

GEOLOGICAL SOCIETY OF THE PHILIPPINES
MINERAL REPORTING CODE COMMITTEE GUIDELINES
RELATIVE TO THE PHILIPPINE MINERAL REPORTING CODE

by

The GSP Mineral Reporting Code Committee (MRCC)
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INTRODUCTION

In July 2007, the Geological Society of the Philippines (GSP) adopted the Philippine Mineral Reporting Code (PMRC) or “the Code”, which was then compatible with international mineral reporting codes such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2004 Edition), and the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) International Reporting Template 2006, 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, together with its Implementing Rules and Regulations (IRR) 2010 Edition, 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).

On November 22, 2018, GSP signed a Memorandum of Understanding (MOU) with the Society of Metallurgical Engineers of the Philippines (SMEP) and the Philippine Society of Mining Engineers (PSEM), establishing the Philippine Mineral Reporting Code Committee (PMRCC) as Parent Organizations, thereby forming the Philippine National Reporting Organization (NRO) with two (2) purposes, namely

(1) to maintain and improve the standards for the public reporting of Exploration Results, Mineral Resources, Ore Reserves, and metallurgical assessments and design related to mining in the Philippines, which have been established through the development and promulgation of the **PMRC 2007**, and

(2) to ensure that the PMRC is aligned and substantially comparable with internationally recognized reporting standards such as that of the International Reporting Template of **CRIRSCO**.

In addition to the three (3) Parent Organizations, five (5) minerals industry-related organizations had joined PMRCC as Associate Organizations. These are the Philippine Stock Exchange (PSE), the Chamber of Mines of the Philippines (COMP), the Philippine Mining and Exploration Association (PMEA), the Philippines-Australia Business Council (PABC), and Philippine Chamber of Coal Mines (PHILCOAL). In the next years, PMRCC is still hoping to attract a few more Associate Organizations.

On February 27, 2019, the PMRCC signed a Memorandum of Understanding (MOU) with CRIRSCO wherein CRIRSCO will assist PMRCC in revising and upgrading the PMRC 2007 to a CRIRSCO-compatible Code that will apply in the Philippines. Once the Code is approved, it is the intention of PMRCC to apply for CRIRSCO membership.

As of October 2020, PMRCC had submitted the final draft of the PMRC 2020 Edition for review and adoption prior to its approval by the Securities and Exchange Commission (SEC).

In order to fully fulfill GSP’s obligations and responsibilities to the PMRCC, the GSP’s Mineral Reporting Code Committee (MRCC) will expand the role of the Competent Person Accreditation Committee (CPAC) to implementing all aspects of GSP’s obligations and responsibilities to the PMRCC. This is in addition to the original objective and program of accrediting geologists with adequate qualifications, experience and competence in mineral exploration, mineral resource estimation, and related activities to become Competent Persons (CPs) or CP Geologists. The CP Geologist shall be authorized to prepare PMRC compliant technical reports on Exploration Results and/or Mineral Resources in accordance with the requirements of the PSE,

SEC, and MGB.

This document formalizes the organizational set up, role, and responsibilities of the GSP's Mineral Reporting Code Committee (MRCC) and its MRCC 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 MRCC in improving the quality of work undertaken by the CPs and guides the GSP Board of Trustee (BOT) in formulating policies for the CP program.

1. MRCC ORGANIZATION SET UP OF MRCC WITH RESPECT TO GSP

The MRCC is a committee of the GSP. Appendix 1 illustrates the relationship of the MRCC, its Secretariat, and CPAS with respect to GSP and its BOT.

2. MRCC AND CPAS' ROLES AND RESPONSIBILITIES

The Mineral Reporting Code Committee (MRCC) is a GSP committee authorized mainly, (1) to provide guidance and assistance to the GSP Board of Trustees (BoT) with respect to the Philippine Mineral Reporting Code (PMRC) and the Philippine Mineral Reporting Code Committee (PMRCC); and (2) to accredit qualified geologists to become Competent Persons (CPs) in Geology in accordance with the PMRC.

