer shall pay a non-refundable filing fee of One Hundred Thousand Pesos (₱100,000.00).

ARTICLE VI
SCHEDULE OF FEES

PART C
EQUITY SECURITIES – ADDITIONAL LISTING

SECTION 1. Applications for Additional Listing -

For all applications for listing of shares arising from subsequent public offerings of primary shares or re-issuance of shares, mergers or consolidations, substantial acquisitions, takeovers and reverse takeovers (also referred to as backdoor listings) and all other types of additional listing applications, the Issuer shall pay the filing fee rates indicated hereunder.

Out of pocket expenses incurred by the Exchange in the conduct of its due diligence or investigation on the Applicant Companies, its directors and officers, shall be charged separately to the Applicant Companies.

Transaction	Filing Fee Rate
(1) Stock Dividend	1/10 of 1% of the number of shares to be listed multiplied by its par value
(2) Stock Rights Offering	1/10 of 1% of the number of shares to be listed multiplied by its offer price. If the final offer price is still to be determined from a price range set by the Issuer, the maximum price in the price range shall be used as the offer price.
(3) Debt-to-Equity Conversion	1/10 of 1% of the number of shares to be listed multiplied by its conversion price
(4) Private Placement	1/10 of 1% of the number of shares to be listed multiplied by its placement price
(5) Shares for Asset Swap	1/10 of 1% of the number of shares to be listed multiplied by its transaction price
(6) Shares for Property Swap	1/10 of 1% of the number of shares to be listed multiplied by its transaction price
(7) Underlying Shares	1/10 of 1% of the maximum number of underlying shares to be converted or exercised multiplied by its conversion, strike, or exercise price. If the conversion, strike, or exercise price refers to a formula or market price of the shares at some future date or period, the date or period closest to the date of filing of the listing application shall be used for purpose of computing the filing fee.

(8) Availment of Stock Option Plan	1/10 of 1% of the maximum number of shares to be availed or exercised multiplied by its Stock Option Plan price Should the stock option price refer to a formula or market price of the shares at some future date or period, the date or period closest to the date of filing of the listing application shall be used for the purpose of computing the filing fee. The same shall not, however, apply to shares already availed of or granted pursuant to the plan, in which case, the stock option price to be used by the Exchange shall be the price at which said option shares have been availed of or exercised.
(9) Preferred Shares	1/10 of 1% of the number of shares to be listed multiplied by its issue price
(10) Follow-on Offerings	For common shares and ETFs – 1/10 of 1% of the number of shares to be listed multiplied by the maximum price or cap in the price range; For other shares – 1/10 of 1% of the number of shares to be listed multiplied by its offer price. If the final offer price is still to be determined from a price range set by the Issuer, the maximum price in the price range shall be used as the offer price.
(11) Underlying Shares of Subscription Warrants	1/10 of 1% of the maximum number of underlying shares to be converted or exercised multiplied by its conversion, strike, or exercise price. If the conversion, strike, or exercise price refers to a formula or market price of the shares at some future date or period, the date or period closest to the date of filing of the listing application shall be used for purpose of computing the filing fee.

The additional filing fee structure stated above is applicable to the additional listing of securities of listed companies which were listed in the Exchange by way of introduction. For companies applying under Section 1(a), Part G, Article III, the fee computation however, shall be based only on the shares offered in the Philippines but the amount shall not be less than One Hundred Thousand Pesos (₱100,000.00).

In case of shelf-listing of additional securities, the filing fee to be paid by the Applicant Company shall be computed based on the number of shares to be issued per tranche of offer/issuance. The filing fee for the first tranche shall be paid upon filing of the shelf-listing application. The filing fee for subsequent tranches shall be paid upon filing of the listing application for such tranche. The filing fee covering the shelf-listed shares that will remain unissued after the validity period

of the Exchange's approval of the shelf-listing shall be paid not later than thirty (30) business days before the expiration of said validity period.

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SECTION 3. Filing Fee for Subscription Warrant – The filing fee for Subscription Warrants shall be based on the total funds which would be raised from the full exercise of the warrants, to wit:

Percentage of Existing Issued Share Capital Subject to Warrants	**Total Funds Which Would Be Raised on Full Exercise of the Warrants**		
	Not Exceeding ₱500 Million	**Not Exceeding ₱1 Billion**	**Above ₱1 Billion**
Not exceeding 10%	₱150,000.00	₱250,000.00	₱300,000.00
Not exceeding 50%	150,000.00	250,000.00	400,000.00
Not exceeding 100%	250,000.00	300,000.00	450,000.00
Over 100%	300,000.00	400,000.00	600,000.00

The filing fee is payable upon the filing of the application for listing of Subscription Warrants.

MEMORANDUM

CN - No. 2019-0013

The Philippine Stock Exchange, Inc.

