ANNEX "A"

CORPORATE SECRETARY'S CERTIFICATION

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

AFFIDAVIT

I, **ELMO M. NEVADA**, of legal age and, with address at No. 68 Legarda Road, Baguio City, after having been duly sworn in accordance with law, hereby depose and say:

1. I am the designated representative and known spokesperson of the Heirs of Baldomero Nevada, Sr., Heirs of Trinidad Nevada, and Heirs of Baldomero Nevada, Jr. with respect to the Mining Lease Contracts and Declaration of Locations now covered by the APSA No. 102.

2. As such, I hereby affirm that Philex Mining Corporation ("Philex") is the operator of the area covered by the APSA No. 102 consisting of 80.6668 hectares located at Tuba, Benguet (the "Area"), for and in behalf of the Heirs of Baldomero Nevada, Sr., Heirs of Trinidad Nevada, and Heirs of Baldomero Nevada, Jr., in accordance with the Operating Agreement dated 29 August 1955, executed between Philex and Baldomero Nevada Sr., Baldomero Nevada, Jr., and Trinidad Nevada. I also affirm that Philex filed said APSA No. 102 for a Mineral Production Sharing Agreement, for and in behalf of the Heirs of Baldomero Nevada, Sr., Heirs of Trinidad Nevada, and Heirs of Baldomero Nevada, Jr.

3. I likewise confirm that under the Agreement, Philex has the complete and absolute possession and control over all the mineral lode claim found within the Area, as well as absolute power and discretion over their development and exploitation.

4. I attest that I have financial capabilities in the amount of at least Two Million Five Hundred Thousand Pesos (₱2,500,000.00) and as proof thereof, attached herewith is the pertinent bank certification. I likewise attach herewith my Income Tax Return for the year 2007.

5. I hereby authorize Philex to sign and received the MPSA that may be issued for and in behalf of the Heirs of Baldomero Nevada, Sr., Heirs of Trinidad Nevada, and Heirs of Baldomero Nevada, Jr., and also execute any or all actions which are necessary for its issuance.

6. I am executing this affidavit to attest to the truth of the foregoing and for purposes of compliance with the requirements of the Mines and Geosciences Bureau for the APSA No. 102 of Philex.

IN WITNESS WHEREOF, I have hereunto affixed my signature this JUL 14 2008 day of July 2008 at Pasig City.

MGB - CAR
RECEIVED
MRLS
Date: 7-23-08 Time: 3:24
Doc. No.: 08-0214 By:

ELMO M. NEVADA
Designated representative and
known spokesperson

SUBSCRIBED AND SWORN to before me this JUL 14 2008 day of July 2008 at Pasig City, affiant, being personally known to me, exhibited his Community Tax Certificate/Passport No. TT0259445 issued at Manila on June 13, 2008.

Doc. No. 144;
Page No. 30;
Book No. 605;
Series of 2008.

ATTY. LUCILA M. CARASATOK
Notary Public
City of Pasig
Until December 31, 2008
PTR No. 4306052, Issued on 1-2-08, at Pasig City
IBP No. 730399, Issued on 1-3-08, at Pasig City
Roll No. 28434
TIN No. 162-942-995

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

SECRETARY'S CERTIFICATION OF CORPORATE RESOLUTION

I, GUADAFLOR C. MALONZO, of legal age, Filipino, Assistant Corporate Secretary of Philex Mining Corporation duly organized and existing under and by virtue of the laws of the Philippines, after having been duly sworn according to law, depose and state:

(1.) That as Assistant Corporate Secretary, I am the co-custodian of the corporate records of Philex Mining Corporation, including the minutes of the meetings of its Stockholders and Board of Directors.

(2.) That at the Regular Meeting of the Board of Directors of Philex Mining Corporation held on December 12, 2005 at the Conference Room, Philex Building, No. 27 corner Brixton & Fairlane Streets, Pasig City, in which a quorum was present throughout, the following resolution was approved:

> "RESOLVED, That Mr. Jose Ernesto C. Villaluna, Jr., President and Chief Operating Officer of Philex Mining Corporation, be, as he hereby is, authorized to sign application and/or conversion of the Mineral Production Sharing Agreements (MPSA), Exploration Permit (EP), Special Mines Permit (SMP), Financial or technical Assistant Agreement (FTAA) and its renewals including Deed of Assignment/Transfer/Reconveyance, Deed of Reassignment and Reconveyance, Mining Agreements, and any and all papers and documents relative thereto, for and in behalf of the Company.
>
> RESOLVED, FURTHER, That a copy of this resolution be furnished the Office of the Mines and Geo-Sciences Bureau concerned."

(3.) This resolution has not in any way been modified, altered, repealed or revoked, and that the same is in full force and effect.

(4.) This certification is being issued to attest to the truth of the foregoing facts for all legal intents and purposes.

I, FURTHER SAYETH NONE.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 20th day of January, 2006, at Pasig City, Philippines.

GUADAFLOR C. MALONZO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 20th day of January, 2006, at Pasig City, Philippines, affiant exhibited to me his Community Tax Certificate No. 14548951 issued at Marikina City on February 10, 2005.

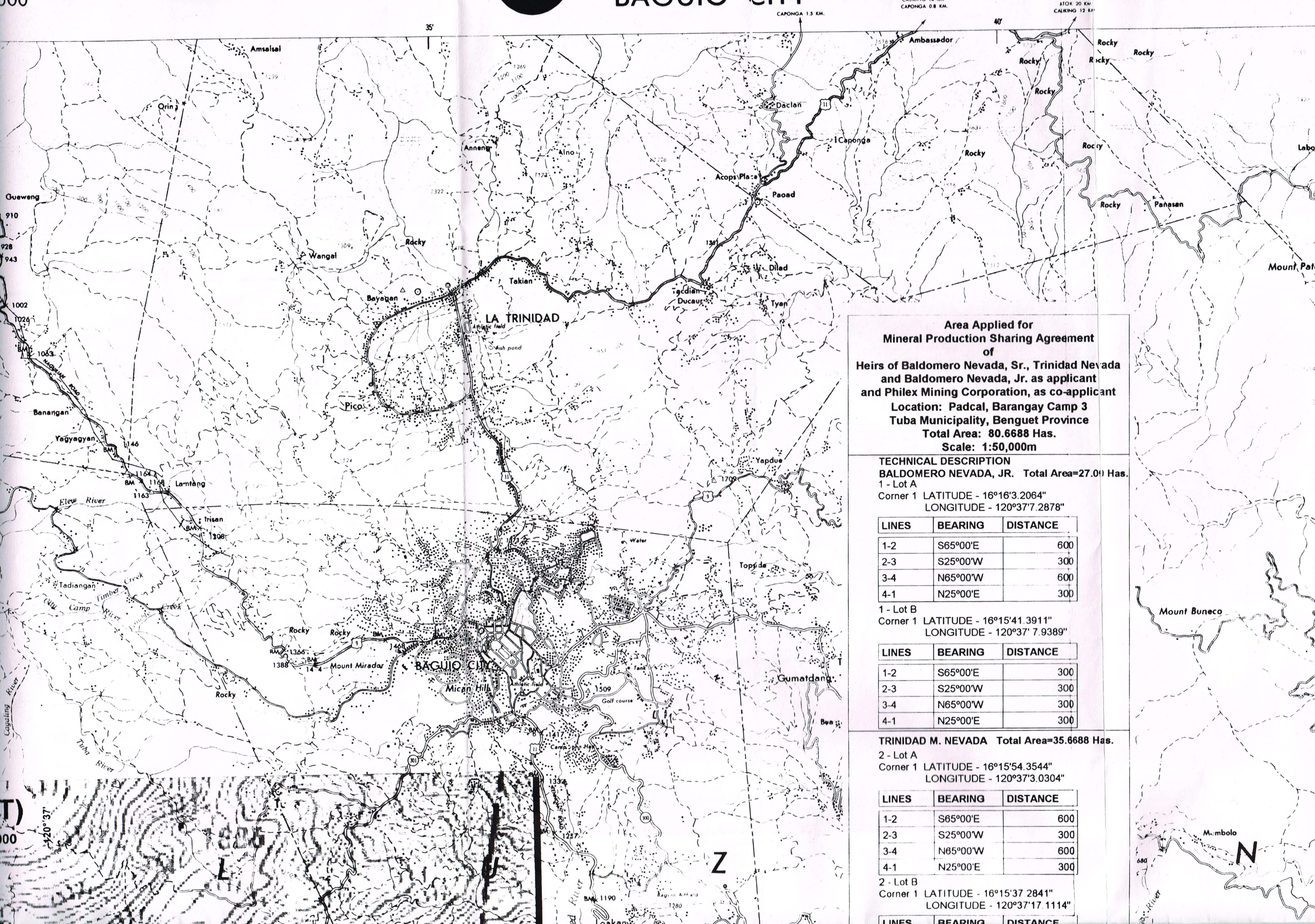
RICARDO L. PLATON
NOTARY PUBLIC
Until December 31, 2006
PTR No. 2953247
January 9, 2006
Pasig City

Doc. No. C4/24;
Page No. 92;
Book No. XCV;
Series of 2006.

GCM/bts

ANNEX "B"

Location Map/Sketch Plan
on
1:50,000 scale NAMRIA Map



Area Applied for
Mineral Production Sharing Agreement
of
Heirs of Baldomero Nevada, Sr., Trinidad Nevada and Baldomero Nevada, Jr. as applicant and Philex Mining Corporation, as co-applicant
Location: Padcal, Barangay Camp 3
Tuba Municipality, Benguet Province
Total Area: 80.6688 Has.
Scale: 1:50,000m

TECHNICAL DESCRIPTION
BALDOMERO NEVADA, JR. Total Area=27.0l Has.
1 - Lot A
Corner 1 LATITUDE - 16°16'3.2064"
LONGITUDE - 120°37'7.2878"

LINES	BEARING	DISTANCE
1-2	S65°00'E	600
2-3	S25°00'W	300
3-4	N65°00'W	600
4-1	N25°00'E	300

1 - Lot B
Corner 1 LATITUDE - 16°15'41.3911"
LONGITUDE - 120°37' 7.9389"