2.1 MRCC Member's Appointment

The MRCC is composed of the Chair, the Vice-Chair, five (5) members of the Competent Persons Accreditation Subcommittee (CPAS) and any other representative(s) of GSP to PMRCC and/or CRIRSCO, if any, if not included among the original seven (7) of this Committee. appointed by the BOT of GSP from the pool of CP Geologists and is accountable to the BOT of GSP. The organizational set up is shown in Appendix 1.

2.2 Qualifications of MRCC Members

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

- 2.2.1 Demonstrated competence in his professional practice
- 2.2.2 Known integrity / probity
- 2.2.3 Demonstrated professional independence and leadership
- 2.2.4 Broad, relevant experience
- 2.2.5 Working knowledge on suitable geological setting for certain mineral occurrence(s) or deposit(s)
- 2.2.6 Working knowledge of capital markets or sources of exploration funds
- 2.2.7 Sustained involvement in the promotion of the geological profession
- 2.2.8 Keen interest in the growth of the minerals industry in the Philippines

2.2.9 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

2.3 The term of appointment of MRCC members shall be three (3) years and may be extended by the BOT of GSP, with the consent of the appointee

2.4 To ensure the continuity of MRCC functions, no MRCC member shall leave his/her post until a replacement has been appointed by the BOT of GSP

2.5 The MRCC shall elect a **MRCC Chairperson and Vice-Chairperson**, and a **CPAS Sub-Chairperson and Vice-Sub-Chairperson**, each with tenure of one (1) year. The appointment of the MRCC Chairperson and Vice-Chairperson shall be decided by the MRCC members and should have been a CPAS member for at least three (3) years, while the appointment of the CPAS Chairperson and Vice-Chairperson shall be decided by the CPAS

2.6 If a member of the MRCC intends to vacate his/ her position for any reason, the MRCC will submit their suitable nominee to the BOT of GSP who shall appoint the new MRCC member to replace the MRCC member immediately after he / she vacates his/her position.

2.7 Tasks and Functions of MRCC

2.7.1 To assist the BOT of GSP in formulating/revising policy guidelines and operating procedures in all aspects of GSP's obligations and responsibilities to the PMRCC including the selection and accreditation of the CPs and the development / improvement of the GSP CP System

2.7.2 The MRCC Chairperson and Vice-Chairperson shall be the two (2) automatic GSP representatives to PMRCC (hereby designated as "PMRCC Members")

2.7.3 To support the BOT of GSP in its efforts to continually update and upgrade the technical skills of the CPs and their knowledge of the PMRC

2.8 Tasks and Functions of CPAS

2.8.1 To assess the qualifications and relevant experience of geologists who are applying for accreditation as CP in Geology

2.8.2 To recommend to the GSP President/BOT of GSP the CP applicant(s) who will pass the criteria for acceptance to become a CP Geologist

3. **MINERAL REPORTING CODE COMMITTEE (MRCC) SECRETARIAT**

3.1 Organization of MRCC Secretariat

3.1.1 The MRCC shall appoint the Head and Vice-Head of the MRCC Secretariat

- 3.1.2 The Head and Vice-Head shall be CPs
- 3.1.3 The term of office shall be three (3) years, and may be extended by the MRCC, with the concurrence of the appointees
- 3.1.4 The Head of the MRCC Secretariat shall appoint additional members, upon consent of the MRCC

3.2 Tasks and functions of MRCC Secretariat:

- 3.2.1 MRCC Secretariat shall undertake all the liaising between the CP applicant(s) and the CPAS and the GSP President/BOT 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 CPAS, relaying of the decisions of the CPAS to the GSP President / BOT 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.
- 3.2.2 The MRCC Secretariat shall assist the MRCC and the BOT of GSP in arranging the schedule, venue and corresponding program of the oath taking ceremony for new CPs
- 3.2.3 The MRCC Secretariat shall put together a database of CP applicants and accredited CPs. It shall also endeavor to 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.
- 3.2.4 Upon the instructions from the MRCC, the MRCC Secretariat shall also take charge of the organization and conduct of GSP PMRC-related seminars and/or workshops, etc.
- 3.2.5 The Head and/or Vice-Head shall be the GSP representative(s) to the PMRCC Secretariat to facilitate easy communication of PMRC-related matters among GSP, MRCC and PMRCC.

