

THE GEOLOGICAL SOCIETY OF THE PHILIPPINES COMPETENT PERSON SYSTEM
RELATIVE TO THE PHILIPPINE MINERAL REPORTING CODE

by

The GSP Competent Person Accreditation Committee (CPAC)

INTRODUCTION

In July 2007, the Geological Society of the Philippines (GSP) adopted the Philippine Mineral Reporting Code (PMRC), which is compatible with international mineral reporting codes such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2004 Edition), International Reporting Template, South African Mineral Reporting Code (SAMREC) and others. These international reporting codes systematically define Exploration Results, the different categories of Mineral Resources and Ore Reserves and have adopted a common terminology. The PMRC provides the guidelines for the preparation of reports on Exploration Results, Mineral Resources and Ore Reserves which will be consistent with the requirements of the Philippine Stock Exchange (PSE), the Securities and Exchange Commission (SEC) and the Mines and Geosciences Bureau (MGB).

To enable the GSP to properly implement the PMRC, the GSP organized a program to accredit geologists with adequate qualifications, experience and competence in *mineral exploration* and related activities to become Competent Persons (CPs) or CP Geologists. The CP Geologist shall be authorized to prepare PMRC compliant reports on Exploration Results and/or Mineral Resources in accordance with the requirements of the PSE, SEC and MGB.

This document formalizes the role and responsibilities of the GSP Competent Person Accreditation Committee (CPAC) and the CPAC Secretariat, specifies the requirements for accreditation of candidate CPs and their re-accreditation every three (3) years, formulates the procedures for accreditation and serves as a guideline for the implementation of the CP System. It also defines the tasks of the CPAC in improving the quality of work undertaken by the CPs and guides the GSP BOD in formulating policies for the CP program.

1. COMPETENT PERSON ACCREDITATION COMMITTEE'S (CPAC) ROLE AND RESPONSIBILITIES

The Competent Person Accreditation Committee (CPAC) is a committee of the Geological Society of the Philippines (GSP) authorized mainly, to accredit qualified geologists to become Competent Persons (CPs) in Geology in accordance with the PMRC.

1.1 CPAC Member's Appointment

The CPAC is composed of five (5) members appointed by the Board of Directors (BOD) of GSP from the pool of CP Geologists and is accountable to the BOD of GSP.

1.2 Qualifications of CPAC Members

Each CPAC member shall be a CP Geologist and shall have:

1.2.1 Demonstrated competence in his professional practice

1.2.2 Known integrity / probity

1.2.3 Demonstrated professional independence and leadership

1.2.4 Broad, relevant experience

- 1.2.5 Working knowledge on suitable geologic setting for certain mineral / metal exploration targets
- 1.2.6 Working knowledge of capital markets or sources of exploration funds
- 1.2.7 Sustained involvement in the promotion of the geological profession
- 1.2.8 Keen interest in the growth of the minerals industry in the Philippines
- 1.2.9 Knowledgeable with the various types of PMRC compliant reports which exploration and/or mining companies shall be required to prepare in compliance with the requirements issued by the:
 - PSE Implementing Rules and Regulations (IRR) pertaining to PMRC
 - SEC and other government agencies which will require PMRC compliant reports
 - Department of Environment and Natural Resources (DENR) / Mines and Geosciences Bureau (MGB) relative to the acquisition and maintenance of their mineral rights
 - Potential investors in the minerals industry
- 1.3 The term of appointment of CPAC members shall be three (3) years and may be extended by the BOD of GSP, with the consent of the appointee
- 1.4 To ensure the continuity of CPAC functions, no CPAC member shall leave his / her post until a replacement has been appointed by the BOD of GSP
- 1.5 The CPAC shall elect a **Chairperson and Vice-Chairperson**, each with tenure of one (1) year. The appointment of the Chairperson and Vice-Chairperson shall be on a rotational basis and shall be decided by the CPAC members
- 1.6 If a member of the CPAC intends to vacate his/ her position for any reason, the CPAC will submit their suitable nominee to the BOD of GSP who shall appoint the new CPAC member to replace the CPAC member immediately after he / she vacates his / her position.
- 1.7 Tasks and Functions of CPAC
 - 1.7.1 To assess the qualifications and relevant experience of geologists who are applying for accreditation as CP in Geology
 - 1.7.2 To recommend to the GSP President/BOD of GSP the CP applicant(s) who will pass the criteria for acceptance to become a CP Geologist
 - 1.7.3 To support the BOD of GSP in its efforts to continually update and upgrade the technical skills of the CPs and their knowledge of the PMRC
 - 1.7.4 To assist the BOD of GSP in formulating policy guidelines and operating procedures in the selection and accreditation of the CPs and the development / improvement of the GSP CP System

