



CODE OF BUSINESS CONDUCT AND ETHICS

Philippine Mining Development Corporation (the “Company”) is dedicated to doing business in accordance with the highest standards of ethics. The Company, its directors, officers, and employees endeavor to promote a culture of good corporate governance by observing and maintaining its corporate values of patriotism, professionalism and integrity in their relationships among themselves and with the Company’s partners-operators, customers, suppliers, competitors, various government agencies, regulators and the public to achieve profitability and organizational excellence.

This Code of Business Conduct and Ethics (the “Code”) sets forth the Company’s business principles and values which shall guide and govern all business relationships of the Company, its directors, officers and employees, including their decisions and actions when performing their respective duties and responsibilities.

THE FOUNDATION OF BUSINESS ETHICS: PRINCIPLES AND VALUES

In simple terms, the spirit of the Code means that all actions of the Company, its directors, officers and employees must, at all times, be consistent with the principles of accountability, integrity, fairness and transparency which are defined as follows:

A. Accountability – We shall take full responsibility for all our business decisions, actions/inactions, and conduct, and shall perform our duties and functions with utmost responsibility, integrity, honesty, loyalty and efficiency. We are accountable to the Company and its stakeholders (employees, customers, shareholders and business partners) all of whom we vow to serve to the best of our ability.

B. Integrity – We shall act righteously, morally and legally. We shall uphold the simple truth that ‘honesty is the best policy’ and endeavor to act under the highest standards of ethics.

C. Fairness – We shall uphold the value of justice and fair play amongst everyone we deal with, both internally and externally, striving always to look for a win-win situation.

D. Transparency – We shall uphold the value of truthfulness in everything we do coupled with the quality of being open to scrutiny as we provide and disclose accurate material information in a timely manner.

STANDARDS OF BUSINESS CONDUCT AND ETHICS

Below are the commitments of the Company, its directors, officers and employees in their behavior and various business dealings.

A. COMPLIANCE

1. Engage in honest conduct and comply with all applicable laws, rules and regulations, both in letter and spirit. Demands brought on by prevailing business conditions or perceived pressures are not excuses for violating any law, rules or regulations.
2. Personally adhere to the standards and restrictions imposed by those laws, rules and regulations.
3. Avoid the direct or indirect commission of bribery and corruption of representatives of governments or regulators to facilitate any transaction or gain any perceived or actual favor or advantage, excluding permissible additional payments for routine governmental actions allowed by all applicable laws and regulations.

B. COMPETITION AND FAIR DEALING

1. Avoid taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.
2. Deal fairly with the Company's partners-operators, customers, service providers, suppliers, competitors and employees.

C. CONFIDENTIALITY OF INFORMATION AND PROPER USE OF PROPERTY

1. Maintain and safeguard the confidentiality of information entrusted by the Company, its affiliates, customers, business partners, or such other parties with whom the Company relates, except when disclosure is authorized or legally mandated. Confidential information includes any non-public information that might be of use to competitors, or harmful to the Company, its subsidiaries, affiliates, customers, business partners, or such other parties with whom the Company relates, if disclosed.
2. Follow Company policy and applicable laws regarding business records retention. Ensure that records are not altered, concealed, destroyed or falsified to impede, obstruct or influence any investigation by, or proceeding before any official Company committee or body, governmental, regulatory or judicial body having jurisdiction.
3. Use Company property and resources, including Company time, supplies and software, efficiently, responsibly and only for legitimate business purposes.
4. Protect the assets of the Company from loss, damage, misuse or theft.

D. CONFLICTS OF INTEREST AND CORPORATE OPPORTUNITIES

1. Avoid any actual or apparent conflicts of interest between your private interest, including the private interest of a member of your family, and the interests of the Company, unless you have obtained prior approval by the appropriate approving authorities as designated in applicable policies of the Company. Any actual or apparent conflict of interest, and any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest, should be disclosed to the Governance Commission for GOCCs (GCG).
2. Avoid activities and interests that could significantly affect the objective or effective performance of duties and responsibilities in the Company, including business interests or unauthorized employment outside the Company, the receipt from and giving of gifts to persons or entities with whom the Company relate.

3. Be loyal to the Company. As such, all business decisions and actions must be based on the best interest of the Company and must not be motivated by personal considerations and other relationships, which may interfere with the exercise of independent judgment.