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

- 4.1 CP applicants, who are Filipino Citizens, must satisfy the following:
 - 4.1.1 Valid and current PRC License in Geology
 - 4.1.2 Active GSP membership status for at least two (2) years prior to date of CP application. He / she should not be a current Trustee of GSP.
 - 4.1.3 Minimum of five (5) years' relevant experience in the field of ***mineral exploration and/or mineral resource estimation relevant to the style of mineralization and type of deposit under consideration***
 - 4.1.4 Current Professional Tax Receipt (PTR)
 - 4.1.5 Professional integrity

- 4.1.6 Three (3) references and endorsements from reputable persons in the minerals industry, academe and/or government including one (1) CP in “Active Status”
- 4.1.7 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.
- 4.1.8 Demonstrated adequate knowledge of the PMRC and related IRR of the SEC/PSE, and related regulations from relevant government agencies such as the MGB
- 4.1.9 Must convince the CPAS that he / she can prepare PMRC compliant reports
- 4.1.10 Willingness to submit his /her technical reports for peer review
- 4.1.11 Attended a CP or PMRC Seminar prior to application
- 4.1.12 Paid a non-refundable application / interview fee of PhP 2,000
- 4.2 CP Applicants, who are Foreign Nationals, **must** satisfy the following:
 - 4.2.1 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).
 - 4.2.2 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.
 - 4.2.3 Have the appropriate academic qualification in geology equivalent to that obtained in the Philippines
 - 4.2.4 Be an active member of a **Recognized Professional Organization (RPO)** in his/her country
 - 4.2.5 Be a CP or equivalent in his /her country
 - 4.2.6 Current Professional Tax Receipt (PTR)
 - 4.2.7 High professional integrity
 - 4.2.8 Three (3) references and endorsements from reputable persons in the minerals industry, academe and/or government including one (1) CP in “Active Status”
 - 4.2.9 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
 - 4.2.10 Demonstrate adequate knowledge of the PMRC and related IRR of the SEC/PSE, and related regulations from relevant government agencies such as the MGB
 - 4.2.11 Must convince the CPAS that he / she can prepare PMRC compliant reports

4.2.12 Willingness to submit his/her CP reports for peer review

4.2.13 Attended a CP or PMRC Seminar prior to application

4.2.14 Paid a non-refundable application / interview fee of PhP 2,000

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

5.1 All CP applicants are to submit their applications for CP accreditation and curriculum vitae (CV) to the MRCC 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.

5.2 The MRCC Secretariat will submit the CP applications and CVs for the CPAS to assess.

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

5.4 The CP applicant shall pay a non-fundable CP application fee of PhP 2,000.00 prior to the CP assessment/interview.

5.5 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

5.6 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 CPAS and each CPAS member to ascertain the following:

5.6.1 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.

5.6.2 Professional Integrity

- Raise reservations / queries on the integrity of the CP applicant based on personal knowledge of a CPAS 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.

5.6.3 Professional Independence

5.6.4 Accuracy and reliability of the credentials, qualifications, and other information in each application form

5.7 After the assessment/ interview, the CPAS will meet en banc and vote to pass or defer the CP candidate's application by majority decision

5.8 Decisions of the CPAS shall be conveyed to the MRCC Chairperson or his designate in his absence and submitted to the GSP President / BOT of GSP through the MRCC Secretariat

5.9 The GSP President, upon the authority granted by the BOT of GSP, shall formally inform the CP candidate of the outcome of his/her application through the MRCC Secretariat.

5.9.1 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 plus the 3 years annual GSP membership dues, unless he/she is a GSP Life Member, 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.