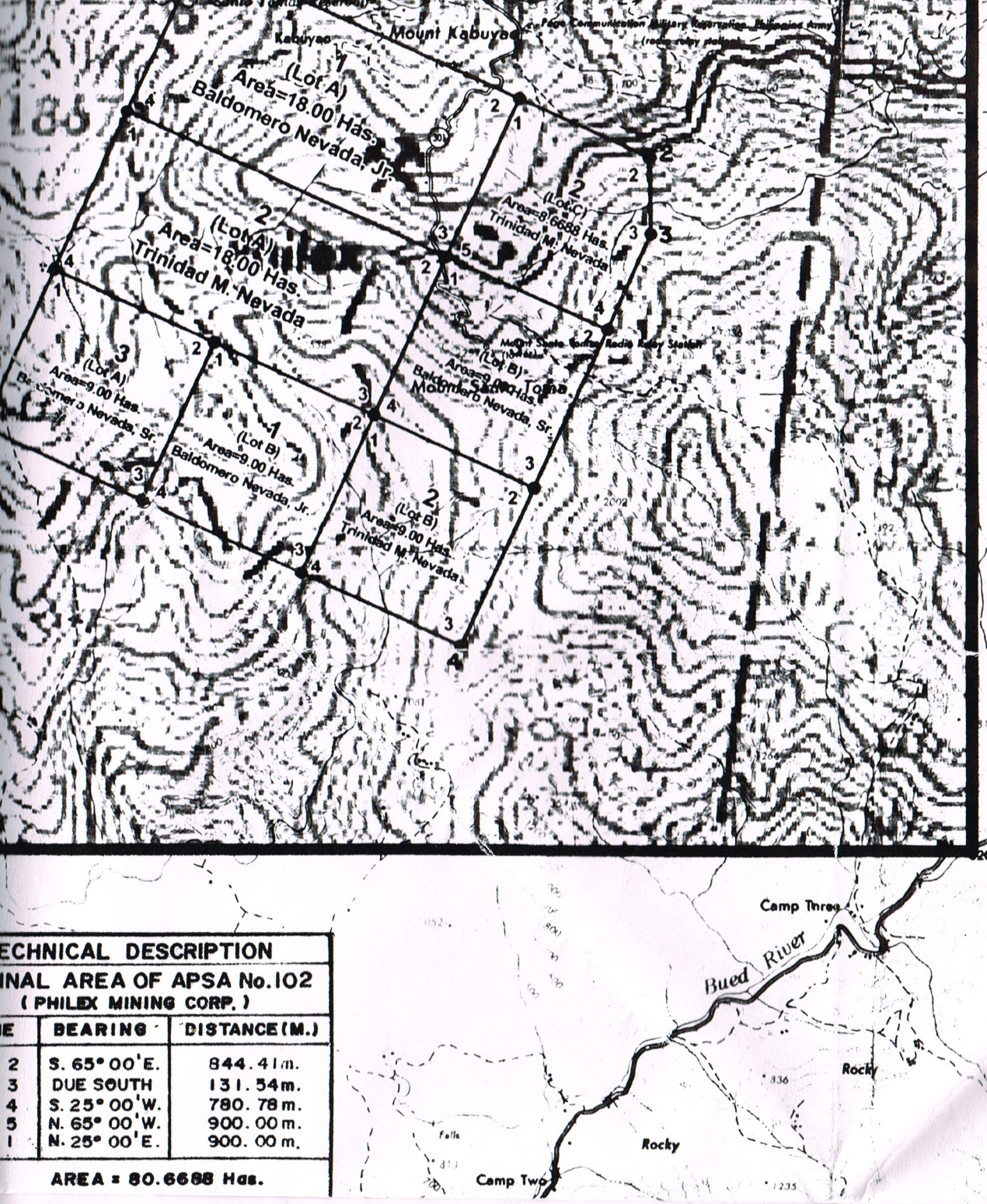
LINES	BEARING	DISTANCE
1-2	S65°00'E	300
2-3	S25°00'W	300
3-4	N65°00'W	300
4-1	N25°00'E	300

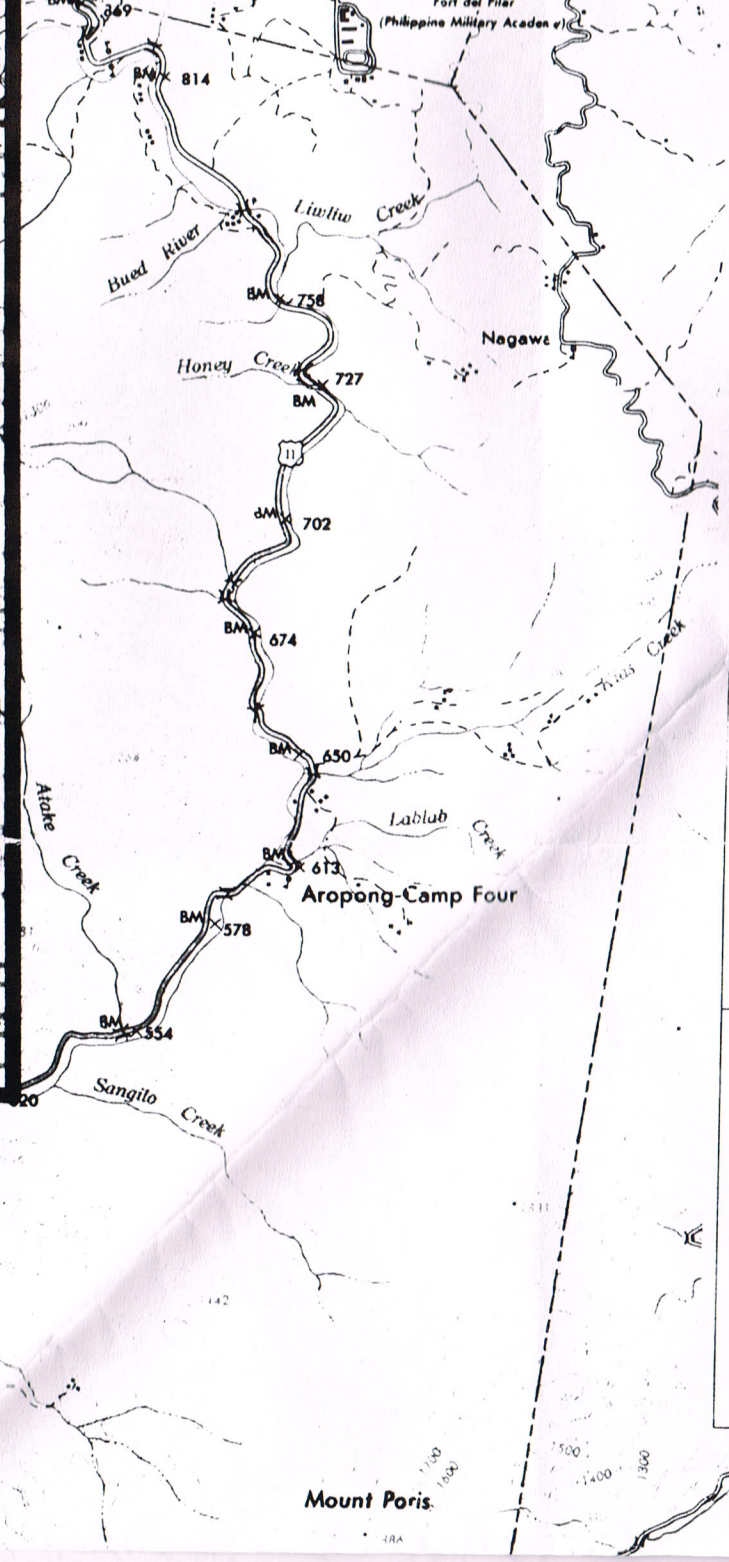
TRINIDAD M. NEVADA Total Area=35.6688 Has.
2 - Lot A
Corner 1 LATITUDE - 16°15'54.3544"
LONGITUDE - 120°37'3.0304"

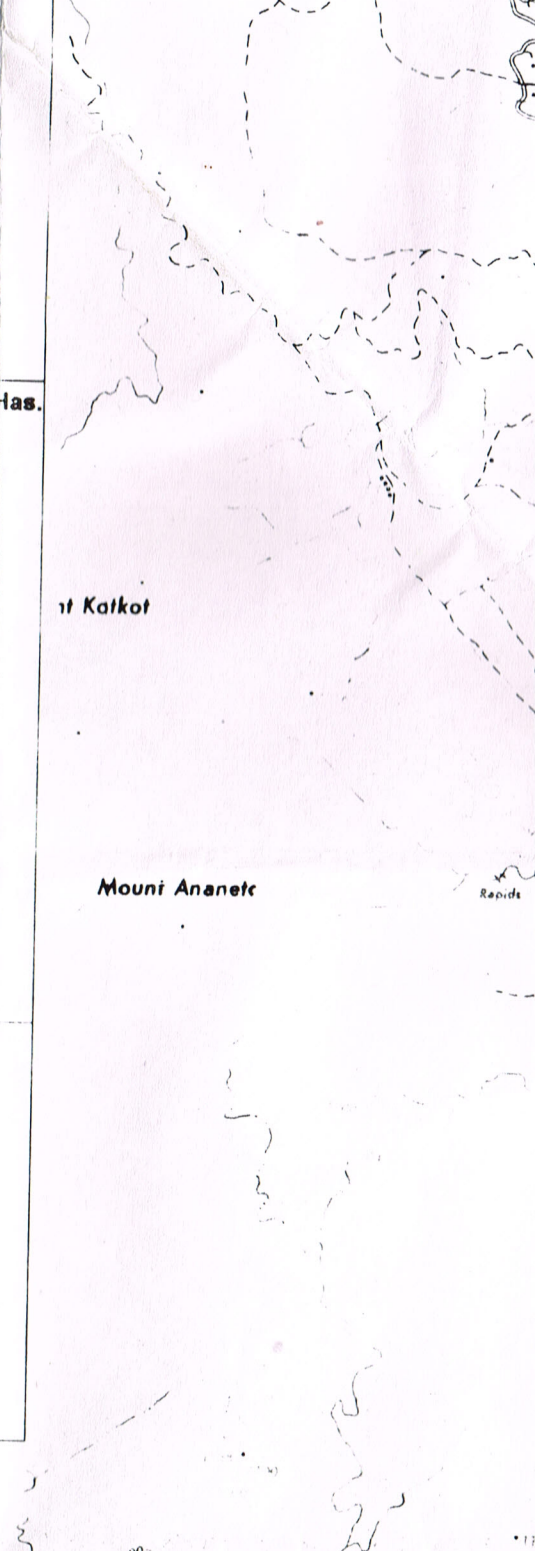
LINES	BEARING	DISTANCE
1-2	S65°00'E	600
2-3	S25°00'W	300
3-4	N65°00'W	600
4-1	N25°00'E	300

2 - Lot B
Corner 1 LATITUDE - 16°15'37.2841"
LONGITUDE - 120°37'17.1114"

LINES	BEARING	DISTANCE







4-1	N25°00'E	300

2 - Lot C
Corner 1 LATITUDE - 16°15'54.9903"
LONGITUDE - 120°37'25.6029"

LINES	BEARING	DISTANCE
1-2	S55°00'E	244.41
2-3	Due South	131.54
3-4	S25°00'W	180.78
4-5	N65°00'W	300
5-1	N25°00'E	300

BALDOMERO NEVADA, SR. Total Area=18.00 Has.