4. Advance the Company's legitimate interests when the opportunity arises. Avoid competing with the Company on a business opportunity or acquiring an interest adverse to that of the Company's.

5. Refrain from taking advantage of Company property, information or position, or opportunities arising from these, for personal gain, to compete with the Company, or act against the best interest of the Company. Directors, officers and employees who intend to make use of Company property or services in a manner not solely for the benefit of the Company should obtain prior approval from appropriate approving authorities as designated in applicable policies of the Company.

E. DISCLOSURE

1. Publicly disclose all material information (i.e., anything that could potentially affect share price, as well as other information), including earning results, corporate strategy, related party and off balance sheet transactions.

2. To the extent relevant to your area of responsibility, comply with the Company's disclosure controls and procedures and internal controls to ensure that (i) financial and non-financial information is properly recorded, processed, summarized and reported and (ii) the Company's public reports and documents, comply in all material respects with the applicable laws and rules.

3. Each director or officer, to the extent appropriate within his or her area of responsibility, should consult with other Company officers and employees and take other appropriate steps regarding the above mentioned disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

4. Be familiar with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.

5. Do not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether inside or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.

6. Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

7. Assess the effectiveness of the disclosure controls and procedures and internal controls and take corrective actions with regard to any identified weaknesses or deficiencies.

F. RISK MANAGEMENT

1. Restrict or minimize undertaking of risk so as not to jeopardize the finances of the Company.

2. Fully assess and manage risks involved in undertaking strategies, acquisitions, activities, products, services and other business endeavors of the Company.

G. RELATIONS WITH SHAREHOLDERS AND INVESTORS

1. Adopt strategies, actions, decisions, and transactions based on increasing shareholder value.
2. Adopt international best practices of good corporate governance in the conduct of the business.
3. Keep business and accounting records which accurately reflect the financial position of the business and issue financial statements to ensure transparency of information.
4. Communicate truthfully and regularly business policies, achievements and prospects.

IMPLEMENTATION AND MONITORING OF THE CODE

1. Directors, officers, and employees of the Company commit to comply with both the letter and spirit of this Code and the Company endeavors to obtain the same commitment from its business partners. In this connection, directors and officers should explain to employees and business partners the Company's principles and values set forth in this Code, and emphasize the importance of conducting themselves in accordance with the standards set by this Code in order to attain financial rewards for the Company and to deter wrongdoing.
2. The Management is responsible for applying the Code to specific situations in which questions or concerns may arise, and has the authority to interpret and decide on such issues arising from the implementation of the Code.
3. There shall be no waiver of any of the provisions of this Code in favor of any directors, officer, or employee, except when expressly granted by the Board of Directors in the case of waivers for directors and officers or by the Management in the case of waivers for employees. Any such waiver for any director or executive officer or any material amendment to the Code must be promptly disclosed to the shareholders of the Company.
4. Any director, officer or employee is encouraged to contact the Management when in doubt about the best course of action in a particular situation relating to a subject matter of the Code.
5. Any director, officer or employee who is aware of any existing or potential violation of the Code is required to notify the Board of Directors or the Management promptly, as the case may be. The the Board of Directors or the Management shall take all action it considers appropriate to investigate any violations reported to it. If a violation has occurred, the Company shall take such disciplinary or preventive action as it deems appropriate.
6. Disciplinary actions against violators include measures such as dismissal and/or the filing of appropriate civil and criminal actions. For purposes of this Code, "violators" are defined as a) persons who commit prohibited acts or who fail to implement prescribed acts when there is an obvious opportunity to do so; b) employees who knowingly abet such acts of commission or omission or who fail to report such acts that violate the Code; and c) persons of authority who fail to impose the necessary disciplinary measures against violators.

7. Retaliation or discrimination, whether direct or indirect and in any form, against any director, officer, or employee who reports, honestly and in good faith, any violation or perceived violation of this Code shall not be tolerated.

8. All policies, systems practice, orders, and similar official corporate issuances, whether existing or to be issued shall be revisited and revised as soon as practicable in order to be consistent with the letter and spirit of this Code. Pending the finalization of such amendments, the provisions of this Code shall prevail over any policies, systems practice, orders, and similar official corporate issuances, inconsistent with this Code.