4.9.2 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

5.10 Resolved last September 7, 2011 by the GSP BOT, GSP is waiving of all of the CP fees, both application and accreditation fees, for any geologist of the Department of Environment & Natural Resources (DENR) / Mines & Geosciences Bureau (MGB) applying as CP. Once, the aforementioned government geologist is no longer connected with DENR or MGB, and the geologist would be undertaking CP work and signing technical reports as a CP, then the appropriate CP accreditation fee will have to be paid by the said geologist.

The above BOT resolution is in view of the following premises: (1) DENR DAO No. 2010-09 stipulates that all reporting Exploration Results, Mineral Resources, and Ore Reserves by exploration/mining companies to the DENR and MGB should be in accordance with the PMRC and that all such reports are to be prepared by CPs; (2) Government geologists are financially constrained in paying the CP fees, both application and three-year accreditation fees, and (3) GSP would like to encourage the DENR/MGB to have CP Geologists among their ranks to evaluate company reports.

6. RENEWAL OF CP ACCREDITATION

6.1 A CP who has not paid his/her CP fees after the expiration of his/her three-year accreditation period is to be informed formally by the MRCC Secretariat of their status and the minimum

requirements to renew his/her three-year CP accreditation which shall include the following: (1) attendance in at least two (2) PMRC-related seminars in the immediate past 3-year period, or in the event that the CP is unable to fulfill attendance to two (2) seminars organized by CPAC, for one reason or another, i.e., failure of MRCC to organize seminars during the validity of a CP's accreditation; field assignment of the CP within or outside of the Philippines, the CP may submit a conference paper or recent CP report or article relevant for CPs for evaluation by the CPAS in lieu of the requirement of attendance to two (2) PMRC-related seminars; and (2) payment of the CP Accreditation Fee of PHP 10,000.00 and the corresponding GSP membership fee for the 3-year renewal period, unless the CP is a GSP Life Member. Furthermore, this reminder letter should also advise the concerned CP of the deadline to comply with both requirements, and the action that the GSP will take if this deadline is not met.

- 6.2 CP may attend the PMRCC-related seminars and/or workshops as learner, presenter speaker and/or moderator.
- 6.3 Upon compliance of the aforementioned requirements, the CP re-accreditation will be effected and the three-year renewal will start on the date of payment.
- 6.4 If the aforementioned requirements are not met on or before the deadline, 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 other requirements as may be directed by the Philippine Stock Exchange and other government agencies such as the Mines & Geosciences Bureau. 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.
- 6.5 Upon fulfilling the requirements for CP re-accreditation, the concerned CP will be put in the "Active Status" list as soon as possible.

7. COMPETENT PERSON UPGRADE PROGRAMS

- 7.1 The MRCC 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:
 - 7.1.1 Background on the formulation of the PMRC
 - 7.1.2 Substance / significance and essential provisions of the PMRC
 - 7.1.3 Checklist of assessment and Reporting Criteria
 - 7.1.4 Outline of CP Report
 - 7.1.5 Code of Ethics of GSP in relation to the PMRC
 - 7.1.6 IRR of PMRC for PSE and DENR Administrative Order 2010-09, and
 - 7.1.7 Other relevant topics which will enlighten prospective CPs on the PMRC.
- 7.2 Other PMRC-related seminars, workshops and/or conferences for CPs will be organized by the MRCC, preferably with PMRCC coordination, 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.

- 7.2.1 Resource persons for these seminars, workshops and/or conferences will be tapped by the MRCC
- 7.2.2 The seminars, workshops and/or conferences will be scheduled on such dates that may optimize the attendance of CPs
- 7.2.3 The aforementioned seminars, workshops and/or conferences will be part of the Continuing Professional Development of CPs as required by the CPD law and its regulations

8. CP-RELATED MATTERS IN THE GSP ETHICS COMMITTEE

The BOT of GSP shall appoint at least two (2) MRCC members and one (1) former MRCC member in the GSP Ethics-Committee to ensure that the said Committee is able to attend to relevant complaints related to some CP professional activities.

APPENDIX 1. GSP Mineral Reporting Code Committee (MRCC) Organizational Chart