3 - Lot A
Corner 1 LATITUDE - 16°15'45.5008"
LONGITUDE - 120°36'58.7852"

LINES	BEARING	DISTANCE
1-2	S65°00'E	300
2-3	S25°00'W	300
3-4	N65°00'W	300
4-1	N25°00'E	300

3 - Lot B
Corner 1 LATITUDE - 16°15'46.1385"
LONGITUDE - 120°37'21.3495"

LINES	BEARING	DISTANCE
1-2	S65°00'E	300
2-3	S25°00'W	300
3-4	N65°00'W	300
4-1	N25°00'E	300

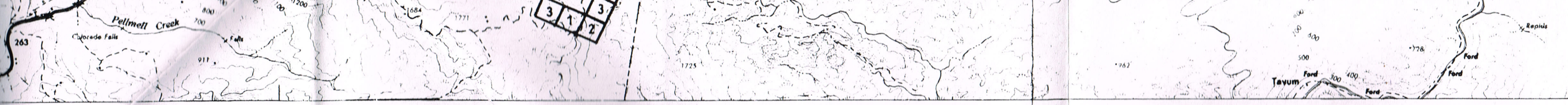
JOSEPH JERNEY V. UY
MGB - Deputy Geodetic Engineer
Reg. No.: 003653
PTR No.: 4343455
Issued at: Pasig City
Date: Jan. 10, 2008

Remarks:

ECHNICAL DESCRIPTION
INAL AREA OF APSA No.102
(PHILEX MINING CORP.)

E	BEARING	DISTANCE (M.)
2	S. 65° 00'E.	844.41m.
3	DUE SOUTH	131.54m.
4	S. 25° 00'W.	780.78m.
5	N. 65° 00'W.	900.00m.
1	N. 25° 00'E.	900.00m.

AREA = 80.6688 Has.



Scale 1:50,000

1000 500 0 1000 2000 3000 4000 5000 Meters

1000 500 0 1000 2000 3000 4000 5000 Yards

1 ½ 0 2 3 Statute Miles

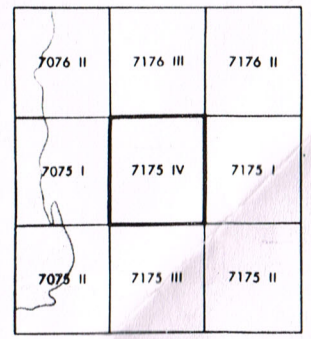
1 ½ 0 1 2 3 Nautical Miles

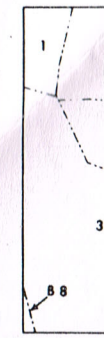
CONTOUR INTERVAL 20 METERS
SUPPLEMENTARY CONTOURS 10 METERS

SPHEROID	CLARKE 1866
PROJECTION	TRANSVERSE MERCATOR
VERTICAL DATUM	MEAN SEA LEVEL
HORIZONTAL DATUM	LUZON DATUM
CONTROL BY	U. S. COAST AND GEODETIC SURVEY, 29TH ENGINEER BATTALION AND PHILIPPINE COAST AND GEODETIC SURVEY

DELINEATION OF INTERNAL ADMINISTRATIVE BOUNDARIES ON THIS MAP IS APPROXIMATE

ADJOINING SHEETS





A. Benguet P
1. Sablan
2. La Trin
3. Tuba M
4. Tublay
5. Itogon
6. Bokod
7. Baguio
B. La Union
8. Pugo M

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Orchard, plantation
Scrub
Tropical grass
Rice field
Land subject to inundation

Published by
Department of Environment and Natural Resources
NATIONAL MAPPING & RESOURCE INFORMATION AUTHORITY
Fort Bonifacio, Makati
Metro Manila
JOSE G. SOLIS
Administrator

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ANNEX "C"

UTILIZATION/DEVELOPMENT WORK PROGRAM

THREE-YEAR WORK PROGRAM
FOR APSA No. 102

1.0 NAME AND ADDRESS OF COMPANY/PROPONENT

Applicant: PHILEX MINING CORPORATION for and in behalf of the HEIRS OF BALDOMERO NEVADA, SR., TRINIDAD NEVADA and BALDOMERO NEVADA, JR.
Address : # 27 Brixton Street, Pasig City
Tel. No. : 631-1381 to 1388
Fax No. : 633-3242 & 631-9501
e-mail address: philex@philexmining.com.ph
Contact Person: MR. JOSE ERNESTO C. VILLALUNA – President & COO

2.0 PROJECT DESCRIPTION

2.1 Project Details

2.1.1 Location

The area covered by this application is within the leased mining claims LLC-V-163 to 165 and LLC-V-323 to 327 of the Nevada group of mining claims. It is located at the southern tip of the Baguio Mineral District, about 17 aerial kilometers southeast of Baguio City. Specifically it is located in Sitio Padcal, Barangay Camp 3, Municipality of Tuba, Province of Benguet.

The project area is specifically located within the following geographical coordinates:

	Latitude	Longitude		Latitude	Longitude
Corner 1	16°16'03.306"	120°37'06.365"	Corner 4	16°15'27.722"	120°37'34.284"
Corner 2	16°15'51.906"	120°37'32.408"	Corner 5	16°15'19.625"	120°37'30.532"
Corner 3	16°15'27.935"	120°37'32.408"	Corner 6	16°15'36.565"	120°36'53.123"

2.1.2 Estimated Capital Cost

For the three years work program an estimated capital cost of Php 1.089 billion will be incurred.

2.1.3 Commodity

The main commodities are copper and gold metals.

2.1.4 Present Status of the project

Operation Stage - the project has been in operation for the past 48 years.

2.1.5 Description of mining method

For the first two years starting 1958, mining was by open pit method. Subsequently, mining operations shifted to underground method employing the Block Cave System. By 1963, the mine became a fully block caving operation employing the slusher system of ore extraction.

As mining progresses at depth of the orebody, the ore characteristic changes from highly fractured to hard and massive. This condition coupled by influx of water to

the working areas lead to the development of Load-Haul-Dump (LHD) system of mining. In 1994, the mine became fully mechanized.

Load-Haul-Dump (LHD) mining is a system of ore extraction in block caving using the Low Profile Loaders. It was introduced at 908 ML on May 1996 after a series of consultation with block caving experts and by 1999, Philex became a full LHD block caving operation.

Block caving, in principle, is a method that is suitable to moderately fractured ore bodies, which when undercut, will collapse by its own weight thereby creating fragments of rocks that are subsequently extracted.

The process consists of driving a series of evenly spaced openings called drifts in an east-west direction below the ore column on the production level and simultaneously on the undercut level. On the production level, openings called crosscuts are driven obliquely following a northwest-southeast trend at about 60° relative to the production drifts.

The pillars supporting the block at the undercut level are then blasted or undercut which causes the ore column to cave and thus crush into fragments due to its own weight and the weight of the overlying materials.

Broken rocks as a result of the caving process are then extracted at the drawpoints located at the opposite ends of a crosscut. Ore from the drawpoints is then hauled and subsequently dumped at strategically located ore passes, which are vertical openings used to direct the flow of ore by gravity. Ore Passes that are not installed with grizzlies are called muck raises; those that are with grizzlies are referred to as short or long transfer raises (STRs or LTRs), as the case may be, which are, in turn, equipped with stationary rock breakers. It is at the grizzlies where over-sized boulders are reduced in size using the rock breakers.

Ore passing through transfer raises that are remotely located relative to crusher stations are collected at the Re-handling Level at +840ML. The ore is then hauled by 25-tonner Low-Profile Trucks (LPTs) and subsequently dumped at LTRs that lead to the Crushing Level at +773ML.

There are two (2) jaw crushers at the +773ML, the 4-4 Crusher Station and the 2-4 Crusher Station. Ore fragments smaller than 15cm in diameter by-pass the jaw crushers; the bigger ones report to the crushers for size-reduction.

Ore of suitable size then drops to the Haulage Level at +745ML where they are carried by five (5) Feeder Belt Conveyors (FBCs). The FBCs feed two (2) collecting bins that, in turn, discharge onto a 2.7-km long Cable Hauled Conveyor (CHC).

Finally, the ore is transported by the CHC to the surface and discharged into the dump bin at the +1015ML.

2.1.6 Estimated daily/annual production

Estimated daily production of ore is 25,000 DMT or 9.125 million DMT per year producing an average of 70,000 DMT of copper concentrate with average grades of 25.8%Cu and 64.0gAu/t.

2.1.7 Description of Process Plant/Mill

Run-of-mine ore is delivered to the primary crushing plant via the cable hauled conveyor (CHC) at the rate of 25,000-28,000 tons per day. From the CHC, the ore drops to three units of vibrating scalper, each of which is atop a 2.438m x 6.096m dewatering screen with 9.525mm opening. The –9.5mm material is currently

conveyed via a series launders and canals to the slimes screen while the +9.5mm material drops to a 5600-ton capacity dump bin.

Underneath the dump bin are four units of apron feeders individually feeding four units of 0.762m x 1.067m jaw crusher. These jaw crushers are set at 101.6mm close side setting. The crushed product of each jaw crusher is conveyed to a unit of 1.524m x 4.877m washing screen with 9.525mm opening. The oversize flows through a series of canals to the slimes screens.

There are four units of 1.524m x 4.877m slimes screen with 2mm opening. The last panel is however fitted with 12.7mm screen. The –2mm material, which is considered as the primary slimes, flows and is fed to the ballmill discharge sump box for cycloning. The –12.7mm is conveyed to the fine ore bin while the oversize is brought to the secondary / tertiary crushing section.

A set-up is currently being debugged to further improve the handling of slimes. The slimes generated by the dewatering screen will be fed to a bank of sieve bends (6 units) with 2mm opening. The oversize of the sieve bends will be conveyed to the fine ore bin (FOB) while the –2mm material will be fed to two units of rake classifier. The overflow of the rake classifier will be piped to a 7m x 9m slime surge / conditioning tank. The classifier sand will be combined with the sieve bend oversize and conveyed to the fine ore bin.

a. Secondary / Tertiary Crushing section

From the coarse ore stockpile (COS), the ore is withdrawn and conveyed to a 675-ton capacity surge bin. From this bin, the ore is then fed to three units of 1.676m standard cone crushers used for secondary crushing. The secondary crushers are set at 38mm close side setting. The crusher product is conveyed to a 2800-ton capacity surge bin.

From this bin, the ore is withdrawn and fed to 14 units of 1.524m x 3.657m vibrating screen with 9.525mm opening. The oversize of the screen is fed to seven units of 1.676m short head cone crushers. The tertiary crushers are set at 9.525mm close side setting. The tertiary crusher product combines with that of the secondary crusher product for screening. The set-up is two vibrating screens in series with a tertiary crusher.

The undersize of the screen is considered as the final product of the crushing plant and must be at least 73% passing 10mm. This is conveyed to the fine ore bin (FOB).

b. Grinding Section

There are nine fine ore bins with an aggregate capacity of 17000 tons. From these bins, the ore is withdrawn and fed to eight ballmills of varying sizes ranging from 3.51m x 4.27m to 5.03m x 8.23m. The four "small" mills are in close circuit with two units of D26 hydrocyclones while the four "big" mills are in close circuit with four units of D26 hydrocyclones. All mills are charged with 35-40% steel balls loading at 35% 90mm and 65% 75mm composition. The circulating load averages around 300-450%.