2. COMPETENT PERSON ACCREDITATION COMMITTEE (CPAC) SECRETARIAT

- 2.1 Organization of CPAC Secretariat
 - 2.1.1 The BOD of GSP shall appoint the Head and Vice-Head of the CPAC Secretariat
 - 2.1.2 The Head and Vice-Head shall be CPs
 - 2.1.3 The term of office shall be three (3) years, and may be extended by the BOD of GSP, with the concurrence of the appointees
 - 2.1.4 The Head of the CPAC Secretariat shall appoint additional members of the committee, upon consent of the GSP President/BOD of GSP
- 2.2 Tasks and functions of CPAC Secretariat:
 - 2.2.1 CPAC Secretariat shall undertake all the liaisoning between the CP applicant(s) and the CPAC and the GSP President/BOD of GSP. This includes acceptance and validation of required documents provided by the CP applicant(s), organizing the schedule and venue of the assessment/interview of the CP applicant(s) by the CPAC, relaying of the decisions of the CPAC to the GSP President / BOD of GSP with respect to the acceptance or deferment of CP applicant(s), and lastly, informing the CP applicant(s) if they are accepted or deferred.
 - 2.2.2 The CPAC Secretariat shall assist the BOD of GSP in arranging the schedule, venue and corresponding programme of the oath taking ceremony for new CPs
 - 2.2.3 The CPAC Secretariat shall put together a database of CP applicants and accredited CPs. It shall also compile and manage a digital library of PMRC compliant reports submitted to various agencies that are public domain documents. It shall also maintain a line of communications with CP Geologists.
 - 2.2.4 Upon the instructions from the CPAC, the CPAC Secretariat shall also take charge of the organization and conduct of GSP PMRC-related seminars and/or workshops, etc.

3. CREDENTIALS AND QUALIFICATIONS OF THE APPLICANTS FOR COMPETENT PERSON (CP) ACCREDITATION

- 3.1 CP applicants who are Filipino Citizens must satisfy the following:
 - 3.1.1 Valid and current PRC License in Geology
 - 3.1.2 Active GSP membership status for at least two (2) years prior to date of CP application. He / she should not be a current director of GSP.
 - 3.1.3 Minimum of five (5) years' experience in the field of ***mineral exploration and/or mineral resource estimation relevant to the style of mineralization and type of deposit under consideration***
 - 3.1.4 Current Professional Tax Receipt (PTR)
 - 3.1.5 Professional integrity
 - 3.1.6 Three (3) references and endorsements from reputable persons in the minerals industry, academe and/or government including one (1) CP