9. This Code shall be reviewed at least once every two (2) years or such other frequency as may be determined by the Board of Directors and/or the Management.

CODE OF CONDUCT OF EMPLOYEES

PMDC strives to be an organization that institutionalizes a culture of excellence. In line with this, the company issues this Code of Conduct to serve as a guideline for employee behavior and conduct.

Considering the nature and business of the organization, the prescribed conduct of employees are classified into three (3) major areas, to wit:

- A. Ethical Behavior
- B. Confidentiality of Information/Document Handling
- C. Personal Decorum

A. Ethical Behavior

PMDC recognizes its key stakeholders as invaluable partners in the success of the organization. For purposes of this section, PMDC defines the stakeholders as its investors/operators, financiers/capital providers, corporate stockholders, employees, local communities in the project sites and mineral claim areas, suppliers, national and local government units, and the general public (local and foreign). Business ethics must always be observed when conducting business with any of the stakeholders.

To achieve this, the following must be observed:

1. Professional demeanor at all times when dealing with such parties whether in or outside the PMDC premises.
 - a. Information provided to prospective investors is accurate, useful, promptly given, and properly cleared by management;
 - b. Transparency and fairness shall be observed at all times;
 - c. Punctuality in meetings is encouraged;
 - d. Acts involving bribes, business espionage, or any illegal activities are prohibited;
2. All gifts from any supplier shall be turned over to the Administrative Department. Consumables shall be served promptly to the employees present. Durables (of any value), will be raffled to employees either on the Christmas Party or at any appropriate occasion.
3. When accepting meeting invitations from operators or potential bidders, all officers and employees must remember to keep their relationship on a professional level at all times. They may accept invitations only for lunch and/or coffee. Dinner invitations which include drinking, singing or dancing are discouraged. Further, excursions or out-of-town trips shall require prior approval of management.
4. All employees must avoid any possible situation which may cause a conflict between personal interest and the interest of the company. In this regard, the following shall be avoided:

- a. Enlisting with any business organization or providing services to any third party during working hours without approval from the company and which conflicts with the demands of regular work;
- b. Securing/borrowing funds or asking personal favors from stakeholders;

B. Confidentiality of Information/Document Handling

In a very competitive industry such as the mining industry, access to various confidential information is both critical and inevitable. Said information include (but not limited to) the following:

- Geological/technical data on prospective projects and mineral areas for later bidding or offering to the private investors
- Linkages and data on key personalities, stakeholders, entities that PMDC deals with;
- Programs and plans for execution in tandem with the DENR and National Government, etc.

To safeguard the confidentiality of this information, all employees must refrain from discussing such matters outside the office. As a guide, the following must be observed when handling confidential information:

1. Commercially sensitive data shall be explicitly classified, declared and appropriately labeled. The classification of such shall be recommended by the ManCom and approved by the President.
2. All technical information will be properly filed and catalogued by the Technical Service Officer. Requests for said information shall be recorded.
3. All documents that are confidential in nature must not be left unattended on desks at any time of the day. They must also be filed in a secure cabinet when not in use.
4. Confidential documents are not to be taken home unless absolutely necessary, and with the approval of the supervisor. If approved, these must be kept secure while in transit and at home.
5. All drafts and discarded copies of correspondences that are confidential in nature shall be shredded and not simply thrown into the waste bin.
6. Sending of confidential information thru fax has to be handled well in order to ensure that said document does not get to the wrong party. The intended recipient shall be called in advance prior to fax transmittal.
7. When sending a confidential document thru messenger or courier, the said document must be marked "confidential" and sealed in an envelope.
8. Confidential and sensitive information or future company plans shall never be discussed with any third party unless duly authorized by the President.

C. Personal Decorum

Employees showing decent and courteous demeanor within the work premises is just as important as when dealing with clients outside the office. This automatically reflects the kind of people within the organization, as well as the leadership style of the management.