The cyclone overflow or finished product of the grinding section is normally 60-65% passing 200 mesh (74 micrometers) at 1250-1350g/l-pulp density. This flows through four trash screens before being fed to the flotation circuit.

c. Flotation section

The roughing stage consists of two banks of Agitair and three banks of Wemco 164 with a total volume of 901 cubic meters. The cleaning stage consist of 4 units of

Wemco 164 serving as the first cleaner and with a volume of 113 cubic meters and one Column Flotation serving as the final cleaner with a volume of 85%.

From grinding circuit, the ore is fed to the roughers. The rougher tails is considered as the final tails. The rougher concentrate is piped to the first cleaner for upgrading. The first cleaner tails is pumped back and combined with the rougher feed. The first cleaner concentrate is pumped to the Column Flotation for final upgrading. The Column Flotation tails drops back and is fed to the first cleaner.

The reagents used are sodium isobutyl xanthate (SIBX) added at 25-30 g/t and frother added on an as-required basis. SIBX serves as the collector for the values while frother is added to stabilize the froth. The pH is also regulated at 9-9.5 by the addition of quicklime. A milk of lime production facility handles the addition of quicklime.

d. Concentrate Handling Section

The final concentrate is first thickened in a 75' diameter thickener before being fed to two units of 3.048m x 3.048m drum filter. The dewatered final concentrate filter cake having a moisture content of 10 - 12% is hauled by trucks for shipment to contracted copper smelters.

e. Tailings Disposal and Water Handling

The final tails coming out of the rougher flotation is piped to two units of 250' diameter thickeners. The thickener overflow is circulated back to the plant as process water while the underflow flows to the tailings pond for impoundment. Additional fresh water is also pumped from Sal-angan creek.

2.2 Mineral Reserves

2.2.1 Reserves (tonnes in each category)

The combined proved and probable reserves as of January 1, 2008 are 64,000,000.00 DMT. This is distributed at 908ML – 33.0 million DMT and at 782ML – 31.0 million DMT. Please refer to Annex Ia and Ib for the footprints.

2.2.2 Average grade of ore for each mineral commodity

The remaining mineable reserve has an average grade of 0.24%Cu and 0.57gAu/t.

Mining Level	Tonnage (MT)	Copper Grade (% Cu)	Gold Grade (g/MT Au)
908ML	33 M	0.22	0.46
782ML	31 M	0.46	0.68
Total	64 M	0.24	0.57

2.2.3 Cut-off grade

The cut-off grade is expressed in Cu equivalent which is 0.233% CuEq. The gold content in the ore is incorporated due to its sufficient quantities for inclusion in the economic parameters. The cut-off grade was derived using the economic parameters of; Cu-Price of $2.00/lb, Au-Price of $500.00/oz, FOREX of Php48.00/$ and metal recoveries of 81% for copper and 78% for gold. The resulting Cu-Eq factor for gold is 0.351 which is multiplied to the average gold grade then added to the average copper grade.

2.2.4 Estimated Mine Life (years)

Assuming no additional ore deposit is discovered, the estimated life of the mine is about 6 years.

2.2.5 Potential for additional reserves

Aggressive exploration of the immediate vicinities of the orebody is presently being undertaken with the main objective of finding or discovering new orebodies that could be mined economically and, thus prolong the life of the mine. Exploration program is also prepared in the area below the lowest mining level at 782ML within the coverage of the applied area.

2.3 Access/Transportation

The area is accessible from Manila either by land or air transportation passing through Baguio City. Baguio City is served daily by Asian Spirit which takes approximately 45 minutes air flight. By land, Baguio City can be reached from Manila through the 250 kilometers National Highway to Kennon Road or Marcos Highway for about six hours. Then from Baguio City, the area can be reached in about an hour through the Philex-Kias Road, a 21-km concrete road constructed and being maintained by the proponent.

The company maintains a shipping facility at Poro Installation Port in San Fernando, La Union. From the minesite, the port can be reached in about 2½ hours via Naguilian Road.

2.4 Utilities

2.4.1 Power Supply Requirements and Alternatives

2.4.1.1 Requirements

The main source of power supply is from the National Power Corporation (NPC), a government owned and controlled corporation that supplies the power requirement of industries and utility companies in the Philippines.

a.	Demand	: 25,000 kw
b.	Allowable Maximum Demand	: 32,500 kw
c.	Energy (Minimum)	: 14,000,000 kwh
d.	Allowable Maximum Energy	: 20,000,000 kwh
e.	Point of Delivery	: Substation No. 69, Banget, Itogon, Benguet
f.	Delivery Voltage	: (1) 69,000 Volts, 3 Phase, 60 Hertz
		: (2) 23,000 Volts, 3 Phase, 60 Hertz

The company is still availing of the One-Day Power Sales (ODPS) program of NPC, which is bidded daily at 9,000 kW demand with a minimum of 180,000 kWh and maximum of 216,000 kWh.

2.4.1.2 Supply Alternatives

There are two (2) other sources of power supplies, the Banget Power Plant and HEDCOR Mini-Hydro-Electric Plant to augment or serve as stand-by in case of power interruption by NPC.

a. Banget Power Plant

Banget Power Plant, owned by Philex, has three (3) units of Diesel-Electric Generating Sets with a total site capacity of 13.50 Mega-watt (MW). These three units are only used when Philex has lost a One Day Power Sales bid during a protracted absence of NPC power and also used during the starting of the 3000 and 4000HP Ball Mills at the Grinding Section, Mill Area.

b. HEDCOR Hydro-Electric Plant

The Hydro-Electric Development Corporation's (HEDCOR) Mini-Hydro Plant is located at Sal-angan, Itogon, Benguet and has four (4) units of Hydro-Electric Gen-Sets (Induction Generators) with a "Site Condition" full capacity of around 2,400 kW. During "Dry Season", usually six (6) months, the generation is very minimal due to lower availability of river water. However, during the rainy seasons (May to October), the plant generation usually ranges from 40,000 kWh to 60,000 kWh daily.

As per contract, HEDCOR price is Eighty Five Percent (85%) of the price of electricity drawn from National Power Corporation (less One-Day Power Sales).

2.4.1.3 Distribution of Power Consumption

For comparison and trending purposes, the distribution of electrical energy consumption by percentage from 2003 to 2007 based on the projections of load centers is shown by the following tabulation:

Percentage Distribution of Total Consumption

	AREA / PARTICULARS	2007	2006	2005	2004	2003
1	Mine Underground Operations	23.17	23.61	24.42	25.23	26.24
2	Milling Operations	70.30	69.64	68.74	66.95	65.85
3	Support Facilities	6.53	6.75	6.84	7.82	7.91
3	Total	100	100	100	100	100

Support facilities are Tailings Ponds Operations, Motor Pool, Domestic Water Supply, Residential and Administration, Assay and Power Plants Auxiliaries.

2.4.2 Water Supply Requirements and Alternatives

2.4.2.1 Domestic Supply

2.4.2.1.1 Requirements

The supply for domestic water is sourced from Smith Tunnel and Shimada crosscut contributing 70% and 30% of the supply, respectively. The water from these sources is conveyed by gravity through 10" and 6" diameter pipes.

a. Minimum monthly requirement : 77,000 m^3

b. Maximum monthly requirement : 82,000 m^3

c. Minimum annual requirement : 924,000 m^3

d. Maximum annual requirement : 984,000 m^3

e. Point of delivery : Stage I Pump house and

2.4.2.1.2 Supply Alternatives

There are two (2) additional domestic water sources during the first semester of each year to augment the water requirement.

a. C.Y.M. Tunnel – the water from this source is conveyed through a 10" diameter pipeline to a cylindrical tank used as reservoir. From the tank, the water is pumped to Smith line at a higher elevation around 20 meters high.

b. Banawel Tunnel water source

2.5 Mining and Milling Equipment

2.5.1 List of mobile and fixed equipment for development and construction

Mobile Equipment	Number of Unit	
Face drills	6	Purchased
Fan hole drills	5	Purchased
Shotcrete machine (ALIVA)	7	Purchased
Shotcrete machine (SPRAYMEC)	1	Purchased
Rockbolters	4	Purchased
Concrete mixers	5	Purchased
Raise climbers	7	Purchased
Rockdrills	20	Purchased
LPT (Low Profile Truck)	2	Purchased
LHD	11	Purchased

Stationary Systems	Number of Unit	
Batching plant	2	Purchased

2.5.2 List of mobile and fixed equipment for mining

Mobile Equipment	Number of Unit	
LHD	23	Purchased
Production drills	2	Purchased

Stationary Systems	Number of Unit	
Rockbreakers	25	Purchased
Feeder belt conveyors	9	Purchased
Cable hauled conveyor	1	Purchased
Crushing plant	2	Purchased

2.5.3 List of mobile and fixed equipment for mineral processing

Mobile Equipment	Number of Unit	
Peterbuilt Truck	1	Purchased
Payloader	1	Purchased

Stationary Systems		Number of Unit	
Slime Circuit	5 ft. x 20 ft. 3/8 inches dewatering screen	3	Purchased
	1 mm sieve bend	6	Purchased
	5 ft. x 16 ft. 2 mm slime screen	1	Purchased
Primary crushing	30 ft. x 42 ft. jaw crusher	4	Purchased
Secondary / Tertiary Crushing	5-1/2 ft. secondary jaw crusher	3	Purchased
	5-1/2 ft. tertiary jaw crusher	7	Purchased
	5 ft. x 12 ft. vibrating screen	14	Purchased
Grinding	Ball mill (various sizes)	8	Purchased
Flotation	Wemco flotation cell (various sizes)	3	Purchased
	Agitair flotation cell (125 cu. m.)	2	Purchased
Cleaning and Thickening	Wemco cleaning cell	1	Purchased
	3 m. x 12 m. column flotation cell	1	Purchased
	75 feet concentrate thickener	1	Purchased
	Drum filter	1	Purchased

2.6 Workforce Information

2.6.1 Total Operational Workforce

The total workforce is 2,334 with 2,145 as regular employees and 189 under probationary/casual/contractual status. There are 68 employees holding managerial positions, 461 supervisors, 180 PT's (Professional/Technical), 93 OAC's (Office/Administrative Clerk) and 1,343 Rank and File. Employees of contractors such as; BB Fischer, ANSECA, Netruma, Atlas Copco, Rocksafe Limited, PACE, Northgem etc. totals to 425.

2.6.2 Staff Organizational Set-up

The organizational set-up of the company consists of six (6) Divisions/Groups in the operations, namely; Mine Division, Mill Division, Environment and Community relations Division, Legal Division, Administration Group and the Group directly reporting to the Vice President and Resident Manager. Please refer to Annex II.

2.6.3 Housing options

The proponent provides free housing to its employees including free utilities such as water and electricity.

