

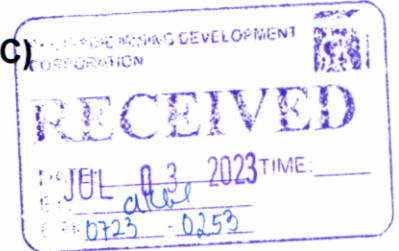
23 June 2023

ATTY. ALBERTO B. SIPACO

Chairman

PHILIPPINE MINING DEVELOPMENT CORPORATION (PMDC)

3001B & C, West Tower, Philippine Stock Exchange Center
Ortigas Center, Pasig City



**RE : VALIDATION RESULT OF PMDC'S
2022 PERFORMANCE SCORECARD**

Dear Chairman Sipaco,

We respectfully furnish you with the validation result of the PMDC's 2022 Performance Scorecard (**Annex A**), where PMDC obtained an overall score of **78.47%**

Very truly yours,

Justice ALEX L. QUIROZ (ret.)
Chairperson

cc: COA Resident Auditor – PMDC

PHILIPPINE MINING DEVELOPMENT CORPORATION (PMDC)
Validated 2022 Performance Scorecard

		Component			PMDC Submission		GCG Validation		Supporting Documents	Remarks																		
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating																				
FINANCE	SO 1	Enhanced Company Profitability																										
	SM 1	EBITDA	Earnings Less Operating Expenses (excluding interest, tax, depreciation, and amortization)	10%	Actual over Target	₱9.93 Million	(₱50.35 Million)	-	(₱50.34 Million)	0%	<ul style="list-style-type: none"> 2022 PMDC EBITDA 2022 COA Audited Statement of Comprehensive Income (SCI) 	Details: <table border="1"> <thead> <tr> <th>(In Millions Php)</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Net Income/(Loss) after Tax</td> <td>(65.585)</td> </tr> <tr> <td>Income Tax</td> <td>0.055</td> </tr> <tr> <td>Interest Expense</td> <td>0.015</td> </tr> <tr> <td>Depreciation / Amortization</td> <td>3.125</td> </tr> <tr> <td>EBITDA</td> <td>(62.390)</td> </tr> <tr> <td>Non-recurring Loss</td> <td>12.047</td> </tr> <tr> <td>ADJUSTED EBITDA</td> <td>(50.343)</td> </tr> </tbody> </table>	(In Millions Php)	Amount	Net Income/(Loss) after Tax	(65.585)	Income Tax	0.055	Interest Expense	0.015	Depreciation / Amortization	3.125	EBITDA	(62.390)	Non-recurring Loss	12.047	ADJUSTED EBITDA	(50.343)
	(In Millions Php)	Amount																										
	Net Income/(Loss) after Tax	(65.585)																										
Income Tax	0.055																											
Interest Expense	0.015																											
Depreciation / Amortization	3.125																											
EBITDA	(62.390)																											
Non-recurring Loss	12.047																											
ADJUSTED EBITDA	(50.343)																											
SM 2	Budget Utilization Rate (BUR)	Actual Disbursement Total Approved Budget for CO and MOOE	5%	Actual over Target	90%	47%	-	47.45%	2.64%	<ul style="list-style-type: none"> 2022 PMDC Budget Utilization Report 2022 COA Audited Statement of Comprehensive Income (SCI) 	Details: <table border="1"> <thead> <tr> <th>Item</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Actual Disbursement</td> <td>29,947,505</td> </tr> <tr> <td>MOOE</td> <td>25,894,097</td> </tr> <tr> <td>Capital Outlay</td> <td>4,053,408</td> </tr> <tr> <td>Total Approved COB</td> <td>63,114,358</td> </tr> <tr> <td>BUR (%)</td> <td>47.45%</td> </tr> </tbody> </table>	Item	Amount	Actual Disbursement	29,947,505	MOOE	25,894,097	Capital Outlay	4,053,408	Total Approved COB	63,114,358	BUR (%)	47.45%					
Item	Amount																											
Actual Disbursement	29,947,505																											
MOOE	25,894,097																											
Capital Outlay	4,053,408																											
Total Approved COB	63,114,358																											
BUR (%)	47.45%																											
Sub-total			15.00%						2.64%																			