- 3.1.7 Self-certification that the CP applicant has competence and relevant experience in ***mineral exploration*** and/or ***mineral resource estimation*** and would be confident to prepare a PMRC compliant report. An appropriate section for this certification is provided in the CP application form.
 - 3.1.8 Demonstrated adequate knowledge of the PMRC and related IRR of the SEC/PSE and MGB
 - 3.1.9 Must convince the CPAC that he / she can prepare PMRC compliant reports
 - 3.1.10 Willingness to submit his /her technical reports for peer review
 - 3.1.11 Attended a CP Seminar prior to application
 - 3.1.12 Paid a non-refundable application / interview fee of PhP 2,000
- 3.2 CP Applicants who are Foreign Nationals **must** satisfy the following:
- 3.2.1 Comply with the laws of the Philippines such as those concerning the PRC, Bureau of Immigration and Deportation (BID), and Department of Labor and Employment (DOLE).
 - 3.2.2 Have a PRC permit to practice geology in the Philippines for short term or long term duration. An essential requirement for a PRC permit to practice geology in the Philippines is reciprocity. The reciprocity policy will allow Filipino geologists to practice his/her profession in the country of the foreign CP applicant.
 - 3.2.3 Have the appropriate academic qualification in geology equivalent to that obtained in the Philippines
 - 3.2.4 Be an active member of a **Recognized Overseas Professional Organization (ROPO)** in his / her country
 - 3.2.5 Be a CP or equivalent in his /her country
 - 3.2.6 Current Professional Tax Receipt (PTR)
 - 3.2.7 High professional integrity
 - 3.2.8 Three (3) references and endorsements from reputable persons in the minerals industry, academe and/or government including one (1) CP
 - 3.2.9 Self-certification that the CP applicant has competence and relevant experience in ***mineral exploration*** and/or ***mineral resource estimation*** and would be confident to prepare a PMRC compliant report. An appropriate section for this certification is provided in the CP application form
 - 3.2.10 Demonstrate adequate knowledge of the PMRC and related IRR of the SEC/PSE and MGB
 - 3.2.11 Must convince the CPAC that he / she can prepare PMRC compliant reports
 - 3.2.12 Willingness to submit his / her CP reports for peer review
 - 3.2.13 Attended a CP Seminar prior to application

3.2.14 Paid a non-refundable application / interview fee of PHP 2,000

4. PROCEDURE IN THE ASSESSMENT OF APPLICANTS FOR COMPETENT PERSON ACCREDITATION

4.1 All CP applicants are to submit their applications for CP accreditation and curriculum vitae (CV) to the CPAC Secretariat of the GSP. Only properly accomplished applications using the prescribed form shall be accepted. The Secretariat shall examine the applications to determine if all the requirements have been complied with. If a submitted application does not meet the requirements, the application will be returned to the applicant to rectify deficiencies. He / she may re-submit the application for processing.

4.2 The CPAC Secretariat will submit the CP applications and CVs for the CPAC to assess.

4.3 Upon instruction from the CPAC on the date, the CPAC Secretariat will organize the schedule and venue for the assessment/interview of the CP applicant(s)

4.4 During the assessment/interview, the CP Applicant(s) will be required to bring examples of his / her reports which would show his / her technical and writing capabilities

4.5 The CP applicant assessment will consist of two (2) parts, namely (1) written examination and (2) interview. The applicants will answer questions given by the Chairperson and each CPAC member to ascertain the following:

4.5.1 Technical Capability / Competence

- Evaluate experience against those declared area(s) of competence in the accomplished Application Form of the CP applicant, particularly those areas in mineral exploration and mineral resources which the applicant certified as being within his area of expertise;
- Assess significance of training in mineral exploration and/or mineral resource estimation;
- Assess significance of post-graduate qualification(s), particularly those relevant to mineral exploration and/or mineral resource estimation;
- Review papers, lectures or talks presented in conferences or symposia;
- Review list of written reports, technical publications and thesis or dissertation submitted to a university for a post-graduate degree;
- Evaluate capability to prepare a PMRC compliant report.

4.5.2 Professional Integrity

- Raise reservations / queries on the integrity of the CP applicant based on personal knowledge of a CPAC member;
- Check with the reference persons listed in the application;
- Verify employment record and position in a private organization, government agency or academic institution;
- Check with CP colleagues confidentially for their comments on the integrity of the CP applicant;
- Check the CP applicant's professional independence in belief or conviction.