2.7 Three Years Development Program

The area being applied for has been under commercial production for the last 48 years and continuously producing an average of 25,000 DMT of ore with an average grade of 0.24%Cu and 0.61 gAu/t. Annual production is pegged at 9.12 million DMT of ore expecting to produce 70,000 DMT of copper concentrate containing about 18.0 million kilograms of copper and 4.5 million grams of gold. For Year 2008, the area covered by the mining lease contracts has an approved Annual Work Program wherein the development and production activities are discussed in detail. For the three years period of the Work Program, the Project Proponent has scheduled the following activities:

Activities	Y2009	Y2010	Y2011
1. Development			
1.1 Horizontal Drives			
1.1.1 Production Lines	1,473 meters	2,047 meters	867 meters
1.1.2 Draw crosscuts	2,544 meters	968 meters	2,023 meters
1.1.3 Undercut lines	594 meters	2,010 meters	3,101 meters
1.1.4 Drilling Drifts	233 meters		
1.2 Vertical Drives			
1.2.1 Pilot raise	1,275 meters	1,112 meters	1,318 meters
1.3 Fanholes	139,108 meters	126,330 meters	150,435 meters
2. Production	9.1 M DMT; 0.24%Cu & 0.61gAu/t	9.1 M DMT; 0.23%Cu & 0.62gAu/t	9.1 M DMT; 0.24%Cu & 0.60gAu/t

2.7.1 Description of Development Program

A total of 368 drawpoints are projected to be developed and commissioned at both 908 and 782MLs. These drawpoints will provide better grade ore as well as coarse ore to be blended to those extracted at the previously commissioned drawpoints.

In conjunction with the drawpoints, level activities to serve as ventilation, dewatering and ore handling will be undertaken

2.7.2 Description of Planned Activities

Activities shall include horizontal and vertical driving by drill and blast method; installation of rock supports to preserve the openings: mechanized rock bolting, concreting, shotcreting, cable bolt installation, steel set installation and timbering; mechanized fanhole drilling, trench excavation and undercutting.

2.7.3 Target Sites and Areas

2.7.3.1 +908ML

At +908ML, block and level development will be concentrated at the South and Southeast Blocks production and undercut levels.

2.7.3.1.1 Block Development

A total of 128 drawpoints will be commissioned from this mining level. Majority of the drawpoints that will be developed are at production lines 14 to 26.

The rock supports (rockbolt, shotcrete with wiremesh, cable bolts and timbering) installation will follow after the drives. Drives within the boundaries of Sta. Fe fault will be lined with reinforced concrete and steel sets. Undercutting retreat will be from west to east.

2.7.3.1.2 Level Development

2.7.3.1.2.1 Ventilation Scheme

952 meters ventilation drifts will be driven at 890ML south and east perimeter, after which stubs and raises will be driven to reach the production lines.

2.7.3.1.2.2 Water Management

A total of 494 meters of drainage stubs and raises will be driven at 890 ML. This will improve working conditions at the production lines and other main

access routes by lessening premature damages to Load-Haul-Dump's tires and its other components.

2.7.3.1.2.3 Ore handling

With the development of the South and Southeast Blocks at 908ML, there is a need to construct additional ore handling raises, breaker stations and loading stations at 908ML and 840ML. Construction of dumping points 4-4 BB, 4-4B and Southeast A, B and C will be undertaken at the North-Northeast and Southeast blocks respectively. Figure 3.

2.7.3.2 +890 ML

A total of seven (7) pillar robbing sites will be commissioned from this mining level. To meet the projection, six drilling drifts will be driven and followed by the installation of development supports such as rockbolts and timbers if necessary. Slot raise will be driven at the front end of the drilling drifts to provide voids for the initial blasts at each drilling drift. Fan drilling of the back and walls of the drilling drift will be done as soon as the driving of the slot raises will be completed. Mining of these drilling drifts will be done by blasting each fan, starting from the blast hole nearest the pilot raise. Succeeding fans will be blasted as soon as the ore from the previously blasted fan is completely mucked out.

2.7.3.3 +782 ML

Development works will be done at the 782 ML production lines and undercut levels and 773-meter level.

2.7.3.3.1 Block Development

A total of 240 drawpoints will be commissioned at this mining level. Rock supports (rockbolt, shotcrete with wiremesh, cable bolts and timbering) installation will follow after the drives. Drives within the boundaries of Sta. Fe fault will be lined with reinforced concrete and steel sets. Undercutting retreat will be from west to east.

2.7.3.3.2 Level Development

Driving of ventilation, dewatering and ore handling drifts will be undertaken at 773ML. Total meterage is 450 meters. Also the construction of electrical sub-station, depository area and explosives bodega will be undertaken for the period.

2.7.3.3.3 Exploration

Exploration activities within the project area will only be confined below 908ML.

About three holes will be sunk at the north and northeastern part of the orebody to check the persistence of mineable ore at depth. The diamond drilling is programmed for implementation on Y2008 with a total aggregate depth of about 1,500 meters with an estimated cost of Php 4.5 million. Figure 5.

2.7.3.4 Subsidence Operations

The operations at the Subsidence Area shall consist of the following:

1. Subsidence Backfilling
2. Maintenance of a –4% Average Pit Floor Gradient
3. Slope Stabilization of Backfill Sources
4. Subsidence Pit Ramps & Drainage Maintenance
5. Others
   a. Slope Stabilization of Albian Slope Extension

b. De-silting of Alang-cut Silt Pond
c. Maintenance of Access Roads
d. 24-hr Pit Watching

Subsidence Backfilling over the 11.6-ha active area shall continue to be undertaken via straight contract—i.e. extraction, loading, hauling and spreading of backfill materials by a local earthmoving contractor—using loader/backhoe-truck combination. It will involve sourcing of about 0.833M BCM of in-situ materials and 0.356M LCM of talus/loose at a combined total cost of approximately P62.4M per year broken-down in the following schedule:

MONTH	VOLUME OF TALUS/LOOSE MATERIAL (LCM)	TONNAGE OF IN-SITU MATERIAL (BCM)	ESTIMATED COST (P 000)	REMARKS
Jan	46,264	108,333	8,116	Accelerated backfilling rate to build-up subsidence pit floor prior to the wet season
Feb	46,264	108,333	8,116	
Mar	46,264	108,333	8,116	
Apr	46,264	108,333	8,116	
May	46,264	108,333	8,116	
Jun	46,264	108,333	8,116	
Jul	9,490	22,222	1,665	Reduced backfilling rate due to expected adverse weather condition
Aug	9,490	22,222	1,665	
Sep	9,490	22,222	1,665	
Oct	16,607	38,889	2,914	Normal backfilling to maintain pit floor gradient
Nov	16,607	38,889	2,914	
Dec	16,607	38,889	2,914	
Total	**355,875**	**833,331**	**62,433**	

The total budget for the Subsidence Area operation for CY2009-20011 amounts to P188.855M summarized in the following table:

(All figures are in P 000)

ACTIVITY	OPERATING COST	CAPITAL COST	TOTAL
Subsidence Backfilling	187,299	-	187,299
Subsidence Pit Ramps & Drainage Maintenance	1,440	-	1,440
Slope Stabilization	116	-	116
GRAND TOTAL	**188,855**	-	**188,855**

2.7.4 Estimated Cost

The above mentioned development program would entail the following costs.

PARTICULARS	Development Cost (P)
1. +908 ML Block Development including Pillar Robbing	397,022,856
2. +908 ML Level Development including Ore Handling at 840ML	16,701,926
3. +782 ML Block Development	632,343,014
4. +782 ML Level Development	43,412,277
Total	**1,089,480,073**

2.7.5 GANTT

Annex III

2.7.6 Description of Production Program

Mine production for 3 year period shall be at the rate of 26,500 tpd over a period of 341.28 effective working days per year or a total throughput of about 9.04M tonnes per year averaging 0.26 %Cu and 0.57 gAu/t.

PRODUCTION PROGRAM				
	CY 2009	CY 2010	CY 2011	SUM/AVE.
908ML (Active DPs; Au regressed on % Dilution)	4,132,860	4,407,524	4,125,000	12,665,384
782ML	4,992,140	4,717,477	5,000,000	14,709,617
SUM TOTAL TONNAGE	9,125,000	9,125,000	9,125,000	27,375,000
AVE (MTPD)	25,000	25,000	25,000	25,000
Cu Grade (% Cu)	0.24	0.23	0.24	0.24
Au Grade (g Au/MT)	0.61	0.62	0.60	0.61

3.0 Community Development Programs and Estimated Total Costs

Programs/Projects/Activities	2009	2010	2011	Total
Livelihood & Employment Enhancement Program	2,042,655	1,619,171	1,780,588	5,442,414
Health Care Program	872,000	959,750	1,055,725	2,887,975
Education Program / IEC	4,070,600	959,750	5,197,511	13,993,121
Infrastructure Program	21,374,516	4,725,010	17,841,873	55,436,274
IEC	2,500,000	16,219,885	3,025,000	8,275,000
Total	**30,861,780**	**24,485,576**	**28,902,708**	**86,034,784**

4.0 Environmental Management and Protection Cost Estimate

Activities	2009	2010	2011	Total
1. Land Resources Management				
1.1 Reforestation & Forest Protection	2,900,000	2,900,000	2,900,000	8,700,000
1.2 Tailings Pond Renegotiation for Stabilization	300,000	300,000	300,000	900,000
1.3 Surface Subsidence Control/Backfilling Operation	62,433,000	62,433,000	62,433,000	187,299,000
1.4 Solid Waste Management/Sanitary Landfill/ Garbage Collection & Hauling	1,080,000	1,080,000	1,080,000	3,240,000
2. Water Resources Management				
2.1 Maintenance/Projects for tailings Pond No. 1	6,391,353	6,878,298	5,841,000	19,110,651
2.2 Maintenance/Projects for tailings Pond No. 2	10,310,392	4,094,000	6,020,000	20,424,393
2.3 Maintenance/Projects for tailings Pond No. 3	42,637,604	48,036,385	42,633,876	233,307,865
2.4 Monitoring of Chemical Waste and Other Similar Concerns by Assay Laboratory	500,000	500,000	500,000	1,500,000
3. Air Quality Management				
3.1 Underground Ventilation System Maintenance	3,722,222	3,722,222	3,722,222	11,166,666
3.2 Mill Dust Suppression System	333,333	333,333	333,333	999,999
Total	**124,077,905**	**130,277,238**	**125,763,431**	**486,648,574**