Objective/Measure	Component				PMDC Submission		GCG Validation		Supporting Documents	Remarks		
	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating				
SO 2 Enhanced Operators' Capacity												
STAKEHOLDERS	SM 3	Percentage of Planned/ Required Mining Activities Completed Per Project	$\frac{\Sigma \text{ Actual number of completed mining activities per project}}{\Sigma \text{ Planned/ required mining activities completed per project}}$	10%	Actual over Target	100% (22 out of 22 target mining activities)	100%	-	100% (12/12)	10%	<ul style="list-style-type: none"> PMDC Chart of Activities for CY 2022 Letters to Mabuhay Filcement, Inc. re Submission of Quarterly Report for San Fernando Limestone Letters to Century Peak Corporation (CPC), regarding the request of submission of Quarterly Reports Certificate of Approvals-SMDP & AEPEP Letter to AAM-PHIL Natural Resources & Dev't Corp. re Status of the Declaration of Mining Project Feasibility covering Dinagat Parcel 2B Nickel - Chromite Project Attendance Sheets MOEP & OTP 	PMDC completed a total of 12 out of 22 activities. The remaining 10 activities, however, were excluded as the necessary conditions did not materialize (approvals from the Mines Geosciences Bureau (MGB) and no shipments from Dinagat Parcel 2B). This considered, PMDC is credited 100% for completing 12 out of 12 activities.
	SM 4	Percentage of Ore Shipment by Operators Accepted by Buyers	$\frac{\Sigma \text{ Ore shipment Accepted by buyers}}{\Sigma \text{ Ore shipment}}$	5%	Actual over Target	100%	100% (3 shipments)	5%	100% (3 shipments)	5%	<ul style="list-style-type: none"> Ore Transport Permits Mineral Ore Export Permits Draft Survey Report 	A total of three (3) shipments from Dinagat Parcel 1 were made by AAM-Phil in 2022. On the other hand, no shipments for Dinagat Parcel 2B.

	Component				PMDC Submission		GCG Validation		Supporting Documents	Remarks																
	Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual			Rating															
STAKEHOLDERS	SO 3	Sustain Progressive Communities through Responsible Mining																								
	SM 5	Percentage of Actual CSR Beneficiaries	$\frac{\Sigma \text{ Actual Number of CSR Beneficiaries}}{\Sigma \text{ Target CSR Beneficiaries}}$	10%	Actual over Target	100% (6,100 beneficiaries)	100% (10,653 beneficiaries)	-	100% (10,095 beneficiaries)	10%	<ul style="list-style-type: none"> Corporate Social Responsibility – Annual Accomplishment Report CY 2022 List of Beneficiaries Attendance Sheets w/ Photo Documentation 	Breakdown of validated beneficiaries is as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>CSR Activity</th> <th>No. of Beneficiaries</th> </tr> </thead> <tbody> <tr> <td>Health</td> <td>3,206</td> </tr> <tr> <td>Education</td> <td>4,893</td> </tr> <tr> <td>Environment</td> <td>1,830</td> </tr> <tr> <td>Rural Infrastructure</td> <td>106</td> </tr> <tr> <td>Opportunities to Earn</td> <td>60</td> </tr> <tr> <td>Total</td> <td>10,095</td> </tr> </tbody> </table>	CSR Activity	No. of Beneficiaries	Health	3,206	Education	4,893	Environment	1,830	Rural Infrastructure	106	Opportunities to Earn	60	Total	10,095
	CSR Activity	No. of Beneficiaries																								
	Health	3,206																								
	Education	4,893																								
	Environment	1,830																								
	Rural Infrastructure	106																								
	Opportunities to Earn	60																								
	Total	10,095																								
	SM 6	Percentage of Satisfied Customers																								
	a. CSR Beneficiaries	$\frac{\text{No. of Satisfied Respondents}}{\text{Total Number of Respondents}}$	2.50%	Actual over Target If less than 80% = 0%	90%	98.90%	-	98.90%	2.50%	<ul style="list-style-type: none"> CSS 2022 Final Report Fifteen (15) samples of Accomplished Questionnaire 	CSS results were segregated based on customer segments and the 5% allocated weight was divided equally. For CSR Beneficiaries segment, while PMDC again used the 2018 instead of the 2020 questionnaire, it complied with all other requirements under the Enhanced Standard Methodology and is considered substantially compliant For the Partner-Operators, PMDC is given zero-rating for failing to include other customers in the 2022 CSS. Part IV(C) of the Conduct of the Customer Satisfaction Survey provides that "total universe should be targeted as survey respondents from customer types with total primary customers of less than 100."															
	b. Partner-Operators	$\frac{\text{No. of Satisfied Respondents}}{\text{Total Number of Respondents}}$	2.50%	Actual over Target If less than 80% = 0%	90%			0%	0%																	
	Sub-total		30.00%						27.50%																	