4.5.3 Professional Independence

- 4.5.4 Accuracy and reliability of the credentials, qualifications and other information in each application form
- 4.6 After the assessment/ interview, the CPAC will meet en banc and vote to pass or defer the CP candidate's application
- 4.7 Decisions of the CPAC shall be submitted to the GSP President / BOD of GSP through the CPAC Secretariat
- 4.8 The GSP President, upon the authority granted by the BOD of GSP, shall formally inform the CP candidate of the outcome of his / her application through the CPAC Secretariat
- 4.8.1 Notice of acceptance of the newly accepted CP
- The CP accreditation is valid for three (3) years upon payment of the GSP accreditation fee of PhP 10,000.00 and taking the oath as CP. A CP dry seal and a CP certificate will be awarded during the oath-taking. The CP will be included in the GSP CP roster and reflected in the GSP website as soon as possible.
- 4.8.2 Notice of deferment to the applicant who was not successful in the interview
- An applicant whose CP application was deferred has the option to resubmit his / her CP application at a later time

5 RENEWAL OF CP ACCREDITATION

- 5.1 The CP accreditation is renewable every three (3) years once the CP fulfill the following two (2) minimum requirements, namely (1) attendance in at least two PMRC-related seminars or workshops in the immediate past 3-year period, or in the event that the CP is unable to fulfill attendance to two seminars or workshops organized by the CPAC, for one reason or another, i.e. failure of CPAC to organize seminars or workshops during the validity of the CP's accreditation; field assignment of the CP within or outside the Philippines, the CP may submit a conference paper or recent CP report or article relevant for CPs for evaluation by the CPAC in lieu of the requirement of attendance to two CPAC-organized seminars; and (2) payment of the CP accreditation fee of PhP 10,000.00 and the corresponding GSP membership fee of PhP 3,000.00 for the 3-year renewal period.

4.1.1 CP may attend the seminars and/or workshops as learner or as lecturer.

- 5.2 If a CP has not renewed his / her CP accreditation within one (1) month upon expiry of the accreditation, the GSP will designate the concerned CP as being on "Inactive Status" in its records and website, specifically the GSP webpage listing the CPs as well as requirements as may be directed by the PSE and other government agencies such as the MGB. This will be consistent with the present GSP practice relative to GSP members who do not pay their annual membership fees. Furthermore, this will ensure fairness among CPs who pay their re-accreditation fees regularly.

Upon fulfilling the requirements for CP re-accreditation, the concerned CP will be put in the "Active Status" list as soon as possible.

6. COMPETENT PERSON UPGRADE PROGRAMS

- 6.1 The CPAC shall organize CP Seminars specifically for prospective CPs on PMRC and its relevant IRR and other issues relating to the implementation of PMRC. This should be scheduled at least once a year and should include the following topics:
 - 6.1.1 Background on the formulation of the PMRC
 - 6.1.2 Substance / significance and essential provisions of the PMRC
 - 6.1.3 Checklist of assessment and Reporting Criteria
 - 6.1.4 Outline of CP Report
 - 6.1.5 Code of Ethics of GSP in relation to the PMRC
 - 6.1.6 IRR of PMRC for PSE and DENR Administrative Order 2010-09, and
 - 6.1.7 Other relevant topics which will enlighten prospective CPs on the PMRC.

- 6.2 Other PMRC-related seminars and/or workshops for CPs will be organized by the CPAC to update the CPs on PMRC implementation and improve the competence of the CPs such as providing talks in best practices in mineral resource estimation methods, quality assurance (QA) and quality control (QC) procedures, tasks related to CP report preparation, etc.
 - 6.2.1 Resource persons for these seminars and/or workshops will be tapped by the CPAC
 - 6.2.2 The seminars and/or workshops will be scheduled on such dates that may optimize the attendance of CPs
 - 6.2.3 The aforementioned seminars and/or workshops will be part of the Continuing Professional Development of CPs with respect to PRC requirement

7. CP-RELATED MATTERS IN THE GSP ETHICS COMMITTEE

The BOD of GSP shall appoint at least two (2) former CPAC members in the GSP Ethics-Committee to ensure that the said Committee is able to attend to relevant complaints related to some CP professional activities.