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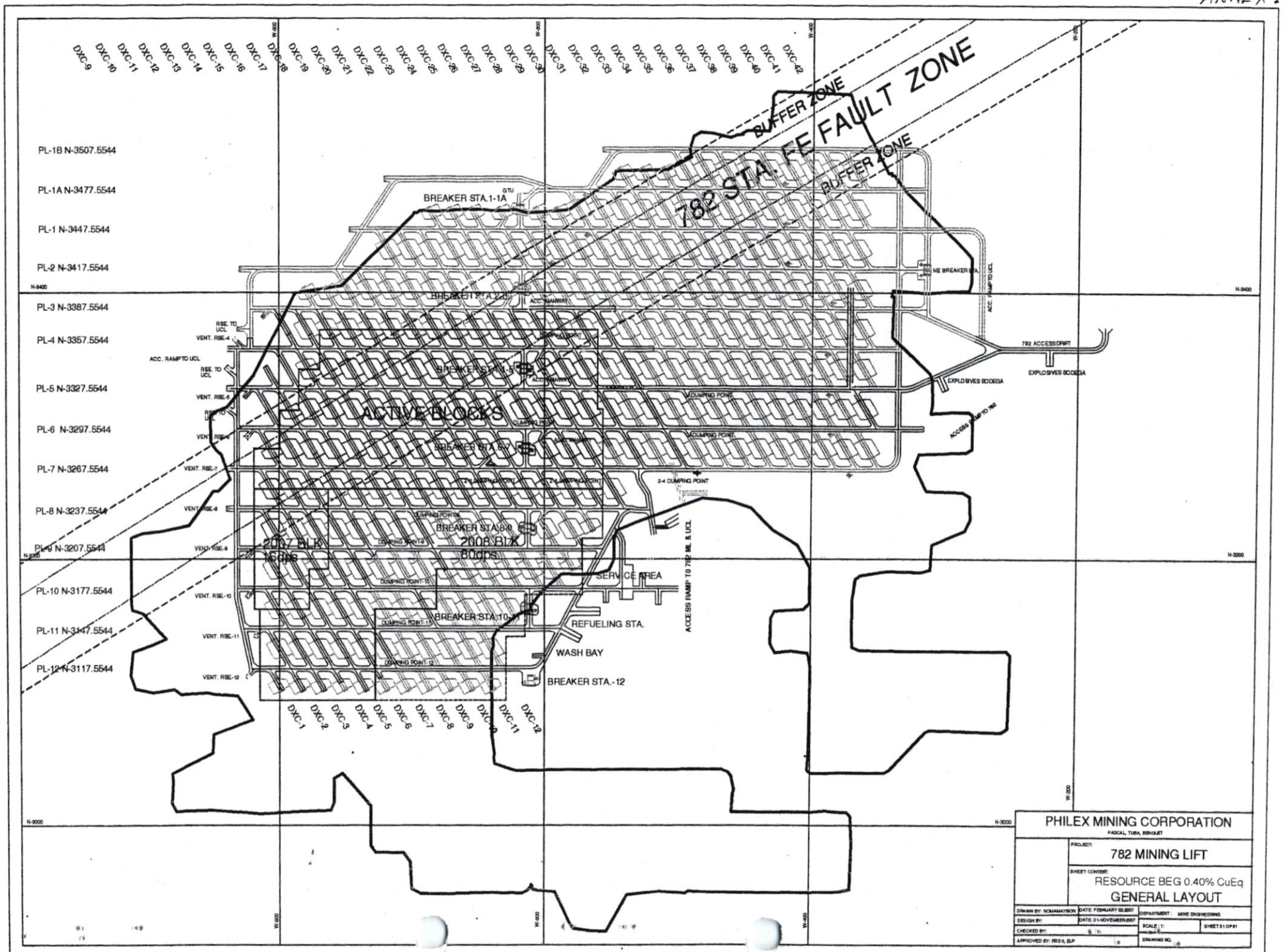
ANNEX I-A



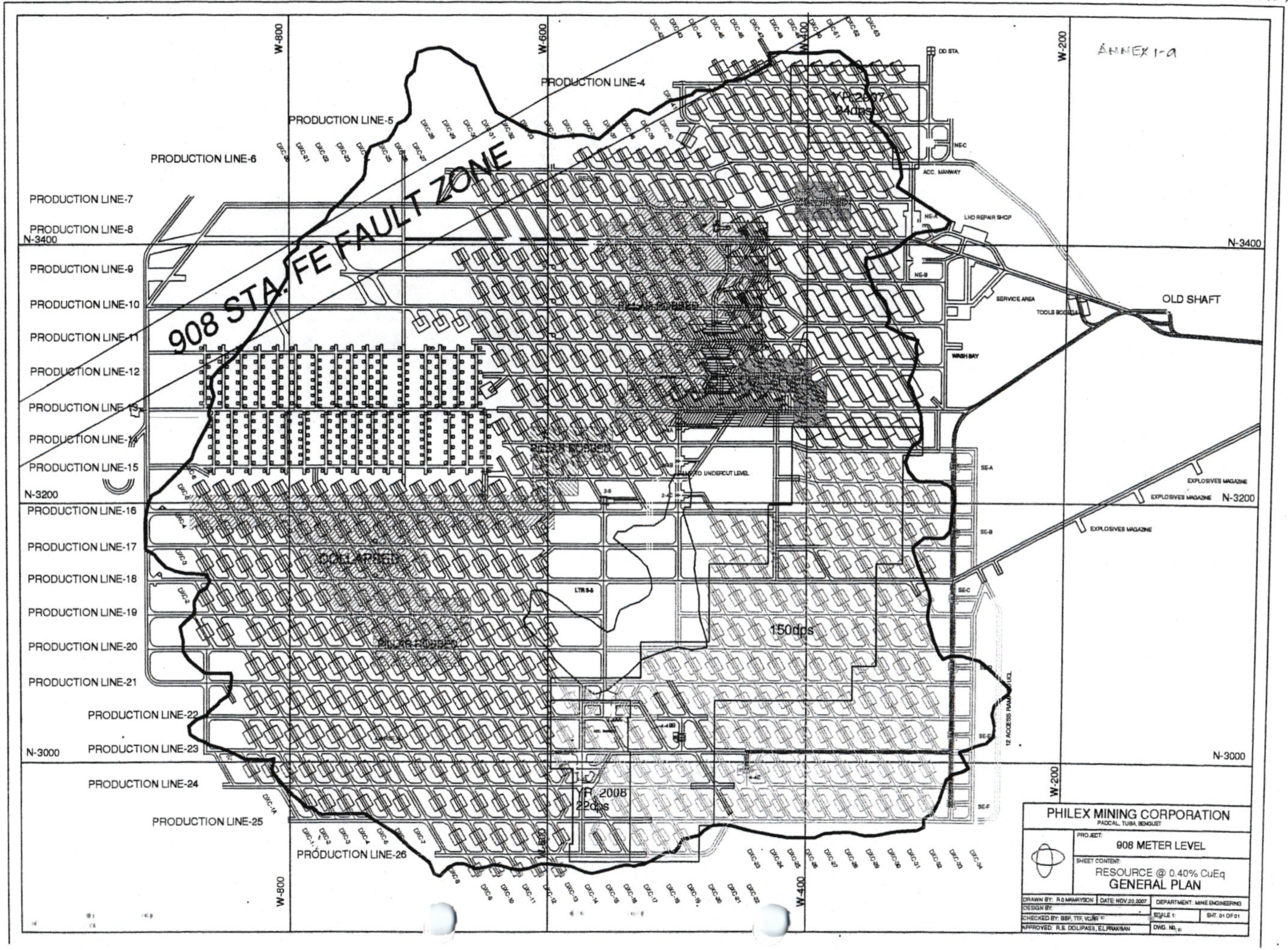
PHILEX MINING CORPORATION
PADCAL, TUBA, BENGUET

PROJECT:
782 MINING LIFT

SHEET CONTENT:
RESOURCE BEG 0.40% CuEq
GENERAL LAYOUT

DRAWN BY: ROMAMAYSON	DATE: FEBRUARY 02,2007	DEPARTMENT: MINE ENGINEERING
DESIGN BY:	DATE: 21-NOVEMBER-2007	SCALE: 1:
CHECKED BY:		SHEET 01 OF 01
APPROVED BY: REG S. ELP		DRAWING NO.