INTERNAL PROCESS	Objective/Measure	Component			PMDC Submission		GCG Validation		Supporting Documents	Remarks		
		Formula	Weight	Rating System	Target	Actual	Rating	Actual			Rating	
	SO 4	Develop the Diwalwal Mining Area and other Mining Tenements										
	SM 7	Percentage of Planned Activities Completed Relative to the Board-Approved Diwalwal Action Plan	Σ Activities Implemented Planned Activities as per Board-Approved Action Plan	10%	Actual over Target	100%	100% (6 out of 6 activities)	-	100% (6 out of 6 activities)	10%	<ul style="list-style-type: none"> Letter to PEZA dated 11 April 2022 re Updates to the PEZA on the pending requirements relative to the proposed Diwalwal Economic Zone and Jewelry Park Project Final Report on Engineering Geological and Geohazard Assessment Minutes of the meeting held on 26 August 2022 Letter from MDA re forthcoming Official mission in SK; Updates on the Diwalwal Ecozone and Jewelry Park Project 	Upon evaluation of the submitted supporting documents, PMDC completed 6 out of 6 activities for CY 2022.

Objective/Measure		Component			PMDC Submission		GCG Validation		Supporting Documents	Remarks		
		Formula	Weight	Rating System	Target	Actual	Rating	Actual			Rating	
INTERNAL PROCESS	SM 8	Percentage of Planned Activities completed for the Exploration of Dinagat Parcel 2A as agreed with the Financial Service Provider (FSP)	$\frac{\Sigma \text{Activities Implemented Completed}}{\text{Total Activities Targeted}}$	10%	Actual over Target	100%	83.33% (5 out of 6 activities)	-	83.33% (5 out of 6 activities)	8.33%	<ul style="list-style-type: none"> Letter dated 01 February 2022 re Registration of Financing/ Service Provider Agreement Between PMDC and Napnapan Mineral Resources Inc. for the Dinagat Parcel 2A Nickel-Chromite Project Letter to MGB re One-Year Exploration Program, Environmental Work Program, Revised Environmental Work Program, Community Development Program Letter to MGB re Quarterly Accomplishments (3rd Quarter, 4th Quarter, Annual) Minutes of Meeting w/ Photo Documentation of MGB XIII Technical Conference dated 10 June 2022 Letter to MGB RO XIII re Request for the Issuance of Order of Payment for the Payment of Occupation Fee (Dinagat Parcel 2A Nickel-Chromite Project) Letter to PMDC re Order of Payment 	<p>Out of 6 activities, PMDC was able to complete 5 activities during the year 2022:</p> <ol style="list-style-type: none"> 1. Registration of the Financial Services; 2. Submission of Exploration, Environmental, and Community Development Work Programs; 3. On time submission of quarterly and annual accomplishment reports (15 days after end of quarter and 15 days after end of the year, respectively); 4. 100% attendance to MGB 13 meetings; and 5. Timely payment of annual compensation fees to LGUs. <p>PMDC failed to accomplish the activity to Gather of at least 100 samples for laboratory analysis.</p>