_____	Trading Rules	_____	Computer Systems Update
_____	Membership Rules	_____	Administrative Matters
X	Listing Rules	_____	Others

TO: **ALL LISTED COMPANIES AND THE INVESTING PUBLIC**

SUBJECT: **REQUIREMENT TO DISCLOSE PRICE RANGE FOR FOLLOW-ON OFFERINGS AND STOCK RIGHTS OFFERINGS OF COMMON SHARES AND EXCHANGE TRADED FUNDS**

DATE: **MARCH 22, 2019**

Please be advised that, pursuant to Rule 40.3.2 of the 2015 SRC Rules, the additional rules of The Philippine Stock Exchange, Inc. ("PSE") for follow-on offerings and stock rights offerings of common shares and exchange traded funds ("ETFs") have become effective. The additional rules are as follows:

1. An applicant company shall be required to disclose in the prospectus an offer price range consisting of a floor price and a cap.

2. Listing applications without disclosure of the price range shall not be accepted by the Exchange.

Attached is a copy of the revisions to the PSE Consolidated Listing and Disclosure Rules, incorporating the aforementioned additional rules.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

CTD/HRAD	MOD/TD	IRD	CMDD/CPIRD	OGC/CGO	COO
Tel. No.876-4831/876-4752	Tel. No. 876-4702/876-4771	Tel. No. 876-4731-876-4847	Tel. No. 876-4851	Tel. No. 876-4871-876-4841	Tel. No. 876-4807

Revisions to the PSE Consolidated Listing and Disclosure Rules
Re: Disclosure of Price Range for Follow-on Offerings and Stock Rights Offerings of Common Shares and Exchange Traded Funds

ARTICLE V
ADDITIONAL LISTING OF SECURITIES

PART B
RIGHTS OFFERING

SECTION 1. Period to File Application – Within ninety (90) days from the date of approval by the Board of Directors of the company of the rights offering, the application for listing of the shares to cover the rights offering and the application for registration thereof shall be filed simultaneously. For rights offerings of common shares and exchange traded funds ("ETFs"), the Applicant Company must disclose in the Prospectus the offer price range, consisting of a floor price and a cap, upon filing of the listing application. The floor price must be lower than or equal to the disclosed market price.

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ARTICLE V
ADDITIONAL LISTING OF SECURITIES

PART F
FOLLOW-ON OFFERING

SECTION 1. Applicability of Existing Rules – Subject to the provisions of Sections 3 and 4 below, Article III, Parts A, B, D (Section 4), and F of the Consolidated Listing and Disclosure Rules shall apply to follow-on offerings.

SECTION 2. Offering Price – For follow-on offerings of commons shares and ETFs, the Applicant Company is required, upon filing of the listing application, to disclose in the Prospectus the offer price range consisting of a floor price and a cap. The floor price must be lower than or equal to the disclosed market price.

The Exchange shall not accept an application for follow-on offering of common shares and ETFs without disclosure of the offer price range.

SECTION 3. Allocation of offer shares to Local Small Investors shall be discretionary on the part of the Issuers.

SECTION 4. Offering Period – The period within which to offer shares to the public shall be determined by the Applicant Company, which shall not be less than five (5) trading days. The Applicant Company is prohibited from selling or in any manner disposing of its shares to the public, both locally and abroad, before the start of the offering period. The Exchange shall have the right to revoke the approval of the listing application if it finds that the Applicant Company violated the aforementioned rule. The listed company applying for additional listing shall submit to the Exchange for approval the final draft of its Offering/Information Memorandum and Subscription Agreement at least seven (7) calendar days before the start of the offering period and prior to the printing of the final draft.

PSE **MEMORANDUM** **CN - No. 2021-0049**

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Trading	☐ Public Advisory
☐ Disclosure	☐ Administrative/Technology Matters
☐ Listing	☑ Others:

TO : **ALL MARKET PARTICIPANTS**

SUBJECT : **AMENDMENTS TO ARTICLE VIII, SECTION 3 OF THE CONSOLIDATED LISTING AND DISCLOSURE RULES**

DATE : **August 31, 2021**

Please be advised that, pursuant to Rule 40.3.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, Article VIII, Section 3 of the PSE Consolidated Listing and Disclosure Rules is amended, as follows:

> **Section 3. Notice of Assessment of Fine and Penalty** – Listed companies found to have been in violation of the **Consolidated** Listing and Disclosure Rules shall be notified of the assessment of the appropriate fine and/or penalty within five (5) days from approval by the Exchange's **Management** of such assessment.

The foregoing amendments shall take effect immediately.

For your information and guidance.

(*Original Signed*)
Ramon S. Monzon
President and CEO

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 8876-4888 E-mail Address: investing@pse.com.ph

PSE **MEMORANDUM** **CN - No. 2022-0023**

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Trading	☐ Public Advisory
☐ Disclosure	☐ Administrative/Technology Matters
☐ Listing	☑ Others:

TO : **ALL MARKET PARTICIPANTS**

SUBJECT : **RULE ON INITIAL LISTING THROUGH A PREFERRED SHARES OFFERING**

DATE : **May 24, 2022**

Please be advised that the Rule on Initial Listing through a Preferred Shares Offering shall take effect immediately pursuant to SRC Rule 40.3.2.