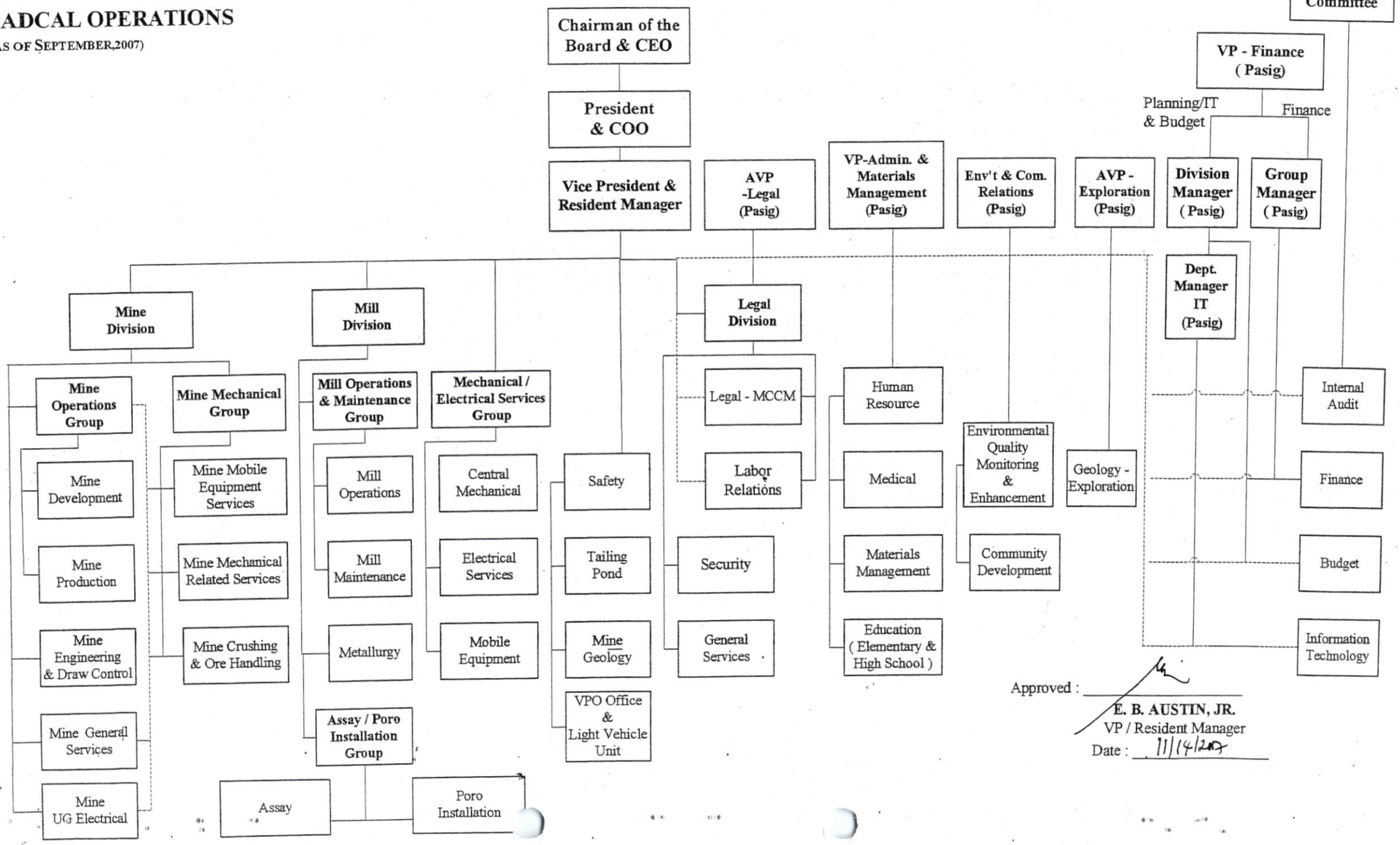
ANNEX I-B


ANNEX I-a
908 STA. FE FAULT ZONE
PRODUCTION LINE-4
PRODUCTION LINE-5
PRODUCTION LINE-6
PRODUCTION LINE-7
PRODUCTION LINE-8
PRODUCTION LINE-9
PRODUCTION LINE-10
PRODUCTION LINE-11
PRODUCTION LINE-12
PRODUCTION LINE-13
PRODUCTION LINE-14
PRODUCTION LINE-15
PRODUCTION LINE-16
PRODUCTION LINE-17
PRODUCTION LINE-18
PRODUCTION LINE-19
PRODUCTION LINE-20
PRODUCTION LINE-21
PRODUCTION LINE-22
PRODUCTION LINE-23
PRODUCTION LINE-24
PRODUCTION LINE-25
PRODUCTION LINE-26
N-3400
N-3200
N-3000
W-800
W-600
W-400
W-200
YR 2007
24dps
YR 2008
22dps
150dps
COLLAPSED
PILLAR ROBBED
OLD SHAFT
DD STA
ACC. MANWAY
LHD REPAIR SHOP
SERVICE AREA
WASH BAY
EXPLOSIVES MAGAZINE
12 ACCESS RAMP TO UCL
UNDERCUT LEVEL
PHILEX MINING CORPORATION
PADCAL, TUBA, BENGUET
PROJECT:
908 METER LEVEL
SHEET CONTENT:
RESOURCE @ 0.40% CuEq
GENERAL PLAN
DRAWN BY: R.Q MAMAYSON
DATE: NOV 20 2007
DEPARTMENT: MINE ENGINEERING
DESIGN BY:
CHECKED BY: BBP, TTF, VGJR
SCALE 1:
SHT. 01 OF 01
APPROVED: R.E. DOLIPAS II, E.L.PRAMBAN
DWG. NO.

ANNEX II

PHILEX MINING CORPORATION
PADCAL OPERATIONS

(AS OF SEPTEMBER,2007)



Approved : _____

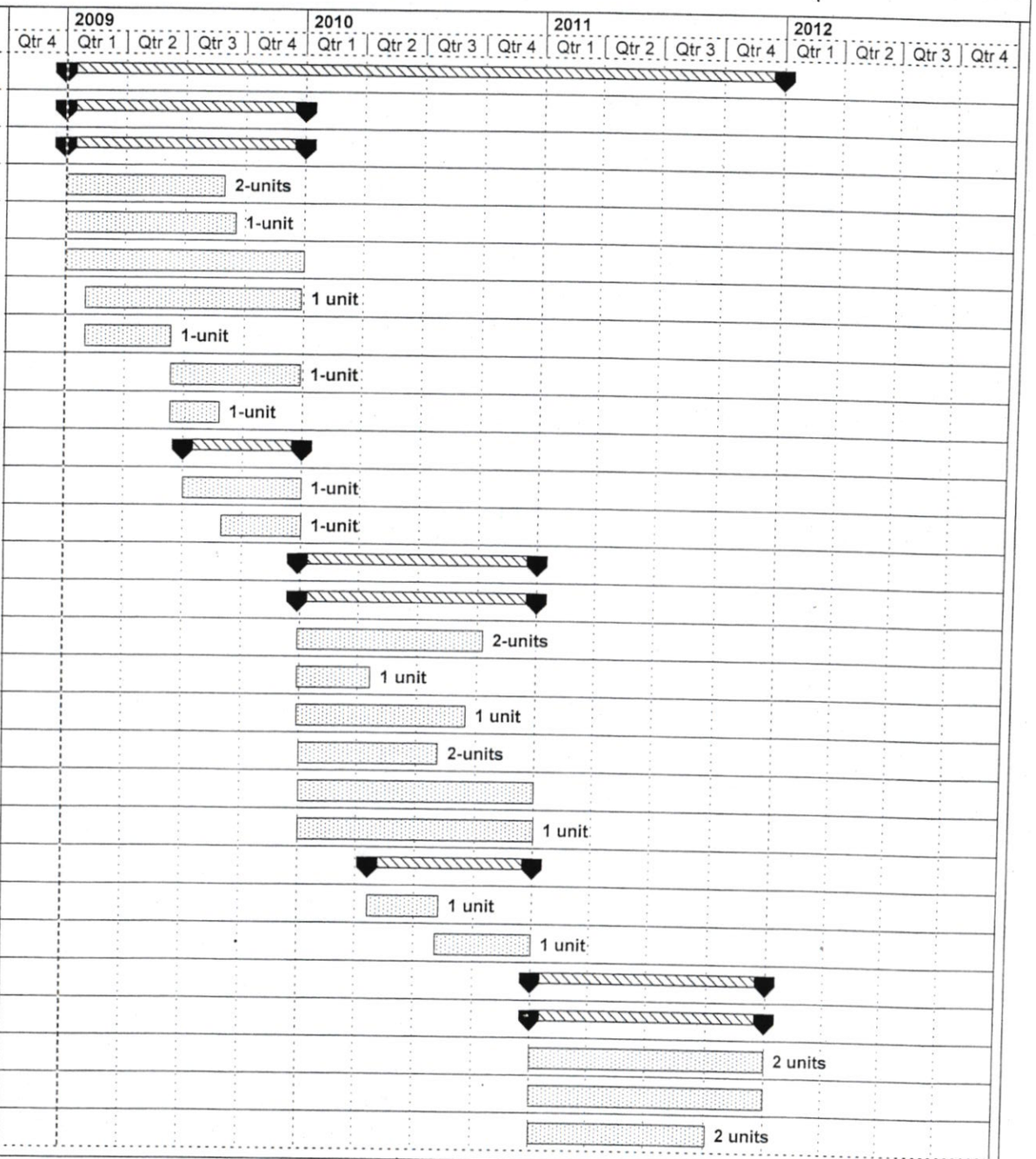
E. B. AUSTIN, JR.
VP / Resident Manager

Date : 11/14/2007

Three Year Mine Development Gantt Chart Schedule

ANNEX III

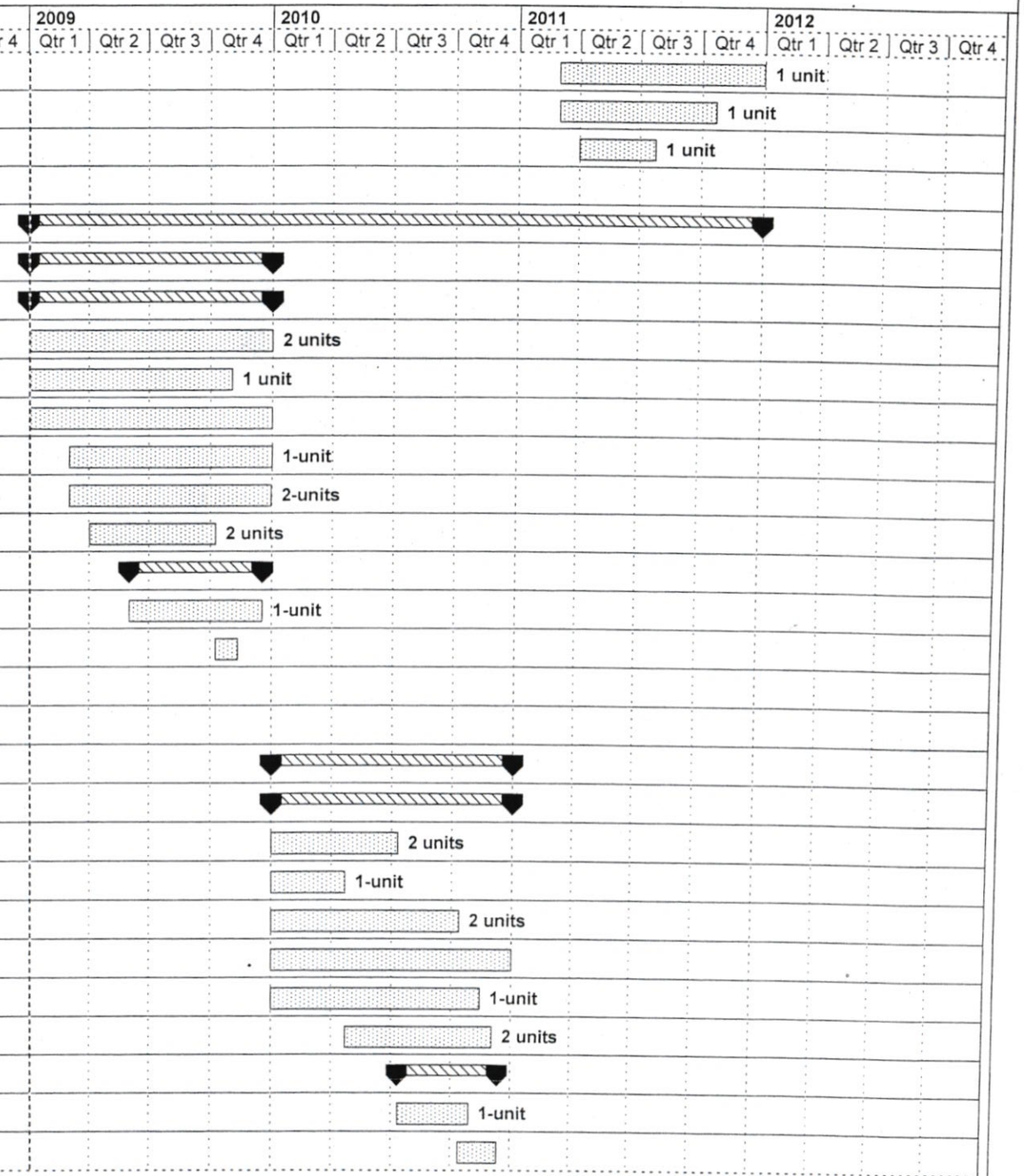
ID	Task Name	Meterage	Duration	Start	Finish
1	**908 METER LEVEL BLOCKS**		**1092d**	**1/1/09**	**12/31/11**
2	**Year 2009**		**364d**	**1/1/09**	**12/31/09**
3	**Block Development**		**364d**	**1/1/09**	**12/31/09**
4	Production Lines, DXCs and access	1,074 mtrs	240d	1/1/09	8/29/09
5	Undercut Lines and access	620 mtrs	258d	1/1/09	9/16/09
6	Rock Supports		364d	1/1/09	12/31/09
7	Pilot and Muckhandling raises	595 mtrs	330d	1/31/09	12/27/09
8	Fan Hole Drilling at Trench	16,252 drm	130d	1/31/09	6/10/09
9	Fan Hole Drilling at UCL	26,897 drm	200d	6/10/09	12/27/09
10	ITH Drilling	1,742 drm	75d	6/10/09	8/24/09
11	**Level Develoment**		**183.38d**	**7/1/09**	**12/31/09**
12	Vertical Driving	144 mtrs	183d	7/1/09	12/31/09
13	Horizontal Driving	240 mtrs	124d	8/29/09	12/31/09
14	**Year 2010**		**368.24d**	**12/27/09**	**12/31/10**
15	**Block Development**		**368.24d**	**12/27/09**	**12/31/10**
16	Pilot and Muckhandling raises	468 mtrs	285d	12/27/09	10/9/10
17	Fan Hole Drilling at Trench	14,132 drm	113d	12/27/09	4/19/10
18	Fan Hole Drilling at UCL	31,998 drm	260d	12/27/09	9/14/10
19	Production Lines, DXCs and access	1,020 mtrs	214d	12/31/09	8/3/10
20	Rock Supports		364d	12/31/09	12/31/10
21	Undercut Lines and access	825 mtrs	364d	1/1/10	12/31/10
22	**Level Develoment**		**255d**	**4/19/10**	**12/31/10**
23	Vertical Driving	180 mtrs	110d	4/19/10	8/8/10
24	Horizontal Driving	295 mtrs	150d	8/3/10	12/31/10
25	**Year 2011**		**364d**	**12/31/10**	**12/31/11**
26	**Block Development**		**364d**	**12/31/10**	**12/31/11**
27	Production Lines, DXCs and access	1,830 mtrs	364d	12/31/10	12/31/11
28	Rock Supports		364d	12/31/10	12/31/11
29	Undercut Lines and access	1,310 mtrs	275d	12/31/10	10/3/11



