



Manabat Sanagustin & Co., CPAs

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Mining

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This industry update from Manabat Sanagustin & Co. CPAs is a biweekly collection of the latest news and developments from the country's Information, Communications & Entertainment segment. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business (LOB), interesting and useful.

World's 5th biggest mining firm eyes RP

Harmony Gold Mining Limited, the fifth largest gold producer in the world with operations in South Africa, Australia and Papua New Guinea has expressed interest in investing in the Philippine mining sector. Harmony expressed its interest in the Philippines to Environment and Natural Resources Secretary Horacio C. Ramos on the sidelines of the recently concluded Asia Mining Congress in Singapore. According to Ramos and Mines and Geosciences Bureau (MGB) director Edwin Domingo, Harmony is looking, among others, at Oceana Gold's Didipio copper-gold project which is currently on maintenance operation only. Oceana Gold has suspended mining operations at its Didipio copper-gold project and is merely maintaining the site. Oceana Gold has been seeking interested investors in the project. Aside from Harmony, Ramos and Domingo said, CGA Mining Ltd. had likewise expressed interest in Oceana Gold's Didipio project as well as Benguet Corp.'s King-King mines among other investment prospects. The Japan, Oil, Gas and Metals National Corp. (JOGMEC), likewise, Ramos said, has also expressed interest in looking for copper-gold projects in Northern Luzon.

<http://www.philstar.com/Article.aspx?articleId=563502&publicationSubCategoryId=66>

Nihao acquires stake in nickel mining firm

MANILA, Philippines - Publicly-listed mining firm Nihao Mineral Resources International Inc. has acquired a third of Oriental Vision Mining Philippines Corp. (ORVI) for P3 million. In a disclosure to the Philippine Stock Exchange, Nihao said it acquired from various shareholders a 30 percent equity interest in ORVI, which is currently developing and operating three nickel projects located in Dinagat Islands, Surigao del Norte and Isabela provinces. ORVI is a 100 percent Filipino-owned multi-mineral mining venture chaired by businessman Salvador B. Zamora II. Nihao said it has also agreed to extend shareholder advances in favor of ORVI, payable either in [cash](#) or in shares of stock. The company said it is committed to acquire an additional 60,000 shares from current ORVI shareholders for P60 million pending approval by the Securities and Exchange Commission of Nihao's increase in authorized capital stock to P400 million. The company has six wholly-owned subsidiaries that are engaged in mining exploration and small-scale mining activities.

<http://www.philstar.com/Article.aspx?articleId=561577&publicationSubCategoryId=66>

San Miguel in talks for coal mines

Philippine food-to-power conglomerate San Miguel Corp. said on Thursday it is looking at acquiring more coal mines to support its expansion into coal power projects. San Miguel, through unit SM Energy Corp., plans to build coal-fired plants with a capacity of 150 to 300 megawatts in the southern Philippines.

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"SM Energy has received offers for sale of coal mines located in Mindanao and initial talks between SM Energy and the proponents of such coal mines have been held," San Miguel said in a statement to the stock exchange. Earlier this month, SM Energy bought a coal mine on Mindanao island. The planned power project would cost up to \$300 million and is expected to be on stream by 2010.
<http://www.abs-cbnnews.com/business/03/25/10/san-miguel-talks-coal-mines>

Philex Mining looking for gold and copper ventures in Indonesia; to study Diwalwal mine

HONG KONG-backed Philex Mining Corp. is exploring mining acquisitions both here and abroad aside from participating in a bidding for a mine at the Mt. Diwalwal gold-rush area in Mindanao. "We are taking a look at Mt. Diwalwal [but] that is not the only mining tenement [that we are interested in.] We are looking at other mining opportunities here and abroad," Philex Mining Chairman Manuel V. Pangilinan said in a chance interview. Mr. Pangilinan said the group was particularly interested in metal-rich Indonesia, the world's second-largest producer of tin and the third-largest copper producer. Philex Mining plans to conduct due diligence on the 8,100-hectare Diwalwal mining area, notifying the bourse last week that it might submit a proposal to state-owned Philippine Mining Development Corp. should the result of the study turn out to be favorable. Philex Mining is the country's largest mining company whose mining tenements include the gold-copper Padcal mine in Benguet province and the 5,184-hectare Silangan gold and copper project in Surigao del Norte.
<http://www.bworld.com.ph/main/content.php?id=8118>