INTERNAL PROCESS	Component				PMDC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual			Rating
SM 9	Number of Mining Tenements Offered to Mining Operators	Absolute Number	10%	Actual over Target	7	10	-	10	10%	<ul style="list-style-type: none"> Invitation to Apply for Eligibility and To Bid dated 31 July 2022 for 10 Mining Properties 	The following mining properties were bid out in 2022: <ol style="list-style-type: none"> Dasol Copper Gold Property Guihulangan Limestone Property Labo-Jose Panganiban Gold Property Libjo Chromite Property Opol Gold Property San Idefonso Marbleized Limestone Property San Idefonso Silica Property Sultan Naga Dimaporo Copper Gold Property Toledo Limestone Property Wright Copper Gold Property
SO 5 Enhance Operational Efficiency											
SM 10	Percentage of PMDC Mining Projects that are 100% Compliant with All Regulatory and Statutory Requirements and Standards of Responsible Mining	$\frac{\sum \text{Actual number of PMDC mining projects fully compliant with all regulatory and statutory requirements and standards of responsible mining}}{\sum \text{PMDC mining projects committed}}$	5%	Actual over Target	100% (3 production, 1 exploration)	100% (3 production, 1 exploration)	-	0% <i>(Dinagat Parcel 1 - 42.11%</i> <i>Dinagat Parcel 2B - 10.00%</i> <i>Pinamungahan - 81.82%</i> <i>San Fernando - 0%)</i>	0%	<ul style="list-style-type: none"> Checklist for regulatory and statutory requirements & their corresponding supporting documents Certificate of Registration - AAM-Phil Natural Resources Exploration and Development Corporation (BS EN ISO 14001:2015) Ore Transport Permits & Mineral Ore Export Permits Certificate of Approvals - AEPEP & SDMP Reportorial Requirements 	PMDC was not able to submit supporting documents for all regulatory and statutory requirements, thus will be credited a 0% score for this measure.

		Component			PMDC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating				
INTERNAL PROCESS	SM 11	Establishment of Facilities to Protect the Environment in the DMRA	Actual Accomplishment	10%	Actual over Target	Establishment of the following: 1. Material Recovery Facility 2. Construction of Gate and Perimeter Fence at Interim Dam 3. Improvement in Tailings Launder System	-	Establishment of the following: 1. Material Recovery Facility 2. Construction of Gate and Perimeter Fence at Interim Dam 3. Improvement in Tailings Launder System	10%	<ul style="list-style-type: none"> Accomplishment Reports Certificates of Acceptance Certificate of Completion Actual Project summary Photo Documentation 	Based on the submission, PMDC, through its contractor, was able to establish three (3) facilities: (i) Material Recovery Facility; (ii) Construction of Gate and Perimeter Fence at Interim Dam; and (iii) Improvement in Tailings Launder System.	
			Sub-total		45.00%					38.33%		
SO 6 Improve Manpower Competence and Management Effectiveness												
LEARNING AND GROWTH	SM 12	Percentage of Employees with Required Competencies Met	Number of Employees with Required Competencies <u>Met</u> Total Number of Employees	5%	All or Nothing	Increase from 2021 competency level	64.15%	-	64.15%	5%	<ul style="list-style-type: none"> Individual Rating Sheets Tabulation of Employees and respective Ratings 	34 of 53 employees (64.15%), met the required competencies for their position. This translates to 16.98% increase from PMDC's 2021 competency level of 47.17% (25 out of 53 employees).

		Component				PMDC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating				
SO 7		Institutionalize the Quality Management System										
LEARNING AND GROWTH	SM 13	Compliance to Quality Standards	Milestone	5%	All or Nothing	1 st Surveillance Audit Passed	1 st Surveillance Audit Passed	-	1 st Surveillance Audit Passed	5%	<ul style="list-style-type: none"> Audit Report dated 29 November 2022 signed by Zenaida Cruz, Audit Leader ISO 9001:2015 Certificate (Certificate Register. No. 01 100 1432671) issued by TUV Rheinland on 13 January 2022 	PMDC passed the 1 st surveillance audit conducted by TUV Rheinland Philippines, Inc. last 19 November 2022. Scope of Certification is "Project Management and Support Services for Mining Operation and Activities."
			Sub-total	10.00%						10%		
			TOTAL	100%						78.47%		