The salient provisions of the Rule on Initial Listing through a Preferred Shares Offering are as follows:

1. Minimum Offering to the Public

   The offer size shall be at least One Billion Pesos (Php1,000,000,000.00) or twenty percent (20%) of the market capitalization of preferred shares applied for listing, whichever is higher.

2. Minimum Number of Stockholders

   Upon listing, the applicant company should have at least 1,000 stockholders, each owning at least one (1) board lot, whether it is listing on the Main Board or the Small, Medium and Emerging ("SME") Board. After listing, the listed company shall be subject to the 20% public float requirement.

3. Lock-Up Rule

   The 180-day / 365-day lock-up in the first paragraph of Section 2(a) of Article III, Part D (for Main Board listing) and the first paragraph of Section 3(a), Article III, Part E (for SME Board listing) of the Consolidated Listing and Disclosure Rules will not apply.

However, preferred shares and instruments entitling the holder to issuance of preferred shares (*e.g.*, convertible bonds, warrants) issued and fully paid within 180 days before the initial public offering ("IPO") at a price lower than the IPO price shall be locked up for 365 days from full payment.

If the applicant company has outstanding common shares which are listed, the same will not be covered by the lock-up rule.

4. Offering Period to Local Small Investors ("LSI")

   The offer period for LSI shall be three (3) days.

5. Restrictions

   Companies mandated by law or regulation to list and/or offer their shares to the public cannot list through this mode of initial listing. A company that lists under this Rule also cannot list by way of introduction.

Except as indicated above, the initial listing requirements in Article III, Parts A to F of the Consolidated Listing and Disclosure Rules, as amended, shall apply to the initial listing of an applicant company through an offering of preferred shares.

The Rule on Initial Listing through a Preferred Shares Offering is attached herewith as **Annex "A"**.

For your information and guidance.

(Original Signed)
Ramon S. Monzon
President and CEO

ARTICLE III
EQUITY SECURITIES

PART H
INITIAL LISTING of PREFERRED SHARES

SECTION 1. Coverage – These Rules shall govern the initial listing of an Applicant Company through an offering of preferred shares without listing its common shares.

SECTION 2. Applicability of Existing Rules – Except as provided below, Article III, Parts A to F of the PSE Consolidated Listing and Disclosure Rules shall apply to the initial listing of an Applicant Company through an offering of preferred shares.

SECTION 3. Minimum Offering to the Public – Notwithstanding any provision in the PSE Consolidated Listing and Disclosure Rules to the contrary, the minimum offering to the public for initial listing on the Main Board or SME Board shall be One Billion Pesos (Php1,000,000,000.00), or twenty percent (20%) of the market capitalization of the preferred shares applied for listing, whichever is higher.

SECTION 4. Minimum Number of Stockholders – Upon listing, the Applicant Company shall have at least one thousand (1,000) stockholders, each owning stocks equivalent to at least one (1) board lot. After listing, the company shall maintain, at all times, a minimum public ownership of twenty percent (20%) of the outstanding and listed preferred shares, or such other percentage as may be prescribed by the Exchange.

SECTION 5. Lock-Up –

(a) If there is any issuance or transfer of preferred shares (*i.e.*, private placement, asset for shares swap or a similar transaction), or of instruments which leads to an issuance or transfer of preferred shares (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within one hundred eighty (180) days prior to the start of the Offering Period, and the transaction price is lower than that of the offer price in the Initial Public Offering (IPO), all shares availed of shall be subject to a lock-up period of at least three hundred sixty-five (365) days from the full payment of the said shares.

(b) The lock-up requirement shall be stated in the Articles of Incorporation of the Applicant Company.

(c) The foregoing lock-up requirement shall be implemented in the manner provided in Section 17, Part A, Article III of the Consolidated Listing and Disclosure Rules, or any amendment thereto.

(d) The foregoing lock-up requirement will not apply to a listed company that transfers to the Main Board if the lock-up period set out above, whichever is applicable, has been fully complied with while listed in the SME Board. Otherwise, the difference between the applicable lock-up period and the actual lock-up of shares shall be observed.

SECTION 6 - Offering Period to Local Small Investors – While the public offering period under these Rules is five (5) Trading Days, the period within which to offer the shares to the local small investors shall only be three (3) Trading Days.

SECTION 7. Listing of Common Shares – The Applicant Company shall have discretion to subsequently list its common shares.

SECTION 8. Other Prohibitions –

(a) Companies mandated by law or applicable regulation to list or offer their shares to the public shall not be qualified to list under these Rules; and

(b) Any company that lists under these Rules cannot list by way of introduction.