Zamboanga mine yields \$18M for TVI Pacific

CANADIAN MINER TVI Pacific, Inc. posted profits last year after its Canatuan copper mine in Zamboanga del Norte reached full-scale operation. The firm said in a statement yesterday that net income reached \$18.32 million last year, a turnaround from a loss of \$12.71 million reported in the previous year. Revenue jumped to \$67.1 million from \$5.97 million in 2008. "A number of factors have contributed to our financial and operational success. After the sulphide plant at the Canatuan mine reached commercial production in March [last year], we were able to consistently ship concentrate almost every four weeks to generate cash flow," TVI Pacific President Cliff James said in the statement. Mr. James said the steady state of operations, as well as process improvements in Canatuan and the improvement in copper prices during the year, further strengthened the company's cash position. "This has allowed us to fast-track development drilling at Balabag gold project, pursue mine life expansion opportunities at Canatuan and advance plans to resume exploration activities at Tamarok," Mr. James said.
<http://www.bworld.com.ph/main/content.php?id=8194>

Gov't awards exploration permits to 17 mining companies

THE GOVERNMENT has given the go-signal for 17 companies to start exploring their mining tenements in line with a goal of boosting interest in the capital-intensive industry. Data from the Mines and Geosciences Bureau (MGB) showed that since the year started, it has already approved 20 new exploration permits covering a total area of 122,000 hectares nationwide. An exploration permit, which allows a qualified person to undertake exploration activities for mineral resources in certain areas open to mining, has a term of two years, but can be renewed. The miners are interested to explore areas deemed to be rich in chromite, copper, gold, nickel, silver, manganese and magnetite sand. In February, MGB approved the exploration permit of Emir Mineral Resources Corp. which is interested to explore a 179-hectare (ha.) mining tenement at Homonhon Island in Eastern Samar for chromite. This month, MGB approved the exploration permits of 16 miners. These include OZ Metals Exploration and Development Corp. for a 1,400 has. in Davao Oriental; Kumakata Mining Co., Inc. for a 3,499-ha. mining tenement in Batangas; Affluere Minerals Corp. for 1,663 has. in Sta. Cruz, Marinduque; Egerton Gold Philippines, Inc. for a 2,451-ha. tenement in Lobo, Batangas; and MRL Gold Philippines, Inc. for 2,991 has. in several areas in Batangas. These firms are looking for gold, copper and silver.
<http://www.bworld.com.ph/main/content.php?id=8300>

Benguet Corp. exits Kalinga mine project

Benguet Corp. has exited from a joint venture project to develop the Batong Buhay copper-gold mine in Pasil town, Kalinga. In a disclosure to the Philippine Stock Exchange, Benguet Corp. said it signed on March 31 a "disengagement agreement" with the Balatoc Tribe. The company said management decided to withdraw from the project after carefully studying its future prospects and the risks involved. "Although the property has good geological potentials, certain unresolved issues with regard to tribal conflicts... and engineering constraints have eroded the company's confidence in ... the project," BC said. "The company's various investments and advances in the project will be reimbursed by the tribe through the entry of a new investor." According to the Philippine Mining Development Corp., the Batong Buhay property is a copper-gold area with reserves estimated at 86.9 million metric tons with 0.599 percent copper and 0.253 grams of gold per metric ton.
<http://business.inquirer.net/money/topstories/view/20100405-262532/Benguet-Corp-exits-Kalinga-mine-project>

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**Philippine Stock Exchange Weekly Top Gainers
March 29 to March 31, 2010**

Last Trade Price, Comparative Price Change & Total Value

Rank	Stock	Last Traded Price (in P)	Comparative Price Change (%)		Total Value (in P'000)
			1 Week	4 Weeks	
	Prime Gaming Philippines, Inc.	25.00	23.46	4.17	5
2	Philippine Seven Corporation "Common"	13.75	19.57	19.57	19
3	Manchester International Holdings Unlimited Corporation	1.20	17.65	13.21	16
4	Interport Resources Corporation "B"	0.75	15.38	1.35	127
5	Leisure & Resorts World Corporation	2.02	12.22	44.29	14,518
6	Manila Mining Corporation "A"	0.0200	11.11		7,797
7	Vitarich Corporation	0.35	9.38	12.90	13
8	Acesite (Philippines) Hotel Corporation	3.00	9.09	-1.64	6
9	South China Resources, Inc.	2.65	8.61	7.72	7,919
10	Interport Resources Corporation "A"	0.76	8.57	-11.63	8

**Philippine Stock Exchange Weekly Top Gainers
March 29 to March 31, 2010**

PER, EPS & BPV

Rank	Stock	PER	EPS	PBV
1	Prime Gaming Philippines, Inc.	29.54	0.85	11.63
2	Philippine Seven Corporation "Common"	34.24	0.40	4.70
3	Manchester International Holdings Unlimited Corporation	3.40	0.35	0.58
4	Interport Resources Corporation "B"	-2.47	-0.30	3.64
5	Leisure & Resorts World Corporation	10.82	0.19	1.23
6	Manila Mining Corporation "A"	-31.99	-0.001	3.37
7	Vitarich Corporation	-0.63	-0.56	0.18
8	Acesite (Philippines) Hotel Corporation	115.03	0.03	0.28
9	South China Resources, Inc.	34.94	0.08	4.66
10	Interport Resources Corporation "A"	-2.50	-0.30	3.69