In this regards, the following guidelines are set, and are expected to be followed by all employees:

Value Desired	Guidance
Attendance and Punctuality	<p>All employees are expected to be in their work areas at the start of office hours. They are required to record their time-in and time-out in the logbook provided.</p> <p>In cases when they are unable to come to work or will be late due to an illness, emergency, etc. they must inform their supervisor/manager as early as possible. Further, excessive absenteeism and tardiness are not allowed.</p>
Corporate Image	<p>All employees have to be well-groomed, and must wear clean, pressed clothes.</p>
Dress Code	<p><u>For Head Office employees:</u></p> <p>All employees must be in corporate or smart casual attire from Mondays to Thursdays.</p> <p>The corporate or smart casual attire/ensembles may include the following:</p> <p>For males: slacks, long or short sleeved polo shirt, or polo barong and leather shoes.</p> <p>For females: slacks or skirt, blouse, blazer/jacket, vest, or sweater coordinated to the outfit and with flats or heeled shoes (leather, suede or fabric)</p> <p>Inappropriate attire from Mondays to Thursdays are the following: maong/denim pants, t-shirts (with or without collar), short pants, revealing or indecent clothing, rubber shoes and slippers.</p> <p>On Fridays only, employees are allowed to wear jeans/denims, t-shirts with collar and rubber shoes.</p> <p><u>For Field employees:</u></p>

	Field employees are allowed to wear jeans/denims, t-shirts with collar and rubber shoes from Mondays to Fridays.
Sexual Harassment	Prohibited. Also, the use of sexually offensive remarks among co-workers is prohibited.
Use of Illegal Drugs	Prohibited
Use of Alcohol	Drinking of any liquor at any time, even if there is a celebration, within the office premises is strictly prohibited. Further, driving after drinking must be avoided, in the interest of personal safety and financial impact.
Sales/Solicitations	Prohibited unless there is an approval by the President, and such activity is done after working hours.
Job Performance	All employees are expected to make use of their time in a productive manner. Further, everyone is expected to practice due care, adherence to office rules and norm of conduct, dedication and prudence in performing job responsibilities as directed.
Physical presence during office hours	Employees are expected to be physically present at their work station during work hours. Supervisors must be informed in advance when the employee has to be away from one's post or duties (due to illness, emergencies or intervening events).
Care for Office Property	<p>All equipment and supplies issued must be used with proper care and for office purposes only.</p> <p>Computer units and other company properties (i.e. camera, GPS unit, etc.) assigned to every employee should be taken care of properly to avoid damage, breakdown or loss. This not only pertains to physical care of the equipment but also corresponds to avoiding the use and installation of programs which may inhibit the property's performance or which may damage it.</p>
Punctuality in meetings	All employees are expected to arrive in meetings on the agreed time. If they are unable to do so, they should inform their fellow employees and/or clients beforehand so as not to keep them waiting.
Promote an atmosphere conducive for working	Loud and prolonged laughter and loud conversations that may distract other employees is discouraged. Soft music at low volumes is encouraged.

Use of internet	<p>All employees are provided personal computers and internet access mainly for business/official purposes.</p> <p>Use of computers/internet access, other than for business or official purposes, are allowed only during lunch break and after office hours (i.e. the actual time schedule when the employee has rendered an 8-hour duty).</p> <p>Allowed during lunch break and after office only:</p> <ul style="list-style-type: none"> • Online social networks (Facebook) • Instant messengers (Yahoo and Hotmail) • Online video streaming (YouTube and the like) • Communication programs (Skype and the like) • Online/browser games <p>Strictly and totally prohibited:</p> <ul style="list-style-type: none"> • Video downloading, especially via Torrent or other related programs • Downloading of software programs for personal use • Internet use for illegal and indecent purposes <p>The improper and inappropriate use of the Company's computer and internet service affects office productivity as a whole, especially for those using the internet for official purposes.</p> <p>Further, any unaccounted for and unnecessary burden to the internet service system of the Company may cause the system to crash. This will trigger an intermittent to a total connection loss for the entire office.</p> <p>Eventually, this may cause irreparable damage to the equipment used for the service, thereby incurring undue cost for their replacement.</p>
Professional Conduct	<p>All employees should, at all times, conduct themselves in a manner that befits the professional image of the Company, especially when dealing with the public it serves.</p> <p>As a reiteration of the Ethical Behavior statement regarding observing professional demeanor inside or outside PMDC premises, it is expected that all employees should observe appropriate conduct when dealing with the PMDC publics, even beyond official work hours.</p>