Three Year Mine Development Gantt Chart Schedule

ANNEX III

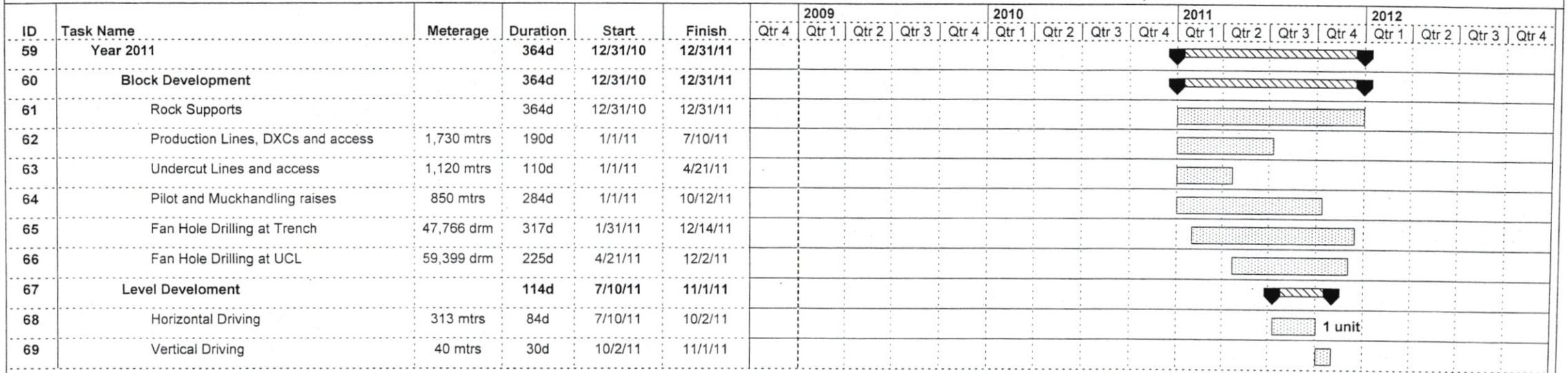
ID	Task Name	Meterage	Duration	Start	Finish
30	Pilot and Muckhandling raises	468 mtrs	304d	3/1/11	12/31/11
31	Fan Hole Drilling at UCL	29,138 drm	233d	3/1/11	10/21/11
32	Fan Hole Drilling at Trench	14,132 drm	115d	3/31/11	7/24/11
33					
34	**782 METER LEVEL BLOCKS**		**1092.24d**	**1/1/09**	**12/31/11**
35	**Year 2009**		**364d**	**1/1/09**	**12/31/09**
36	**Block Development**		**364d**	**1/1/09**	**12/31/09**
37	Production Lines, DXCs and access	2,170 mtrs	364d	1/1/09	12/31/09
38	Undercut Lines and access	970 mtrs	305d	1/1/09	11/2/09
39	Rock Supports		364d	1/1/09	12/31/09
40	Fan Hole Drilling at Trench	35,189 drm	304d	3/2/09	12/31/09
41	Fan Hole Drilling at UCL	60,770 drm	303d	3/2/09	12/30/09
42	Pilot and Muckhandling raises	670 mtrs	190d	4/1/09	10/8/09
43	**Level Develoment**		**200d**	**6/1/09**	**12/18/09**
44	Horizontal Driving	637 mtrs	200d	6/1/09	12/18/09
45	Vertical Driving	70 mtrs	34d	10/8/09	11/11/09
46					
47					
48	**Year 2010**		**364d**	**1/1/10**	**12/31/10**
49	**Block Development**		**364d**	**1/1/10**	**12/31/10**
50	Production Lines, DXCs and access	1,957 mtrs	190d	1/1/10	7/10/10
51	Undercut Lines and access	1,280 mtrs	110d	1/1/10	4/21/10
52	Pilot and Muckhandling raises	644 mtrs	284d	1/1/10	10/12/10
53	Rock Supports		364d	1/1/10	12/31/10
54	Fan Hole Drilling at Trench	31,938 drm	317d	1/1/10	11/14/10
55	Fan Hole Drilling at UCL	48,262 drm	225d	4/21/10	12/2/10
56	**Level Develoment**		**154d**	**7/10/10**	**12/11/10**
57	Horizontal Driving	332 mtrs	111d	7/10/10	10/29/10
58	Vertical Driving	70 mtrs	60d	10/12/10	12/11/10



Three Year Mine Development Gantt Chart Schedule

ANNEX III

ID	Task Name	Meterage	Duration	Start	Finish
59	**Year 2011**		**364d**	**12/31/10**	**12/31/11**
60	**Block Development**		**364d**	**12/31/10**	**12/31/11**
61	Rock Supports		364d	12/31/10	12/31/11
62	Production Lines, DXCs and access	1,730 mtrs	190d	1/1/11	7/10/11
63	Undercut Lines and access	1,120 mtrs	110d	1/1/11	4/21/11
64	Pilot and Muckhandling raises	850 mtrs	284d	1/1/11	10/12/11
65	Fan Hole Drilling at Trench	47,766 drm	317d	1/31/11	12/14/11
66	Fan Hole Drilling at UCL	59,399 drm	225d	4/21/11	12/2/11
67	**Level Develoment**		**114d**	**7/10/11**	**11/1/11**
68	Horizontal Driving	313 mtrs	84d	7/10/11	10/2/11
69	Vertical Driving	40 mtrs	30d	10/2/11	11/1/11



PROJECTED PROFIT AND LOSS

Php Millions		2008	2009	2010	2011	2012	2015-2024	TOTAL
REVENUES:								
Copper		5,489	5,019	5,019	5,270	4,768		25,564
Gold		4,870	4,586	4,683	4,586	3,612		22,338
Silver		76	72	73	72	56		349
Gross Revenue		10,436	9,676	9,775	9,928	8,435		48,251
Smelter/Freight	Annex B	(649)	(611)	(614)	(635)	(559)		(3,067)
		9,787	9,066	9,162	9,293	7,876		45,183
Less: OPERATING COST:								
Mining		1,301	1,346	1,382	1,421	1,466		6,915
Milling		1,702	1,761	1,809	1,859	1,918		9,050
Trucking		70	70	70	70	70		348
Maintenance		150	150	150	150	150		748
Mine Overhead		411	411	411	411	411		2,053
	Annex C	3,633	3,737	3,821	3,910	4,014		19,114
Interest expense		25	13	10	5	1		54
Excise Tax/Royalties		435	405	411	412	341		2,003
General and Administrative Expenses		257	218	185	185	185		1,030
		4,349	4,373	4,426	4,512	4,541		22,201
OPERATING INCOME		5,438	4,693	4,736	4,781	3,335		22,982
Add (Less) :								
Non-Cash Charges	Annex D	(633)	(761)	(898)	(1,014)	(1,175)		(4,481)
Interest income	Annex E	131	204	261	321	375		1,293
FMR/DP Cost		-	-	-	-	-	(63)	(63)
Others	Annex F	(45)	(29)	(29)	(29)	(29)		(162)
NET INCOME BEFORE TAX		4,891	4,106	4,069	4,059	2,507	(63)	19,569
Less: INCOME TAX	Annex G	552	1,179	1,160	1,130	648		4,670
NET INCOME AFTER TAX		4,339	2,927	2,909	2,929	1,859	(63)	14,899

ANNEX "D"

ENVIRONMENTAL COMPLIANCE CERTIFICATE

Republic of the Philippines

NATIONAL ENVIRONMENTAL PROTECTION COUNCIL

(now Environmental Management Bureau (EMB) by virtue of E.O. 192)

B 11/14/87

RIC-8604-012-301C

CC 155

09 November 1987

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Code: 06-138 By: [illegible]

PHILEX MINING CORPORATION
Philex Bldg., Brixton and
Fairlane Streets
Pasig, Metro Manila

Attention: MR. HENRY BRIMO
President

Gentlemen:

This is to inform you that an Environmental Compliance Certificate (ECC) is hereby granted your mining project covering the following mining claims, after complying with the Environmental Impact Assessment (EIA) requirement as prescribed in the promulgated guidelines implementing Section 3 (b) of P.D. 1121 and 1586.

1. Nevada Group
2. Sto. Tomas II - Philex and Banget area
3. Wilson Group
4. Extension Wilson Group
5. Clifton (Avancy) Group
6. Poe Group
7. Paez - Ocampo Group
8. Bonanza Group with Caring Claim
9. Copper Queen Group
10. Philex - Pokis Group
11. Philex - CF Group
12. Clipton Placer Group
13. Bayason Waguis(Alba) Group
14. Twin Peaks Group
15. San Expedito Group

This Certificate is being issued subject to the following conditions:

1. That all discharges shall be kept within the allowable limits set by the National Pollution Control Commission for such;

. . . /

2. That maintenance of the dam and safety measures outlined in the Environmental Impact Statement (EIS) be strictly implemented;

3. That quarterly monitoring of water quality be undertaken with the results of the same submitted to this Office;

4. That annual report on the reforestation program of the company be submitted to this Office;

5. That rehabilitation of mined-out areas be effected;

6. That all other necessary permits from other government agencies shall be secured prior to project implementation; and

7. That any expansion from existing approved operations shall be subject to the EIA requirement.

Non-compliance with any of the aboye stipulations will be sufficient cause for the suspension or cancellation of this Certificate and/or a fine in an amount not to exceed Fifty Thousand Pesos (P 50,000.00) for every violation thereof at the discretion of the Council (Sec. 9 of P.D. 1586).

Given this 9th day of November, Nineteen Hundred and Eighty Seven.

for AMADO S. TOLENTINO, JR.
Director

/AFB/cb*