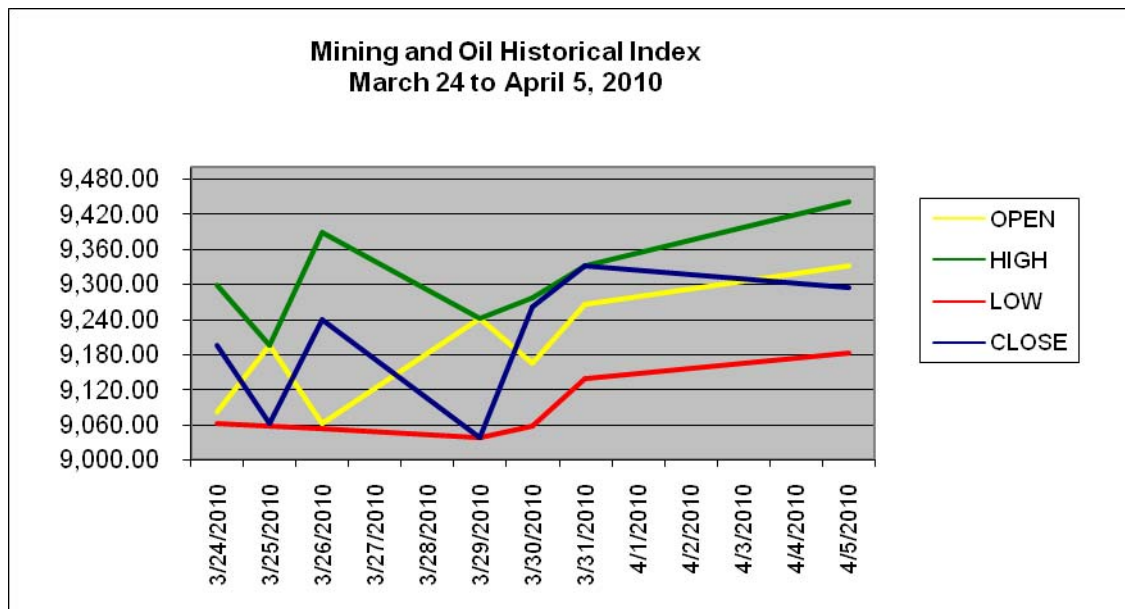
Source: Philippine Stock Exchange, Weekly Market Watch,

**Philippine Stock Exchange Index Composition for Mining and Oil
As of MON APR 05, 2010 12:10:00 PM**

SECURITY NAME	PRICES	OUTSTANDING SHARES	FREE FLOAT LEVEL	FREE FLOA ADJUSTED MARKET CAPITALIZAT
APEX MINING COMPANY, INC. "A"	2.40	458,981,818	26.0 %	286,404,65

APEX MINING COMPANY, INC. "B"	2.40	295,731,885	28.0 %	198,731,821
ATLAS CONSOLIDATED MINING & DEVELOPMENT CORPORATION	10.00	1,048,931,882	43.0 %	4,510,407,091
GEOGRACE REOURCES PHILIPPINES, INC.	0.69	2,522,105,615	98.0 %	1,705,447,811
LEPANTO CONSOLIDATED MINING COMPANY "A"	0.215	19,721,947,347	85.0 %	3,604,185,871
LEPANTO CONSOLIDATED MINING COMPANY "B"	0.22	13,145,619,988	84.0 %	2,429,310,571
MANILA MINING CORPORATION "A"	0.019	120,862,277,583	62.0 %	1,423,757,621
MANILA MINING CORPORATION "B"	0.019	80,517,583,773	66.0 %	1,009,690,501
NiHao Mineral Resources International, Inc.	4.10	600,000,000	61.0 %	1,500,600,000
OMICO CORPORATION	0.0075	105,046,167,332	85.0 %	669,669,311
ORIENTAL PETROLEUM & MINERAL CORPORATION "A"	0.013	120,000,000,000	64.0 %	998,400,000
ORIENTAL PETROLEUM & MINERAL CORPORATION "B"	0.014	80,000,000,000	64.0 %	716,800,000
THE PHILODRILL CORPORATION	0.013	191,868,805,358	49.0 %	1,222,204,291
PHILEX MINING CORPORATION	13.50	4,910,128,250	52.0 %	34,469,100,311

Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices



Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices

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