

PHILIPPINE MINING DEVELOPMENT CORPORATION
MONITORING REPORT OF PERFORMANCE TARGETS

MFO	Indicator	Formula	Baseline		2014									
			2013	Target	1st Quarter		2nd Quarter		Revised Full Year Target	3rd Quarter		4th Quarter		
					Actual	Target	Actual	Target		Actual	Target	Actual	Target	
Operation and management of state-owned mining projects	Number of active awarded mining tenements under the following phases	Number of active mining tenements over total number of awarded mining tenements	65% (17/26)	65% (16/26)	65% (17/26)	65% (17/26)	65% (17/26)	65% (16/26)	65% (16/26)	65% (16/26)	65% (16/26)			
			Exploration	15	11	15	11	15	11	15	11	11		
			Development	0	1	0	0	0	0	0	0	0	0	
			Production	2	4 (for the year)	2	4 (for the year)	2	4 (for the year)	2	4 (for the year)	2*	2	
	Priority Tenements													
	San Fernando Limestone (Cebu)	Pass or Fail	Secure approval of the Mining Feasibility Study		1. Continuing coordination with the operator and facilitation with MGB RO7 for the completion of the mandatory requirements in filing the DMPP. 2. Provided technical assistance to the Operator Mabuhay	Secure Ore Transport Permit*	1. Regular and continuous coordination of PMDC and MFI with the LGU- Municipal and Barangay level. 2. MFI is scheduled to present mining work plan to the three impact Barangays and secure	Secure Ore Transport Permit (This is part of request for negotiation. OTP was	1. Regular and continuous coordination of PMDC and MFI with the LGU- Municipal and Barangay level. 2. PMDC and MFI were able to do					

* Priority Tenement Projects that are supposed to mature into production stage did not materialize due to: 1. Hernani Chromite unable to secure an ECC, a vital component for the Definitive Mine Project Feasibility, since DENR-MGB is requiring PMDC or it's Partner/Operator to first secure an Exploration Permit and MPSA or FTAA. PMDC, through its letter dated September 26, 2014 to the MGB Dir. Leo Jasareno emphasized that there is no need to apply for an Exploration Permit, MPSA or FTAA paraphrasing former Assist. Sec. & Concurrent Director of MGB Jeremias L. Dolino, the subject DMO No. 05-2007 "authorize PMDC to undertake mineral operations by itself or through a qualified party and there is therefore no need to apply for an MPSA or an FTAA." (Annex A). 2. San Fernando Limestone project is unable to secure the Certificate of Social Acceptability, a requirement for the filing of Declaration of Mine Project Feasibility, from the host mining community as expected. Negotiation with the host mining community is on-going. (Annex B).

				<p>Filement, Inc. (MFI) in coordinating with the Local Government Units in San Fernando, Cebu to secure Municipal and Barangay endorsement for the project, one of the requirements in filing the DMPF.</p>		<p>their endorsement.</p>	<p>not secured because DENR - MGB required filing of the Declaration of Mining Project Feasibility and approval of the same before issuance of OTT)</p>	<p>Public Consultation in Barangays Tonggo and Lantawan and are now waiting for the decision of the Barangays for endorsement of the project.</p>	
<p>Hernani Chronrite (Eastern Samar)</p>	<p>Pass or Fail</p>	<p>Complete submission of all documents and requirement for ECC and Partial Mining Feasibility to DENR</p>	<p>Secure Environment Compliance Certificate (ECC)</p>	<p>1. PMDC continuously coordinated with the Mines and Geosciences Bureau regarding the status and release of the Environmental Compliance Certificate (ECC) for the project. 2. The ECC approval is still pending since CY 2013. DENR – EMB issued the ECC, however, a clearance from the DENR Secretary is needed before the ECC can be released to the proponent. EMB had already recommended the approval of the ECC, no action from the Office of the DENR Secretary. 3. Based on most recent coordination with the concerned agencies, it was learned that the DENR Secretary is seeking evaluation/comments from the MGB before providing the clearance on the approval of ECC. 4. PMDC made several follow-ups with MGB regarding the status of its evaluation/comments. The</p>	<p>MGB Director released an opinion to the DENR Secretary re Approval of ECC application. MGB Director opined that the Masada operation should secure an Exploration Permit and MPSA prior to the application on an ECC.</p> <p>PMDC is currently pursuing discussions with MGB and DENR regarding the MGB's opinion that PMDC has still to secure an Exploration Permit and MPSA, which Executive Order No. 79 put on hold or under moratorium, and PMDC's stand that DENR DAO No. 05-2007 is an exercise by DENR of its mandate under R.A. 7942 and thus there is no need for PMDC to secure Exploration Permit and MPSA.</p>	<p>Secure approval of Partial Mining Feasibility Study in 3rd Quarter (This is part of the renegotiation with GCG in light of DENR-MGB requiring PMDC or its Partner/Operator to secure an Exploration Permit, Mineral Production and Sharing Agreement (MPSA) or a Financial and Technical</p>	<p>1. DENR – EMB sent a letter dated July 18, 2014 to Masada Resources and Mining Corp. returning the application for ECC pending submission of an approved Exploration Permit, MPSA or FTAA as contained in the Memorandum of the MGB Director to the DENR Secretary dated May 12, 2014. 2. PMDC is currently pursuing discussions with the MGB and DENR in connection with PMDC's stand/view that its projects do not need to secure</p>	<p>Secure OTP in Q4</p>	

				<p>evaluation/comments is still pending at the Office of the MGB Director since November 2013.</p> <p>5. PMDC set an appointment with the MGB Director last January 17, 2014 to fast track its evaluation/comments. The meeting was attended by Atty. Mondragon- PMDC President; Legal Officer Atty. Tolentino and Project Management Dept. Manager Engr. Herrero. However, on the last minute, MGB Director was not able to accommodate them due to a meeting he is attending at the DENR Office. The said meeting was then cancelled and re-scheduled on January 23, 2014.</p> <p>6. On January 23, 2014 meeting, the PMDC inquired with the MGB Director the status of PMDC mining projects that requires evaluation and comment from the MGB particularly the ECC of Hernani Chromite Project. The MGB Director confirmed that the evaluation/comments is already at his Office for his review. The said evaluation/comments for the said project is positive and may recommend issuance of the ECC.</p> <p>7. PMDC continued to follow-up the ECC status of the Hernani Chromite Project. As of end of 1st Quarter of CY 2014 said ECC is not yet issued. The evaluation/comments from the MGB Director, as required by the DENR Secretary is still pending at the Office of the</p>			<p>Assistance Agreement (FTAA)</p>	<p>Exploration Permit or MP/SA.</p>		
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